

WASHINGTON TOLLING SYSTEM
 WASHINGTON STATE
 DEPARTMENT OF TRANSPORTATION

COMBINING BALANCE SHEET
 State Fiscal Year 2011, Quarter Ended March 31, 2011

	NOTES	TNB ACCOUNT (Fund 511)	HOT LANES ACCOUNT (Fund 09F)	CENTRAL TOLL ACCOUNT (Fund 495)	COMBINED
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents		10,813,401	656,417	4,936,579	16,406,397
Accounts Receivable	1,2,3	636,313	5,940	286,379	928,631
Consumable Inventories	4	0	3,921	0	3,921
Total Current Assets		11,449,714	666,278	5,222,958	17,338,949
TOTAL ASSETS		11,449,714	666,278	5,222,958	17,338,949
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES:					
Accounts Payable	5	949,197	33,531	962	983,690
Due to Other Funds	6	563	2,494	0	3,057
Due to Department of Revenue - Taxes	7	0	0	31,107	31,107
Deferred Revenue	8	591,154	0	5,178,806	5,769,961
Unclaimed Property Refund Liability	9	117	0	9,849	9,966
Liability for Cancelled Warrants	10	2,711	0	690	3,401
Total Current Liabilities		1,543,743	36,024	5,221,414	6,801,181
TOTAL LIABILITIES		1,543,743	36,024	5,221,414	6,801,181
FUND BALANCE					
Nonspendable Consumable Inventories	4	0	3,921	0	3,921
Restricted for Transportation	11	9,905,971	0	1,543	9,907,514
Committed for Transportation	11	0	626,333	0	626,333
Total Fund Balance		9,905,971	630,254	1,543	10,537,768
TOTAL LIABILITIES AND FUND BALANCE		11,449,714	666,278	5,222,957	17,338,949

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

COMBINING BALANCE SHEET
State Fiscal Year 2011, Quarter Ended March 31, 2011

The note disclosures are an integral part of these financial statements and should be considered in conjunction with the financial statements.

- 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 (d) Customer payments made by credit card which had yet to settle by March 31, 2001, and (e) Amounts due from the TNB Lane Vendor due to system issues which caused a \$10,440 decrease in toll revenue
- 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 March 31, 2001.
- 4 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). Due to system defects in the new tolling system, the balance shown for TDDs does not reflect a complete reduction to the inventory balance for the quarter. The issue is being investigated and adjusting entries will occur in the ensuing quarter to reflect the appropriate inventory amounts.
- 5 Accounts payable represents accrued payments due to non-governmental vendors as of March 31.
- 6 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.
- 7 The Department owes sales taxes on the sale of transponder devices. These are remitted to the Department of Revenue monthly.
- 8 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.
- 9 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.
- 10 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.
- 11 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. The fund balance in the Central Tolls Account represents TDD sales associated with HOT Lanes. Due to system defects in the new tolling system, the revenue was not transferred to the HOT Lanes account by the end of March. The issue is being investigated and adjusting entries will occur in the ensuing quarter to reflect the transfer of TDD revenue from Central Tolls Account to HOT Lanes.