

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
TACOMA NARROWS BRIDGE ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED SEPTEMBER 30, 2015

	NOTES	JULY THROUGH SEPT	YEAR-TO-DATE
REVENUES			
Tolling revenue	1	20,422,802	\$ 20,422,802
Civil penalty	2	535,339	535,339
Transponder sales	3	87,267	87,267
Toll vendor contractual damages	4	33,310	33,310
Toll bill reprocessing fee	5	98,413	98,413
Interest income		24,343	24,343
Miscellaneous	6	12,697	12,697
TOTAL REVENUES		21,214,171	21,214,171
EXPENDITURES			
Goods and Services			
Toll CSC operations vendor contract	7	545,865	545,865
Toll booth and lane vendor contract		787,717	787,717
Insurance	8	1,157,475	1,157,475
Credit card and bank fees		383,373	383,373
Transponder cost of goods sold	9	63,700	63,700
Pay-by-mail		86,150	86,150
Other	10	109,404	109,404
Total Goods and Services		3,133,684	3,133,684
Personal service contracts	11	184,495	184,495
Salaries and benefits		200,062	200,062
Civil penalty adjudication costs	12	241,243	241,243
Infrastructure maintenance and preservation	13	969	969
TOTAL EXPENDITURES		3,760,453	3,760,453
EXCESS OF REVENUES OVER EXPENDITURES		17,453,718	17,453,718
OTHER FINANCING USES			
Operating transfers out	14	(15,927,230)	(15,927,230)
TOTAL OTHER FINANCING USES		(15,927,230)	(15,927,230)
NET CHANGE IN FUND BALANCE		1,526,488	1,526,488
FUND BALANCE - BEGINNING		14,083,465	14,083,465
FUND BALANCE - ENDING		\$ 15,609,953	\$ 15,609,953

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

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Tolling Subsidiary Accounting System – Repeat independent audits of service organization controls (SOC) 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 2015-17 biennium, the Legislature provided authority in Chapter 10, Laws of 2015 PV (2ESHB 1299, Section 403(6)) 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.
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 Revenues increased by 29.1% from last quarter, increase is partially related to recovery from impact of prior quarters \$450,072.00 reduction in revenues to correct duplicate entries from July 2012 to March 2015 resulting from a system defect and increased paid tolls stimulated by the Customer Program for Resolution (CPR) program.
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 \$44,420.00, 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.
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 TNB. The Infrastructure Maintenance expenditures for FY16 1st quarter are understated by \$90,932 and will be adjusted in the 2nd quarter of FY16.
14. **Operating Transfers Out** – Pursuant to RCW 47.46.140, \$15,927,230 was transferred to MVA for debt service paid.