### NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

**TACOMA NARROWS BRIDGE ACCOUNT**

**STATE FISCAL YEAR 2018, QUARTER ENDED JUNE 30, 2018**

The notes to the financial statements are an integral part of this statement.
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 2017-19 biennium, the Legislature provided authority in Chapter 313, Laws of 2017 PV (ESB 5096, Section 408(19)) to transfer $950,000. The current obligation at the beginning of 2017-19 biennium is $3,388,000.

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 are $371,665 for current quarter and $1,101,415 for fiscal year to date.

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.

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).

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 Contract** – Payment for monthly 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.


14. **Operating Transfers Out** – Amount transferred to MVA for debt service pursuant to RCW 47.46.140.