

**WASHINGTON TOLLING SYSTEM
WASHINGTON STATE
DEPARTMENT OF TRANSPORTATION**

**COMBINING BALANCE SHEET
State Fiscal Year 2011, Quarter June 30, 2011**

	NOTES	TNB ACCOUNT (Fund 511)	HOT LANES ACCOUNT (Fund 09F)	CENTRAL TOLL ACCOUNT (Fund 495)	COMBINED
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents		7,420,391	687,843	6,738,188	14,846,422
Accounts Receivable	1,2,3	256,177	15,857	230,400	502,434
Due From Other Governments	4	24,647	0	0	24,647
Due From Other Funds/Agencies	5	853,123	29,475	9,018	891,616
Due From Toll Vendor(s)	6	712,851	19,687	0	732,538
Consumable Inventories	7	0	2,220	0	2,220
Total Current Assets		<u>9,267,189</u>	<u>755,082</u>	<u>6,977,607</u>	<u>16,999,877</u>
TOTAL ASSETS		<u>9,267,189</u>	<u>755,082</u>	<u>6,977,607</u>	<u>16,999,877</u>
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES:					
Accounts Payable	8	668,610	6,514	324	675,448
Due to Other Governments	4	1,001	0	0	1,001
Due to Other Funds	5	216,375	28,135	935,127	1,179,637
Due to Other Agencies	5	17,372	14,966	16	32,354
Due to Department of Revenue - Taxes	9	0	0	5,572	5,572
Deferred Revenue	10	237,328	0	6,023,132	6,260,460
Unclaimed Property Refund Liability	11	119	0	12,746	12,865
Liability for Cancelled Warrants	12	2,711	0	690	3,401
Total Current Liabilities		<u>1,143,516</u>	<u>49,615</u>	<u>6,977,607</u>	<u>8,170,738</u>
TOTAL LIABILITIES		<u>1,143,516</u>	<u>49,615</u>	<u>6,977,607</u>	<u>8,170,738</u>
FUND BALANCE					
Nonspendable Consumable Inventories	7	0	2,220	0	2,220
Restricted for Transportation	13	8,123,673	0	0	8,123,673
Committed for Transportation	13	0	703,246	0	703,246
Total Fund Balance		<u>8,123,673</u>	<u>705,466</u>	<u>0</u>	<u>8,829,139</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>9,267,189</u>	<u>755,082</u>	<u>6,977,607</u>	<u>16,999,877</u>

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental type funds.

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

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State Fiscal Year 2011, Quarter Ended June 30, 2011**

- 1 Accounts Receivable in the TNB Account consists primarily of: (a) TNB crossings that are in the image review process and toll fees have yet to be transferred from customer accounts, (b) TNB crossings where a toll violation has been detected and is in the process of being referred to the Pierce County Courts (c) TNB crossings that are not viable and are awaiting dismissal, and (d) Customer payments made by credit card which had yet to settle by June 30.
- 2 Account Receivable in the HOT Lanes Account consists of amounts due from customers because their prepaid account had an insufficient balance.
- 3 Accounts Receivable in the Central Toll Account consists primarily of customer payments made by credit card which had yet to settle by June 30.
- 4 Inter-governmental activity is for goods and/or services provided to or by local governments.
- 5 Inter-fund activity is for goods and/or services provided between governmental funds within the Department of Transportation. Inter-agency activity is for goods and/or services provided to or by other Washington State Agencies.
- 6 For TNB, Due from Toll Vendors consists of amounts due from the TNB Lane Vendor (TransCore) due to system issues which caused a \$11,556 decrease in toll revenue, and \$701,295 due from the CSC operations vendor (ETCC) for costs incurred and decreased toll revenue. For HOT Lanes, Due from Toll Vendor consists of amounts due from the CSC operations vendor (ETCC) for costs incurred.

- 7 Typically, consumable inventory consists of toll transponders. Consumable inventory is valued at cost using the first in, first out (FIFO) method. Currently, due to statutory requirements, transponder inventory is being temporarily held in Fund 108. Upon certification of the new tolling system by the WSDOT Secretary, the transponder inventory balance will be transferred to the Central Toll Account, Fund 495. Within the HOT Lanes fund, consumable inventory consists of Transponder Disabling Devices (TDDs).
- 8 Accounts payable represents accrued payments due to non-governmental vendors as of June 30.
- 9 The Department owes sales taxes on the sale of transponder devices. These are remitted to the Department of Revenue monthly.
- 10 Deferred Revenue, in the Central Toll Account, is money collected from customers for prepaid Good to Go electronic toll accounts. No revenue from the prepaid accounts is recognized until the transponder is "read" as the customers' vehicle crosses the Tacoma Narrows Bridge or enters a HOT Lane on SR-167 as a single occupant vehicle. Until this event, the prepaid toll account balance represents a liability to the state and is owed to the customer. Deferred Revenue, in the TNB Account, is directly attributable to items a, b, and c described above in Note #1.
- 11 After twenty-four months of inactivity, prepaid toll accounts are closed and remaining balances, less any associated fees, are refunded to the customer. In cases where the Good to Go vendor cannot locate the customer, WSDOT remits the prepaid toll account balance to the Department of Revenue's Unclaimed Property Section. The balance in Unclaimed Property Refund Liability represents amounts that will be remitted to the Department of Revenue.
- 12 Occasionally, the Department is unable to remit payment for goods or services to a vendor because the vendor cannot be located, such as when the vendor changes addresses without notifying the Department. Since we still owe the vendor for the goods or services provided, we must cancel the original warrant (check), find the vendor, and reissue the warrant (check). This line item represents the liability to the vendors whom the Department owes money but temporarily cannot locate to deliver their funds.
- 13 In the fund financial statements, governmental funds report the difference between fund assets and fund liabilities as "fund balance". The fund balance is considered "restricted" if its usage is limited by creditors, other governments, or through constitutional provisions, and is considered "committed" if usage is limited by the governing authority.