

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 2020, QUARTER ENDED MARCH 31, 2020

	NOTES	JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	YEAR-TO-DATE
REVENUES					
Toll revenue	1	\$ 21,863,287	\$ 20,304,021	\$ 16,414,549	58,581,858
Debt service reimbursement (FHWA)	2	88,842,813	-	10,961,438	99,804,250
Transponder sales	3	234,072	241,759	173,669	649,500
Toll vendor contractual damages	4	78,406	4,482	3,816	86,705
Toll bill reprocessing fee	5	393,615	343,756	239,102	976,473
Interest income		410,009	556,849	499,346	1,466,204
Miscellaneous	6	34,163	662,365	24,869	721,397
TOTAL REVENUES		<u>111,856,365</u>	<u>22,113,232</u>	<u>28,316,789</u>	<u>162,286,386</u>
EXPENDITURES					
Goods and Services					
Toll operations vendor contracts	7	3,278,316	2,575,096	2,423,848	8,277,260
Insurance	8	3,335,558	15,154	15,154	3,365,865
Credit card and bank fees		496,031	443,534	411,147	1,350,711
Transponder cost of goods sold	9	139,872	161,827	132,203	433,902
Pay-by-mail		148,711	507,942	220,729	877,382
Other	10	210,375	163,741	162,140	536,256
Total Goods and Services		<u>7,608,862</u>	<u>3,867,293</u>	<u>3,365,220</u>	<u>14,841,376</u>
Personal service contracts	11	409,936	509,895	389,481	1,309,311
Salaries and benefits		554,275	426,465	470,500	1,451,240
Maintenance and preservation	12	533,156	533,891	476,969	1,544,015
TOTAL EXPENDITURES		<u>9,106,230</u>	<u>5,337,543</u>	<u>4,702,170</u>	<u>19,145,942</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>102,750,135</u>	<u>16,775,690</u>	<u>23,614,619</u>	<u>143,140,444</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers out - debt service	13	(102,834,075)	(13,990,304)	(24,949,828)	(141,774,206)
TOTAL OTHER FINANCING USES		<u>(102,834,075)</u>	<u>(13,990,304)</u>	<u>(24,949,828)</u>	<u>(141,774,206)</u>
NET CHANGE IN FUND BALANCE		(83,939)	2,785,386	(1,335,209)	1,366,238
FUND BALANCE - BEGINNING		<u>92,350,307</u>	<u>92,266,368</u>	<u>95,051,753</u>	<u>92,350,307</u>
FUND BALANCE - ENDING		<u>\$ 92,266,368</u>	<u>\$ 95,051,753</u>	<u>\$ 93,716,544</u>	<u>\$ 93,716,544</u>

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 2020 are \$528,595 for current quarter and \$1,784,252 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. 3rd quarter maintenance totaled \$450,080 and preservation totaled \$26,889. Year to date Maintenance totaled \$1,437,197 and Preservation totaled \$106,818.
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).