

**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 DECEMBER 31, 2015**

	NOTES	JULY THROUGH SEPT	OCT THROUGH DEC	YEAR-TO-DATE
<b>REVENUES</b>				
Tolling revenue	1	\$ 17,079,599	\$ 16,743,965	\$ 33,823,564
Debt service reimbursement (FHWA)	2	82,147,838	-	82,147,838
Transponder sales	3	143,150	139,099	282,249
Toll vendor contractual damages	4	64,501	72,036	136,537
Toll bill reprocessing fee	5	306,362	317,591	623,953
Interest income		66,016	50,324	116,340
Miscellaneous	6	14,340	17,997	32,337
<b>TOTAL REVENUES</b>		<b>99,821,806</b>	<b>17,341,012</b>	<b>117,162,818</b>
<b>EXPENDITURES</b>				
Goods and Services				
Toll CSC operations vendor contract	7	1,212,979	944,561	2,157,540
Toll lane vendor contract		82,036	91,651	173,687
Insurance	8	2,219,557	13,303	2,232,860
Credit card and bank fees		337,007	275,853	612,860
Transponder cost of goods sold	9	104,620	130,412	235,032
Pay-by-mail		268,038	228,534	496,572
Other	10	189,076	242,201	431,277
Total Goods and Services		4,413,313	1,926,515	6,339,828
Personal service contracts	11	360,441	407,226	767,667
Salaries and benefits		341,713	288,456	630,169
Maintenance and Operations	12	32,503	76,384	108,887
<b>TOTAL EXPENDITURES</b>		<b>5,147,970</b>	<b>2,698,581</b>	<b>7,846,551</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>		<b>94,673,836</b>	<b>14,642,431</b>	<b>109,316,267</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued				
Operating Transfer In				-
Operating transfers out - debt service	13	(6,506,243)	(7,030,975)	(13,537,218)
Operating transfers out - GARVEE debt service		(82,147,838)	-	(82,147,838)
<b>TOTAL OTHER FINANCING USES</b>		<b>(88,654,081)</b>	<b>(7,030,975)</b>	<b>(95,685,056)</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>6,019,754</b>	<b>7,611,456</b>	<b>13,631,210</b>
<b>FUND BALANCE - BEGINNING</b>		<b>47,968,808</b>	<b>53,988,562</b>	<b>47,968,808</b>
<b>FUND BALANCE - ENDING</b>		<b>\$ 53,988,562</b>	<b>\$ 61,600,018</b>	<b>\$ 61,600,018</b>

*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. December tolling revenue is understated by an immaterial amount due to a temporary system issue that has been resolved. The understated revenue will be recorded in January 2016.
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 \$72,036 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.
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.
12. **Maintenance and Operations** – Cost of maintenance activities on the SR520 Corridor.
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, and 2014C bonds. The GARVEE transfer out for the Series 2012F & 2014C bonds is paid by a reimbursement from FHWA (Note 2).