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 JUNE 30, 2025

| | NOTES | JUL THROUGH SEP | OCT THROUGH DEC | JAN THROUGH MAR | APR THROUGH JUN | YEAR-TO-DATE |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Toll revenue | 1 | $ 8,995,651 | $ 9,656,861 | $ 9,059,359 | $ 12,227,154 | $ 39,939,025 |
| Civil penalty | 2 | (831,492) | 914,555 | 1,110,944 | 984,017 | 2,178,024 |
| Transponder sales | 3 | 214,680 | 187,091 | 189,530 | 205,588 | 796,889 |
| Toll vendor contractual damages | 4 | 25,484 | 132,261 | 26,057 | 26,751 | 210,553 |
| Toll bill reprocessing fee | 5 | 141,740 | 178,063 | 160,792 | 177,730 | 658,325 |
| Interest income | | 1,761,331 | 2,226,962 | 1,985,537 | 2,762,041 | 8,735,871 |
| Miscellaneous | 6 | 182,946 | 2,663 | 83,951 | 2,646 | 272,206 |
| **TOTAL REVENUES** | | 10,490,340 | 13,298,456 | 12,616,170 | 16,385,927 | 52,790,893 |
| **EXPENDITURES** | | | | | | |
| Goods and Services | | | | | | |
| Toll operations vendor contracts | 7 | 1,036,015 | 1,613,366 | 1,197,250 | 1,611,058 | 5,457,689 |
| Credit card and bank fees | | 292,269 | 285,787 | 302,228 | 334,620 | 1,214,904 |
| Transponder cost of goods sold | 8 | 135,905 | 128,492 | 100,788 | 138,236 | 503,421 |
| Pay-by-mail | | 225,439 | 215,800 | 192,453 | 225,645 | 859,337 |
| Washington State Patrol | 9 | 218,849 | 214,270 | 259,035 | 360,401 | 1,052,555 |
| Other | 10 | 94,893 | 79,612 | 57,869 | 67,375 | 299,749 |
| Total Goods and Services | | 2,003,371 | 2,537,327 | 2,109,623 | 2,737,335 | 9,387,656 |
| Personal service contracts | 11 | 127,522 | 109,820 | 171,682 | 202,098 | 611,122 |
| Salaries and benefits | | 438,270 | 426,714 | 437,358 | 531,644 | 1,833,986 |
| Civil penalty adjudication cost | 12 | 150,802 | 147,130 | 153,779 | 160,054 | 611,765 |
| Maintenance and Preservation | 13 | 969,920 | 74,839 | 303,944 | 398,268 | 1,746,971 |
| Capital outlays | 14 | 12,037,591 | 29,362,146 | 14,381,962 | 15,671,589 | 71,453,288 |
| Other Agency/Program Expenditures | 15 | 398,687 | 398,553 | 398,927 | 410,574 | 1,606,741 |
| **TOTAL EXPENDITURES** | | 16,126,164 | 33,056,529 | 17,957,275 | 20,111,562 | 87,251,530 |
| **EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | | (5,635,823) | (19,758,073) | (5,341,105) | (3,725,635) | (34,460,636) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Operating transfers in | | - | - | - | - | - |
| Operating transfers out | | - | - | - | - | - |
| **TOTAL OTHER FINANCING USES** | | $ - | $ - | $ - | $ - | $ - |
| **NET CHANGE IN FUND BALANCE** | | $ (5,635,823) | $ (19,758,073) | $ (5,341,105) | $ (3,725,635) | $ (34,460,636) |
| **FUND BALANCE - BEGINNING** | | $ 250,440,472 | $ 244,804,649 | $ 225,046,576 | $ 219,705,471 | $ 250,440,472 |
| **FUND BALANCE - ENDING** | | $ 244,804,649 | $ 225,046,576 | $ 219,705,471 | $ 215,979,836 | $ 215,979,836 |

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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 | $ - | $ 21,105 | $ - | $ - | $ 21,105 |

**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 | $ (833) | $ 264,070 | $ - | $ 944,927 |
| Preservation | 288,230 | 75,672 | 39,874 | 398,268 | 802,044 |
| Total | $ 969,920 | $ 74,839 | $ 303,944 | $ 398,268 | $ 1,746,971 |

14. **Capital Outlays –** I405/SR167 Corridor Capital outlays do not include $21M expended in Q3 using Move Ahead Washington (MAW) funds.

15. **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 | $ 18,600 | $ 18,600 | $ 74,400 |
| Traffic Operations (Q) | 4,115 | 3,981 | 4,355 | 6,786 | 19,237 |
| Transportation Management (S) | 14,098 | 14,098 | 14,098 | 14,314 | 56,608 |
| Transportation Planning (T) | - | - | - | - | - |
| Charges From Other Agencies (U) | - | - | - | 9,000 | 9,000 |
| Washington State Patrol | 361,874 | 361,874 | 361,874 | 361,874 | 1,447,496 |
| Total | $ 398,687 | $ 398,553 | $ 398,927 | $ 410,574 | $ 1,606,741 |