

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION  
TACOMA NARROWS BRIDGE ACCOUNT  
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015**

	NOTES	JULY THROUGH MARCH	APRIL THROUGH JUNE	YEAR-TO-DATE
<b>REVENUES</b>				
Tolling revenue	1	\$ 50,403,027	\$ 17,823,780	\$ 68,226,807
Civil penalty	2	2,875,481	293,923	3,169,404
Transponder sales	3	246,187	90,067	336,254
Toll vendor contractual damages	4	110,768	34,703	145,471
Toll bill reprocessing fee	5	355,211	101,150	456,361
Interest income		35,239	39,614	74,853
Miscellaneous	6	36,057	11,228	47,285
<b>TOTAL REVENUES</b>		<b>54,061,970</b>	<b>18,394,465</b>	<b>72,456,435</b>
<b>EXPENDITURES</b>				
Goods and Services				
Toll CSC operations vendor contract	7	1,477,567	493,042	1,970,609
Toll booth and lane vendor contract		2,351,974	793,913	3,145,887
Insurance	8	1,320,258	4,681	1,324,939
Credit card and bank fees		923,009	374,988	1,297,997
Transponder cost of goods sold	9	134,318	71,446	205,764
Pay-by-mail		212,299	72,286	284,585
Other	10	266,309	83,756	350,065
Total Goods and Services		6,685,734	1,894,112	8,579,846
Personal service contracts	11	665,899	240,582	906,481
Salaries and benefits		416,662	147,275	563,937
Civil penalty adjudication costs	12	937,770	251,781	1,189,551
Infrastructure maintenance and preservation	13	348,303	215,287	563,590
<b>TOTAL EXPENDITURES</b>		<b>9,054,368</b>	<b>2,749,037</b>	<b>11,803,405</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<b>45,007,602</b>	<b>15,645,428</b>	<b>60,653,030</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	14	(41,350,015)	(14,300,785)	(55,650,800)
<b>TOTAL OTHER FINANCING USES</b>		<b>(41,350,015)</b>	<b>(14,300,785)</b>	<b>(55,650,800)</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>3,657,587</b>	<b>1,344,643</b>	<b>5,002,230</b>
<b>FUND BALANCE - BEGINNING</b>		<b>9,081,234</b>	<b>12,738,821</b>	<b>9,081,234</b>
<b>FUND BALANCE - ENDING</b>		<b>12,738,821</b>	<b>\$ 14,083,464</b>	<b>\$ 14,083,464</b>

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

**NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**  
**TACOMA NARROWS BRIDGE ACCOUNT**  
**STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015**

**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.

**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. For the 2013-15 biennium, the Legislature provided authority in Chapter 10, laws of 2015 PV (2ESHB 1299, Section 1106(13)) to transfer \$950,000.

**Detailed Notes**

1. **Tolling Revenue** – Revenue earned, net of any adjustments, from tolls on vehicles traveling in the eastbound direction over the TNB, which are collected at toll booths, as electronic toll accounts, or pay-by-mail. The increase in Tolling Revenue is directly related to increased summer travel across the TNB.
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. Civil Penalty revenue decreased 54.5% to \$293,923, primarily due to a \$450,072 adjustment to correct duplicate entries from July 2012 to March 2015 resulting from a system defect. While we work with our service organization to fix the system defect, we will make monthly adjusting entries to ensure accurate Civil Penalty Revenue.
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), totaling \$12,270, and the short-term portion of future amounts due from ETCC, totaling \$133,200.
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 CSC Operations Vendor Contract** – Payment for monthly Customer Service Center (CSC) 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. Cost of purchasing, packaging, and shipping transponders. The per unit cost of transponders and packaging cost increased in the 4<sup>th</sup> quarter.
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. **Infrastructure Maintenance and Preservation** – Cost of maintenance and bridge preservation activities on the new TNB.
14. **Operating Transfers Out** – Pursuant to RCW 47.46.140, \$13,350,785 was transferred to MVA for debt service paid.

