

**NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS 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	\$ 816,487	\$ 879,587	\$ 809,302	\$ 1,198,241	\$ 3,703,617
Transponder sales	2	25,763	20,904	21,952	22,487	91,106
Toll vendor contractual damages	3	209	342	199	179	929
Interest income		18,541	30,927	36,178	57,831	143,477
Miscellaneous	4	1,014	963	969	1,361	4,306
TOTAL REVENUES		<u>862,013</u>	<u>932,723</u>	<u>868,600</u>	<u>1,280,099</u>	<u>3,943,435</u>
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	5	155,831	185,733	196,898	322,460	860,922
Credit card and bank fees		19,643	17,530	15,227	21,074	73,475
Transponder cost of goods sold	6	17,051	14,547	15,234	18,897	65,729
Washington state patrol	7	39,786	21,400	14,676	19,029	94,890
Other	8	16,275	16,242	13,486	13,614	59,616
Total Goods and Services		<u>248,587</u>	<u>255,451</u>	<u>255,521</u>	<u>395,074</u>	<u>1,154,633</u>
Personal service contracts	9	20,559	29,586	24,406	43,006	117,557
Salaries and benefits		110,577	96,324	96,115	96,604	399,620
TOTAL EXPENDITURES		<u>379,723</u>	<u>381,362</u>	<u>376,042</u>	<u>534,683</u>	<u>1,671,810</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>482,290</u>	<u>551,361</u>	<u>492,558</u>	<u>745,416</u>	<u>2,271,625</u>
NET CHANGE IN FUND BALANCE		482,290	551,361	492,558	745,416	2,271,625
FUND BALANCE - BEGINNING		6,325,655	6,807,945	7,359,306	7,851,864	6,325,655
FUND BALANCE - ENDING		<u>\$ 6,807,945</u>	<u>\$ 7,359,306</u>	<u>\$ 7,851,864</u>	<u>\$ 8,597,280</u>	<u>\$ 8,597,280</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. High Occupancy Toll Operations portion of these expenditures in fiscal year 2019 are \$69,210 for current quarter and \$233,295 for the fiscal year.

Detailed Notes

1. **Toll Revenue** – Revenue earned from single occupancy vehicles traveling in the High Occupancy Vehicle (HOV) Lanes on SR167 with a *Good To Go!* transponder account. A variable fee, based on traffic volumes, is automatically charged to their account.
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).
4. **Miscellaneous Revenue** – This can include revenue for administrative and statement fees, NSF check fees, cash over, and prior period recoveries.
5. **Toll Operations Vendor Contract** – Payment for monthly operations costs.
6. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
7. **The Washington State Patrol** – Support for the enforcement of the laws governing the use of the HOT Lanes by issuing citations to HOT Lane violators.
8. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, etc.
9. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.