

**Tacoma Narrows Toll Bridge Account (511)**  
**Financial Plan - Updated on November 17, 2016 - DRAFT**  
 Forecasted revenue is based on November TRFC.

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Historical Revenues and expenses from 2006 - 2016 are based on TNB

(Amounts in thousands of nominal dollars except toll rates)

		Actuals		Forecast		Rate Setting Biennium	
Fiscal Year		2016	2017	2018	2019	2020	2021
1	Toll Rate (Good To Go! Pre-Pay)	\$5.00	\$5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
2	Toll Rate (Cash)	\$6.00	\$6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
3	Toll Rate (Pay-By-Mail)	\$7.00	\$7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
4	<b>Beginning Fund Balance (Financial Statements)</b>	<b>14,083</b>	<b>20,876</b>	<b>19,715</b>	<b>18,809</b>	<b>12,457</b>	<b>6,164</b>
5	<b>Sources of Toll Revenue Funds 1</b>						
6	Interest Earnings from Tacoma Narrows Account (511) 2	120	102	98	83	55	22
7	Interest Earnings from Toll Collection Account (495) 2	32	8	8	8	8	8
8	Toll Revenue - Good To Go! Pre-Pay & Cash	75,054	76,387	77,976	79,408	80,528	81,461
9	Toll Revenue - Pay By Mail	3,137	3,449	3,325	3,185	3,240	3,291
10	Transponder Sales Revenue	484	411	460	463	432	431
11	Violations	8	-	-	-	-	-
12	Fees 3	374	413	398	381	388	394
13	Contractual Damages 4	139	133	-	-	-	-
14	Miscellaneous Revenue 5	7	-	-	-	-	-
15	<b>Total Sources of State Funds</b>	<b>79,355</b>	<b>80,903</b>	<b>82,265</b>	<b>83,528</b>	<b>84,651</b>	<b>85,607</b>
16	<b>Uses of Toll Revenue Funds 6</b>						
17	Toll CSC Vendor Contract	(2,138)	(2,565)	(2,226)	(2,805)	(2,769)	(2,598)
18	Toll CSC Vendor Reprourement	(359)	(359)	(1,508)	(3,458)	-	-
19	PBM Postage	(351)	(580)	(414)	(431)	(476)	(501)
20	Toll Booth and Lane Vendor Contract	(3,186)	(3,304)	(3,370)	(3,456)	(3,601)	(3,714)
21	Insurance 7	(1,184)	(1,158)	(1,500)	(1,500)	(1,615)	(1,656)
22	Credit Card and Bank Fees	(1,453)	(1,739)	(1,559)	(1,579)	(1,716)	(1,776)
23	Transponder Cost of Goods Sold	(316)	(411)	(460)	(463)	(432)	(431)
24	Other Toll Operations Costs	(476)	(350)	(517)	(515)	(485)	(479)
25	Personal Service Contracts 8	(803)	(345)	(310)	(310)	(249)	(251)
26	Salaries and Benefits	(762)	(1,084)	(1,243)	(1,232)	(1,142)	(1,122)
27	Infrastructure Maintenance	(438)	(510)	(565)	(554)	(599)	(584)
28	<b>Subtotal: Operations and Maintenance Uses of Funds</b>	<b>(11,107)</b>	<b>(12,404)</b>	<b>(13,672)</b>	<b>(16,303)</b>	<b>(13,083)</b>	<b>(13,112)</b>
29	<b>Subtotal: Operating Sources less Operating Uses</b>	<b>68,248</b>	<b>68,499</b>	<b>68,594</b>	<b>67,225</b>	<b>71,567</b>	<b>72,495</b>
30	Debt Service Payment 9	(61,385)	(70,549)	(69,115)	(72,590)	(73,102)	(72,151)
31	Debt Service Paid by MVA Account 12		2,500				
31	Debt Service Withholding 9	(891)	492	(714)	(212)	355	(304)
32	<b>Subtotal: Uses of Funds incl. Debt Service</b>	<b>(73,383)</b>	<b>(79,961)</b>	<b>(83,500)</b>	<b>(89,105)</b>	<b>(85,831)</b>	<b>(85,568)</b>
33	Deferred Sales Tax Repayment 10	-	-	-	-	-	-
34	Repair & Replacement (early years covered by capital balance)	-	-	-	-	(3,300)	(7,886)
35	<b>Total Uses of Toll Funds</b>	<b>(73,383)</b>	<b>(79,961)</b>	<b>(83,500)</b>	<b>(89,105)</b>	<b>(89,130)</b>	<b>(93,454)</b>
36	<b>Current Year Sources less Uses Balance</b>	<b>5,971</b>	<b>942</b>	<b>(1,235)</b>	<b>(5,577)</b>	<b>(4,479)</b>	<b>(7,847)</b>
37	<b>Cumulative Sources Less Uses Balance</b>	<b>13,544</b>	<b>14,486</b>	<b>13,251</b>	<b>7,674</b>	<b>3,195</b>	<b>(4,652)</b>
38	Beginning Capital Balance	3,806	3,802	2,841	2,698	2,457	0
39	Total Sources of Capital Funds	-	-	-	-	-	-
40	Repair and Replacement (covered by Capital Balance)	(4)	(961)	(143)	(241)	(2,457)	-
41	Ending Capital Balance	3,802	2,841	2,698	2,457	0	0
42	<b>Sources Less Uses + Ending Capital Balance (for Sufficiency Te</b>	<b>17,346</b>	<b>17,327</b>	<b>15,949</b>	<b>10,131</b>	<b>3,195</b>	<b>(4,652)</b>
43	<b>12.5% Sufficient Minimum Balance (SMB)</b>	<b>9,173</b>	<b>9,995</b>	<b>10,438</b>	<b>11,138</b>	<b>11,141</b>	<b>11,682</b>
44	<b>Amount (of Fund balance wo CP) Above/Below SMB</b>	<b>8,173</b>	<b>7,332</b>	<b>5,512</b>	<b>(1,007)</b>	<b>(7,947)</b>	<b>(16,334)</b>
45	<b>Lowest 3-month Rolling Average Balance</b>	<b>12,236</b>	<b>13,374</b>	<b>12,378</b>	<b>7,109</b>	<b>287</b>	<b>(7,374)</b>
46	<b>Amount (of 3-month average) Above/Below SMB</b>	<b>3,063</b>	<b>3,379</b>	<b>1,941</b>	<b>(4,029)</b>	<b>(10,855)</b>	<b>(19,056)</b>
47	<b>Civil Penalty Program - FOR INFORMATIONAL PURPOSES ONLY, NOT INCL. IN SUFFICIENCY FUND BALANCE 11</b>						
48	Civil Penalty Revenue (not incl. in Operating Revenue)	1,698	1,627	1,570	1,503	1,530	1,553
49	Civil Penalty Adjudication Costs (not incl. in Operating Expense)	(872)	(1,820)	(1,098)	(1,087)	(886)	(861)
50	<b>Subtotal: Civil Penalty Net Revenue</b>	<b>826</b>	<b>(193)</b>	<b>472</b>	<b>416</b>	<b>644</b>	<b>692</b>
51	Scheduled Motor Vehicle Loan Repayment	-	(950)	-	(950)	-	(950)
52	<b>Civil Penalty Net Revenue after Loan Repayments</b>	<b>826</b>	<b>(1,143)</b>	<b>472</b>	<b>(534)</b>	<b>644</b>	<b>(258)</b>
53	<b>Cumulative Balance for Civil Penalties</b>	<b>3,530</b>	<b>2,387</b>	<b>2,859</b>	<b>2,325</b>	<b>2,969</b>	<b>2,711</b>
54	<b>Ending Fund Balance (Financial Statements)</b>	<b>20,876</b>	<b>19,715</b>	<b>18,809</b>	<b>12,457</b>	<b>6,164</b>	<b>(1,941)</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 2017 is the forecast expense, however a majority of this cost (\$1.13m) was paid in July 2016.
- <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.'