

Tolling Update

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Washington State Transportation Commission
October 14, 2014

Agenda

- Upcoming Rate Setting
 - Report from WSTC Tolling Subcommittee
 - Transportation Commission/WSDOT work plan
 - I-405
 - SR 520
 - SR 16 Tacoma Narrows Bridge
 - SR 99
- FY 2014 Traffic and Revenue Update
- FY 2014 Notice of Civil Penalty Report
- Audits
- SR 167 Continuous Access

Upcoming Rate Setting

I-405 Express Toll Lanes Rate Setting Milestones

	Milestone
October 2014	Tolling Subcommittee report out
November 2014	Financial Plan Policy decisions proposed File CR 102 (Nov. 19, same day as November meeting)
January 2015	Public input meeting (optional) Public hearing/adopt toll rates File CR 103 (in conjunction with January meeting)
Late 2015	New toll rates in effect

SR 520 Rate Setting Milestones

		WAC Revision Process	
	Milestone	Maintain 2.5% increase, update to the toll rate tables only	Deviate from the 2.5% increase
January 2015	Traffic and revenue update Financial results File CR 101	✓ ✓	✓ ✓
February 2015	Rate scenario results		✓
March 2015	Proposed rates File CR 102 File CR 105	✓	✓ ✓
April 2015	Public input meeting (optional)		✓
May 2015	Public hearing Adopt toll rates File CR 103	✓ ✓	✓ ✓ ✓
July 2015	New toll rates	✓	✓

Tacoma Narrows Bridge Rate Setting Milestones

	Milestone
November 2014	CAC leadership meeting
December 2014	Financial plan/funding needed
January 2015	Rate scenario results CAC financial review File CR 101
February 2015	CAC recommendation
March 2015	Proposed rates File CR 102
April 2015	Public input meeting (optional)
May 2015	Public hearing Adopt toll rates File CR 103
July 2015	New toll rates

SR 16 Tacoma Narrows Bridge

Traffic and Revenue Forecasting

Stantec contracted to provide:

- A model to develop a traffic and revenue forecast for the Tacoma Narrows Bridge
- New model will be simplified and updated to reflect recent experience and current travel data
- Model will be used for upcoming 2015 rate setting process



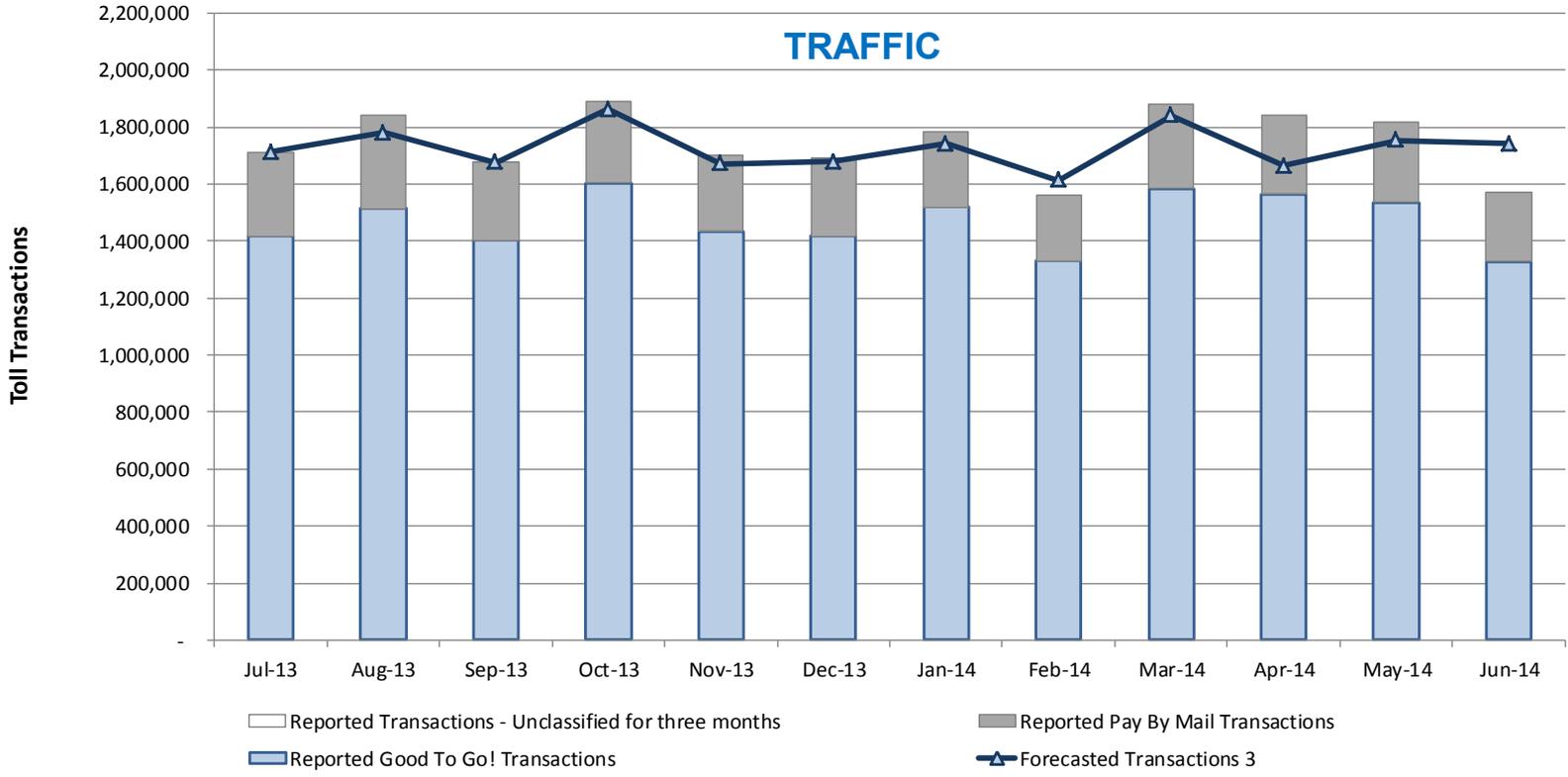
SR 99 Traffic and Revenue Investment Grade Study

- Stantec contracted to provide:
 - Early delivery of a technical memorandum providing necessary initial toll traffic and gross revenue forecasts
 - A 40-year traffic and revenue forecast suitable to meet the financing needs of the project
- Model will be used in the rate setting process
- Stantec and sub-consultant will provide expected gross revenue, adjusted gross revenue and net toll revenues
- Transportation Commission rate setting for SR 99 will occur in FY 2016

FY 2014 Traffic and Revenue Update

FY 2014 Forecasted and Reported Toll Traffic

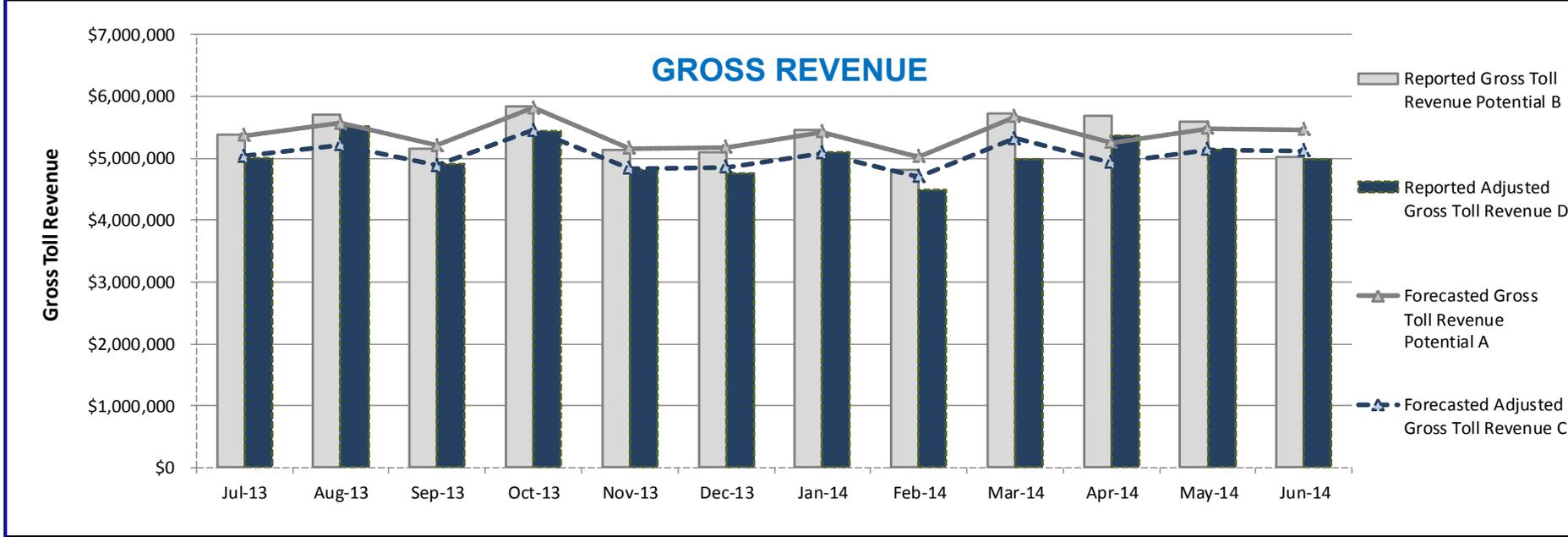
TOLL TRANSACTIONS	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Fiscal Year To Date	Annual Total
Forecasted Closure Days ¹	2.0	2.0	2.0	0.7	0.7	0.7	0.3	0.3	0.3	3.0	3.0	3.0	18.0	18.0
Reported Closure Days ²	2.0	-	1.2	-	-	-	-	2.0	-	-	1.6	7.0	13.8	13.8
Forecasted Transactions ³	1,712,000	1,779,000	1,675,000	1,861,000	1,670,000	1,679,000	1,742,000	1,613,000	1,840,000	1,663,000	1,752,000	1,741,000	20,727,000	20,727,000
Reported Transactions ⁴	1,708,484	1,841,483	1,675,903	1,891,692	1,699,102	1,689,620	1,783,339	1,560,143	1,881,338	1,843,688	1,816,335	1,572,216	20,963,343	20,963,343
Variance From Forecast	(3,516)	62,483	903	30,692	29,102	10,620	41,339	(52,857)	41,338	180,688	64,335	(168,784)	236,343	236,343
Variance - % Change	(0.2%)	3.5%	0.1%	1.6%	1.7%	0.6%	2.4%	(3.3%)	2.2%	10.9%	3.7%	(9.7%)	1.1%	1.1%
Reported Good To Go!	82.9%	82.2%	83.7%	84.8%	84.4%	83.9%	85.2%	85.2%	84.2%	84.9%	84.5%	84.4%	84.18%	84%
Reported Pay By Mail	17.1%	17.8%	16.3%	15.2%	15.6%	16.1%	14.8%	14.8%	15.8%	15.1%	15.5%	15.6%	15.82%	16%



Footnotes located on slide 32

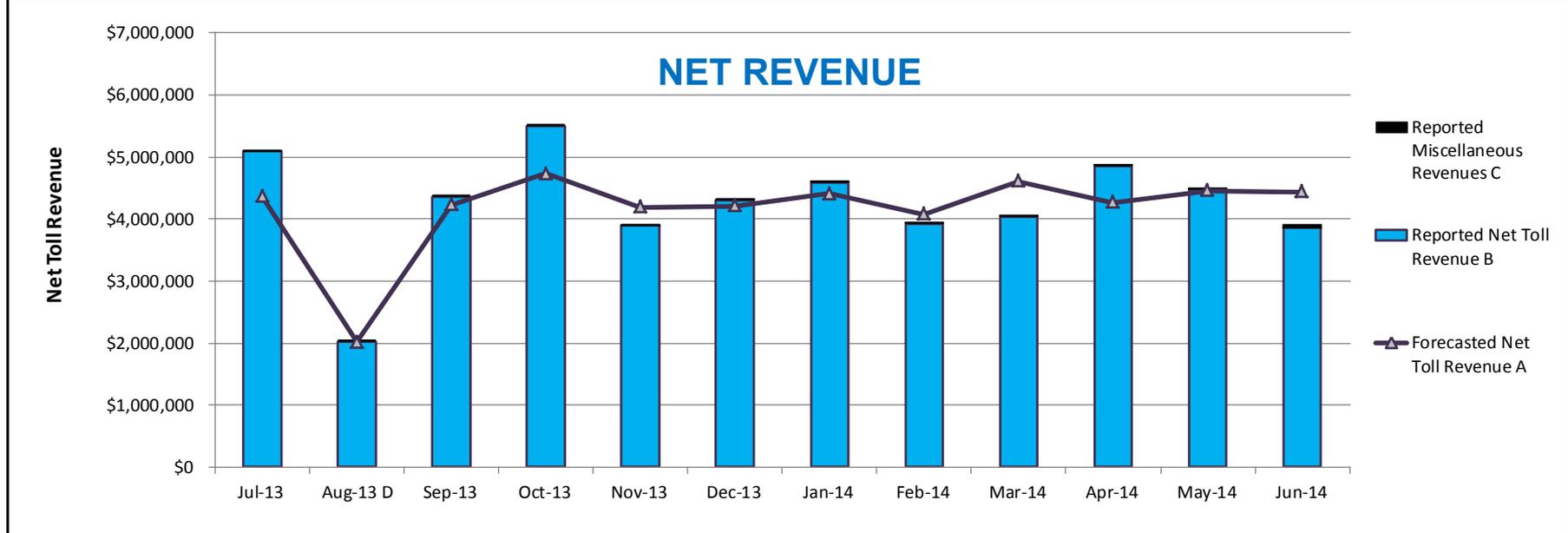
FY 2014 Forecasted and Reported Gross Toll Revenue

GROSS TOLL REVENUE	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14*	Apr-14	May-14	Jun-14	Fiscal Year To Date	Annual Total
Forecasted Closure Days ¹	2.0	2.0	2.0	0.7	0.7	0.7	0.3	0.3	0.3	3.0	3.0	3.0	18.0	18.0
Reported Closure Days ²	2.0	-	1.2	-	-	-	-	2.0	-	-	1.6	7.0	13.8	13.8
Forecasted Potential ^A	\$5,375,000	\$5,568,000	\$5,209,000	\$5,820,000	\$5,163,000	\$5,185,000	\$5,427,000	\$5,024,000	\$5,676,000	\$5,260,000	\$5,482,000	\$5,467,000	\$64,656,000	\$64,656,000
Reported Potential ^B	\$5,389,327	\$5,698,902	\$5,148,535	\$5,836,825	\$5,140,281	\$5,106,993	\$5,458,848	\$4,821,340	\$5,726,176	\$5,683,192	\$5,598,529	\$5,023,328	\$64,632,277	\$64,632,277
Variance From Forecast	\$14,327	\$130,902	(\$60,465)	\$16,825	(\$22,719)	(\$78,007)	\$31,848	(\$202,660)	\$50,176	\$423,192	\$116,529	(\$443,672)	(\$23,723)	(\$23,723)
Variance - % Change	0.3%	2.4%	(1.2%)	0.3%	(0.4%)	(1.5%)	0.6%	(4.0%)	0.9%	8.0%	2.1%	(8.1%)	(0.0%)	(0.0%)
Forecasted Adjusted ^C	\$5,039,000	\$5,220,000	\$4,883,000	\$5,456,000	\$4,840,000	\$4,861,000	\$5,087,000	\$4,709,000	\$5,322,000	\$4,931,000	\$5,139,000	\$5,126,000	\$60,613,000	\$60,613,000
Reported Adjusted ^D	\$4,996,403	\$5,513,532	\$4,911,760	\$5,440,469	\$4,807,019	\$4,752,848	\$5,100,401	\$4,498,718	\$4,987,471	\$5,368,907	\$5,131,820	\$4,986,169	\$60,495,518	\$60,495,518
Variance From Forecast	(\$42,597)	\$293,532	\$28,760	(\$15,531)	(\$32,981)	(\$108,152)	\$13,401	(\$210,282)	(\$334,529)	\$437,907	(\$7,180)	(\$139,831)	(\$117,482)	(\$117,482)
Variance - % Change	(0.8%)	5.6%	0.6%	(0.3%)	(0.7%)	(2.2%)	0.3%	(4.5%)	(6.3%)	8.9%	(0.1%)	(2.7%)	(0.2%)	(0.2%)



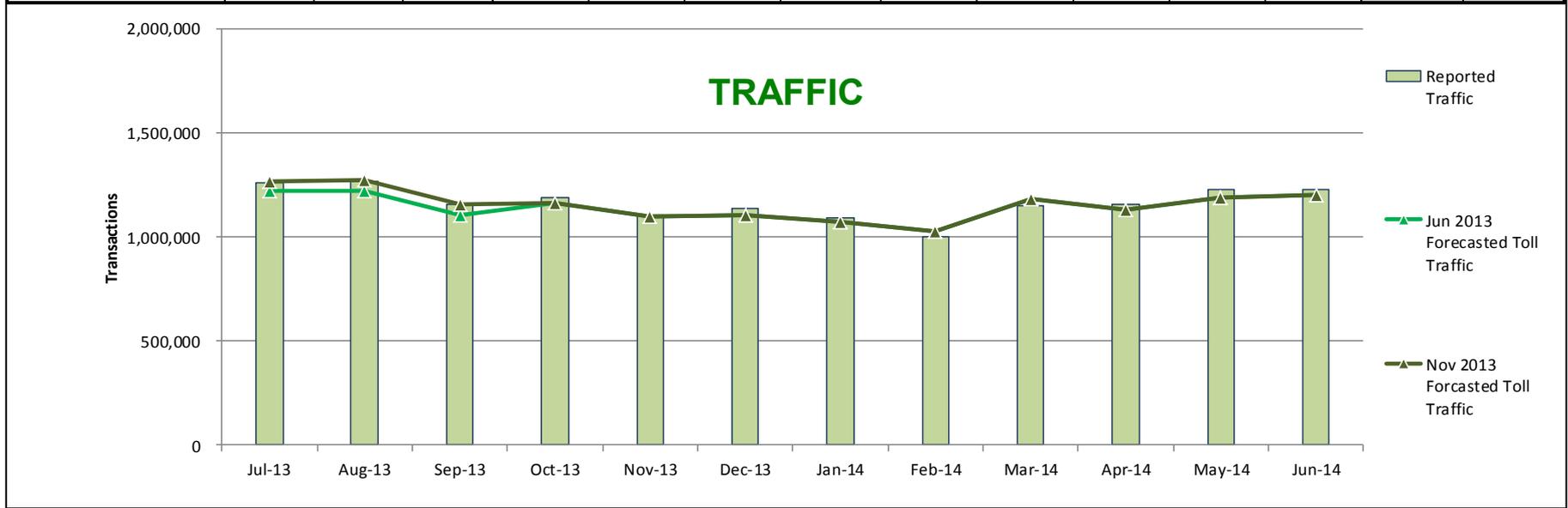
FY 2014 Forecasted and Reported Net Toll Revenue

NET TOLL REVENUE	Jul-13	Aug-13 D	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Fiscal Year To Date	Annual Total
Forecasted Net Revenue ^A	\$4,367,000	\$2,016,000	\$4,231,000	\$4,731,000	\$4,192,000	\$4,212,000	\$4,408,000	\$4,078,000	\$4,614,000	\$4,273,000	\$4,454,000	\$4,441,000	\$50,017,000	\$50,017,000
Reported Net Revenue ^B	\$5,091,813	\$2,023,170	\$4,365,138	\$5,504,263	\$3,898,883	\$4,310,140	\$4,592,568	\$3,922,676	\$4,036,219	\$4,853,743	\$4,475,085	\$3,857,503	\$50,931,202	\$50,931,202
Variance From Forecast	\$724,813	\$7,170	\$134,138	\$773,263	(\$293,118)	\$98,140	\$184,568	(\$155,324)	(\$577,781)	\$580,743	\$21,085	(\$583,497)	\$914,202	\$914,202
Variance - % Change	16.6%	0.4%	3.2%	16.3%	(7.0%)	2.3%	4.2%	(3.8%)	(12.5%)	13.6%	0.5%	(13.1%)	1.8%	1.8%
Miscellaneous Revenues ^C	\$54	\$6,458	\$11,645	\$6,051	\$4,592	\$9,129	\$4,386	\$16,349	\$29,775	\$32,076	\$34,022	\$52,478	\$207,015	\$207,015



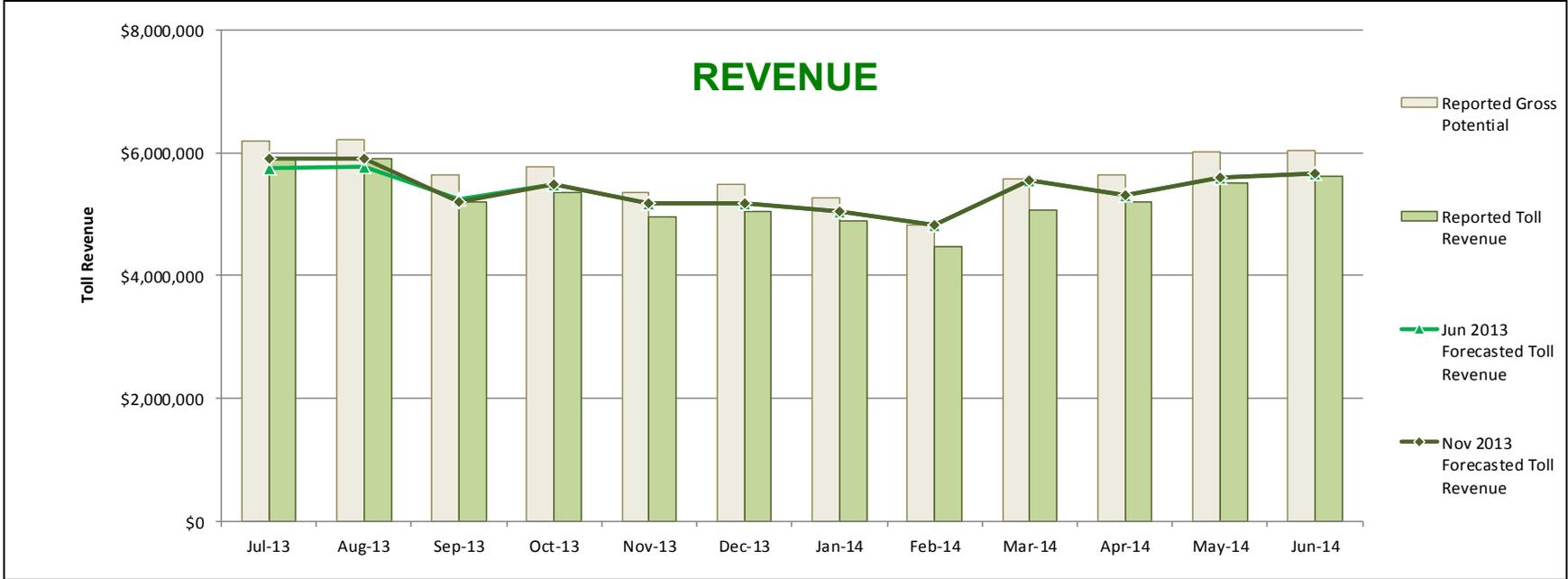
FY 2014 Forecasted and Reported Toll Traffic

TRAFFIC	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD	Annual Total
Forecasted Potential (June 2013) ¹	1,219,595	1,219,982	1,106,024	1,160,315	1,096,599	1,102,517	1,071,570	1,027,349	1,183,660	1,130,000	1,187,680	1,201,338	13,706,629	13,706,629
Forecasted Potential (November 2013) ²	1,265,753	1,270,356	1,157,809	1,159,468	1,095,798	1,101,712	1,070,787	1,026,599	1,182,795	1,129,174	1,186,813	1,200,460	13,847,524	13,847,524
Reported Transactions ^{3,A}	1,261,915	1,266,670	1,153,860	1,186,000	1,102,564	1,134,245	1,092,010	999,868	1,146,554	1,157,650	1,229,418	1,227,986	13,958,740	13,958,740
Variance from Forecast Potential ⁴	42,320	46,688	47,836	26,532	6,766	32,533	21,223	(26,731)	(36,241)	28,476	42,605	27,526	259,533	259,533
Variance - % change	3.5%	3.8%	4.3%	2.3%	0.6%	3.0%	2.0%	-2.6%	-3.1%	2.5%	3.6%	2.3%	1.9%	1.9%



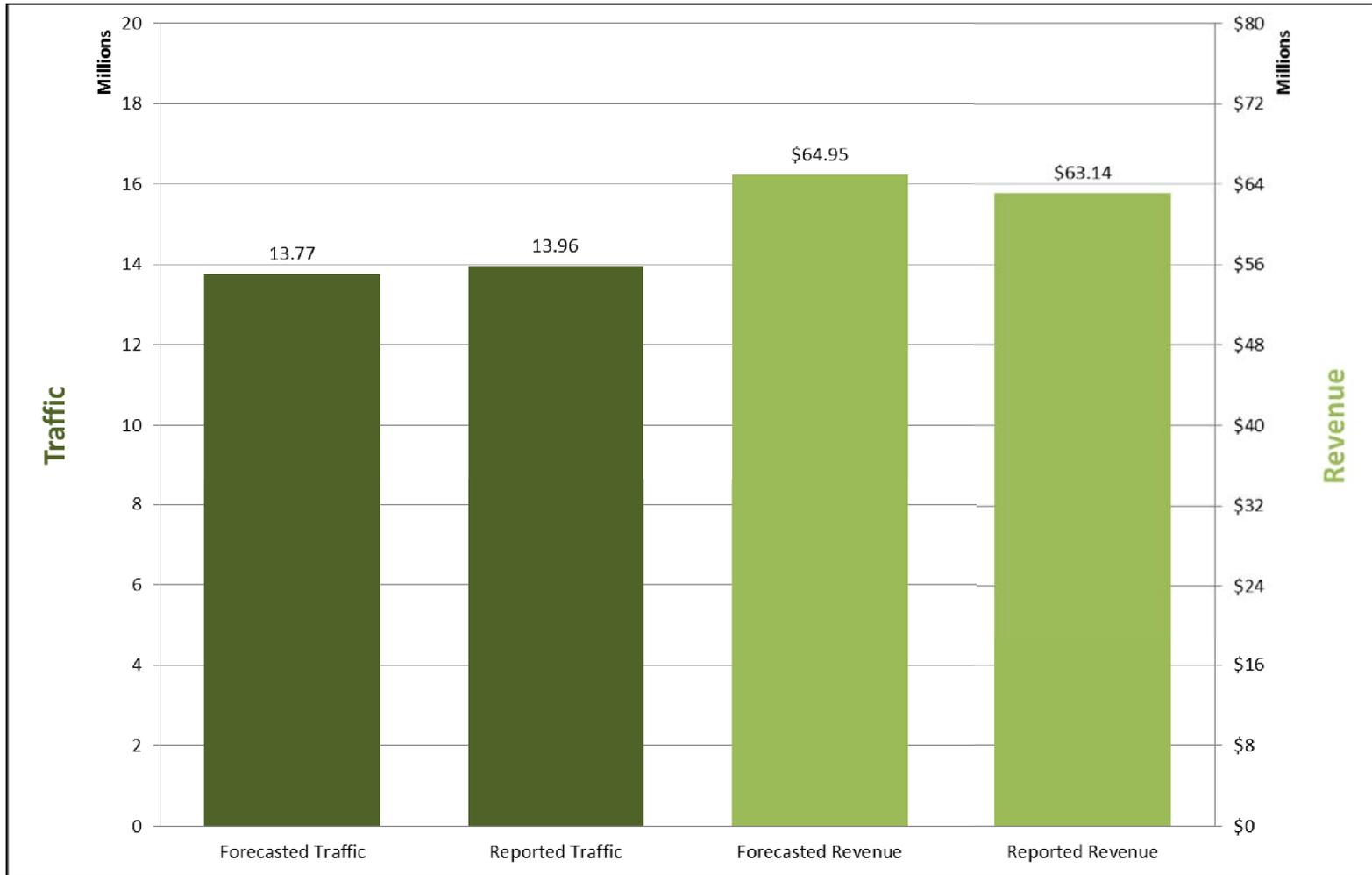
FY 2014 Forecasted and Reported Toll Revenue

REVENUE	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD	Annual Total
Forecasted Potential (June 2013) ¹	\$5,761,481	\$5,782,760	\$5,245,243	\$5,486,190	\$5,170,281	\$5,187,713	\$5,038,525	\$4,829,483	\$5,564,334	\$5,311,942	\$5,608,488	\$5,663,761	\$64,650,201	\$64,650,201
Forecasted Potential (November 2013) ²	\$5,912,885	\$5,903,521	\$5,196,745	\$5,486,190	\$5,170,281	\$5,187,713	\$5,038,525	\$4,829,483	\$5,564,334	\$5,311,942	\$5,608,488	\$5,663,761	\$64,873,868	\$64,873,868
Forecasted Gross Potential ³	\$5,761,481	\$5,782,760	\$5,245,243	\$5,486,190	\$5,170,281	\$5,187,713	\$5,038,525	\$4,829,483	\$5,564,334	\$5,311,942	\$5,608,488	\$5,663,761	\$64,650,201	\$64,650,201
Reported Gross Potential ⁴	\$6,199,939	\$6,217,158	\$5,641,852	\$5,774,586	\$5,351,803	\$5,484,547	\$5,277,092	\$4,833,151	\$5,567,799	\$5,638,620	\$6,014,404	\$6,031,119	\$68,032,070	\$68,032,070
Variance from Forecasted Gross	\$438,458	\$434,398	\$396,609	\$288,396	\$181,522	\$296,834	\$238,567	\$3,668	\$3,465	\$326,678	\$405,916	\$367,358	\$3,381,869	\$3,381,869
Variance - % Change	7.6%	7.5%	7.6%	5.3%	3.5%	5.7%	4.7%	0.1%	0.1%	6.1%	7.2%	6.5%	5.2%	5.2%
Forecasted Adjusted ⁵	\$5,706,032	\$5,727,106	\$5,194,762	\$5,440,366	\$5,127,096	\$5,144,382	\$4,996,440	\$4,789,144	\$5,517,857	\$5,267,573	\$5,561,642	\$5,616,454	\$64,088,854	\$64,088,854
Reported Revenue ^{A,B}	\$5,912,885	\$5,903,521	\$5,196,746	\$5,359,304	\$4,949,524	\$5,051,726	\$4,883,638	\$4,480,655	\$5,060,912	\$5,210,842	\$5,509,016	\$5,620,226	\$63,138,995	\$63,138,995
Variance From Adjusted Forecast ⁶	\$206,853	\$176,415	\$1,983	(\$81,061)	(\$177,572)	(\$92,656)	(\$112,802)	(\$308,489)	(\$456,945)	(\$56,731)	(\$52,627)	\$3,773	(\$949,859)	(\$949,859)
Variance - % Change	3.6%	3.1%	0.0%	(1.5%)	(3.5%)	(1.8%)	(2.3%)	(6.4%)	(8.3%)	(1.1%)	(0.9%)	0.1%	(1.5%)	(1.5%)



Footnotes located on slide 36

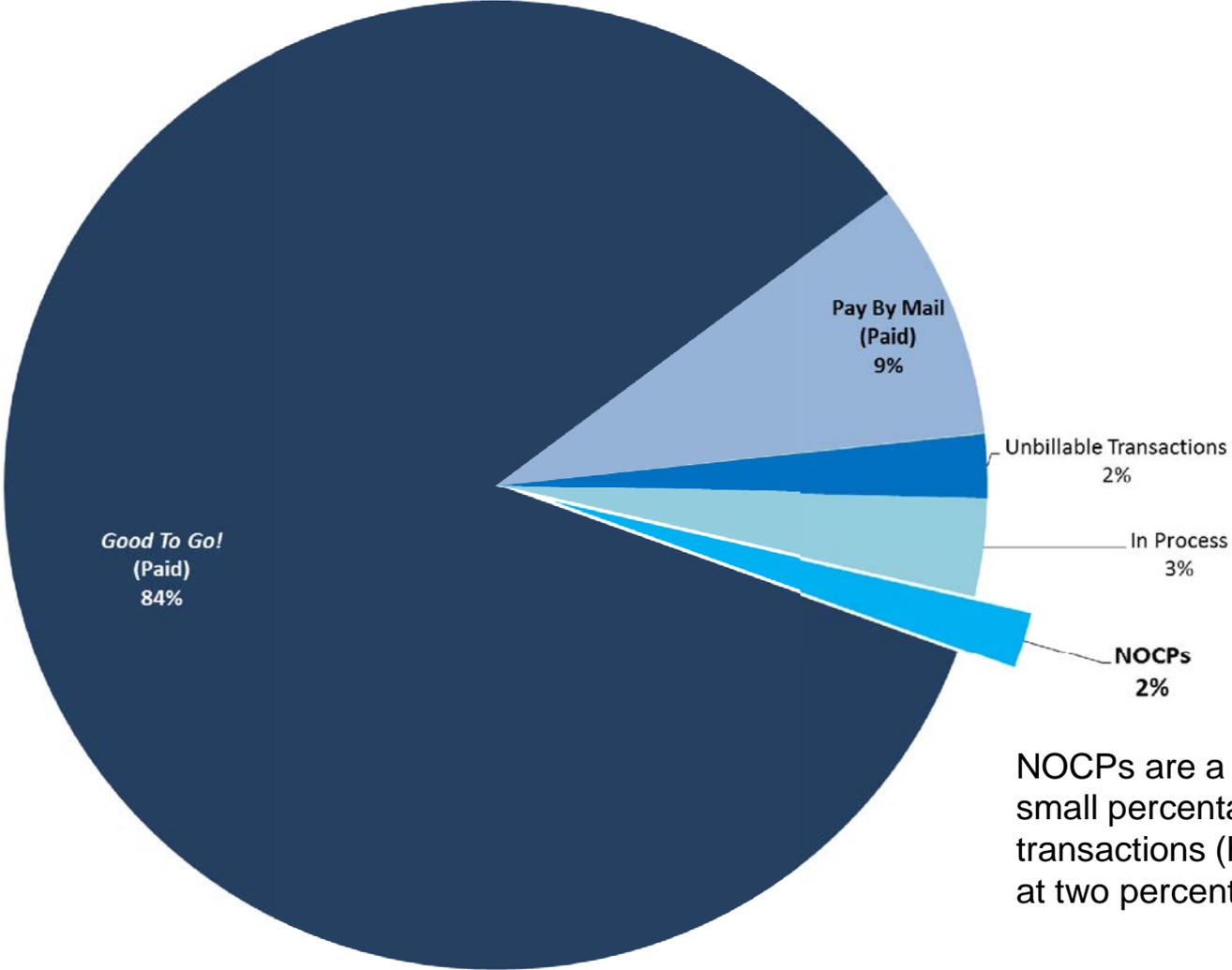
Comparing FY 2014 Actuals with Original Rate Setting Forecast



FY 2014 Notice of Civil Penalty Report

SR 520 Transactions by Payment Method

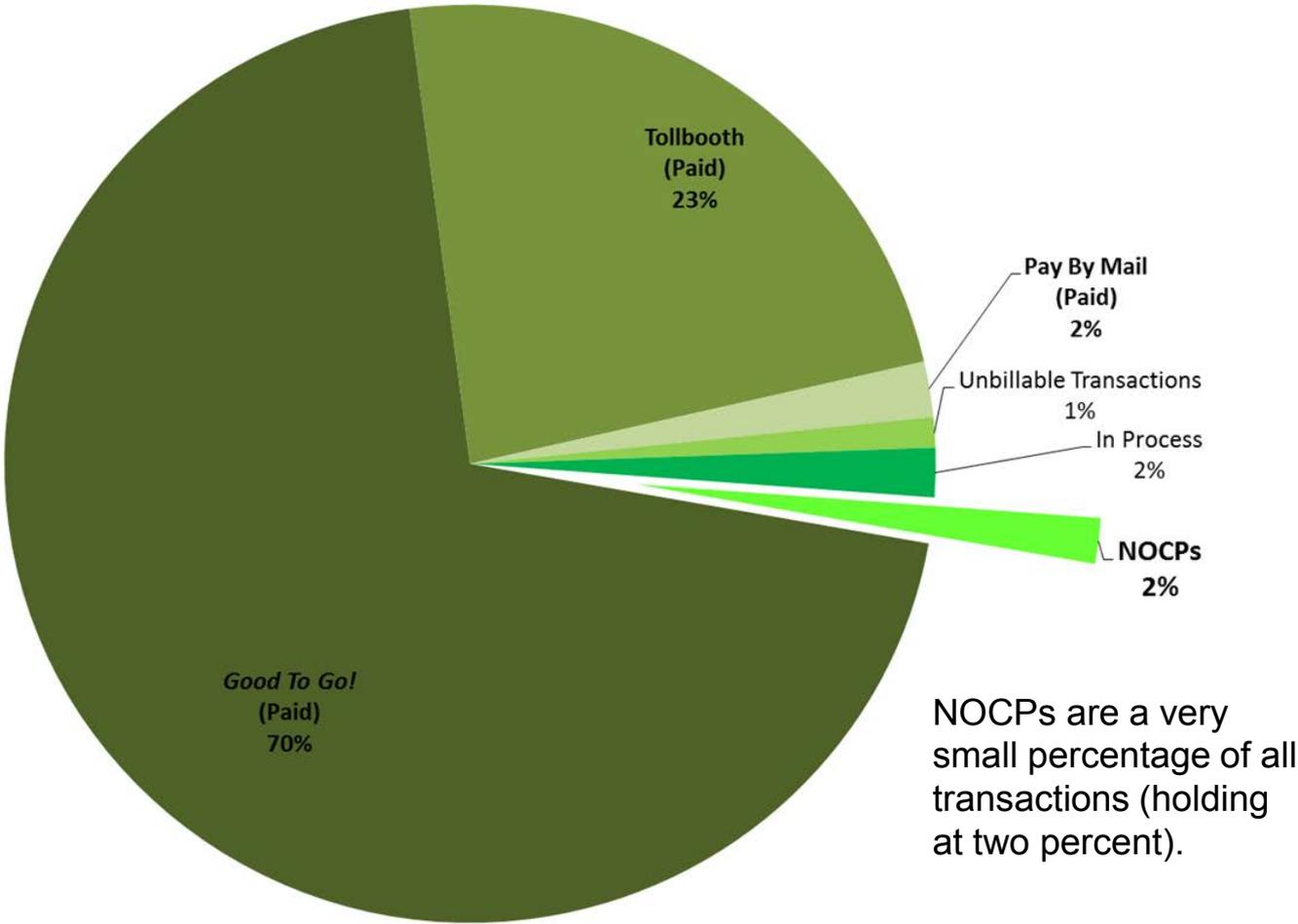
FY 2014



NOCPs are a very small percentage of all transactions (holding at two percent).

Source: Toll Business Report – June 2014

SR 16 Tacoma Narrows Bridge Transactions by Payment Method FY 2014



Source: Toll Business Report – June 2014

Civil Penalty Program Summary

FY 2014

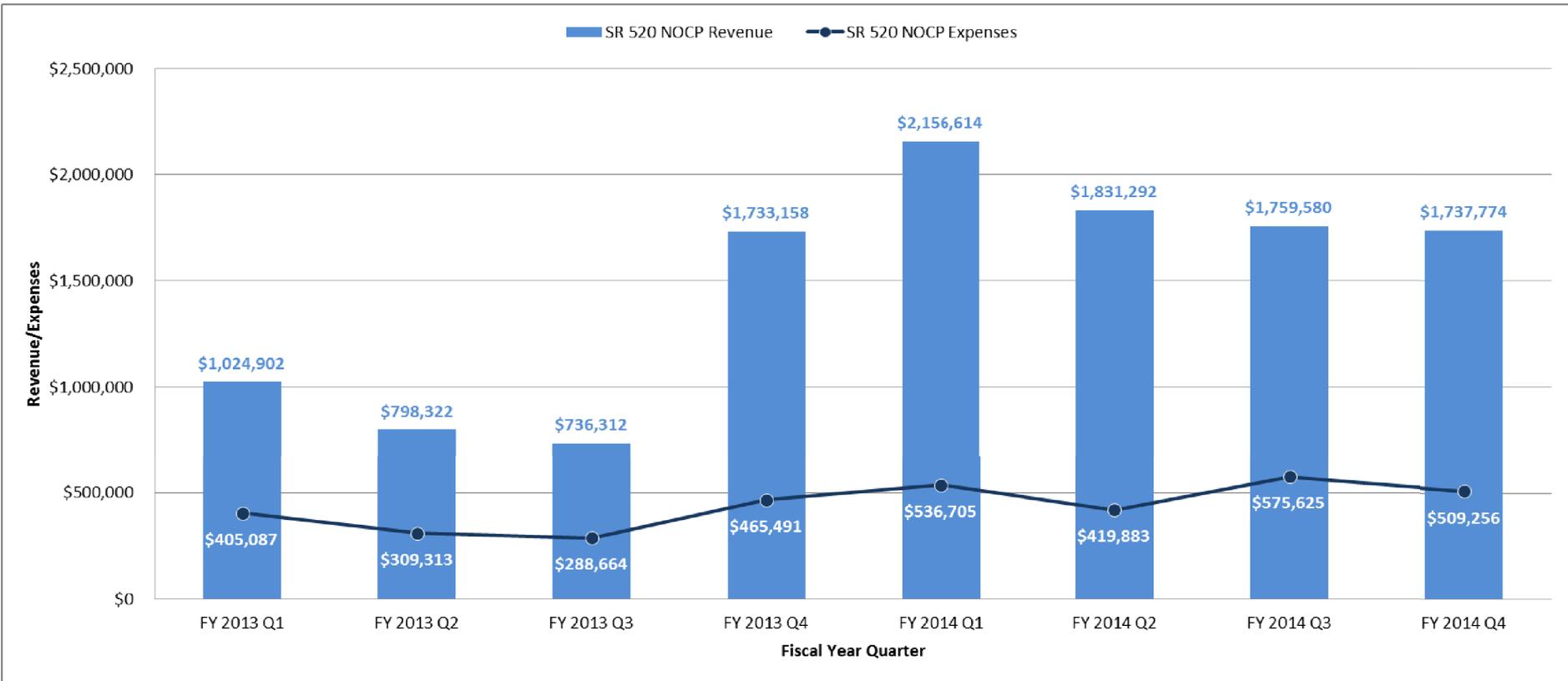
	SR 520 Bridge	Tacoma Narrows Bridge
FY 2014 Total Transactions	21,197,314	13,961,488
Number of civil penalties transactions issued	575,340	327,804
Number of civil penalty transactions paid upon receipt of the NOCP	72,769	17,414
Number of civil penalty transactions requesting a written dispute in lieu of hearing	38,856	16,723
Number of civil penalty transactions requesting an in-person hearing	56,165	24,174
Number of civil penalty transactions which did not receive a response	407,550	269,493
Workload costs related to debt collection activities^{1,2}	\$2,041,469	\$1,112,922
Cash received related to \$40 civil penalty fee	\$7,485,260	\$1,708,337

¹ Financial statements report total revenues earned after NOCP recipient has been found liable through an administrative hearing or deemed liable for not responding to the notice by the due date (20 days). This differs from the amount of cash collected which is presented here.

² Workload costs represent the total costs charged to each toll facility in relation to all debt collection activities during this reporting period.

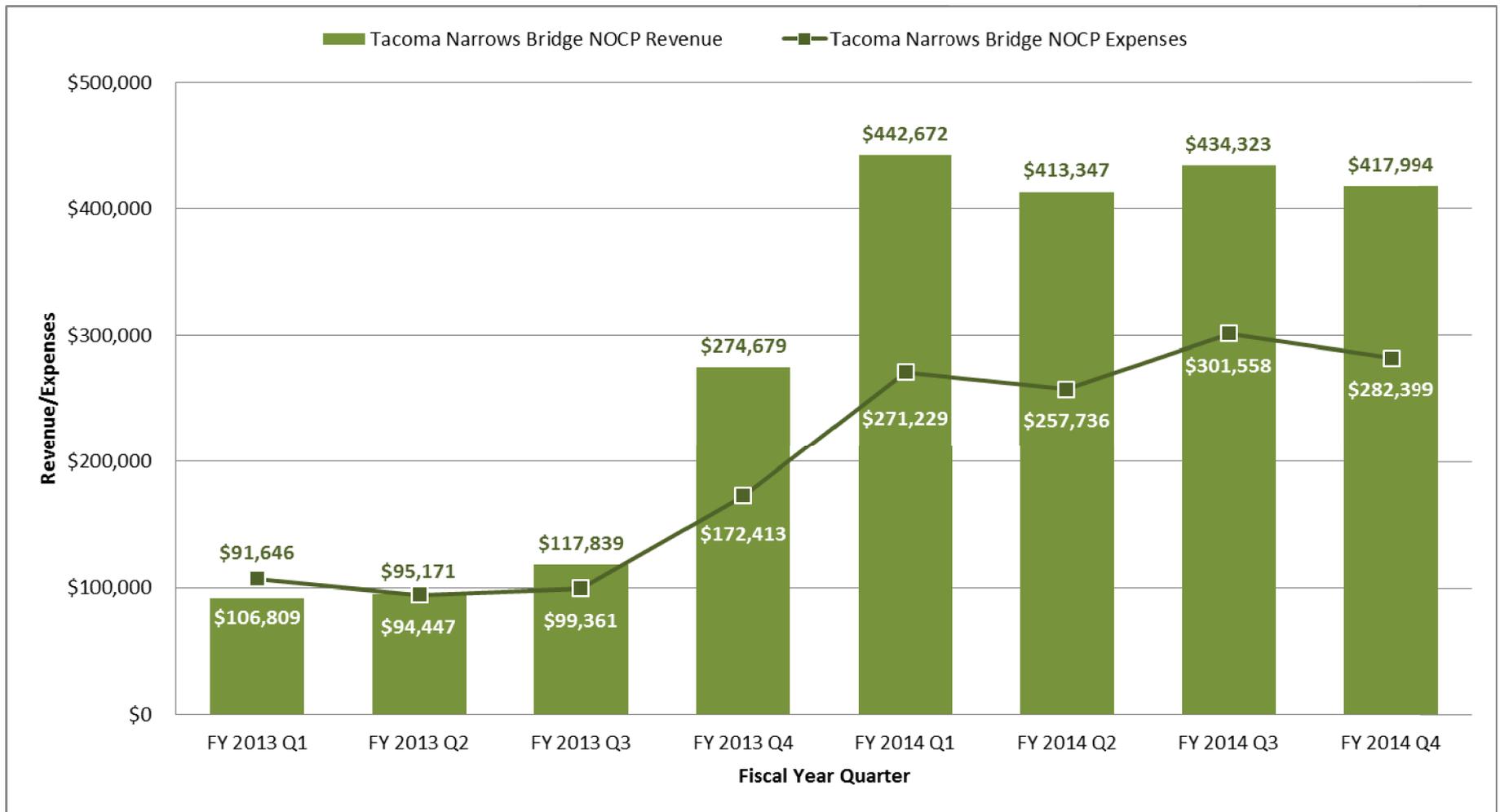
SR 520 Adjudication Program

Cash Revenue and Expense Trends



SR 16 Tacoma Narrows Bridge Adjudication Program

Cash Revenue and Expense Trends

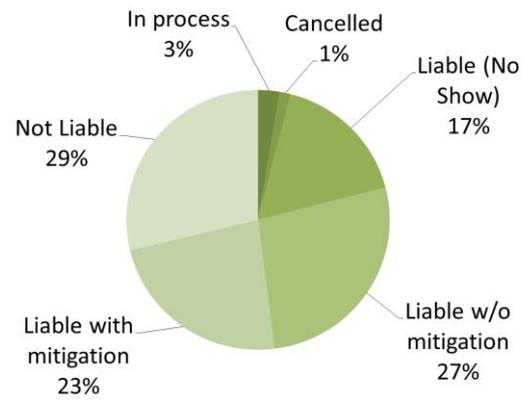
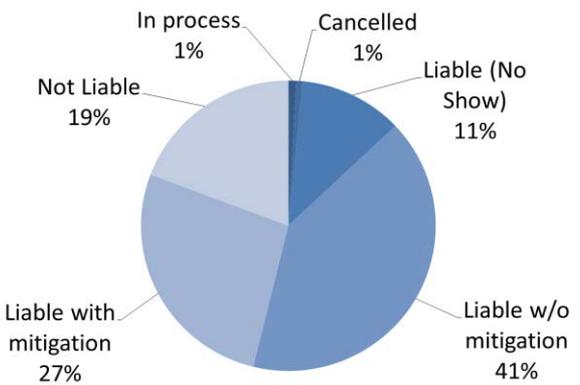


Civil Penalty Mitigation (SHB 1941)

FY 2014, Q1-Q3

	SR 520 Bridge	Tacoma Narrows Bridge
Number of civil penalty transactions adjudicated	76,234	32,811
Dollar value of civil penalty transactions adjudicated	\$3,497,210	\$1,505,196
Number of civil penalty transactions w/civil penalty fees reduced	20,294	8,735
Dollar value of civil penalty fees reduced	\$815,919	\$351,171

Disposition of Civil Penalty Transactions Adjudicated



Billing Process Review

Potential Process Improvements

- 9 Toll Bill Process Lean projects are planned or underway
 - Improved Customer Contact
 - NOCP Generation Criteria
 - Eliminate billing gaps
 - Write-off Threshold
 - Online Improvements
 - Returned Mail
 - Toll Bill Re-design
 - Billing Due Dates
 - Payment Order
- Joint Lean project with Department of Licensing to evaluate potential improvements
- Upcoming workshops on the Adjudication Process Refinements

Audits

Audits

<p>Toll Vendor Audits</p> <p>Contractual requirement for service providers for assurance over toll collection processes and security of computer systems and confidential information.</p>	<ul style="list-style-type: none"> • Service Provider Control Audits, annual <ul style="list-style-type: none"> • Referred to as SOC 1 audits • Payment Industry Level Audit, annual <ul style="list-style-type: none"> • PCI (Payment Card Industry) compliance audits
<p>WSDOT Internal Audit Office</p> <p>Areas of Focus</p> <ul style="list-style-type: none"> • Governance of the agency • Accountability for public resources • Integrity of financial and operational information • Assisting with legal compliance • Point of contact for outside auditors/coordinating with other assurance providers 	<p>INTERNAL AUDIT TOLLING ENGAGEMENTS</p> <ul style="list-style-type: none"> • SR 16 Tacoma Narrows Bridge and SR167 HOT lanes Tolling Process, September 2009 • SR 16 Tacoma Narrows Bridge Traffic and Revenue Reconciliation Audit, October 2011 (cashless collection) • Narrows Bridge Notice of Infraction Processing Audit, November 2012 • Consulting Services by WSDOT Internal Audit Office • Payment Processing Audit, <i>in process 2014</i>
<p>Audits Required in Bond Covenants</p> <p>Assurance of accuracy of financial statements for bond holders</p>	<p>FINANCIAL AUDITS</p> <ul style="list-style-type: none"> • SR 520 Financial Statement Audit, annual
<p>State Auditor’s Office</p> <p>Responsible for performing audits at the state government level. They conduct a range of audits statewide that include WSDOT financial audits, federal assistance audits (‘single audits’) and performance audits.</p>	<p>SAO AUDITS</p> <ul style="list-style-type: none"> • WA Tolling Program: Lessons Learned from Project Delays, August 2013 • Upcoming Toll Performance Audit, 2015

SR 167 Continuous Access

SR 167 HOT lanes

Initial features

- Free to buses, 2+ carpools and motorcycles
- Solo drivers pay a single toll to travel any distance on the 10-mile route
- *Good To Go!* pass required for non-HOV
- Electronic signs indicate toll rate before each entry point
- Single HOT lane in each direction
- Limited access – HOT lane separated from general purpose lanes by double white line, which is illegal to cross
- 10 access points



Initial HOT lanes: HOV lanes were converted to a single HOT lane in each direction.

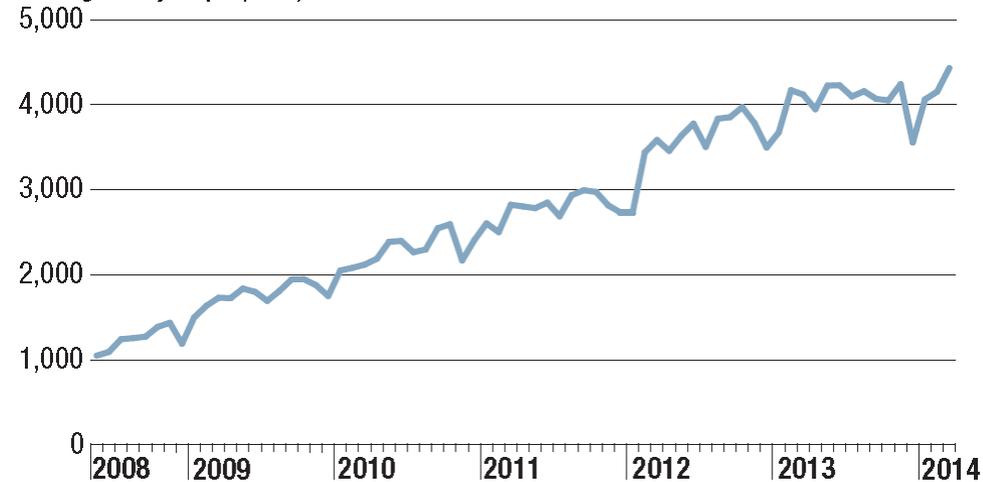
SR 167 HOT lanes performance

Fiscal year 2014

- **1.13 million toll transactions**
- **4,500 tolled trips per weekday**
 - Average daily tolled trips have more than tripled since opening
- **Average time savings and cost**
 - Morning, northbound: 8 mins, \$2.25
 - Evening, southbound: 6 mins, \$1.50

HOT lanes show steady growth

Average Daily Trips (T-Th)



Source: WSDOT Monthly Trip Reports (Operations)

Recent change in SR 167 HOT lane access

- In August 2014, SR 167 was changed to allow access into and out of HOT lanes at any point
 - Responds to most frequent customer feedback
 - Allows solo drivers to pay a toll to enter the HOT lane when they encounter congestion
- Funded by FHWA grant
 - Changes in striping and signs
 - Construction cost \$329,000 and took 3 weeks
 - Includes comprehensive before/after study



Single white lines now run nearly the entire 20 miles of the project.



Double white lines remain for about 1 to 2 miles at the ends of the project to eliminate weaving and ensure drivers get the advantage of the reliable trip they paid for.

Initial SR 167 Continuous Access Results and Up-coming Evaluation

Initial Results

September 2014 (First full month of operations)

- Steady growth in transactions – 10%
- Increased revenue – 50%
- More drivers getting into the lanes when they see congestion
- HOV ONLY more frequently

Evaluation

WSDOT is partnering with the Washington State Transportation Center to evaluate the HOT lane system access changes, focusing on:

- safety
- revenue collections
- toll evasion
- reliability and speed of the HOT lanes and general purpose lanes
- customer satisfaction
- transit operations

To be published in fall 2015

For questions or further information...

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FY 2014 Forecasted and Reported Toll Traffic

Footnotes (slide 10)

- 1 Planned weekend construction related closures as preliminarily scheduled by WSDOT - uniformly distributed over each quarter.
- 2 Actual weekend construction related closures as observed during the month.
- 3 Values based on CDM Smith October 2013 Forecast.
- 4 Reported values are based on total monthly transactions adjusted for non-revenue and duplicate transactions. Values may be subject to change with final audited reports.

FY 2014 Forecasted and Reported Gross Toll Revenue Footnotes (slide 11)

- 1 Planned weekend construction related closures as preliminarily scheduled by WSDOT - uniformly distributed over each quarter.
 - 2 Actual weekend construction related closures as observed during the month.
- A Values based on CDM Smith October 2013 Forecast, reflects potential revenue if the correct toll were collected from every vehicle, before fee and discount adjustments.
- B Reported gross toll revenue potential values coincide with CDM Smith gross toll revenue forecasts. Values exclude duplicate transactions and toll revenue associated to non-revenue transactions. Additional adjustments are incorporated to reflect the toll rate the customer intended to pay, consistent with the values provided in the forecast. For example a Good To Go! customer who intended to pay the account based rate but has an invalid credit card associated to the account and is charged the Pay By Mail rate is reflected as a Good To Go! transaction and the incremental Pay By Mail fee has been excluded.
- C Values based on Parsons Brinckerhoff October 2013 Forecast. Adjusted gross toll revenue equals the gross toll revenue potential after the following forecast adjustments:
- a) \$0.50 short-term account discounts for non-account customers who self-initiate payment without waiting to receive a bill
 - b) \$0.25 per transaction fee charged for pre-paid Good To Go! Pay By Plate transactions
 - c) Revenue not recognized; associated with unreadable license plates, or when a vehicle owner with a readable license plate cannot be identified
 - d) Unpaid toll revenue; associated with non-payment of toll bills within 80 days and two invoices
- D Reported adjusted gross toll revenue is calculated using adjustments as referenced in footnote C above, and correspond to "tolling revenue" values provided in WSDOT financial statements.
- * Adjustments: Toll Bill Reconciliation Report was updated, large impact to rebilling fee deferral;

FY 2014 Forecasted and Reported Net Toll Revenue Footnotes (slide 12)

- A Values based on Parsons Brinckerhoff October 2013 Forecast. Monthly amounts are prior to adjustments for payment of deferred sales tax, debt service, periodic facility repair & replacement costs, and periodic toll equipment and customer service center repair & replacement costs. Miscellaneous pledged revenue values are not forecasted.
- B Reported net toll revenue values are prior to adjustments for payment of deferred sales tax, debt service, periodic facility repair & replacement costs and periodic toll equipment and customer service center repair & replacement costs. Miscellaneous pledged revenue values are excluded and provided separately.
- C Miscellaneous revenues are pledged and include the following; sale of right of way excess, recovery of prior biennium expenditures, cash over & short amounts, liquidated damages, interest earned in state route 520 corridor account, cost of investment activities, and Washington State Treasurer deposit interest.
- D Annual insurance premium incurred in both the forecasted and reported O&M costs used to calculate monthly net revenue.

FY 2014 Forecasted and Reported Toll Traffic

Footnotes (slide 13)

- 1 Data is based upon the TRFC June 2013 Forecast without non-revenue transaction adjustment. The remaining months of the forecast, italicized and gray highlight are for information purposes.
 - 2 The data is based upon the TRFC November 2013 Forecast adjusted for non-revenue transactions. The first three months of the November Forecast were updated to reflect actual transactions prior to removal of duplicate and non-revenue transactions. The first three months are presented in italics and gray highlighting for informational purposes only and are not used to calculate the variance.
 - 3 The reported traffic is based on the TNB lane collection system data adjusted for duplicate and non-revenue transactions.
 - 4 The variance is a comparison between reported transactions and the June 2013 forecast for the first three months and the November 2013 forecast for the remaining nine months.
- A 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 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. At this time, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions and accurate system reporting. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments will be made.

FY 2014 Forecasted and Reported Toll Revenue

Footnotes (slide 14)

- 1 Data is based upon the TRFC June 2013 Forecast without non-revenue transaction adjustment. The remaining months of the forecast, italicized and gray highlight are for information purposes.
 - 2 The data is based upon the TRFC November 2013 Forecast adjusted for non-revenue transactions. The first three months of the November Forecast were updated to reflect actual transactions prior to removal of duplicate and non-revenue transactions. The first three months are presented in italics and gray highlighting for informational purposes only and are not used to calculate the variance.
 - 3 The forecasted gross potential data comes from the June 2013 monthly forecasted potential revenue for July through September and the November 2013 monthly forecasted potential revenue for October through June.
 - 4 Reported gross potential data comes from the TCS/AVI report and WSDOT's accounting system.
 - 5 The Forecasted Adjusted Gross Toll Revenue reflects adjustments for Pay By Plate Fees, less Short-term Account Discounts and Toll Revenue Not Recognized. June 2013 TRFC is used for July, August and September; November 2013 TRFC for remaining months.
 - 6 The variance is a comparison between reported revenue and the June 2013 forecast for the first three months and the November 2013 forecast for the remaining nine months.
- A 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 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. At this time, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions and accurate system reporting. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments will be made.
- B Reports in the Subsidiary Accounting System for Tolling - After the close of the fiscal year, WSDOT determined, through independent audits, that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contained weaknesses in internal control requiring revision to existing procedures and protocols. The results of the audit findings provide concern to WSDOT, and we will take appropriate actions to remediate the issues. WSDOT will aggressively pursue actions by our contracted service provider to remediate deficiencies identified through these independent audits, as we are committed to the highest standard of transactional and financial accountability for the citizens of Washington State.