

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**  
**TACOMA NARROWS BRIDGE ACCOUNT**  
**STATE FISCAL YEAR 2013, QUARTER ENDED DECEMBER 31, 2012**

	<b>NOTES</b>	<b>JULY THROUGH SEPTEMBER</b>	<b>OCTOBER THROUGH DECEMBER</b>	<b>YEAR-TO-DATE</b>
<b>REVENUES</b>				
Tolling revenue	1	\$ 16,007,122	14,687,824	\$ 30,694,946
Civil penalty	2	703,464	877,922	1,581,386
Violation penalty revenue		5,591	6,150	11,741
Transponder sales	3	88,137	67,940	156,077
Toll vendor contractual damages	4	104,266	162,548	266,814
Toll bill reprocessing fee	5	98,345	123,792	222,137
Interest income		4,417	6,118	10,535
Miscellaneous	6	11,555	11,901	23,456
Undistributed receipts/suspense		(152,780)	16,513	(136,267)
<b>TOTAL REVENUES</b>		<b>16,870,117</b>	<b>15,960,708</b>	<b>32,830,825</b>
<b>EXPENDITURES</b>				
Goods and Services				
Toll CSC operations vendor contract		505,123	512,824	1,017,947
Toll booth and lane vendor contract		809,496	825,465	1,634,961
Insurance		1,557,190	-	1,557,190
Credit card and bank fees		239,834	230,081	469,915
Transponder cost of goods sold	7	60,670	47,637	108,307
Other	8	43,373	45,414	88,787
<b>Total Goods and Services</b>		<b>3,215,686</b>	<b>1,661,421</b>	<b>4,877,107</b>
Personal service contracts	9	177,290	202,423	379,713
Salaries and benefits		136,772	131,614	268,386
Civil penalty adjudication costs	10	106,809	94,447	201,256
Infrastructure maintenance and preservation	11	52,091	53,115	105,206
<b>TOTAL EXPENDITURES</b>		<b>3,688,648</b>	<b>2,143,020</b>	<b>5,831,668</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<b>13,181,469</b>	<b>13,817,688</b>	<b>26,999,157</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	12	(11,466,884)	(7,997,209)	(19,464,093)
<b>TOTAL OTHER FINANCING USES</b>		<b>(11,466,884)</b>	<b>(7,997,209)</b>	<b>(19,464,093)</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>1,714,585</b>	<b>5,820,479</b>	<b>7,535,064</b>
<b>FUND BALANCE - BEGINNING</b>		<b>3,912,335</b>	<b>5,626,920</b>	<b>3,912,335</b>
<b>FUND BALANCE - ENDING</b>		<b>\$ 5,626,920</b>	<b>\$ 11,447,399</b>	<b>\$ 11,447,399</b>

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

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**Backlogged Financial Reconciliations** - On February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor - Electronic Transaction Consultants Corporation (ETCC). During the 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 WSDOT is not aware of any *material* discrepancies in the accounting records, ETCC has not completed key reconciliations dating back to December 2011, which ensure timely and accurate processing of financial transactions. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments will be made.

**Motor Vehicle Account Obligation** – The Tacoma Narrows Bridge Account (TNB) is obligated to repay a \$5.288 million loan from the Motor Vehicle Account made during the 2005/2007 biennium. As directed by legislation, all net TNB Civil Penalty Revenue received under the future Notice of Civil Penalty Adjudication process must be transferred to the Motor Vehicle Account each biennium as repayment of the outstanding obligation until the full amount of the original loan has been repaid.

**Detailed Notes**

1. **Tolling Revenue** – Revenue earned, net of any adjustments, from tolls on vehicles traveling in the eastbound direction over the Tacoma Narrows Bridge, which are collected at toll booths, electronic toll accounts, or pay-by-mail.
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 set Key Performance Indicators (KPIs), totaling \$66,816, and the short-term portion of future amounts due from ETCC, totaling \$199,998.
5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings.
6. **Miscellaneous Revenue** – Revenue for administrative and statement fees, NSF check fees, cash over, payments related to sale of surplus property, and prior period recoveries.
7. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders.
8. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, pay-by-mail postage, services provided by outside vendors, and etc...
9. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
10. **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, Office of Administrative Hearings costs, and salaries and benefits of WSDOT staff.
11. **Infrastructure Maintenance and Preservation** – Cost of maintenance and bridge preservation activities on the new Tacoma Narrows Bridge not performed by TNB Toll Operations staff. These costs include Goods and Services of \$29,569 and Salaries and Benefits of \$75,637.
12. **Operating Transfers Out** – Transfer of toll proceeds and cash to the Highway Bond Retirement Account to facilitate the payment of debt service.