

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED DECEMBER 31, 2015**

	NOTES	JULY THROUGH SEPT	OCT THROUGH DEC	YEAR-TO-DATE
REVENUES				
Tolling revenue	1	\$ 392,698	\$ 392,010	\$ 784,708
Transponder sales	2	12,033	10,910	22,943
Toll vendor contractual damages	3	3,001	3,271	6,272
Interest income		3,384	2,574	5,958
Miscellaneous	4	917	1,084	2,001
TOTAL REVENUES		412,033	409,849	821,882
EXPENDITURES				
Goods and Services				
Toll CSC operations vendor contract	5	59,960	40,860	100,820
Toll lane vendor contract		22,785	19,530	42,315
Credit card and bank fees		8,126	9,952	18,078
Transponder cost of goods sold	6	8,780	9,171	17,951
Washington state patrol	7	-	-	-
Other	8	8,205	7,050	15,255
Total Goods and Services		107,856	86,563	194,419
Personal service contracts	9	20,623	13,351	33,974
Salaries and benefits		35,317	29,289	64,606
Infrastructure maintenance	10	33,826	29,395	63,221
TOTAL EXPENDITURES		197,622	158,598	356,220
EXCESS OF REVENUES OVER EXPENDITURES		214,411	251,251	465,662
NET CHANGE IN FUND BALANCE		214,411	251,251	465,662
FUND BALANCE - BEGINNING		2,851,646	3,066,057	2,851,646
FUND BALANCE - ENDING		\$ 3,066,057	\$ 3,317,308	\$ 3,317,308

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

**NOTES TO THE COMBINING BALANCE SHEET
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED DECEMBER 31, 2015**

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 \$3,271 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.
 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.
- Infrastructure Maintenance** – Cost of maintenance activities on the HOT Lanes. The quarterly costs include Goods and Services of \$10,278 and Salaries and Benefits of \$19,117.