

Tacoma Narrows Toll Bridge Account (511)
Financial Plan - Updated on January 16, 2015 - DRAFT

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Forecasted revenue is based on adopted November 2014 TRFC Forecast. Forecasted expenses for FY 2016-17 are based on the Governor's proposed budget.

Historical Revenues and expenses from 2006 - 2014 are based on TNB Income Statements

(Amounts in thousands of nominal dollars except toll rates)

Fiscal Year	Actuals		Rate Setting Biennium Forecast			
	2014	2015	2016	2017	2018	2019
Toll Rate (Good To Go! Pre-Pay)	\$4.25	\$4.50	\$4.50	\$4.50	\$4.50	\$ 4.50
Toll Rate (Cash)	\$5.25	\$5.50	\$5.50	\$5.50	\$5.50	\$ 5.50
Toll Rate (Pay-By-Mail)	\$6.25	\$6.50	\$6.50	\$6.50	\$6.50	\$ 6.50
Beginning Fund Balance (Financial Statements)	11,578	9,081	12,351	10,890	2,015	(3,685)
Sources of Toll Revenue Funds 1						-
Interest Earnings from Tacoma Narrows Account (511) 2	15	21	21	21	21	21
Interest Earnings from Toll Collection Account (495) 2	7	8	8	8	8	8
Toll Revenue - Good To Go! Pre-Pay & Cash	60,159	66,162	67,566	68,727	69,881	70,931
Toll Revenue - Pay By Mail	2,980	2,726	2,839	3,009	3,091	3,138
Transponder Sales Revenue	306	248	191	210	181	189
Violations	9	-	-	-	-	-
Fees 3	337	302	315	334	343	348
Contractual Damages 4	306	-	-	-	-	-
Miscellaneous Revenue 5	43	-	-	-	-	-
Total Sources of State Funds	64,163	69,467	70,940	72,309	73,525	74,635
Uses of Toll Revenue Funds 6						
Toll CSC Vendor Contract	(2,122)	(2,389)	(2,506)	(2,552)	(2,529)	(2,970)
Toll Booth and Lane Vendor Contract	(3,270)	(3,469)	(3,146)	(3,146)	(3,146)	(3,146)
Insurance 7	(1,594)	(1,655)	(1,700)	(1,700)	(1,700)	(1,700)
Credit Card and Bank Fees	(1,121)	(1,157)	(1,291)	(1,342)	(1,371)	(1,403)
Transponder Cost of Goods Sold	(215)	(161)	(279)	(328)	(178)	(182)
Washington State Patrol	-	-	-	-	-	-
Other Toll Operations Costs	(260)	(313)	(296)	(348)	(239)	(232)
Personal Service Contracts 8	(615)	(1,142)	(927)	(678)	(334)	(330)
Capital Outlays (Software Asset)	-	-	-	-	-	-
Salaries and Benefits	(523)	(675)	(1,220)	(1,198)	(794)	(771)
Administrative Transfers Out	-	-	-	-	-	-
Infrastructure Maintenance	(254)	(373)	(685)	(550)	(617)	(594)
Subtotal: Operations and Maintenance Uses of Funds	(9,975)	(11,333)	(12,050)	(11,843)	(10,909)	(11,328)
Subtotal: Operating Sources less Operating Uses	54,188	58,134	58,890	60,467	62,617	63,307
Debt Service Payment 9	(54,344)	(53,106)	(61,385)	(70,549)	(69,115)	(72,590)
Debt Service Withholding 9	(579)	(1,542)	(891)	492	(714)	(212)
Subtotal: Uses of Funds incl. Debt Service	(64,897)	(65,981)	(74,326)	(81,899)	(80,737)	(84,130)
Deferred Sales Tax Repayment 10	-	-	-	-	-	(5,791)
Preservation and Repair & Replacement (early years covered by cap	-	-	-	-	-	(201)
Total Uses of Toll Funds	(64,897)	(65,981)	(74,326)	(81,899)	(80,737)	(90,122)
Current Year Sources less Uses Balance	(735)	3,486	(3,386)	(9,590)	(7,212)	(15,486)
Cumulative Sources Less Uses Balance	3,484	6,970	3,584	(6,006)	(13,218)	(28,704)
Beginning Capital Balance	3,922	3,922	2,853	2,336	1,660	858
Total Sources of Capital Funds	-	-	-	-	-	-
Preservation and Repair and Replacement (covered by Capital Balan	-	(1,069)	(517)	(676)	(801)	(858)
Ending Capital Balance	3,922	2,853	2,336	1,660	858	-
Sources Less Uses + Ending Capital Balance (for Sufficiency Test	7,406	9,823	5,920	(4,346)	(12,359)	(28,704)
12.5% Sufficient Minimum Balance	8,112	8,248	9,291	10,237	10,092	11,265
Lowest 3-month Rolling Average Balance	-	6,256	3,638	(6,472)	-	-
Amount Above/Below Sufficient Minimum Balance	-	(1,992)	(5,653)	(16,709)	-	-
Civil Penalty Program - FOR INFORMATIONAL PURPOSES ONLY, NOT INCL. IN SUFFICIENCY FUND BALANCE 11						
Civil Penalty Revenue (not incl. in Operating Revenue)	(649)	3,427	3,573	3,785	3,888	3,947
Civil Penalty Adjudication Costs (not incl. in Operating Expenses)	(1,113)	(1,623)	(1,132)	(1,443)	(1,100)	(1,100)
Subtotal: Civil Penalty Net Revenue	(1,762)	1,804	2,441	2,342	2,788	2,847
Scheduled Motor Vehicle Loan Repayment	-	(950)	-	(950)	(475)	(475)
Civil Penalty Net Revenue after Loan Repayments	(1,762)	854	2,441	1,392	2,313	2,372
Cumulative Balance for Civil Penalties	1,675	2,528	4,969	6,361	8,674	11,046
Ending Fund Balance (Financial Statements)	9,081	12,351	10,890	2,015	(3,685)	(17,658)

- ¹ For GAAP purposes, Interest Earnings, 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. Interest income is not specifically forecasted in the published TRFC forecasts, but reported as a separate line item for actuals in the income statement. Forecasted interest based upon 2013 actuals.
- ³ Includes NSF check, Customer Service Center administration fees, and the reprocessing fee associated with the second Pay By Mail statement.
- ⁴ Contractual damages are not included in the TRFC revenue forecast.
- ⁵ FY 2008-2014 - Includes contractor liquidated damages for late project delivery, cash over and short, and prior period recoveries.
- FY 2008: \$104k of donations for grand opening; FY 2010: \$2,350 down-payment for the \$21,501 sale of surplus right of way; FY 2011 - FY 2030 \$164 monthly payment for the same real estate sale starting.
 - In FY 2011, \$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 Uses of Funds for Operations in FY 2015 - FY 2021 reflect the proposed budget. Operation and maintenance uses - except for maintenance, preservation - are inflated from FY 2016 to FY 2019 using the rate of IPD, 2.5% annually. Maintenance and preservation are from WSDOT plan updated December, 2014. CSC Operations Vendor Contract, Personal Services Contracts, and Salaries and Benefits in FY 2015 & 2016 include costs associated to re-procurement of a CSC vendor which are included in Preservation and R & R in future years, total for FY 2015 = \$580k, FY 2016 = \$602k. WSDOT Salaries and Benefits, Personal Services Contracts, and Other Toll Operations costs include costs associated to TNB's share of system-wide administrative costs (MS), total for FY 2016 = \$507k, FY 2017 = \$523k, FY 2018 = \$532k, FY 2019 = \$529k, FY 2020 = \$513k, FY 2021 = \$513k.
- ⁷ Insurance for FY 2015 is the forecast expense, however a majority of this cost (\$1.31m) was paid in August 2014.
- ⁸ Other previously included the Personal Services expense, until FY 2012 when Personal Services was broken out separately.
- ⁹ 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.
- ¹⁰ Starting in FY 2018, TNB will begin to pay back the deferred sales tax related to capital expenses, which will result in 10 annual payments of equal amounts. Repayment of the deferred sales tax will occur from FY 2018 to FY 2028. Capital expenses also include preservation costs.
- ¹¹ Revenues and Expenses for Civil Penalties are included in the Financial Plan but do not affect the fund balance used in the 3-month rolling average sufficiency test because Civil Penalty Net Revenues are reserved for paying back the Motor Vehicle Fund Loan. However, published financial statements will include Civil Penalty Revenues and Adjudication Expenses.
- As stated in Section 701, MISCELLANEOUS 2013-2015 FISCAL BIENNIUM: Except as provided otherwise in this subsection, all civil penalties, including the photo toll and associated fees, collected under this section must be deposited into the toll facility account of the facility on which the toll was assessed. However, through June 30, 2015, civil penalties deposited into the Tacoma Narrows toll bridge account created under RCW 47.56.165 that are in excess of amounts necessary to support the toll adjudication process applicable to toll collection on the Tacoma Narrows bridge must first be allocated toward repayment of operating loans and reserve payments provided to the account from the motor vehicle account under section 1005(15), chapter 518, Laws of 2007. Additionally, all civil penalties, resulting from nonpayment of tolls on the state route number 520 corridor, shall be deposited into the state route number 520 civil penalties account created under section 4, chapter 248, Laws of 2010 but only if chapter 248, Laws of 2010 is enacted by June 30, 2010.
- Per Section 407 (15) of the 13-15 Transportation Budget, OST is required to transfer \$950,000 from the TNB Toll Bridge Account to the Motor Vehicle Account.