

Tacoma Narrows Toll Bridge Account (511)

Draft Financial Plan Through 2017 - Updated on July 11, 2012

Revenue estimate is based on adopted June 2012 Revenue Forecast; expenditure estimates for FY12 and FY13 are based on agency allotment plan.

(dollars in thousands)

Annual Financial Plan

Fiscal Year	Actuals										Forecast					Total Through 2017
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Toll Rate (Pre-Pay)						\$ 1.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	
Toll Rate (Cash)						\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
Toll Rate (Pay-By-Mail, Customer Initiated)										\$ 5.00	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	
Toll Rate (Pay-By-Mail)										\$ 5.50	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	
Beginning Unreserved Fund Balance	-	36,524	34,597	17,076	44,723	17,753	9,418	16,290	16,413	8,124	3,765	8,176	3,806	(1,214)	(12,042)	
Operations and Maintenance																
Sources of Funds ¹																
Interest Earnings from Tacoma Narrows Account (511) ²	-	-	-	8	52	232	281	341	145	50	121	124	128	142	158	1,780
Interest Earnings from Toll Collection Account (495) ²	-	-	-	-	-	3	115	71	33	26	35	36	37	38	39	432
Toll Revenue - Pre-Pay & Cash	-	-	-	-	-	29,960	44,323	45,353	44,049	42,976	57,405	57,563	58,897	59,939	62,053	502,518
Toll Revenue - Pay-By-Mail	-	-	-	-	-	-	-	-	-	1,174	2,608	3,227	3,648	4,073	4,437	19,167
Toll Revenue Used for Financing Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transponder Sales Revenue	-	-	-	-	-	760	608	629	644	351	345	350	361	370	385	4,803
Violations	-	-	-	-	-	467	598	594	489	134	67	-	-	-	-	2,348
Civil Penalties Gross Revenue	-	-	-	-	-	-	-	-	-	451	530	653	737	822	896	4,089
Transfers from/(to) Other Accounts ³	-	-	-	1,300	5,288	-	(10)	-	-	-	(653)	(737)	(822)	(896)	(896)	3,470
Fees ⁴	-	-	-	-	-	1	56	104	76	384	377	383	395	405	421	2,601
Miscellaneous Revenue ⁵	-	-	-	-	913	279	0	16	768	23	2	2	2	2	2	2,008
Inventory Reserve ⁶	-	-	-	-	(343)	(234)	380	(190)	387	-	-	-	-	-	-	-
Debt Service Payment ⁷	-	-	-	-	-	(14,389)	(26,915)	(34,925)	(42,200)	(43,267)	(45,743)	(54,599)	(53,429)	(61,928)	(71,091)	(448,486)
Debt Service Withholding ⁷	-	-	-	-	-	(300)	0	22	(2,755)	2,824	(38)	225	(430)	(264)	723	7
Total Sources of Funds for Operations and Maintenance	-	-	-	1,308	5,910	16,777	19,435	12,013	1,636	5,126	15,710	7,312	9,608	2,776	(2,873)	94,738
Uses of Funds ⁸																
WSDOT Oversight & Admin. of Toll Operations ⁹	-	-	-	172	1,866	2,180	2,278	2,301	2,260	2,265	2,659	2,707	2,756	2,802	2,848	27,095
WSDOT Oversight & Admin. of Adjudication Process	-	-	-	-	-	-	-	-	-	337	952	969	987	1,003	1,020	5,268
Toll Operator Contract	-	-	-	490	2,759	9,852	6,932	6,781	5,621	4,934	5,508	5,608	5,709	5,803	5,899	65,897
Insurance	-	-	-	-	-	2,680	1,339	1,602	1,463	1,486	1,600	1,600	1,600	1,600	1,600	16,570
Washington State Patrol	-	-	-	-	-	572	315	271	209	-	-	-	-	-	-	1,366
Maintenance of New Bridge	-	-	-	-	-	103	268	229	211	410	450	510	545	605	640	3,972
Preservation of New Bridge, Roadway & Toll Systems	-	-	-	-	-	-	-	-	113	53	76	193	2,935	1,694	995	6,059
Pay-By-Mail Admin.	-	-	-	-	-	-	-	-	-	38	92	94	95	97	99	514
Compensation Adjustment ¹²	-	-	-	-	-	-	-	-	-	(39)	(39)	-	-	-	(78)	(78)
Total Uses of Funds for Operations and Maintenance	-	-	-	662	4,625	15,387	11,132	11,184	9,876	9,484	11,299	11,682	14,628	13,604	13,100	126,664
Current Year Balance for Ops. And Maint. (Sources - Uses)	-	-	-	646	1,285	1,390	8,302	829	(8,240)	(4,359)	4,411	(4,370)	(5,019)	(10,828)	(15,973)	(31,926)
Cumulative Balance for Ops. And Maint.	-	-	-	646	1,931	3,321	11,624	12,453	4,213	(146)	4,265	(105)	(5,125)	(15,953)	(31,926)	
Capital Improvements																
Sources of Funds																
Interest Earnings ²	2,125	1,239	774	1,523	1,802	824	400	-	-	-	-	-	-	-	-	8,687
Bond Net Proceeds ¹⁰	231,207	197,234	108,634	111,986	16,002	12,716	-	-	-	-	-	-	-	-	-	677,780
Capitalized Interest (Debt Service)	-	-	-	(1,792)	(2,580)	-	-	-	-	-	-	-	-	-	-	(4,372)
Toll Revenue Used for Financing Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	4	2	145	-	-	-	-	-	-	-	-	-	-	152
Transfers from Motor Vehicle Account (MVA)	39,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,000
Total Sources of Funds for Capital	272,332	198,473	109,412	111,720	15,369	13,540	400	-	-	-	-	-	-	-	-	721,246
Uses of Funds																
Capital Expenditures ¹¹	235,808	200,400	127,046	84,720	43,623	23,319	2,230	707	50	-	-	-	-	-	-	717,902
Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Period Recoveries	-	-	(113)	-	-	(54)	(400)	-	(1)	-	-	-	-	-	-	(568)
Total Uses of Funds for Capital	235,808	200,400	126,933	84,720	43,623	23,266	1,830	707	49	-	-	-	-	-	-	717,335
Current Year Balance for Capital (Sources - Uses)	36,524	(1,927)	(17,521)	27,001	(28,254)	(9,726)	(1,430)	(707)	(49)	-	-	-	-	-	-	3,911
Cumulative Balance for Capital Improvements	36,524	34,597	17,076	44,077	15,822	6,097	4,667	3,960	3,911	3,911	3,911	3,911	3,911	3,911	3,911	3,911
Ending Unreserved Fund Balance	36,524	34,597	17,076	44,723	17,753	9,418	16,290	16,413	8,124	3,765	8,176	3,806	(1,214)	(12,042)	(28,015)	
Days of Expenses Covered by Ending Fund Balance								128	57	26	52	21	(7)	(58)	(121)	
Sufficient Fund Balance = TNB Ending Fund Balance / (Total Uses of Fund + Debt Service Payment)								35.1%	15.6%	7.1%	14.3%	5.7%	-1.8%	-15.9%	-33.3%	
12.5% Sufficient Minimum Balance								5,852	6,516	6,594	7,130	8,285	8,507	9,442	10,524	
Additional Fund Balance Needed to Reach 12.5% Sufficient Minimum Balance										2,829	(1,045)	4,479	9,721	21,484	38,539	

See Notes on Reverse

NOTES:

¹ For GAAP purposes, Interest Earnings, Donations, Debt Service and Transfers displayed as Operations Sources of Funds are considered to be Nonoperating Activities.

² Interest income displayed is net of the cost of investment activities. The interest earning estimates from TNB account in FY14 to FY17 assume the annual ending fund balance will reach the required 12.5% Sufficient Minimum Balance.

³ As required by RCW 46.63.160 (9), through June 30, 2013, TNB civil penalty revenue that are in excess of amounts necessary to support TNB toll adjudication process must be allocated toward repayment of the \$5.288 m MVA loan.

⁴ Includes NSF check, Customer Service Center administration fees, and the reprocessing fee associated with the second PBM statement.

⁵ Includes contractor liquidated damages for late project delivery, cash over, prior period recoveries, \$102k of donations for grand opening in FY08, \$2,350 down-payment for the \$21,501 sale of surplus right of way in FY10, and the \$164 monthly payment for the same real estate sale starting from FY11 for 19 years. The \$10,000 in FY09 reflects a transfer to the Health Care Authority Admin. Account for the state insurance accounting system supporting FTEs assigned to the TNB. In FY11, \$763,297 was paid by toll vendor as the contractual damages. Among the \$763,297, \$11,556 was from TransCore and \$396,000 was from ETCC due to vendor system issues which caused a decrease in toll revenue; another \$355,741 was paid by ETCC to repay related TNB costs.

⁶ Inventory Reserve represents the change in consumable inventory of transponders from year to year. For governmental fund financial reporting, inventory balances are recorded as a reservation of fund balance so they are not spendable resources. In 2010, a new law (Chapter 249, Laws of 2010, Sec. 8(3)) authorizes the use of the Toll Collection Account (495) to record transponder inventory upon certification of the new statewide tolling operations center and photo toll system are fully operational. This certification occurred in December 2011.

⁷ Debt Service Payment represents Principal and Interest payments paid out of the Highway Bond Retirement Account for bonds sold for TNB Account construction costs. Debt Service Withholding represents the amount transferred in a given fiscal year from the TNB Account, more or less than the Debt Service Payment. RCW 47.10.847 requires the State Treasurer to withhold amounts for as required by the bond proceedings into the Highway Bond Retirement Account, which is on a monthly basis prior the due dates of the debt service payment.

⁸ Uses of Funds for Operations in FY12 and FY13 reflect agency proposed 2011-13 allotment plan. Operation and maintenance uses except for insurance, maintenance, preservation is inflated from FY14 to FY17 using half the rate of IPD. Maintenance and preservation are from WSDOT plan updated in January 2012.

⁹ WSDOT Oversight & Admin. includes Credit Card and Bank Fees, Transponders, Salaries and Benefits, Personal Service Contracts, Travel, and Capital Outlays for use in TNB Operations.

¹⁰ The \$677.78m bond net proceeds for Tacoma Narrows Bridge include \$681.17m PAR amount, \$3.03m premium, and \$6.42m underwriter discount/cost of issuance.

¹¹ In addition to the \$718 million capital expenditures from TNB account, \$11 million was spent on the TNB capital improvement from MVA account in the 1999-2001 and 2001-2003 Biennia prior to the creation of Tacoma Narrows Toll Bridge Account.

¹² The compensation adjustment is based on the assumption of a 3% salary reduction which is expected to be included in the 2011-13 general fund operations budget.