

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
INTERSTATE 405 AND STATE ROUTE 167 ETL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2025, QUARTER ENDED SEPTEMBER 30, 2024

	NOTES	JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Toll revenue	1	\$ 8,995,651				\$ 8,995,651
Civil penalty	2	(831,492)				(831,492)
Transponder sales	3	214,680				214,680
Toll vendor contractual damages	4	25,484				25,484
Toll bill reprocessing fee	5	141,740				141,740
Interest income		1,761,331				1,761,331
Miscellaneous	6	182,946				182,946
TOTAL REVENUES		<u>10,490,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,490,340</u>
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	1,036,015				1,036,015
Credit card and bank fees		292,269				292,269
Transponder cost of goods sold	8	135,905				135,905
Pay-by-mail		225,439				225,439
Washington State Patrol	9	218,849				218,849
Other	10	94,893				94,893
Total Goods and Services		<u>2,003,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,003,371</u>
Personal service contracts	11	127,522				127,522
Salaries and benefits		438,270				438,270
Civil penalty adjudication cost	12	150,802				150,802
Maintenance and Preservation	13	969,920				969,920
Capital outlays		12,037,591				12,037,591
Other Agency/Program Expenditures	14	398,687				398,687
TOTAL EXPENDITURES		<u>16,126,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,126,164</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(5,635,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,635,823)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in		-	-	-	-	-
Operating transfers out		-	-	-	-	-
TOTAL OTHER FINANCING USES		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE		(5,635,823)	-	-	-	(5,635,823)
FUND BALANCE - BEGINNING		<u>250,440,472</u>				<u>250,440,472</u>
FUND BALANCE - ENDING		<u>\$ 244,804,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,804,649</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. I-405 AND SR 167 ETL portion of these expenditures in fiscal year 2025 are:

	Q1	Q2	Q3	Q4	Total
BOS CSC Procurement Allocation \$	-	-	-	-	-

Detailed Notes

1. **Toll Revenue** – Revenue is earned, net of any adjustments, from tolls on vehicles traveling in the I 405 express toll lanes, which are collected by either *Good To Go!* electronic toll accounts or pay-by-mail. Revenue is 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. **Civil Penalty- Civil Penalty-** Revenue is recognized when an unpaid toll escalates to a Notice of Civil Penalty (NOCP), which can occur 80 days after the toll trip date per RCW 46.63.160. Civil penalty revenue, comprising the toll amount plus a \$40 Civil Penalty, is recorded when the NOCP is issued to the registered owner of the tolled vehicle.

For Q1, negative revenue is due to Allowance for Doubtful Accounts (ADA) adjustments. Specifically, ADA adjustments reduce Civil Penalty Revenue based on unpaid NOCP balances outstanding for more than a year. In Q4 2023, WSDOT activated escalations in the back-office system, recognizing NOCP revenue from 21 months of unpaid bills. However, in Q1 2025, a large number of NOCPs aged beyond a year, leading to an increase in ADA adjustments and a significant decrease in NOCP revenue.

- 3. **Transponder Sales** – Sales of transponder devices to potential and existing *Good To Go!* electronic toll account customers.
- 4. **Toll Vendor Contractual Damages** – Charges to Kapsch for damages and accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).
- 5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings. New revenue is being reported due to system functionality implemented in March. Revenue is adjusted for Allowance for Doubtful Accounts.
- 6. **Miscellaneous Revenue** – This can include revenue for administrative and statement fees, NSF check fees, cash over, payments related to sale of surplus property, and prior period recoveries.
- 7. **Toll Operations Vendor Contract** – Payment for monthly operations costs.
- 8. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
- 9. **Washington State Patrol** – Invoiced services not included in Other Agency/Program Expenditures as allowed by budget appropriation.
- 10. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, printing, and registered owner look up costs.
- 11. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
- 12. **Civil Penalty Adjudication Costs** – I-405 and SR 167 ETL share of the adjudication system vendor contract with ETAN for the adjudication system module, as well as its share of supplies, communications, credit card fees, Office of Administrative Hearings costs, and salaries and benefits of WSDOT staff.

13. **Maintenance and Preservation** – Cost of maintenance and preservation activities on the I-405 and SR167 ETL.

	Q1	Q2	Q3	Q4	Total
Maintenance \$	681,690				681,690
Preservation	288,230				288,230
Total	\$ 969,920	\$ -	\$ -	\$ -	\$ 969,920

14. **Other Agency/Program Expenditures** – Costs for other agencies and operating programs within the Washington State Department of Transportation (WSDOT).

	Q1	Q2	Q3	Q4	Total
Transportation Commission (L)	\$ 18,600				\$ 18,600
Traffic Operations (Q)	4,115				4,115
Transportation Management (S)	14,098				14,098
Transportation Planning (T)	-				-
Charges From Other Agencies (U)	-				-
Washington State Patrol	361,874				361,874
Total	\$ 398,687	\$ -	\$ -	\$ -	\$ 398,687