

**THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE 520 CIVIL PENALTY ACCOUNT
STATE FISCAL YEAR 2016, QUARTER JUNE 30, 2016**

	NOTE	JULY THROUGH SEPT	OCT THROUGH DEC	JAN THROUGH MAR	APRIL THROUGH JUNE	YEAR TO DATE
REVENUES						
Civil penalty	1	\$ 1,225,355	\$ 931,902	\$ 727,797	\$ 1,473,189	\$ 4,358,243
Interest income		18,536	13,258	15,053	45,430	92,277
TOTAL REVENUES		<u>1,243,891</u>	<u>945,160</u>	<u>742,850</u>	<u>1,518,619</u>	<u>4,450,520</u>
EXPENDITURES						
Goods and Services						
Adjudication system vendor contract	2	245,934	142,365	157,990	156,688	702,977
Administrative hearing	3	75,508	15,298	30,255	62,296	183,357
Credit card and bank fees		39,984	14,652	14,422	24,994	94,052
Other	4	40,116	88,251	69,548	157,229	355,144
Total Goods and Services		401,542	260,566	272,215	401,207	1,335,530
Salaries and benefits		43,244	27,858	33,710	39,551	144,363
Capital Outlay	5	717,752	2,046,128	3,142,765	4,418,186	10,324,830
TOTAL EXPENDITURES		<u>1,162,538</u>	<u>2,334,553</u>	<u>3,448,690</u>	<u>4,858,944</u>	<u>11,804,724</u>
EXCESS OF REVENUES OVER EXPENDITURES		<u>81,353</u>	<u>(1,389,393)</u>	<u>(2,705,840)</u>	<u>(3,340,325)</u>	<u>(7,354,204)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers out -		-	-	-	(815,000)	(815,000)
TOTAL OTHER FINANCING USES		-	-	-	(815,000)	(815,000)
NET CHANGE IN FUND BALANCE		81,353	(1,389,393)	(2,705,840)	(4,155,325)	(8,169,204)
FUND BALANCE - BEGINNING		18,510,019	18,591,372	17,201,980	14,496,140	18,510,019
FUND BALANCE - ENDING		<u>\$ 18,591,372</u>	<u>\$ 17,201,980</u>	<u>\$ 14,496,140</u>	<u>\$ 10,340,815</u>	<u>\$ 10,340,815</u>

The notes to the financial statements are an integral part of this statement.

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Tolling Subsidiary Accounting System – Repeat independent audits have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes

1. **Civil Penalty Revenue** – Revenue earned when any of the following conditions exist: (a) Payment of Notice of Civil Penalty is received, or (b) Notice of Civil Penalty payment due date passes without receiving a request for an administrative hearing, or (c) an Administrative Law Judge upholds the Notice of Civil Penalty.
2. **The Adjudication System Vendor Contract** – 520 Bridge share of the adjudication system vendor contract with ETCC for the adjudication system module.
3. **Administrative hearing** – The Office of Administrative Hearings (OAH) has the necessary expertise to provide fair and impartial Administrative Law Judges (ALJs) to preside over the toll violation dispute processes. OAH provides ALJs to preside over and/or decide the toll violation disputes. These costs include labor hours for the ALJs for their services performed for Toll Adjudication, Training and Administration.
4. **Other Goods and Services** – Expenditures for the 520 Bridge's share of adjudication costs. These costs include supplies, communications, services provided by outside vendors, printing, and settlement costs. Beginning May 2016, WSDOT contracted with Department of Enterprise Services (DES) to provide mailing services.
5. **Capital Outlay** – Proviso funding for the SR 520 Westside Joint Design Development.