

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 16 TACOMA NARROWS BRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2025, QUARTER ENDED SEPTEMBER 30, 2024

	NOTES	JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Toll revenue	1	\$ 20,358,319				\$ 20,358,319
Civil penalty	2	(1,047,541)				(1,047,541)
Transponder sales	3	112,816				112,816
Toll vendor contractual damages	4	25,488				25,488
Toll bill reprocessing fee	5	149,675				149,675
Interest income		266,496				266,496
Miscellaneous	6	64,266				64,266
TOTAL REVENUES		<u>19,929,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,929,520</u>
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	1,909,774				1,909,774
Insurance	8	2,081,485				2,081,485
Credit card and bank fees		710,606				710,606
Transponder cost of goods sold	9	71,419				71,419
Pay-by-mail		237,663				237,663
Other	10	85,723				85,723
Total Goods and Services		<u>5,096,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,096,670</u>
Personal service contracts	11	132,981				132,981
Salaries and benefits		316,421				316,421
Civil penalty adjudication costs	12	252,638				252,638
Maintenance and preservation	13	390,218				390,218
Other Agency/Program Expenditures	14	77,936				77,936
TOTAL EXPENDITURES		<u>6,266,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,266,863</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>13,662,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,662,657</u>
OTHER FINANCING USES						
Operating transfer in	15	4,076,375				4,076,375
Operating transfers out	16	(20,691,920)				(20,691,920)
TOTAL OTHER FINANCING USES		<u>(16,615,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,615,545)</u>
NET CHANGE IN FUND BALANCE		<u>(2,952,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,952,888)</u>
FUND BALANCE - BEGINNING		<u>35,099,395</u>				<u>35,099,395</u>
FUND BALANCE - ENDING		<u>\$ 32,146,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,146,507</u>

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

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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. The remaining obligation at the beginning of 2023-25 biennium is \$543,000.

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 in fiscal year 2025 are:

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
BOS CSC Procurement Allocation \$	-	-	-	-	-

Detailed Notes

1. **Toll 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** is recognized when an unpaid toll escalates to a Notice of Civil Penalty (NOCP), which can occur 80 days after the toll trip date per RCW 46.63.160. Civil penalty revenue, comprising the toll amount plus a \$40 Civil Penalty, is recorded when the NOCP is issued to the registered owner of the tolled vehicle.

For Q1, negative revenue is due to Allowance for Doubtful Accounts (ADA) adjustments. Specifically, ADA adjustments reduce Civil Penalty Revenue based on unpaid NOCP balances outstanding for more than a year. In Q4 2023, WSDOT activated escalations in the back-office system, recognizing NOCP revenue from 21 months of unpaid bills. However, in Q1 2025, a large number of NOCPs aged beyond a year, leading to an increase in ADA adjustments and a significant decrease in NOCP revenue.

3. **Transponder Sales** – Sales of transponder devices to potential and existing *Good to Go!* electronic toll account customers.
4. **Toll Vendor Contractual Damages** – Accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).
5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings. New revenue is being reported due to system functionality implemented in March. Revenue is adjusted for Allowance for Doubtful Accounts.
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 Contracts** – Payment for monthly toll operations costs.
8. **Insurance** – Annual premium for insuring the facility and monthly insurance brokerage fee paid to 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 ETAN 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. **Maintenance and Preservation** – Cost of maintenance and preservation activities on the new TNB.

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Maintenance	\$ 211,430				\$ 211,430
Preservation	178,788				178,788
Total	\$ 390,218	\$ -	\$ -	\$ -	\$ 390,218

14. **Other Agency/Program Expenditures** – Costs for other agencies and operating programs within the Washington State Department of Transportation (WSDOT).

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Transportation Commission (L)	\$ 22,500				\$ 22,500
Traffic Operations (Q)	4,024				4,024
Transportation Management (S)	17,037				17,037
Transportation Planning (T)					-
Charges From Other Agencies (U)	-				-
Washington State Patrol	34,375				34,375
Total	\$ 77,936	\$ -	\$ -	\$ -	\$ 77,936

15. **Operating Transfers In** – Operating transfers in reflect an administrative transfer from the Transportation Partnership Account, as well as other state contributions as provided in RCW 47.46.190.

16. **Operating Transfers Out** – Total includes amount transferred to MVA for debt service pursuant to RCW 47.46.140.