

Tacoma Narrows Toll Bridge Account (511)

DRAFT

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Financial Plan - Updated on December 3, 2015 - DRAFT

Forecasted revenue is based on adopted November 2015 TRFC Forecast. Forecasted expenses for FY 2016-17 are based on the 2015-17 Transportation Enacted Budget and 2016 Supplemental budget Request.

Historical Revenues and expenses from 2006 - 2015 are based on TNB Income Statements.

(Amounts in thousands of nominal dollars except toll rates)

	Actuals		Rate Setting Biennium Forecast			
	2014	2015	2016	2017	2018	2019
<b>Fiscal Year</b>						
Toll Rate (Good To Go! Pre-Pay)	\$4.25	\$4.50	\$5.00	\$ 5.50	\$ 5.50	\$ 5.50
Toll Rate (Cash)	\$5.25	\$5.50	\$6.00	\$ 6.50	\$ 6.50	\$ 6.50
Toll Rate (Pay-By-Mail)	\$6.25	\$6.50	\$7.00	\$ 7.50	\$ 7.50	\$ 7.50
<b>Beginning Fund Balance (Financial Statements)</b>	<b>11,578</b>	<b>9,081</b>	<b>14,083</b>	<b>16,783</b>	<b>20,672</b>	<b>26,866</b>
<b>Sources of Toll Revenue Funds 1</b>						
Interest Earnings from Tacoma Narrows Account (511) 2	15	57	60	70	90	109
Interest Earnings from Toll Collection Account (495) 2	7	18	8	8	8	8
Toll Revenue - Good To Go! Pre-Pay & Cash	60,159	65,448	74,548	82,613	84,091	85,472
Toll Revenue - Pay By Mail	2,980	2,779	2,969	3,262	3,270	3,217
Transponder Sales Revenue	306	336	279	328	256	272
Violations	9	10	-	-	-	-
Fees 3	337	488	430	441	442	442
Contractual Damages 4	306	145	133	133	-	-
Miscellaneous Revenue 5	43	6	-	-	-	-
<b>Total Sources of State Funds</b>	<b>64,163</b>	<b>69,287</b>	<b>78,427</b>	<b>86,855</b>	<b>88,157</b>	<b>89,520</b>
<b>Uses of Toll Revenue Funds 6</b>						
Toll CSC Vendor Contract	(1,878)	(1,971)	(2,596)	(2,400)	(2,644)	(2,942)
PBM Postage	(244)	(285)	(338)	(376)	(332)	(346)
Toll Booth and Lane Vendor Contract	(3,270)	(3,146)	(3,146)	(3,146)	(3,280)	(3,362)
Insurance 7	(1,594)	(1,325)	(1,200)	(1,200)	(1,500)	(1,500)
Credit Card and Bank Fees	(1,121)	(1,298)	(1,291)	(1,342)	(1,371)	(1,403)
Transponder Cost of Goods Sold	(215)	(206)	(279)	(328)	(256)	(272)
Other Toll Operations Costs	(260)	(350)	(273)	(272)	(310)	(308)
Personal Service Contracts 8	(615)	(906)	(893)	(629)	(454)	(459)
Salaries and Benefits	(523)	(564)	(1,265)	(1,178)	(1,232)	(1,226)
Infrastructure Maintenance	(254)	(448)	(951)	(817)	(786)	(767)
<b>Subtotal: Operations and Maintenance Uses of Funds</b>	<b>(9,975)</b>	<b>(10,498)</b>	<b>(12,232)</b>	<b>(11,688)</b>	<b>(12,165)</b>	<b>(12,586)</b>
<b>Subtotal: Operating Sources less Operating Uses</b>	<b>54,188</b>	<b>58,789</b>	<b>66,195</b>	<b>75,167</b>	<b>75,992</b>	<b>76,935</b>
Debt Service Payment 9	(54,344)	(53,106)	(61,385)	(70,549)	(69,115)	(72,590)
Debt Service Withholding 9	(579)	(1,595)	(891)	492	(714)	(212)
<b>Subtotal: Uses of Funds incl. Debt Service</b>	<b>(64,897)</b>	<b>(65,199)</b>	<b>(74,508)</b>	<b>(81,745)</b>	<b>(81,994)</b>	<b>(85,388)</b>
Deferred Sales Tax Repayment 10	-	-	-	-	-	-
Repair & Replacement (early years covered by capital balance)	-	-	-	-	-	(923)
<b>Total Uses of Toll Funds</b>	<b>(64,897)</b>	<b>(65,199)</b>	<b>(74,508)</b>	<b>(81,745)</b>	<b>(81,994)</b>	<b>(86,311)</b>
<b>Current Year Sources less Uses Balance</b>	<b>(735)</b>	<b>4,088</b>	<b>3,919</b>	<b>5,111</b>	<b>6,163</b>	<b>3,209</b>
<b>Cumulative Sources Less Uses Balance</b>	<b>3,484</b>	<b>7,572</b>	<b>11,491</b>	<b>16,602</b>	<b>22,765</b>	<b>25,974</b>
Beginning Capital Balance	3,922	3,922	3,806	2,197	1,341	609
Total Sources of Capital Funds	-	-	-	-	-	-
Repair and Replacement (covered by Capital Balance)	-	(116)	(1,610)	(856)	(732)	(609)
Ending Capital Balance	3,922	3,806	2,197	1,341	609	-
<b>Sources Less Uses + Ending Capital Balance (for Sufficiency Te</b>	<b>7,406</b>	<b>11,379</b>	<b>13,688</b>	<b>17,943</b>	<b>23,374</b>	<b>25,974</b>
<b>12.5% Sufficient Minimum Balance (SMB)</b>	8,112	8,150	9,314	10,218	10,249	10,789
<b>Amount (of Fund balance wo CP) Above/Below SMB</b>	-	3,229	4,374	7,725	13,125	15,185
<b>Lowest 3-month Rolling Average Balance</b>	-	-	9,815	12,294	16,455	-
<b>Amount (of 3-month average) Above/Below SMB</b>	-	-	501	2,076	6,205	-
<b>Civil Penalty Program - FOR INFORMATIONAL PURPOSES ONLY, NOT INCL. IN SUFFICIENCY FUND BALANCE 11</b>						
Civil Penalty Revenue (not incl. in Operating Revenue)	(649)	3,169	1,778	1,882	1,934	1,962
Civil Penalty Adjudication Costs (not incl. in Operating Expense)	(1,113)	(1,190)	(1,387)	(1,298)	(1,172)	(1,172)
<b>Subtotal: Civil Penalty Net Revenue</b>	<b>(1,762)</b>	<b>1,980</b>	<b>391</b>	<b>584</b>	<b>763</b>	<b>791</b>
Scheduled Motor Vehicle Loan Repayment	-	(950)	-	(950)	-	(950)
<b>Civil Penalty Net Revenue after Loan Repayments</b>	<b>(1,762)</b>	<b>1,030</b>	<b>391</b>	<b>(366)</b>	<b>763</b>	<b>(160)</b>
<b>Cumulative Balance for Civil Penalties</b>	<b>1,675</b>	<b>2,704</b>	<b>3,095</b>	<b>2,729</b>	<b>3,492</b>	<b>3,332</b>
<b>Ending Fund Balance (Financial Statements)</b>	<b>9,081</b>	<b>14,083</b>	<b>16,783</b>	<b>20,672</b>	<b>26,866</b>	<b>29,306</b>

- <sup>1</sup> For GAAP purposes, Interest Earnings, Debt Service and Transfers displayed as Operations Sources of Funds are considered to be Nonoperating Activities.
- <sup>2</sup> Interest income displayed is net of the cost of investment activities. It is reported as a separate line item for actuals in the income statement.
- <sup>3</sup> Includes NSF check, Customer Service Center administration fees, and the reprocessing fee associated with the second Pay By Mail statement.
- <sup>4</sup> Contractual damages are expected to continue until FY 2017.
- <sup>5</sup> FY 2008-2015 - Includes donations, sales of surplus right of ways, 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.
- <sup>6</sup> Uses of Funds for Operations in FY 2016 - FY 2017 reflect the enacted budget and 2016 supplemental budget request. Maintenance and preservation are from WSDOT plan updated November 2015. 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. 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.
- <sup>7</sup> Insurance for FY 2016 is the forecast expense, however a majority of this cost (\$1.15m) was paid in August 2015.
- <sup>8</sup> Other previously included the Personal Services expense, until FY 2012 when Personal Services was broken out separately.
- <sup>9</sup> 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.
- <sup>10</sup> In spring 2015 Legislature passed bill 2ESSB 5987, Sec. 405 of the bill postpones TNB's repayment of the deferred sales tax to FY 2032 (the first payment is on December 31, 2031).
- <sup>11</sup> 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 \$5.288 million Motor Vehicle Fund Loan. However, published financial statements will include Civil Penalty Revenues and Adjudication Expenses.  
-As stated in RCW 46.63.160 (9): "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."