

**THE 520 CIVIL PENALTY ACCOUNT
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
State Fiscal Year 2012, Quarter Ending June 30, 2012**

	NOTES	JULY THROUGH MARCH	APRIL THROUGH JUNE	YEAR TO YEAR-TO-DATE
REVENUES:				
Civil Penalty & NOCP Vendor Contractual Damages	1	0	2,344,226	2,344,226
Interest Income		(120)	(182)	(302)
Total Revenues		(120)	2,344,044	2,343,924
EXPENDITURES:				
Goods and Services				
Adjudication System Vendor Contract	2	86,162	498,179	584,340
Other	3	21,194	98,700	119,894
Salaries and Benefits		7,610	27,790	35,399
Total Expenditures		114,966	624,668	739,634
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(115,086)	1,719,376	1,604,290
NET CHANGE IN FUND BALANCE		(115,086)	1,719,376	1,604,290
FUND BALANCE - BEGINNING		0	(115,086)	0
FUND BALANCE - ENDING		(115,086)	1,604,290	1,604,290

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental fund types.

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

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Notes:

Backlogged Financial Reconciliations – As of February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor - Electronic Transaction Consultants Corporation (ETCC). With this transition, the new ETCC system encountered problems in the accuracy and timeliness of recording revenue and other accounting transactions. WSDOT and ETCC have investigated and corrected accounting records for known discrepancies. While we are not aware of any *material* discrepancies in the accounting records, ETCC has not completed key NOCP reconciliations dating back to April 2012 (when NOCPs were first initiated), which ensure timely and accurate processing of financial transactions. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments made.

- 1 Civil Penalty & NOCP Vendor Contractual Damages includes vendor contractual damages associated with repayment of facility rent, as well as Civil Penalty Revenue that is earned when any one 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 administrative hearing, or (c) Administrative Law Judge upholds the Notice of Civil Penalty.
- 2 The Adjudication System Vendor Contract cost includes the 520 Bridge's share of the ETCC vendor contract for the Adjudication System module.
- 3 Other Goods and Services expenditures includes the 520 Bridge's share of items such as supplies, communications, etc.
- 4 During Fiscal Year 2013, it is anticipated the Legislature will include within budgetary legislation the requirement to transfer the fiscal year 2012 and fiscal year 2013 portion of civil penalty revenue directly related to the initial toll bill to the 520 Bridge Account. If this occurs, the fiscal year 2012 portion that would be required to be transferred during FY13 would be \$287,567.