

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
INTERTSTATE 405 ACCOUNT
STATE FISCAL YEAR 2017, QUARTER ENDED SEPTEMBER 30, 2016**

	NOTES	JULY THROUGH SEPT	YEAR-TO-DATE
REVENUES			
Tolling revenue	1	\$ 5,196,257	\$ 5,196,257
Civil penalty	2	326,066	326,066
Transponder sales	3	100,910	100,910
Toll vendor contractual damages	4	2,032	2,032
Toll bill reprocessing fee	5	136,150	136,150
Interest income		15,621	15,621
Miscellaneous	6	5,523	5,523
TOTAL REVENUES		<u>5,782,559</u>	<u>5,782,559</u>
EXPENDITURES			
Goods and Services			
Toll CSC operations vendor contract	7	511,527	511,527
Toll Lane Vendor		281,947	281,947
Credit card and bank fees		111,473	111,473
Transponder cost of goods sold	8	75,452	75,452
Washington State Patrol	9	318,473	318,473
Pay-by-mail		174,589	174,589
Other	10	84,066	84,066
Total Goods and Services		<u>1,557,528</u>	<u>1,557,528</u>
Personal service contracts	11	97,091	97,091
Salaries and benefits		246,655	246,655
Civil penalty adjudication cost	12	177,396	177,396
TOTAL EXPENDITURES		<u>2,078,670</u>	<u>2,078,670</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>3,703,889</u>	<u>3,703,889</u>
OTHER FINANCING SOURCES (USES)		<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING USES		<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE		3,703,889	3,703,889
FUND BALANCE - BEGINNING		<u>11,927,748</u>	<u>11,927,748</u>
FUND BALANCE - ENDING		<u>\$ 15,631,637</u>	<u>\$ 15,631,637</u>

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

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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.

Detailed Notes

1. **Tolling Revenue** – Revenue earned, net of any adjustments, from tolls on vehicles traveling in the I 405 express toll lanes, which are collected by either *Good To Go!* electronic toll accounts or pay-by-mail.
2. **Civil Penalty**- 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 CSC Operations Vendor Contract** – Payment for monthly CSC operations costs.
8. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
9. **The Washington State Patrol** – Support for the enforcement of the laws governing the use of 405 Express Toll Lanes by issuing citations to 405 violators.
10. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, 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** – I-405'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.