

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 520 CIVIL PENALTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2025, QUARTER ENDED MARCH 31, 2025

	NOTES	JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Civil penalty	1	\$ (2,805,313)	\$ 1,459,564	\$ 1,862,948		\$ 517,199
Interest income		80,524	119,840	126,251		326,615
TOTAL REVENUES		<u>(2,724,788)</u>	<u>1,579,404</u>	<u>1,989,199</u>	<u>-</u>	<u>843,815</u>
EXPENDITURES						
Goods and Services						
Adjudication system vendor contract	2	99,498	120,769	118,018		338,285
Administrative hearing	3	364	108	83		555
Credit card and bank fees		96,137	94,005	99,412		289,554
Other	4	82,529	56,749	66,353		205,631
Total Goods and Services		278,528	271,631	283,866	-	834,025
Salaries and benefits		13,783	13,503	13,821		41,107
TOTAL EXPENDITURES		<u>292,311</u>	<u>285,134</u>	<u>297,687</u>	<u>-</u>	<u>875,132</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(3,017,099)</u>	<u>1,294,270</u>	<u>1,691,512</u>	<u>-</u>	<u>(31,317)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in		-	-	-		-
Operating transfers out	5	(125,000)	(125,000)	(125,000)		(375,000)
TOTAL OTHER FINANCING USES		<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCE		<u>(3,142,099)</u>	<u>1,169,270</u>	<u>1,566,512</u>	<u>-</u>	<u>(406,317)</u>
FUND BALANCE - BEGINNING		<u>18,785,168</u>	<u>15,643,069</u>	<u>16,812,339</u>		<u>18,785,168</u>
FUND BALANCE - ENDING		<u>\$ 15,643,069</u>	<u>16,812,339</u>	<u>\$ 18,378,851</u>	<u>\$ -</u>	<u>\$ 18,378,851</u>

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

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Detailed Notes

1. 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.

2. The Adjudication System Vendor Contract – 520 Bridge share of the adjudication system vendor contract with ETAN for the adjudication system module.

3. Administrative hearing – The Office of Administrative Hearings (OAH) has the necessary expertise to provide fair and impartial Administrative Law Judges (ALJs) to preside over the toll violation dispute processes. OAH provides ALJs to preside over and/or decide the toll violation disputes. These costs include labor hours for the ALJs for their services performed for toll adjudication, training and administration.

4. Other Goods and Services – Expenditures for the 520 Bridge's share of adjudication costs. These costs include supplies, communications, services provided by outside vendors, printing, and settlement costs.

5. Operating Transfers out – The 2023-25 enacted budget includes a \$1 million transfer from the SR 520 Civil Penalties Account to the Motor Vehicle Account to repay a loan to the SR 520 Corridor Account in the 2019-21 Biennium. This transfer has been divided evenly over each quarter throughout the 2023-25 Biennium. Also included is an administrative transfer to account 16J.