

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
INTERSTATE 405 ACCOUNT
STATE FISCAL YEAR 2016, QUARTER DECEMBER 31, 2015

	NOTES	JULY THROUGH SEPT	OCT THROUGH DEC	YEAR-TO-DATE
REVENUES				
Tolling revenue	1	\$ 56,014	\$ 3,653,011	\$ 3,709,025
Transponder sales	2	335,474	1,127,472	1,462,946
Toll vendor contractual damages	3	-	1,723	1,723
Toll bill reprocessing fee	4	-	44,236	44,236
Interest income		2,085	3,768	5,853
Miscellaneous	5	-	(3,224)	(3,224)
TOTAL REVENUES		<u>393,573</u>	<u>4,826,986</u>	<u>5,220,559</u>
EXPENDITURES				
Goods and Services				
Toll CSC operations vendor contract	6	-	322,895	322,895
Toll Lane Vendor		-	-	-
Credit card and bank fees		-	196,896	196,896
Transponder cost of goods sold	7	244,254	922,776	1,167,030
Washington State Patrol	8	-	380,119	380,119
Pay-by-mail		-	122,781	122,781
Other	9	-	98,899	98,899
Total Goods and Services		<u>244,254</u>	<u>2,044,366</u>	<u>2,288,620</u>
Personal service contracts	10	-	70,686	70,686
Salaries and benefits		27,189	152,998	180,187
Civil penalty adjudication cost	11	-	-	-
TOTAL EXPENDITURES		<u>271,443</u>	<u>2,268,050</u>	<u>2,539,493</u>
EXCESS OF REVENUES OVER EXPENDITURES		<u>122,130</u>	<u>2,558,936</u>	<u>2,681,066</u>
OTHER FINANCING SOURCES (USES)		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING USES		<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE		122,130	2,558,936	2,681,066
FUND BALANCE - BEGINNING		<u>2,062,389</u>	<u>2,184,519</u>	<u>2,062,389</u>
FUND BALANCE - ENDING		<u>\$ 2,184,519</u>	<u>\$ 4,743,455</u>	<u>\$ 4,743,455</u>

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
INTERSTATE 405 ACCOUNT
STATE FISCAL YEAR 2016, QUARTER DECEMBER 31, 2015

WSDOT began tolling operations on the I-405 Express Toll Lanes on the 27th of September. Some of the 2nd quarter expenditures related to the toll facilities and its operations were still being expended from the capital project fund.

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. Tolling Revenue is understated by an immaterial amount due to a system issue. Revenue will be corrected in January 2016.
2. **Transponder Sales** – Sales of transponder devices to potential and existing *Good To Go!* electronic toll account customers.
3. **Toll Vendor Contractual Damages** – Charges to ETCC for not meeting Key Performance Indicators (KPIs) totaling \$1,723.
4. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings.
5. **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.
6. **Toll CSC Operations Vendor Contract** – Payment for monthly CSC operations costs.
7. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders.
8. **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.
9. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, printing, and registered owner look up costs.
10. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
11. **Civil Penalty Adjudication Costs** - 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.