

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION  
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT  
STATE FISCAL YEAR 2014, QUARTER ENDED JUNE 30, 2014**

	<b>NOTES</b>	<b>JULY THROUGH MARCH</b>	<b>APRIL THROUGH JUNE</b>	<b>YEAR-TO-DATE</b>
<b>REVENUES</b>				
Tolling revenue	1	\$ 959,217	\$ 217,118	\$ 1,176,335
Transponder sales	2	27,390	10,380	37,770
Toll vendor contractual damages	3	2,334	3,317	5,651
Interest income		1,306	1,781	3,087
Miscellaneous	4	2,777	1,004	3,781
TOTAL REVENUES		<u>993,025</u>	<u>233,600</u>	<u>1,226,625</u>
<b>EXPENDITURES</b>				
Goods and Services				
Toll CSC operations vendor contract	5	142,462	49,562	192,024
Credit card and bank fees		15,315	7,396	22,711
Transponder cost of goods sold	6	19,670	6,619	26,289
Washington state patrol	7	77,162	37,184	114,346
Other	8	15,739	7,186	22,925
Total Goods and Services		<u>270,348</u>	<u>107,947</u>	<u>378,295</u>
Personal service contracts	9	87,451	50,860	138,311
Salaries and benefits		36,124	19,102	55,226
Infrastructure maintenance	10	156,048	42,901	198,949
TOTAL EXPENDITURES		<u>549,971</u>	<u>220,810</u>	<u>770,781</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		<u>443,054</u>	<u>12,790</u>	<u>455,844</u>
<b>NET CHANGE IN FUND BALANCE</b>		443,054	12,790	455,844
<b>FUND BALANCE - BEGINNING</b>		1,491,122	1,934,176	1,491,122
<b>FUND BALANCE - ENDING</b>		<u>\$ 1,934,176</u>	<u>\$ 1,946,966</u>	<u>\$ 1,946,966</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 results of the independent audits provide concern to WSDOT, and the toll division is working with our service organization to remediate the deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

**HOT Lanes Operating Expenditures in other Accounts** - Currently the High Occupancy Toll (HOT) Lanes Account pays all costs associated with operations and maintenance of the HOT Lanes on SR 167. However, approximately \$89,000 in costs associated with Toll Lane vendor warranty as well as some WSDOT staffing costs were funded outside of the HOT Lanes Account during the first two quarters of this fiscal year.

**Detailed Notes**

1. **Tolling Revenue** – Revenue earned from single occupancy vehicles traveling in the High Occupancy Vehicle (HOV) Lanes on SR 167 with a *Good To Go!* transponder account. A variable fee, based on traffic volumes, is automatically charged to their account. An allowance for doubtful accounts was created in Quarter 4 of fiscal year 2014 and toll revenue was reduced by approximately \$137,000 for negative customer account balances that are not being collected at this time.
2. **Transponder Sales** – Sales of transponder devices to new 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 \$1,665, and the short-term portion of future amounts due from ETCC, totaling \$3,986.
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** – In addition to payment for monthly CSC operations, costs paid to ETCC include pass-through costs related to printing, postage, and registered owner look up costs.
6. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders.
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.
10. **Infrastructure Maintenance** – Cost of maintenance activities on the HOT Lanes. These costs include Goods and Services of \$33,790 and Salaries and Benefits of \$165,159.