

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015

	NOTES	JULY THROUGH MARCH	APRIL THROUGH JUNE	YEAR-TO-DATE
REVENUES				
Tolling revenue	1	\$ 46,912,037	\$ 17,038,189	\$ 63,950,226
Debt service reimbursement (FHWA)	2	39,095,676	-	39,095,676
Transponder sales	3	397,964	153,386	551,350
Toll vendor contractual damages	4	212,306	66,645	278,951
Toll bill reprocessing fee	5	1,152,436	386,980	1,539,416
Interest income		213,469	115,914	329,383
Miscellaneous	6	44,108	15,293	59,401
TOTAL REVENUES		88,027,996	17,776,407	105,804,403
EXPENDITURES				
Goods and Services				
Toll CSC operations vendor contract	7	3,387,995	1,176,024	4,564,019
Toll lane vendor contract		242,863	124,472	367,335
Insurance	8	2,214,590	7,309	2,221,899
Credit card and bank fees		862,848	341,572	1,204,420
Transponder cost of goods sold	9	216,755	121,638	338,393
Pay-by-mail		687,483	263,348	950,831
Other	10	495,712	220,097	715,809
Total Goods and Services		8,108,246	2,254,460	10,362,706
Personal service contracts	11	1,180,453	407,014	1,587,467
Salaries and benefits		717,639	265,197	982,836
Capital outlay - replacement bridge construction	12	314,013,516	52,099,391	366,112,907
TOTAL EXPENDITURES		324,019,854	55,026,062	379,045,916
DEFICIENCY OF REVENUES OVER EXPENDITURES		(235,991,858)	(37,249,655)	(273,241,513)
OTHER FINANCING SOURCES (USES)				
Bonds issued	13	135,198,000	50,001,364	185,199,364
Operating Transfer In	14		886,000	886,000
Operating transfers out - debt service		(19,518,731)	(6,506,244)	(26,024,975)
Operating transfers out - GARVEE debt service		(39,095,676)	-	(39,095,676)
TOTAL OTHER FINANCING USES		76,583,593	44,381,120	120,964,713
NET CHANGE IN FUND BALANCE		(159,408,265)	7,131,465	(152,276,800)
FUND BALANCE - BEGINNING		200,245,608	40,837,343	200,245,608
FUND BALANCE - ENDING		\$ 40,837,343	\$ 47,968,808	\$ 47,968,808

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, net of any adjustments, from tolls on vehicles traveling over the 520 Bridge, which are collected by either *Good To Go!* electronic toll accounts or pay-by-mail.
2. **Debt Service Reimbursement (FHWA)** – Federal Highway Administration Revenue provided for debt service on GARVEE bonds (Series 2012F & Series 2014C). These revenues are received every six months and the associated operating transfers out occur at the same time.
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 ETCC for not meeting Key Performance Indicators (KPIs), totaling \$24,154, and the short-term portion of future amounts due from ETCC, totaling \$254,796.
5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings.
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 CSC Operations Vendor Contract** – Payment for monthly CSC operations costs.
8. **Insurance** – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).
9. **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.
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. **Capital Outlay** – Costs associated with construction of the new replacement 520 Floating Bridge. Spending in 4th quarter reduced 43.5% as project is coming to a close.
13. **Bonds Issued** – Proceeds authorized in the SR520's TIFIA drawdown loan.
14. **Operating Transfers In** –For the 2013-15 biennium, the Legislature provided authority in Chapter 10, laws of 2015 PV (2ESHB 1299, Section 1106(7)) to transfer \$886,000 from SR 520 Civil Penalty Account, which represents a portion of the pledged toll revenue collected through the civil penalty process.