

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

**COMBINING BALANCE SHEET
State Fiscal Year 2012, Quarter Ending December 31, 2011**

	NOTES	TNB ACCOUNT	HOT LANES ACCOUNT	CENTRAL TOLL ACCOUNT	COMBINED
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents		9,033,303	823,347	6,953,595	16,810,246
Accounts Receivable	1,2,3	352,023	28,565	1,428,373	1,808,961
Due From Toll Vendor(s)	4	472,851	19,687		492,538
Consumable Inventories	5		459		459
Total Current Assets		9,858,177	872,058	8,381,968	19,112,203
TOTAL ASSETS		9,858,177	872,058	8,381,968	19,112,203
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES:					
Accounts Payable		489,734	27,211	125	517,070
Due to Other Funds		1,996	1,751		3,746
Due to Department of Revenue - Taxes				27,861	27,861
Deferred Revenue	6	162,857		8,341,853	8,504,710
Unclaimed Property Refund Liability	7			11,439	11,439
Liability for Cancelled Warrants	8	2,711		690	3,401
Total Current Liabilities		657,298	28,962	8,381,968	9,068,228
TOTAL LIABILITIES		657,298	28,962	8,381,968	9,068,228
FUND BALANCE					
Nonspendable Consumable Inventories	5		459		459
Restricted for Transportation	9	9,200,879			9,200,879
Committed for Transportation	9		842,637		842,637
Total Fund Balance		9,200,879	843,096	0	10,043,975
TOTAL LIABILITIES AND FUND BALANCE		9,858,177	872,058	8,381,968	19,112,203

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental fund types.

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

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Notes:

TNB Deferred Sales Tax Obligation – Beginning December 2012, the Tacoma Narrows Bridge (TNB) Account is required to pay \$5.7 million, each December for ten consecutive years, to the Department of Revenue for deferred sales tax related to the construction of the Tacoma Narrows Bridge. This long-term obligation is reflected in the General Long Term Obligations Subsidiary Account.

TNB Motor Vehicle Account Obligation – The TNB Account is obligated to repay a \$5.288 million loan from the Motor Vehicle Account, during the 05/07 biennium. As directed by legislation, all net TNB Civil Penalty Revenue received under the future Notice of Civil Penalty Adjudication process must be transferred to the Motor Vehicle Account as repayment of the outstanding obligation until the full amount of the original loan (\$5.288 million) has been repaid.

HOT Lanes Operating Expenditures in Other Accounts - Currently the High Occupancy Toll (HOT) Lanes Account pays most costs associated with operations and maintenance of the HOT Lanes on SR 167. However, the monthly cost associated with Toll Lane vendor warranty as well as some WSDOT staffing has been funded outside of the HOT Lanes Account. Based upon the 2013 biennium budgeted amounts, the additional project costs that are currently estimated to be funded outside of the HOT Lanes Account are approximately \$43,500 per quarter (\$174,000 per fiscal year).

Detailed Notes:

- 1 Accounts Receivable in the TNB Account consists primarily of: (a) Crossings that are in the image review process and toll fees have yet to be transferred from customer accounts, (b) Crossings where a Toll Bill has been sent to the customer via Pay-by-Mail, (c) Crossings that are not viable and are awaiting dismissal, (d) Customer payments made by credit card which had yet to settle by December 31, (e) and the TNB Accounts allocated share of NSF fee and transponder sales receivables.
- 2 Accounts Receivable in the HOT Lanes Account consists of amounts due from customers because their prepaid account had an insufficient balance and HOT Lanes allocated share of NSF fee and transponder sales receivables.
- 3 Accounts Receivable in the Central Toll Account consists primarily of customer payments made by credit card which had yet to settle by the close of the reporting period.
- 4 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 in fiscal year 2011, and \$461,295 due from the CSC operations vendor (ETCC) for costs incurred and decrease toll revenue in fiscal year 2011. For HOT Lanes, Due from Toll Vendor consists of amounts due from the CSC operations vendor (ETCC) for costs incurred in fiscal year 2011. 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.
- 5 Typically, consumable inventory consists of toll transponders. Consumable inventory is valued at cost using the first in, first out (FIFO) method. Due to statutory requirements, transponder inventory was being temporarily held in Fund 108. The WSDOT Secretary has recently certified the new tolling system and 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).
- 6 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 and c described above in Note #1.
- 7 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.
- 8 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.
- 9 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.