

**NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT
STATE FISCAL YEAR 2019, QUARTER ENDED JUNE 30, 2019**

	NOTES	JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Toll revenue	1	\$ 21,613,569	\$ 21,175,614	\$ 19,568,991	\$ 23,320,514	85,678,689
Debt service reimbursement (FHWA)	2	87,041,563	-	12,857,813	-	99,899,375
Transponder sales	3	256,140	207,839	218,251	223,574	905,804
Toll vendor contractual damages	4	3,136	5,257	3,070	2,760	14,223
Toll bill reprocessing fee	5	352,760	323,734	254,527	653,103	1,584,124
Interest income		284,284	413,355	564,368	752,019	2,014,027
Miscellaneous	6	63,878	13,097	43,020	43,501	163,496
TOTAL REVENUES		109,615,330	22,138,897	33,510,039	24,995,472	190,259,739
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	2,723,683	2,617,619	2,711,166	3,204,320	11,256,789
Insurance	8	2,780,302	8,288	24,348	13,641	2,826,580
Credit card and bank fees		493,833	440,707	382,834	529,797	1,847,170
Transponder cost of goods sold	9	169,532	144,651	151,464	187,926	653,573
Pay-by-mail		394,105	307,577	283,134	319,820	1,304,636
Other	10	184,590	197,638	135,912	153,317	671,458
Total Goods and Services		6,746,045	3,716,481	3,688,858	4,408,822	18,560,205
Personal service contracts	11	439,277	704,867	470,390	395,502	2,010,036
Salaries and benefits		485,311	516,306	506,037	604,033	2,111,688
Cost of financing		-	-	-	-	-
Maintenance and preservation	12	412,095	535,625	575,103	768,837	2,291,660
TOTAL EXPENDITURES		8,082,729	5,473,279	5,240,388	6,177,193	24,973,588
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		101,532,601	16,665,619	28,269,651	18,818,280	165,286,151
OTHER FINANCING SOURCES (USES)						
Operating Transfer In		-	-	-	1,000,000	1,000,000
Operating transfers out - debt service	13	(101,036,517)	(13,990,983)	(26,840,849)	(13,985,778)	(155,854,126)
TOTAL OTHER FINANCING USES		(101,036,517)	(13,990,983)	(26,840,849)	(12,985,778)	(154,854,126)
NET CHANGE IN FUND BALANCE		496,084	2,674,636	1,428,802	5,832,502	10,432,025
FUND BALANCE - BEGINNING		81,918,282	82,414,366	85,089,002	86,517,805	81,918,282
FUND BALANCE - ENDING		\$ 82,414,366	\$ 85,089,002	\$ 86,517,805	\$ 92,350,307	\$ 92,350,307

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. State Route Number 520 Corridor portion of these expenditures in fiscal year 2019 are \$1,199,837 for current quarter and \$4,044,430 for the fiscal year.

Detailed Notes

1. **Toll 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 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. **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. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
10. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, service 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. Increase in services provided by Jacobs.
12. **Maintenance and Preservation** – Cost of maintenance and preservation activities on the SR520 corridor. 4th quarter Maintenance totaled \$757,534 and preservation totaled \$11,303. Year to date Maintenance totaled \$2,233,950 and Preservation totaled \$57,710.
13. **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, 2014C and 2017C bonds. The GARVEE transfer out for the Series 2012F & 2014C bonds is paid by a reimbursement from FHWA (Note 2).