

COMBINING BALANCE SHEET
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
WASHINGTON TOLLING SYSTEM
STATE FISCAL YEAR 2016, QUARTER ENDED SEPTEMBER 30, 2015

	NOTES	TNB ACCOUNT	HOT LANES ACCOUNT	520 BRIDGE ACCOUNT	520 CIVIL PENALTY ACCOUNT	CENTRAL TOLL ACCOUNT	TOTAL
ASSETS							
Cash and cash equivalents		\$ 15,273,645	\$ 3,120,451	\$ 55,178,464	\$ 17,035,893	\$ 14,724,843	\$ 105,333,296
Cash held with escrow agents		-	-	16,370,147	-	-	16,370,147
Accounts receivable, net	1	2,652,259	1,143	6,165,558	-	-	8,818,960
Notice of civil penalties, net	2	11,718,389	-	-	17,331,952	-	29,050,341
Due from other governments		-	-	-	-	-	-
Due from other funds/agencies		-	-	-	-	161,894	161,894
Due from toll vendor	3	397,420	34,999	743,173	-	7,333	1,182,925
Consumable inventories	4	-	-	-	-	696,196	696,196
TOTAL ASSETS		<u>\$ 30,041,713</u>	<u>\$ 3,156,593</u>	<u>\$ 78,457,342</u>	<u>\$ 34,367,845</u>	<u>\$ 15,590,266</u>	<u>\$ 161,613,759</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable		\$ 1,237,485	\$ 63,016	\$ 1,631,115	\$ 186,721	\$ 19,858	\$ 3,138,195
Retained percentages payable		-	-	16,725,350	-	-	16,725,350
Obligations under Security Lending		-	-	-	-	-	-
Due to other governments		-	-	-	-	-	-
Due to other funds/agencies		64,758	6,520	91,355	16,953	255	179,841
Due to department of revenue - taxes		-	-	-	-	40,119	40,119
Unearned revenue	5	2,843,075	-	3,622,033	1,927,326	15,476,959	23,869,393
Unclaimed property refund liability		-	-	-	-	-	-
Liability for cancelled warrants	6	2,730	-	826	-	53,075	56,631
Total Liabilities		<u>4,148,048</u>	<u>69,536</u>	<u>22,070,679</u>	<u>2,131,000</u>	<u>15,590,266</u>	<u>44,009,529</u>
Deferred Inflows of Resources							
Unavailable revenue-\$5 fee, NOCPs, Real Estate	7	10,042,180	21,000	1,952,190	13,645,473	-	25,660,843
Unavailable revenue-toll vendor		241,532	-	445,911	-	-	687,443
Total Deferred Inflows of Resources		<u>10,283,712</u>	<u>21,000</u>	<u>2,398,101</u>	<u>13,645,473</u>	<u>-</u>	<u>26,348,286</u>
Fund Balances							
Nonspendable consumable inventories		-	-	-	-	696,196	696,196
Restricted for unspent GARVEE bond proceeds		-	-	-	-	-	-
Restricted for operations and maintenance		-	-	6,965,528	-	-	6,965,528
Restricted for repair and replacement		-	-	3,402,768	-	-	3,402,768
Restricted for transportation		15,609,953	-	43,620,266	-	-	59,230,219
Committed for transportation		-	3,066,057	-	18,591,372	(696,196)	20,961,233
Unassigned		-	-	-	-	-	-
Total Fund Balances		<u>15,609,953</u>	<u>3,066,057</u>	<u>53,988,562</u>	<u>18,591,372</u>	<u>-</u>	<u>91,255,944</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 30,041,713</u>	<u>\$ 3,156,593</u>	<u>\$ 78,457,342</u>	<u>\$ 34,367,845</u>	<u>\$ 15,590,266</u>	<u>\$ 161,613,759</u>

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

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Tolling Subsidiary Accounting System – Repeat independent audits of service organization controls (SOC) 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 and 520 Bridge 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 and the 520 Bridge 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 amount 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) 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 - amounts 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 - amounts associated with the accounts long-term portion of the toll vendor receivable.
 - (c) 520 Bridge Account - amounts 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.