

COMBINING BALANCE SHEET
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
WASHINGTON TOLLING SYSTEM
STATE FISCAL YEAR 2017, QUARTER ENDED DECEMBER 31, 2016

	NOTES	TNB ACCOUNT	HOT LANES ACCOUNT	520 BRIDGE ACCOUNT	520 CIVIL PENALTY ACCOUNT	405 ACCOUNT	CENTRAL TOLL ACCOUNT	TOTAL
ASSETS								
Cash and cash equivalents		\$ 26,762,780	\$ 3,840,866	\$ 152,230,366	\$ 7,012,790	\$ 19,961,490	\$ 18,785,032	\$ 228,593,324
Cash held with escrow agents		-	-	-	-	-	-	-
Accounts receivable, net	1	2,004,774	1,911	2,920,015	-	1,253,921	(44)	6,180,577
Notice of civil penalties, net	2	14,722,966	-	-	19,725,753	3,698,673	-	38,147,392
Due from other governments		-	-	-	-	-	-	-
Due from other funds/agencies		4,619	-	5,705	-	1,545	41,963	53,832
Due from toll vendor	3	215,636	18,999	403,445	-	-	16,712	654,792
Consumable inventories	4	-	-	-	-	-	211,588	211,588
TOTAL ASSETS		<u>43,710,775</u>	<u>3,861,776</u>	<u>155,559,531</u>	<u>26,738,543</u>	<u>24,915,629</u>	<u>19,055,251</u>	<u>273,841,505</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable		1,536,985	301,589	2,119,947	464,152	1,106,900	5,884	5,535,457
Retained percentages payable		29,478	15,661	361,504	52,178	-	-	458,821
Obligations under Security Lending		-	-	-	-	-	-	-
Due to other governments		-	-	-	-	-	-	-
Due to other funds/agencies		23,791	8,526	119,929	1,410	14,659	63,179	231,494
Due to department of revenue - taxes		-	-	-	-	-	9,072	9,072
Unearned revenue	5	2,648,553	-	1,766,006	2,035,406	1,781,879	18,934,228	27,166,072
Unclaimed property refund liability		-	-	-	-	-	-	-
Liability for cancelled warrants	6	2,711	-	-	-	-	42,889	45,600
Total Liabilities		<u>4,241,518</u>	<u>325,776</u>	<u>4,367,386</u>	<u>2,553,146</u>	<u>2,903,438</u>	<u>19,055,252</u>	<u>33,446,516</u>
Deferred Inflows of Resources								
Unavailable revenue-\$5 fee, NOCPs, Real Estate	7	12,571,337	-	301,844	16,316,774	2,438,788	-	31,628,743
Unavailable revenue-toll vendor		71,200	5,999	127,414	-	-	-	204,613
Total Deferred Inflows of Resources		<u>12,642,537</u>	<u>5,999</u>	<u>429,258</u>	<u>16,316,774</u>	<u>2,438,788</u>	<u>-</u>	<u>31,833,356</u>
Fund Balances								
Nonspendable consumable inventories		-	-	-	-	-	(235,365)	(235,365)
Restricted for unspent bond proceeds		-	-	71,258,930	-	-	-	71,258,930
Restricted for operations and maintenance		-	-	9,048,352	-	-	-	9,048,352
Restricted for repair and replacement		-	-	10,245,123	-	-	-	10,245,123
Restricted for transportation		26,826,720	-	38,141,686	-	-	-	64,968,406
Restricted for revenue stabilization		-	-	22,068,796	-	-	-	22,068,796
Committed for transportation		-	3,530,002	-	7,868,623	19,573,403	235,365	31,207,393
Unassigned		-	-	-	-	-	-	-
Total Fund Balances		<u>26,826,720</u>	<u>3,530,002</u>	<u>150,762,887</u>	<u>7,868,623</u>	<u>19,573,403</u>	<u>-</u>	<u>208,561,634</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 43,710,775</u>	<u>\$ 3,861,776</u>	<u>\$ 155,559,531</u>	<u>\$ 26,738,543</u>	<u>\$ 24,915,629</u>	<u>\$ 19,055,251</u>	<u>\$ 273,841,504</u>

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

NOTES TO THE COMBINING BALANCE SHEET
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
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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. Accounts Receivable, net:

- (a) TNB, 520 Bridge and 405 accounts consist primarily of: (1) Crossings where a Toll Bill has been sent to the customer via Pay-by-Mail, (2) Customer payments made by credit card which had yet to settle, (3) Crossings that are in the image review process and toll fees have yet to be transferred from customer accounts, (4) Crossings that are not viable and are awaiting dismissal, (5) and the Accounts allocated share of NSF fee, transponder sales and \$5 reprocessing fee receivables
- (b) HOT Lanes Account consists of: HOT Lanes allocated share of NSF fee and transponder sales receivables.

2. Notice of Civil Penalties, net - The TNB balance consists of all outstanding amounts due related to TNB notices of civil penalties and the 520 Civil Penalty balance consists of all outstanding amounts due related to 520 Bridge notices of civil penalties.

3. Due from Toll Vendor – For TNB, HOT Lanes, 520 Bridge, and 405 Account, the Due from Toll Vendor consists primarily of amounts due from the CSC operations vendor (ETCC) due to renegotiation of the CSC operations contract. For the Central Toll Account amounts are due from the CSC operations vendor ETCC due to operational and system errors that have required manual corrections and have resulted in amounts due to WSDOT.

4. Consumable Inventory – Toll transponders valued at cost using the first in, first out (FIFO) method.

5. Unearned Revenue:

- (a) TNB Account - Notice of civil penalty amounts not yet recognized because the adjudication process has not been completed. Also included are amounts associated with deferrals for toll bill amounts not estimated to be collected until they become NOCP receivables, as well as amounts directly attributable to items (a) (3) and (4) described above in Note 1.
- (b) 520 Bridge Account - amounts associated with deferrals for toll bill amounts not estimated to be collected until they become NOCP receivables, as well as amounts directly attributable to items (a) (3) and (4) described above in Note 1.
- (c) 520 Civil Penalty Account – Notice of civil penalty amounts not yet recognized because the adjudication process has not been completed.
- (d) 405 Account - amounts associated with deferrals for toll bill amounts not estimated to be collected until they become NOCP receivables, as well as amounts directly attributable to items (a) (3) and (4) described above in Note 1.
- (e) Central Toll Account - amounts from customers on deposit for prepaid *Good To Go!* accounts. No revenue is recognized in the Central Toll Account. Funds from the prepaid accounts, held in the Central Toll Account, are transferred to the applicable toll facility when a transponder is “read” as the customers’ vehicle crosses one of the toll facilities. Until this event, the prepaid toll account balance represents a liability to the state and is owed to the customer.

6. Cancelled Warrants – When a vendor cannot be located, such as when the vendor changes addresses without notification, the original warrant (check) must be cancelled and reissued once the vendor is located.

7. Unavailable Revenue:

- (a) TNB Account - amount associated with TNBs long-term portion of the toll vendor receivable and a real estate contract receivable. Also included are deferrals for NOCP and \$5 fee receivable amounts estimated to take over 12 months to collect.
- (b) HOT Lanes Account - amount associated with the accounts long-term portion of the toll vendor receivable.
- (c) 520 Bridge Account - amount associated with 520s long-term portion of the toll vendor receivable. Also included are deferrals for \$5 fee receivable amounts estimated to take over 12 months to collect.
- (d) 520 Civil Penalty Account – amounts associated with deferral for NOCP receivable amounts estimated to take over 12 months to collect.
- (e) 405 Account – amounts associated with long-term portion of the toll vendor receivable. Also included are deferrals for NOCP and \$5 fee receivable amounts estimated to take over 12 months to collect.