

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 16 TACOMA NARROWS BRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2021, QUARTER ENDED JUNE 30, 2021

| | NOTES | JUL THROUGH SEP | OCT THROUGH DEC | JAN THROUGH MAR | APR THROUGH JUN | YEAR-TO-DATE |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| REVENUES | | | | | | |
| Toll revenue | 1 | \$ 20,041,779 | \$ 17,924,410 | \$ 17,450,680 | \$ 20,797,662 | \$ 76,214,531 |
| Civil penalty | 2 | 210,706 | 641,355 | 759,304 | 1,654,604 | 3,265,969 |
| Transponder sales | 3 | 93,674 | 85,972 | 91,256 | 110,028 | 380,931 |
| Toll vendor contractual damages | 4 | 711 | 1,480 | 1,539 | 143,789 | 147,518 |
| Toll bill reprocessing fee | 5 | 115,461 | (65,727) | 330,200 | 91,319 | 471,252 |
| Interest income | | 40,104 | 67,865 | 63,094 | 52,242 | 223,305 |
| Miscellaneous | 6 | (642) | 5,275 | 3,446 | 81,659 | 89,738 |
| TOTAL REVENUES | | <u>20,501,793</u> | <u>18,660,631</u> | <u>18,699,518</u> | <u>22,931,303</u> | <u>80,793,244</u> |
| EXPENDITURES | | | | | | |
| Goods and Services | | | | | | |
| Toll operations vendor contracts | 7 | 2,260,955 | 2,228,332 | 2,285,412 | 2,529,334 | 9,304,033 |
| Insurance | 8 | 1,253,511 | 4,730 | 4,730 | 4,730 | 1,267,702 |
| Credit card and bank fees | | 429,215 | 401,824 | 395,550 | 551,296 | 1,777,885 |
| Transponder cost of goods sold | 9 | 56,567 | 52,129 | 56,224 | 78,194 | 243,115 |
| Pay-by-mail | | 130,437 | 136,038 | 133,459 | 153,460 | 553,393 |
| Other | 10 | 79,683 | 82,093 | 93,794 | 95,638 | 351,208 |
| Total Goods and Services | | <u>4,210,368</u> | <u>2,905,147</u> | <u>2,969,169</u> | <u>3,412,653</u> | <u>13,497,337</u> |
| Personal service contracts | 11 | 150,734 | 156,039 | 133,167 | 178,287 | 618,226 |
| Salaries and benefits | | 309,091 | 316,010 | 359,101 | 347,016 | 1,331,219 |
| Civil penalty adjudication costs | 12 | 122,188 | 149,565 | 152,181 | 136,922 | 560,857 |
| Maintenance and preservation | 13 | 256,941 | 156,570 | 179,191 | 172,767 | 765,469 |
| Other Agency/Program Expenditures | 14 | | 579,000 | 289,500 | 589,298 | 1,457,798 |
| TOTAL EXPENDITURES | | <u>5,049,323</u> | <u>4,262,330</u> | <u>4,082,310</u> | <u>4,836,943</u> | <u>18,230,906</u> |
| EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | <u>15,452,470</u> | <u>14,398,300</u> | <u>14,617,208</u> | <u>18,094,360</u> | <u>62,562,338</u> |
| OTHER FINANCING USES | | | | | | |
| Operating transfer in | | 1,567,875 | 1,567,875 | 1,567,875 | 7,839,375 | 12,543,000 |
| Operating transfers out | 15 | (16,837,170) | (11,545,755) | (25,611,170) | (25,683,255) | (79,677,350) |
| TOTAL OTHER FINANCING USES | | <u>(15,269,295)</u> | <u>(9,977,880)</u> | <u>(24,043,295)</u> | <u>(17,843,880)</u> | <u>(67,134,350)</u> |
| NET CHANGE IN FUND BALANCE | | 183,175 | 4,420,420 | (9,426,087) | 250,480 | (4,572,012) |
| FUND BALANCE - BEGINNING | | <u>14,024,007</u> | <u>14,207,181</u> | <u>18,627,602</u> | <u>9,201,515</u> | <u>14,024,007</u> |
| FUND BALANCE - ENDING | | <u>\$ 14,207,181</u> | <u>\$ 18,627,602</u> | <u>\$ 9,201,515</u> | <u>\$ 9,451,995</u> | <u>\$ 9,451,995</u> |

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

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Motor Vehicle Account (MVA) Obligation – In 2005-07, as tolling began on the Tacoma Narrows Bridge (TNB), an operating loan of \$5,288,000 was made from the Motor Vehicle Account to capitalize the Tacoma Narrows Bridge Account (Chapter 518, Laws of 2007, Section 1005(15)). RCW 46.63.160 requires that net civil penalties deposited in the Tacoma Narrows Bridge Account must first be allocated toward repayment of the operating loan. In order to transfer the funds the State Treasurer’s Office must be provided administrative transfer authority. The remaining obligation at the beginning of 2019-21 biennium is \$2,438,000.

Tolling Operations System and Customer Service - In Fiscal Year (FY) 2018, WSDOT procured and contracted with a new toll system vendor and a customer service vendor. The costs for design and implementation of the new toll system and customer service center are allocated to all toll facilities. Design and implementation costs are reported in several categories on the financial statements. Tacoma Narrows Bridge portion of these expenditures in fiscal year 2021 are:

| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
|--------------------------------|------------|-----------|------------|------------|--------------|
| BOS CSC Procurement Allocation | \$ 198,991 | \$ 91,316 | \$ 119,852 | \$ 203,983 | \$ 614,142 |

Detailed Notes

1. **Toll Revenue** – Revenue earned, net of any adjustments, from tolls on vehicles traveling in the eastbound direction over the TNB, which are
2. **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.
3. **Transponder Sales** – Sales of transponder devices to potential and existing *Good to Go!* electronic toll account customers.
4. **Toll Vendor Contractual Damages** – Charges to ETCC for not meeting Key Performance Indicators (KPIs) and accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).
5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings.
6. **Miscellaneous Revenue** – This can include revenue for administrative and statement fees, NSF check fees, cash over, payments related to sale of surplus property, and prior period recoveries.
7. **Toll Operations Vendor Contracts** – Payment for monthly toll operations costs.
8. **Insurance** – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).
9. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
10. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, outside vendor services, printing, and registered owner look up costs.
11. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
12. **Civil Penalty Adjudication Costs** – TNB’s share of the adjudication system vendor contract with ETCC for the adjudication system module, as well as its share of supplies, communications, credit card fees, Office of Administrative Hearings costs, and salaries and benefits of WSDOT staff.
13. **Maintenance and Preservation** – Cost of maintenance and preservation activities on the new TNB.

| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Maintenance | \$ 211,492 | \$ 153,638 | \$ 179,191 | \$ 196,770 | \$ 741,091 |
| Preservation | 45,449 | 2,932 | - | 8,997 | 57,378 |
| Total | <u>\$ 256,941</u> | <u>\$ 156,570</u> | <u>\$ 179,191</u> | <u>\$ 205,767</u> | <u>\$ 798,469</u> |

14. **Other Agency/Program Expenditures** – The 2020 transportation appropriations bill (ESHB 2322) included new toll-funded appropriations for expenses for the Washington State Patrol (WSP), Transportation Commission (WSTC), and six operating programs within the Washington State Department of Transportation (WSDOT).

| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
|-------------------------------|-------------|-------------------|-------------------|-------------------|---------------------|
| Transportation Commission (L) | \$ - | \$ - | \$ - | \$ 152,000 | \$ 152,000 |
| Traffic Operations (Q) | - | - | - | - | - |
| Transportation Management (S) | - | - | - | 147,798 | 147,798 |
| Transportation Planning (T) | - | - | - | - | - |
| Washington State Patrol | - | 579,000 | 289,500 | 289,500 | 1,158,000 |
| Total | <u>\$ -</u> | <u>\$ 579,000</u> | <u>\$ 289,500</u> | <u>\$ 589,298</u> | <u>\$ 1,457,798</u> |

15. **Operating Transfers Out** – Total includes amount transferred to MVA for debt service pursuant to RCW 47.46.140 and MVA loan repayment of \$5M per enacted budget (ESHB 2322.SL).