# The Statement of Revenues, Expenditures, and Changes in Fund Balance

**Washington State Department of Transportation**  
**Tacoma Narrows Bridge Account**  
**State Fiscal Year 2016, Quarter Ended June 30, 2016**

## Revenues

<table>
<thead>
<tr>
<th>Notes</th>
<th>July Through Sept</th>
<th>Oct Through Nov</th>
<th>Jan Through Feb</th>
<th>April Through May</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tolling revenue</td>
<td>$20,422,802</td>
<td>$18,587,622</td>
<td>$18,705,601</td>
<td>$20,474,705</td>
<td>$78,190,730</td>
</tr>
<tr>
<td>Civil penalty</td>
<td>535,339</td>
<td>310,682</td>
<td>219,821</td>
<td>131,245</td>
<td>483,694</td>
</tr>
<tr>
<td>Transponder sales</td>
<td>87,267</td>
<td>84,807</td>
<td>180,375</td>
<td>131,245</td>
<td>483,694</td>
</tr>
<tr>
<td>Toll vendor contractual damages</td>
<td>33,310</td>
<td>35,806</td>
<td>35,347</td>
<td>34,563</td>
<td>139,026</td>
</tr>
<tr>
<td>Toll bill reprocessing fee</td>
<td>98,413</td>
<td>98,647</td>
<td>53,886</td>
<td>92,902</td>
<td>343,848</td>
</tr>
<tr>
<td>Interest income</td>
<td>24,343</td>
<td>17,469</td>
<td>25,674</td>
<td>85,453</td>
<td>152,939</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>12,697</td>
<td>12,161</td>
<td>9,405</td>
<td>10,066</td>
<td>44,329</td>
</tr>
</tbody>
</table>

**Total Revenues:** 21,214,171, 19,147,194, 19,230,109, 21,460,715, 81,052,189

## Expenditures

**Goods and Services**
- Toll CSC operations vendor contract | 545,865 | 442,975 | 649,905 | 498,158 | 2,137,903 |
- Toll booth and lane vendor contract | 787,717 | 785,484 | 808,414 | 803,904 | 3,185,519 |
- Insurance | 1,157,475 | 7,927 | 18,722 | (225) | 1,183,899 |
- Credit card and bank fees | 383,373 | 377,197 | 289,328 | 403,159 | 1,453,057 |
- Transponder cost of goods sold | 63,700 | 78,675 | 108,669 | 64,785 | 350,814 |
- Pay-by-mail | 86,150 | 70,900 | 68,076 | 125,688 | 350,814 |
- Other | 109,404 | 125,653 | 108,206 | 132,705 | 475,968 |

**Total Goods and Services:** 3,133,684, 1,888,811, 2,051,320, 1,920,174, 9,102,989

**Personal service contracts** | 184,495 | 148,510 | 154,512 | 315,918 | 803,435 |

**Salaries and benefits** | 200,062 | 177,368 | 178,226 | 206,749 | 762,405 |

**Civil penalty adjudication costs** | 241,243 | 198,012 | 186,538 | 246,138 | 871,931 |

**Infrastructure maintenance and preservation** | 969 | 201,132 | 104,040 | 136,017 | 442,158 |

**Total Expenditures:** 3,760,453, 2,613,833, 2,674,396, 2,933,996, 11,982,918

## Excess of Revenues Over Expenditures

17,453,718, 16,533,361, 16,555,473, 18,526,719, 69,069,272

## Other Financing Uses

**Operating transfers out** | (15,927,230) | (11,048,345) | (20,424,230) | (14,876,345) | (62,276,150) |

**Total Other Financing Uses:** (15,927,230), (11,048,345), (20,424,230), (14,876,345), (62,276,150)

## Net Change in Fund Balance

1,526,488, 5,485,016, (3,868,757), 3,650,374, 6,793,122

## Fund Balance - Beginning

14,083,465, 15,609,953, 21,094,969, 17,226,212, 20,876,587

**Fund Balance - Ending**

$15,609,953, $21,094,969, $17,226,212, $20,876,586, $20,876,587

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 2016, QUARTER ENDED JUNE 30, 2016

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 2015-17 biennium, the Legislature provided authority in Chapter 10, Laws of 2015 PV (2ESHB 1299, Section 403(6)) to transfer $950,000. The obligation at the beginning of 2015-17 biennium is $4,338,000.

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. Unearned revenue decreased 55% and receivables increased 35% resulting in an increased Civil Penalty revenue for the 4th quarter.
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 CSC Operations Vendor Contract – Payment for monthly Customer Service Center (CSC) operations costs.
8. Insurance – Insurance was overstated by $10,794 in the 3rd quarter, so an adjustment was recorded in the 4th quarter.
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. A $30,796 adjustment to reduce Transponder Cost Goods Sold was recorded in the 4th quarter to account for flex and motorcycle incentive program.
10. Other Goods and Services – Expenditures for supplies, communications, rents, repairs, outside vendor services, printing, and registered owner look up costs. Beginning May 2016, WSDOT contracted with Department of Enterprise Services (DES) to provide mailing services.
11. Personal Service Contracts – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting. The increase in 4th quarter is related to additional services provided for CSC System request and procurement support.
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. The number of cases that went to hearings increased in the 4th quarter.
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, $14,876,345 was transferred to MVA for debt service paid.