

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2017, QUARTER ENDED DECEMBER 31, 2016**

	NOTES	JULY THROUGH SEPT	OCT THROUGH DEC	YEAR-TO-DATE
REVENUES				
Tolling revenue	1	\$ 490,727	\$ 611,158	\$ 1,101,885
Transponder sales	2	21,383	20,201	41,584
Toll vendor contractual damages	3	3,280	3,060	6,340
Interest income		3,563	4,978	8,541
Miscellaneous	4	843	937	1,780
TOTAL REVENUES		<u>519,796</u>	<u>640,334</u>	<u>1,160,130</u>
EXPENDITURES				
Goods and Services				
Toll CSC operations vendor contract	5	73,098	75,197	148,295
Toll lane vendor contract	6	-	-	-
Credit card and bank fees		8,794	8,376	17,170
Transponder cost of goods sold	7	15,302	16,304	31,606
Washington state patrol	8	27,973	24,941	52,914
Other	9	12,488	9,611	22,099
Total Goods and Services		<u>137,655</u>	<u>134,429</u>	<u>272,084</u>
Personal service contracts	10	26,880	35,101	61,981
Salaries and benefits		74,841	76,494	151,335
Maintenance and preservation	11	6,185	229,494	235,679
TOTAL EXPENDITURES		<u>245,561</u>	<u>475,518</u>	<u>721,079</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>274,235</u>	<u>164,816</u>	<u>439,051</u>
OTHER FINANCING USES				
Operating transfers out	12	(1,000)	-	(1,000)
TOTAL OTHER FINANCING USES		<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>
NET CHANGE IN FUND BALANCE		273,235	164,816	438,051
FUND BALANCE - BEGINNING		<u>3,091,951</u>	<u>3,365,186</u>	<u>3,091,951</u>
FUND BALANCE - ENDING		<u>\$ 3,365,186</u>	<u>\$ 3,530,002</u>	<u>\$ 3,530,002</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
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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 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. 2nd qtr increase due to extension of SR 167 south, adding 4 toll points.
2. **Transponder Sales** – Sales of transponder devices to potential and existing *Good To Go!* electronic toll account customers. Decrease in sales, Walgreens is no longer a retailer for transponders.
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 CSC Operations Vendor Contract** – Payment for monthly CSC operations costs. CSC Operations Vendor Contract was paid by the 405 Express Toll Lane account and the Capital Program account.
6. **Toll Lane Vendor Contract** – The cost of capturing traffic activity in tolled lanes.
7. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
8. **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.
9. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, etc.
10. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting. Increase in services provided by Jacobs.
11. **Maintenance and Preservation** – Cost of maintenance activities on the HOT Lanes.
12. **Operating transfers out** – Amount of transfer resulting from the Moore V HCA settlement. See 2ESHB 2376 section 708.