

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015**

	NOTES	JULY THROUGH March	APRIL THROUGH JUNE	YEAR-TO-DATE
REVENUES				
Tolling revenue	1	\$ 1,318,994	\$ 351,043	\$ 1,670,037
Transponder sales	2	31,509	11,749	43,258
Toll vendor contractual damages	3	10,124	3,152	13,276
Interest income		4,750	6,123	10,873
Miscellaneous	4	2,748	864	3,612
TOTAL REVENUES		<u>1,368,125</u>	<u>372,931</u>	<u>1,741,056</u>
EXPENDITURES				
Goods and Services				
Toll CSC operations vendor contract	5	153,945	52,260	206,205
Toll lane vendor contract		60,325	15,875	76,200
Credit card and bank fees		24,271	7,871	32,142
Transponder cost of goods sold	6	17,072	9,305	26,377
Washington state patrol	7	88,551	26,003	114,554
Other	8	17,465	6,166	23,631
Total Goods and Services		<u>361,629</u>	<u>117,480</u>	<u>479,109</u>
Personal service contracts	9	98,860	31,544	130,404
Salaries and benefits		40,650	13,797	54,447
Infrastructure maintenance	10	<u>137,353</u>	<u>35,063</u>	<u>172,416</u>
TOTAL EXPENDITURES		<u>638,492</u>	<u>197,884</u>	<u>836,376</u>
EXCESS OF REVENUES OVER EXPENDITURES		<u>729,633</u>	<u>175,047</u>	<u>904,680</u>
NET CHANGE IN FUND BALANCE		729,633	175,047	904,680
FUND BALANCE - BEGINNING		<u>1,946,966</u>	<u>2,676,599</u>	<u>1,946,966</u>
FUND BALANCE - ENDING		<u>\$ 2,676,599</u>	<u>\$ 2,851,646</u>	<u>\$ 2,851,646</u>

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

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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.
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 \$1,276 and the short-term portion of future amounts due from ETCC, totaling \$12,000.
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.
6. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. The per unit cost of transponders and packaging cost increased in the 4th quarter.
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. The quarterly costs include Goods and Services of \$3,202 and Salaries and Benefits of \$31,860.