

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT
STATE FISCAL YEAR 2016, QUARTER ENDED JUNE 30, 2016**

	NOTE	JULY THROUGH SEPT	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Tolling revenue	1	\$ 17,079,599	\$ 16,743,965	\$ 17,673,154	\$ 17,856,100	\$ 69,352,818
Debt service reimbursement (FHWA)	2	82,147,838	-	17,996,338	-	100,144,176
Transponder sales	3	143,150	139,099	324,739	223,510	830,498
Toll vendor contractual damages	4	64,501	72,036	68,006	66,350	270,893
Toll bill reprocessing fee	5	306,362	317,591	470,281	245,638	1,339,872
Interest income		66,016	50,324	70,340	237,195	423,875
Miscellaneous	6	14,340	17,997	12,692	13,052	58,081
TOTAL REVENUES		99,821,806	17,341,012	36,615,550	18,641,845	172,420,213
EXPENDITURES						
Goods and Services						
Toll CSC operations vendor contract	7	1,212,979	944,561	1,428,710	1,163,443	4,749,693
Toll lane vendor contract		82,036	91,651	84,051	15,874	273,612
Insurance	8	2,219,557	13,303	31,418	(378)	2,263,900
Credit card and bank fees		337,007	275,853	337,199	361,501	1,311,560
Transponder cost of goods sold	9	104,620	130,412	199,814	107,851	542,697
Pay-by-mail		268,038	228,534	199,816	349,844	1,046,232
Other	10	189,076	242,201	181,437	223,662	836,376
Total Goods and Services		4,413,313	1,926,515	2,462,445	2,221,797	11,024,070
Personal service contracts	11	360,441	407,226	343,469	581,750	1,692,886
Salaries and benefits		341,713	288,456	302,582	337,896	1,270,647
Maintenance and Operations	12	32,503	76,384	286,780	411,915	807,582
Capital outlay - replacement bridge construction	13	-	-	309,528	112,068,626	112,378,154
TOTAL EXPENDITURES		5,147,970	2,698,581	3,704,804	115,621,984	127,173,339
DEFICIENCY OF REVENUES OVER EXPENDITURES		94,673,836	14,642,431	32,910,746	(96,980,139)	45,246,874
OTHER FINANCING SOURCES (USES)						
Bonds issued	14				104,800,636	104,800,636
Operating Transfer In	15				815,000	815,000
Operating transfers out - debt service	16	(6,506,243)	(7,030,975)	(6,401,490)	(8,257,760)	(28,196,468)
Operating transfers out - GARVEE debt service		(82,147,838)	-	(17,996,337)		(100,144,175)
TOTAL OTHER FINANCING USES		(88,654,081)	(7,030,975)	(24,397,827)	97,357,876	(22,725,006)
NET CHANGE IN FUND BALANCE		6,019,754	7,611,456	8,512,920	377,737	22,521,867
FUND BALANCE - BEGINNING		47,968,808	53,988,562	61,600,018	70,112,938	47,968,808
FUND BALANCE - ENDING		\$ 53,988,562	\$ 61,600,018	\$ 70,112,938	\$ 70,490,675	\$ 70,490,675

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

**NOTES TO THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
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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).
5. **Toll Bill Reprocessing Fee Revenue** – The allocated portion of fees associated with the issuance of second toll billings.
6. **Miscellaneous Income** – 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** – Insurance was overstated by \$18,114 in the 3rd quarter, so an adjustment was recorded in the 4th quarter.
9. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue. A \$54,994 adjustment to reduce Transponder Cost Goods Sold was recorded in the 4th quarter to account for flex and motorcycle incentive program.
10. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, service provided by outside vendors, printing, and registered owner look up costs. Beginning May 2016, WSDOT contracted with Department of Enterprise Services (DES) to provide mailing services.
11. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting. The increased in 4th quarter is related to additional services provided for CSC System request and procurement support.
12. **Maintenance and Operations** – Cost of maintenance activities on the SR 520 Corridor.
13. **Capital Outlay** – For Transportation Infrastructure Finance and Innovation Act (TIFIA) reimbursements. The majority of construction costs are recorded in the Transportation Partnership Account (TPA) throughout the fiscal year. June 2016 construction costs were determined eligible for reimbursement and transferred from the TPA to SR 520 Corridor account.
14. **Bonds Issued** – This represents the last draw of TIFIA loan made in June 2016.
15. **Operating Transfer In** – Toll revenue transferred from NOCP account per transfer authority granted in 2016 Session Laws, Chapter 14 Section 408.
16. **Operating Transfers Out – debt service** – Transfers of cash to the Toll Facility Bond Retirement Account to facilitate the payment of debt service on the Series 2012C, 2012F, and 2014C bonds. The GARVEE transfer out for the Series 2012F & 2014C bonds is paid by a reimbursement from FHWA (Note 2).