

**NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
INTERSTATE 405 ACCOUNT
STATE FISCAL YEAR 2019, QUARTER ENDED JUNE 30, 2019**

	NOTES	JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Toll revenue	1	\$ 7,588,352	\$ 7,241,743	\$ 6,172,998	8,332,761	\$ 29,335,854
Civil penalty	2	463,817	763,401	146,877	253,399	1,627,494
Transponder sales	3	94,497	76,677	80,518	82,482	334,175
Toll vendor contractual damages	4	1,196	1,997	1,166	1,048	5,407
Toll bill reprocessing fee	5	175,561	158,566	124,668	423,574	882,369
Interest income		98,794	178,910	221,510	357,129	856,343
Miscellaneous	6	5,084	4,782	131,589	(119,060)	22,395
TOTAL REVENUES		<u>8,427,300</u>	<u>8,426,076</u>	<u>6,879,327</u>	<u>9,331,334</u>	<u>33,064,037</u>
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	1,254,611	1,249,764	1,367,021	1,569,200	5,440,596
Credit card and bank fees		143,602	128,152	111,325	154,058	537,137
Transponder cost of goods sold	8	66,665	56,130	59,905	71,362	254,062
Washington State Patrol	9	276,604	103,308	168,940	227,603	776,456
Pay-by-mail		193,034	150,312	138,680	156,648	638,674
Other	10	95,466	99,668	80,497	91,357	366,988
Total Goods and Services		2,029,982	1,787,334	1,926,367	2,270,228	8,013,911
Personal service contracts	11	129,352	192,733	161,290	234,125	717,500
Salaries and benefits		315,215	271,542	271,993	228,875	1,087,625
Civil penalty adjudication cost	12	168,767	165,915	153,395	146,485	634,562
Capital outlay		53,379	16,226	630,995	2,309,918	3,010,518
TOTAL EXPENDITURES		<u>2,696,695</u>	<u>2,433,751</u>	<u>3,144,040</u>	<u>5,189,631</u>	<u>13,464,117</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>5,730,606</u>	<u>5,992,324</u>	<u>3,735,287</u>	<u>4,141,703</u>	<u>19,599,920</u>
NET CHANGE IN FUND BALANCE		5,730,606	5,992,324	3,735,287	4,141,703	19,599,920
FUND BALANCE - BEGINNING		<u>32,811,999</u>	<u>38,542,604</u>	<u>44,534,929</u>	<u>48,270,216</u>	<u>32,811,999</u>
FUND BALANCE - ENDING		<u>\$ 38,542,604</u>	<u>\$ 44,534,929</u>	<u>\$ 48,270,216</u>	<u>\$ 52,411,919</u>	<u>\$ 52,411,919</u>

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

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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. Interstate 405 portion of these expenditures in fiscal year 2019 are \$446,086 for current quarter and \$1,503,673 for the fiscal year.

Detailed Notes

1. **Toll 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 Operations Vendor Contract** – Payment for monthly 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.