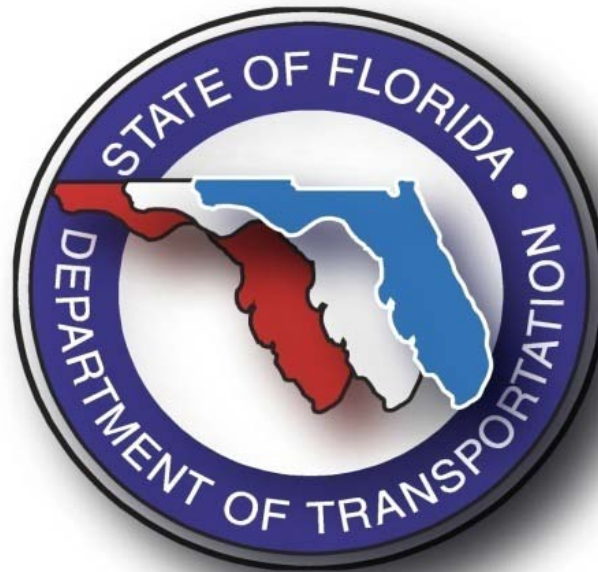


CASH COMMITMENT BASIS

PRESENTED TO THE
FLORIDA TRANSPORTATION COMMISSION



March 2012

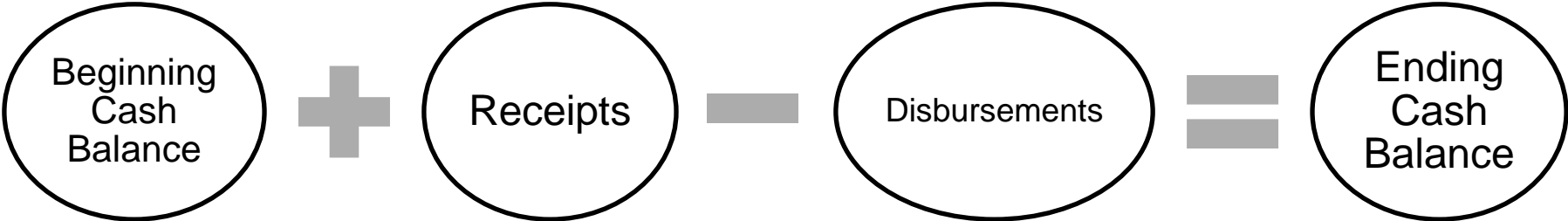
Robin M. Naitove, CPA
Comptroller

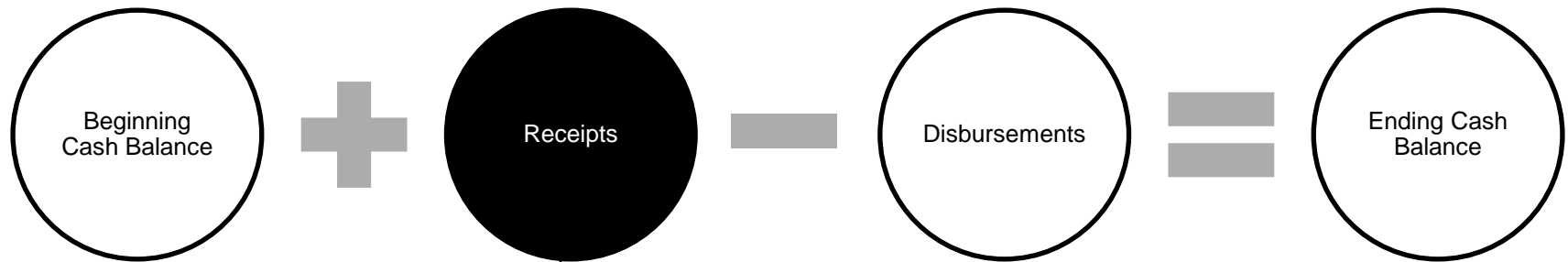


FDOT operates on a “Cash Flow”, commitment basis. Multi-year transportation projects start before the total amount of cash is available to fund the entire project. Future revenues are used to pay as actual expenditures occur. FDOT is the only state agency that operates this way.



BASIC FORECAST EQUATION

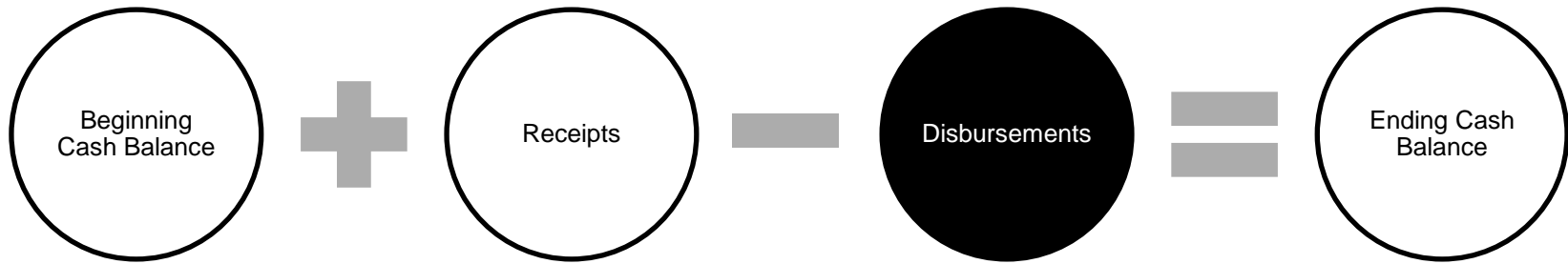




Receipts Consist of

- REVENUE ESTIMATING CONFERENCE (REC's)
 - Fuel Taxes, Aviation Fuels, Motor Vehicle Fees, Documentary (DOC) Stamp Tax
- FEDERAL & LOCAL REIMBURSEMENTS
- FINANCIAL TOOLS
- INTEREST
- MISCELLANEOUS REVENUE





Disbursements Consist of
Expenditure Projections
Specialized Project Flows



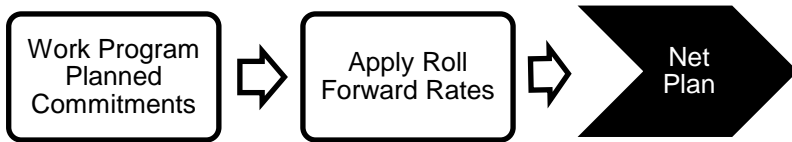
EXPENDITURE PROJECTIONS

To determine Expenditure Projections, the Work Program Planned Commitments must be converted from a Commitment basis to the Department's cash needs. Utilizing the commitments and rates, the Department is able to determine when and how much cash is needed on a monthly basis for several years.

The process of converting commitments to Expenditure Projections



STEP 1



Roll Forward Rate - rates applied to dictate the amount of budget that will not be committed in a fiscal year and will “Roll” into the following year. The remaining balance (Net Plan) will be the anticipated amount encumbered for that particular year.

Please note that Roll Forward is not cash associated to the current year. In the forecast, we are projecting roll forward budget to payout in future years as those projects are committed.

- Example of Roll Forward Rate being applied:

Year	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015
Roll Forward Rate	0.17440	0.25920	0.25920	0.25920
Plan Amount	108,409,808	85,534,806	81,374,090	77,767,131
Rolled Forward		18,906,671	27,071,231	28,109,027
Adjusted Plan	108,409,808	104,441,477	108,445,321	105,876,158
Roll Forward Amount	18,906,671	27,071,231	28,109,027	27,443,100
Net Plan	89,503,137	77,370,246	80,336,294	78,433,058
Year 1 "actual" adjustments:				
Actual Expenditures	1,649,379			
Encumbrance Balance	26,586,646			
Remaining Net Plan	61,267,113			



STEP 2



Commitment Rates - rates applied to predict when planned projects will be encumbered on a monthly basis. This rate is applied to the Net Plan amount, which will determine the “Projected Commitment Flow”.

Example of Commitment Rates being applied

FY 2011 - 2012 Remaining	K-01-N1 - FM COMPONENT												61,267,113
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Monthly Commitment Rates	0.01300	0.00600	0.04400	0.00500	0.03800	0.32700	0.05400	0.05700	0.03200	0.21700	0.18900	0.01800	1.00000
Remaining Months Rates	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.05400	0.05700	0.03200	0.21700	0.18900	0.01800	0.56700
Revised Rates	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.09524	0.10053	0.05644	0.38272	0.33333	0.03175	1.00000
Projected Commitment Flow	0	0	0	0	0	0	5,834,963	6,159,128	3,457,756	23,447,907	20,422,371	1,944,988	61,267,113

FY 2012 - 2013 Net Plan													77,370,246
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Monthly Commitment Rates	0.01300	0.00600	0.04400	0.00500	0.03800	0.32700	0.05400	0.05700	0.03200	0.21700	0.18900	0.01800	1.00000
Projected Commitment Flow	1,005,813	464,221	3,404,291	386,851	2,940,069	25,300,070	4,177,993	4,410,104	2,475,848	16,789,343	14,622,976	1,392,664	77,370,246



STEP 3



Payout Rates- are applied to each monthly “Projected Commitment Flow” to determine the actual expenditure projection of that flow. This rate predicts when to expect the encumbrance to be expended. Most projected payouts span over 48 months.

Example of Payout Rates being applied

Component K-01-N1

Cash Flow Total FY 2011 - 2012	Projected Commitment	July	August	September	October	November	December	January	February	March	April	May	June
July Commitment Flow	0	0	0	0	0	0	0	0	0	0	0	0	0
August Commitment Flow	0	0	0	0	0	0	0	0	0	0	0	0	0
September Commitment Flow	0	0	0	0	0	0	0	0	0	0	0	0	0
October Commitment Flow	0	0	0	0	0	0	0	0	0	0	0	0	0
November Commitment Flow	0	0	0	0	0	0	0	0	0	0	0	0	0
December Commitment Flow	0	0	0	0	0	0	0	0	0	0	0	0	0
January Commitment Flow	5,834,963	0	0	0	0	0	0	0	0	0	0	0	52,515
February Commitment Flow	6,159,128	0	0	0	0	0	0	0	0	0	0	0	0
March Commitment Flow	3,457,756	0	0	0	0	0	0	0	0	0	0	0	0
April Commitment Flow	23,447,907	0	0	0	0	0	0	0	0	0	0	0	0
May Commitment Flow	20,422,371	0	0	0	0	0	0	0	0	0	0	0	0
June Commitment Flow	1,944,988	0	0	0	0	0	0	0	0	0	0	0	0
Totals	61,267,113	0	0	0	0	0	0	0	0	0	0	0	52,515
Annual Totals												FY 2011 - 2012	52,515
Annual Payout													0.0006

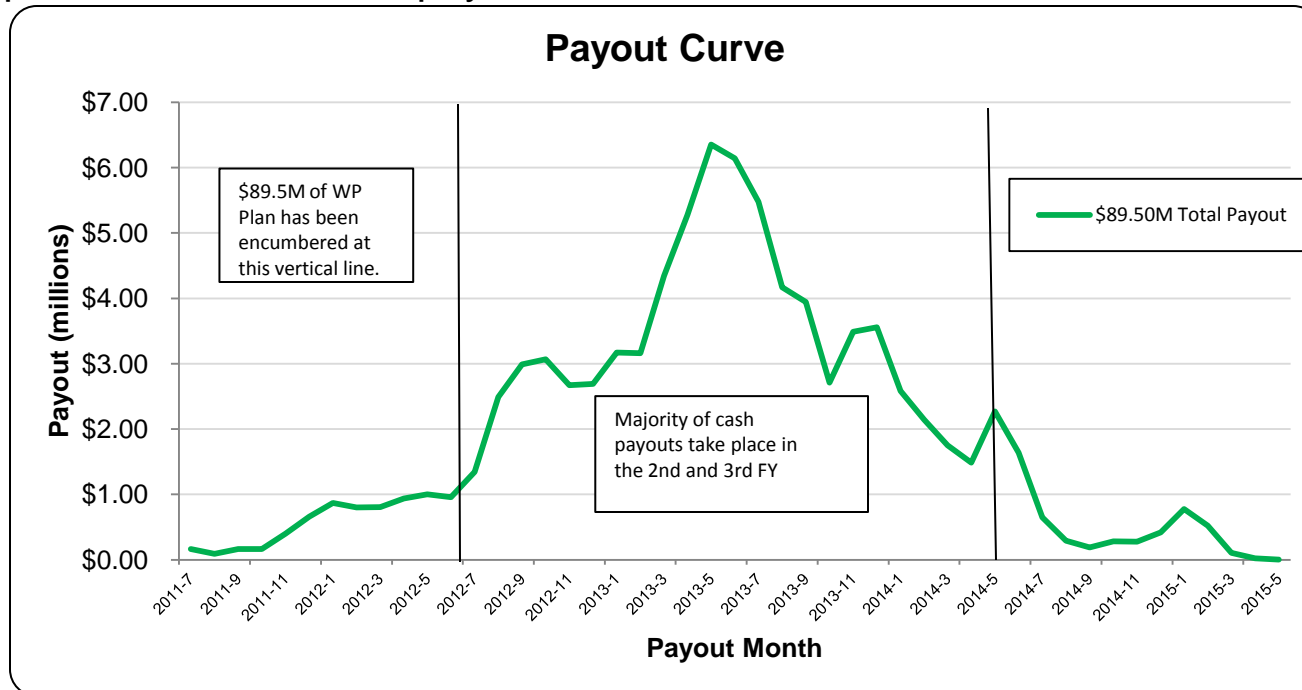
Component K-01-N1

Cash Flow Total FY 2012 - 2013	Projected Commitment	July	August	September	October	November	December	January	February	March	April	May	June
July Commitment Flow	1,005,813	0	0	0	0	0	9,052	5,029	21,122	31,180	28,163	14,081	28,163
August Commitment Flow	464,221	0	0	0	0	0	0	4,178	2,321	9,749	14,391	12,998	6,499
September Commitment Flow	3,404,291	0	0	0	0	0	0	0	30,639	17,021	71,490	105,533	95,320
October Commitment Flow	386,851	0	0	0	0	0	0	0	0	3,482	1,934	8,124	11,992
November Commitment Flow	2,940,069	0	0	0	0	0	0	0	0	0	26,461	14,700	61,741
December Commitment Flow	25,300,070	0	0	0	0	0	0	0	0	0	0	227,701	126,500
January Commitment Flow	4,177,993	0	0	0	0	0	0	0	0	0	0	0	37,602
February Commitment Flow	4,410,104	0	0	0	0	0	0	0	0	0	0	0	0
March Commitment Flow	2,475,848	0	0	0	0	0	0	0	0	0	0	0	0
April Commitment Flow	16,789,343	0	0	0	0	0	0	0	0	0	0	0	0
May Commitment Flow	14,622,976	0	0	0	0	0	0	0	0	0	0	0	0
June Commitment Flow	1,392,664	0	0	0	0	0	0	0	0	0	0	0	0
Totals	77,370,246	0	0	0	0	0	9,052	9,207	54,082	61,432	142,439	383,137	367,818
Annual Totals												FY 2012 - 2013	1,027,167
Annual Payout													0.0133





•Graphical representation of entire payout curve:



•As seen in this payout curve, although the WP plan (after roll forward) was encumbered in the FY it was programmed, the majority of the commitments actually pay out over the 2nd and 3rd fiscal year once the project has started.



SPECIALIZED PROJECT FLOWS

u **Specialized Flows** are for certain projects that have defined payout schedules and do not follow the normal payout structure. The commitments established for these type of projects are excluded from the rate process and are flowed based on scheduled timelines. These types of projects include, but are not limited to:

- Public Private Partnerships
- One Time Annual Payments
- Local Government Reimbursement
- State Infrastructure Bank Repayments
- Major projects such as the Miami Intermodal Center
- Tri Rail Payments



FINANCING TOOLS

- u Advanced Construction (AC)
- u Bonds
 - Right of Way (ROW)
 - Grant Anticipation (GARVEE)
- u State Infrastructure Bank (SIB)
- u Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program
- u Public-Private Partnerships (P3s)
- u Fixed Guideway Bonds



ADVANCE CONSTRUCTION

- Projects Federally Authorized but State Funded until Converted to Federal
- Projected Expenditures Build Inventory
- **GOAL:** Conversions Based on Cash Needs and Available Inventory



RIGHT OF WAY BONDS

- Full Faith & Credit of State
- 7% of STTF Revenues Not to Exceed \$275 million annual debt service
- Bond Expenditures (36 Months)



GRANT ANTICIPATION BONDS

- Pledged future Federal-aid funds for GARVEE bonds to pay debt service
- Caps annual debt service at up to 10% of annual Federal highway funds
- Bond term limited to 12 years or less



STATE INFRASTRUCTURE BANK

- Authorized by 339.55, and 215.617, F.S.
- SIB expenditures cash flowed through STTF
- SIB loans from the STTF for District/Turnpike



TRANSPORTATION INFRASTRUCTURE

- Miami Intermodal Center (MIC)

- Total Project Cost: \$1.3 billion

FDOT TIFIA Loan

\$269 million

Executed June 9, 2000

Repaid \$15 million

Retired July 3, 2006

Interest savings of over \$219 million

Rental Car Facility TIFIA Loan

\$170 million

Executed April 29, 2005

No draws to date

- TIFIA expenditures are cash flowed through STTF



PUBLIC PRIVATE PARTNERSHIPS

- Design Build Finance
- Build Finance
- Concession
 - Design Build Operate & Maintain
 - Milestone Payments
 - Availability Payments



FIXED GUIDEWAY BONDS

- Bond proceeds to build or reconstruct fixed guideway systems (commuter rail) in urban areas (none issued to date)
- Local fund 50% of debt service
- Each project requires legislative approval
- Generates \$500 - \$600 million bond capacity



MINIMUM CASH BALANCE

- Positive and Negative Fluctuations

- Patterns of Receipts – cash is often ‘built-up’ during the first couple of weeks of a month due to timing of receipts.

- Majority of REC revenues are received during the first half of the month, with MV fees received every three to five days.

- Weekly Federal bill

- Patterns of Disbursements

- Construction Estimates – major project payouts are normally expended during the 3rd week of the month

- Quarterly Payments – P3 payments are usually made in quarterly payments, often in the 3rd or 4th week of the applicable month

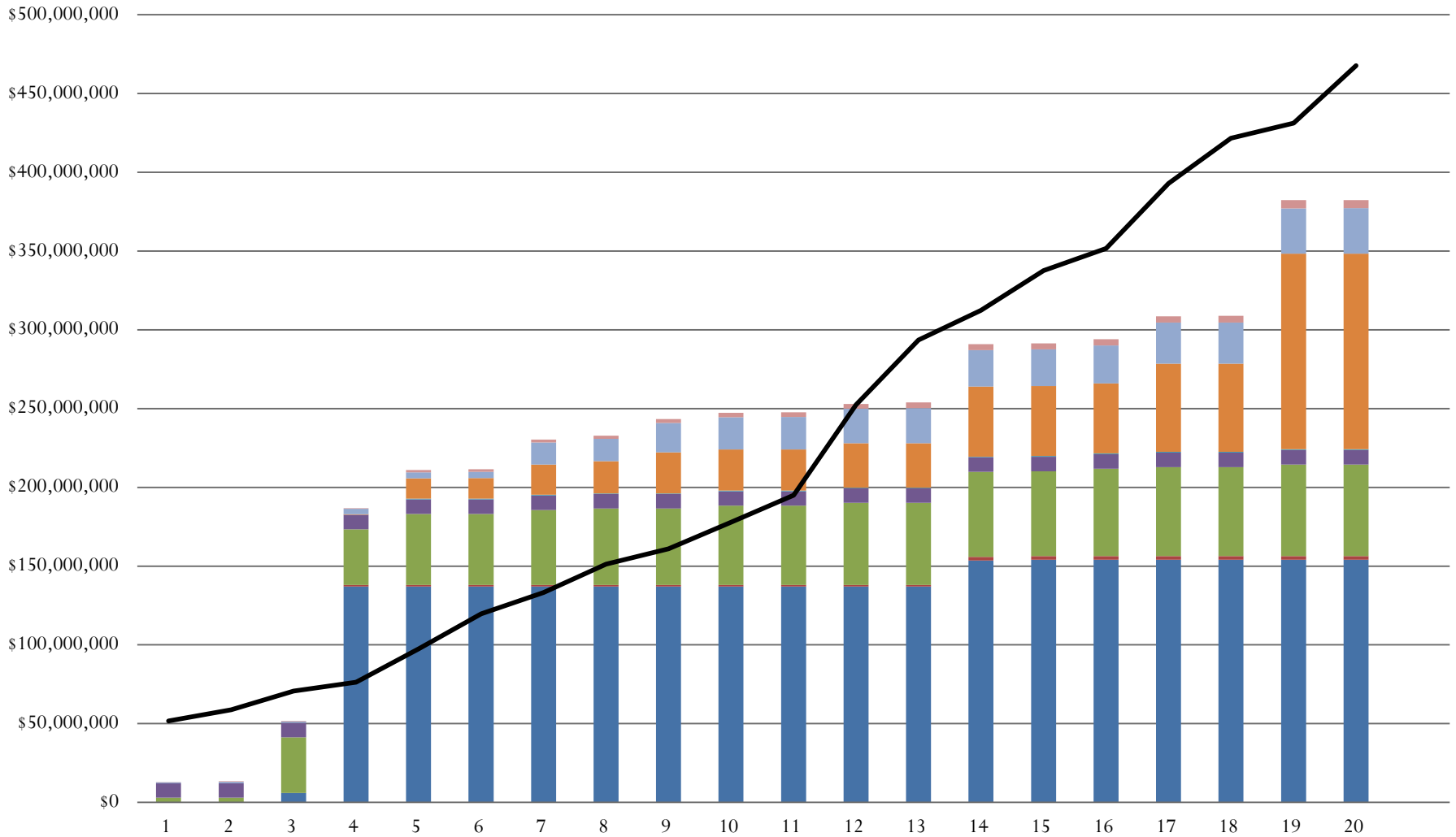
- Projected Month End Balances

- \$200 - \$250 Million



CUMULATIVE RECEIPTS AND DISBURSEMENTS

(BASED ON JANUARY 2012)



- GAS TAX
- AVIATION
- MV FEES
- DOCUMENTARY STAMP
- INTEREST
- FEDERAL AID
- REIMBURSEMENTS
- MISCELLENOUS REVENUE
- DISBURSEMENTS

CASH MANAGEMENT

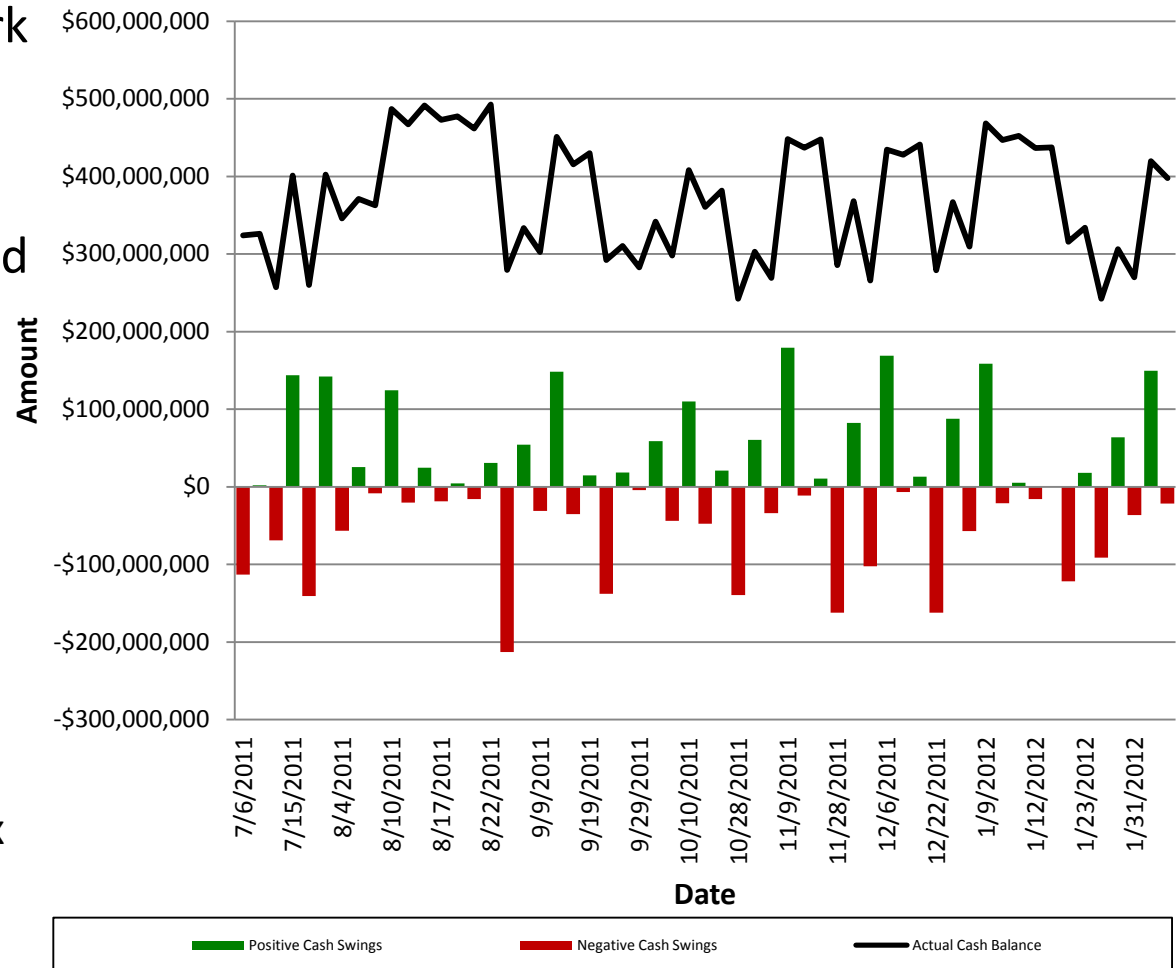
State Transportation Trust Fund Actual Cash Balance Fluctuations

In order to ensure the Work Program remains financed FDOT targets monthly projected ending cash balances between \$200 and \$250 million.

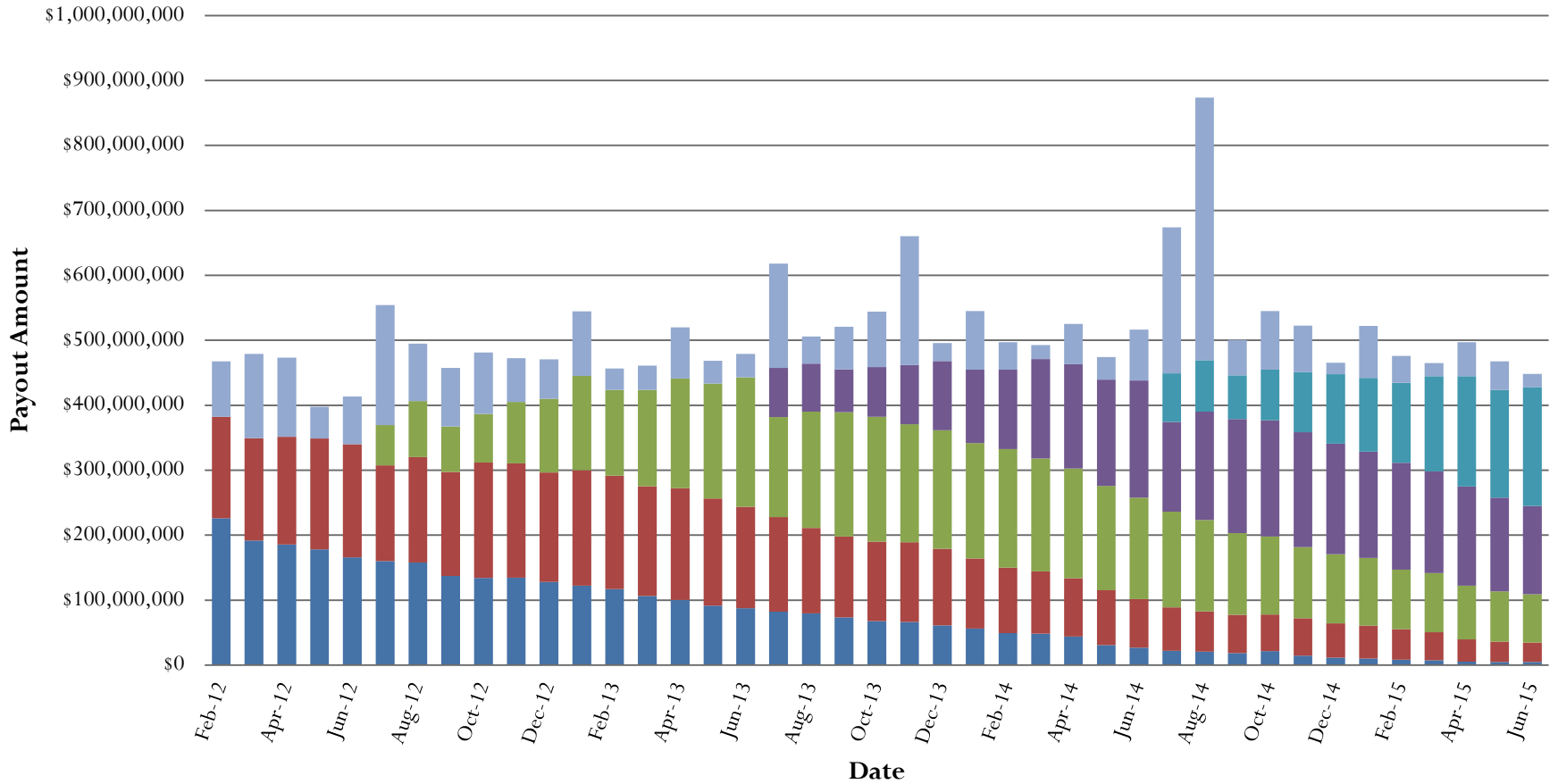
The FDOT cash balance has

- decreased as much as \$185 million in one day and \$351 in a 7 day period
- increased as much as \$191 million in one day and \$342 million in a six day period.

FY12 Cash Balance Changes



Projected Payouts



COMMITMENT VS. CASH FLOW

State Transportation Trust Fund Annual Low Point Cash Balance and Contractual Obligations

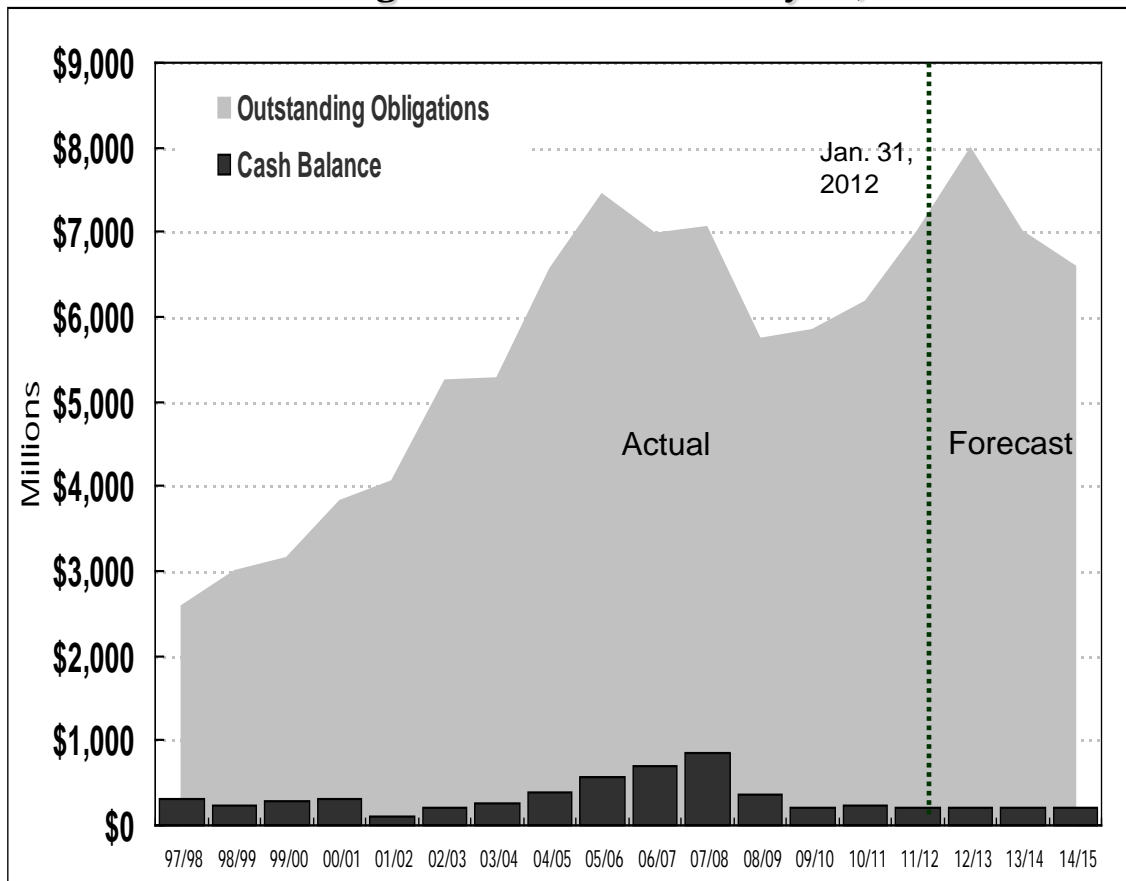
- u In order to improve Florida's transportation systems in the future, there is an average of \$6.7 billion planned project commitments per year for the next five years
- u At any one time, FDOT carries approximately \$6 billion of outstanding commitments to transportation contractors while working with a projected cash balance between \$200 and \$250 million.
- u Over the next three years, the cash balance low point is expected to be 3.0% of commitments.

(Section 339.135(6)(b), Florida Statutes)



Lowest cash balance in each fiscal year and the outstanding commitments at that point in time

Tentative Program Plan as of February 15, 2012



QUESTIONS

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