

King County Flood Control District

Flood Program Financial Plan: 2020 Budget and 6-Year CIP

10/14/2019

	2018 Actual	2019 Adopted	2019 Revised	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
Beginning Balance	71,766,740	64,898,272	81,912,806	89,876,187	76,527,264	62,673,797	34,749,880	9,707,726	(9,797,199)
Revenue									
Flood District									
Flood District Levy ¹	56,861,309	57,568,377	57,819,986	59,540,737	61,147,879	62,706,603	64,211,310	65,689,971	67,147,897
Interest Earnings ²	1,481,810	896,400	1,691,302	1,855,726	1,580,103	1,294,063	717,501	200,441	(202,289)
Miscellaneous Revenue ³	284,874	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
King County									
Inter-County River Improvement ⁴	46,000	45,000	45,000	45,000	45,000	0	0	0	0
Grants ¹⁰	5,562,332	8,607,085	4,389,000	2,869,028	2,869,028	2,869,028	0	0	0
Miscellaneous Revenue ⁵	189,274	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Total Revenue	64,425,600	67,591,862	64,420,288	64,785,492	66,117,010	67,344,694	65,403,811	66,365,412	67,420,609
Expenditure									
District Administration ⁶	(774,817)	(886,638)	(886,638)	(913,238)	(940,635)	(968,854)	(997,920)	(1,027,857)	(1,058,693)
Other District Expenditures									
Tax Refund									
Operating Expenditure	(8,909,077)	(12,839,055)	(13,370,743)	(13,464,210)	(11,433,000)	(11,775,990)	(12,129,270)	(12,493,148)	(12,867,942)
Capital Expenditure	(44,595,640)	(61,922,778)	(42,199,525)	(63,756,967)	(67,596,841)	(82,523,767)	(77,318,776)	(72,349,333)	(66,714,112)
Total Expenditure	(54,279,534)	(75,648,471)	(56,456,906)	(78,134,415)	(79,970,477)	(95,268,611)	(90,445,965)	(85,870,338)	(80,640,748)
Ending Fund Balance (Cash)	81,912,806	56,841,663	89,876,187	76,527,264	62,673,797	34,749,880	9,707,726	(9,797,199)	(23,017,338)
<i>Target Fund Balance</i>		0	0	0	0	0	0	0	0
<i>Budgetary Carryover Reserves</i>	(106,540,398)	(110,491,278)	(109,367,799)	(129,838,755)	(188,284,037)	(228,546,303)	(205,640,561)	(189,554,022)	(176,430,176)
Ending Budgetary Fund Balance ⁹	(24,627,592)	(53,649,615)	(19,491,612)	(53,311,491)	(125,610,240)	(193,796,423)	(195,932,835)	(199,351,221)	(199,447,514)

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Notes:

- 1 Property tax forecast provided by the Office of Economic and Financial Analysis in August 2019, less undercollection assumption of 1%.
- 2 Future interest earnings approximated using the ratio of prior year interest to prior year fund ending fund balance.
- 3 District miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, unrealized investments, leasehold excise taxes, and immaterial corrections from prior years.
- 4 The ICRIF amount is based on the 1919 Inter-County Agreement for improvements to the White River, set to expire at the end of 2020.
- 5 Miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, rent from tenants of acquired real estate, and immaterial corrections from prior years. In 2017 this included the sale of the Rivers Edge Business park, an acquisition under the Briscoe Levee Setback that was ultimately not needed for the project. While this sale could be considered a reduction in project expenditures, governmental accounting rules required it be categorized as a revenue.
- 6 Costs based on contract established under FCD 2008-07 for District executive services, and inflated at 3% in succeeding years.
- 7 The capital expenditure is equal to the expenditure rate times the sum of the new capital appropriation and carryover. Rationale for the expenditure rates forecasted for A-E in the capital program is as follows:
 - A. Based on prior year experience and knowledge of existing staff capacity to implement construction projects implemented by WLR Division.
The expenditure rate increases at the end of the six years as new appropriation decreases and carryover projects are completed.
 - B. Based on prior year experience for acquisitions and home elevations, where expenditure patterns are strongly influenced by factors such as landowner willingness. Rate shown here is similar to the expenditure rate for acquisition-focused funds such as King County's Conservation Futures Trust (CFT).
 - C. Based on increase from past expenditure rates as city projects move through the engineering design phase toward construction.
 - D-E. Based on prior year experience with expenditure rates for these capital grant programs, which have a 2-3 year minimum time lag between appropriation and expenditures due to funding allocation decision-making process, execution of agreements for awarded projects, and reimbursement of eligible expenditures during or following implementation by the grant recipient.
While the Opportunity Fund does not require time for an allocation process, many jurisdictions choose to accrue funding over multiple years which limits the expenditure rate.
Note that a constant expenditure rate results in increased expenditures as unspent allocations are carried over each year.
- 8 The Unreserved Fund Balance is the remaining balance less reserves described in resolution FCD2016-21.1 adopting a fund balance reserve policy. While the policy provides general guidance on types of reserves, it does not specify their quantification. The reserve quantities above reflect initial considerations by the District in lieu of more formal direction.
- 9 The budgetary fund balance assumes 100% expenditure of all budgeted amounts and is used to understand the District's total budgetary commitment.
- 10 Grant revenue is assumed only for grants that have been awarded or where an award is likely and imminent.
- 11 Total New Capital Appropriation corresponds to the "Grand Total" shown in each year on Attachment H.

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Capital Expenditure Detail

	2018 Actual	2019 Adopted	2019 Revised	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
<i>FCD Projects New Appropriation</i>	(29,505,994)	(38,111,491)	739,781	(41,807,730)	(51,333,793)	(65,442,369)	(28,253,550)	(27,726,586)	(17,978,154)
<i>FCD Projects Carryover</i>	(26,049,273)	(28,928,519)	(32,817,275)	(16,038,747)	(25,452,450)	(46,839,608)	(71,860,465)	(62,070,689)	(55,674,310)
<i>Expenditure Rate</i>	39%	38%	50%	56%	39%	36%	38%	38%	38%
A. FCD Project Expenditures	(21,940,195)	(25,475,204)	(16,038,747)	(32,394,027)	(29,946,635)	(40,421,512)	(38,043,326)	(34,122,964)	(27,987,937)
<i>FCD Flood Mitigation New Appropriation</i>	(4,027,190)	(7,740,371)	(1,614,371)	(1,986,201)	(9,773,936)	(11,760,091)	(9,950,551)	(10,044,168)	(12,094,494)
<i>FCD Flood Mitigation Carryover</i>	(15,129,969)	(14,359,263)	(16,485,443)	(12,669,870)	(7,328,035)	(9,919,143)	(12,573,956)	(13,965,194)	(14,885,804)
<i>Expenditure Rate</i>	23%	30%	30%	50%	42%	42%	38%	38%	38%
B. FCD Flood Mitigation Expenditures	(4,443,667)	(6,629,890)	(5,429,944)	(7,328,035)	(7,182,828)	(9,105,278)	(8,559,313)	(9,123,558)	(10,252,513)
<i>Other Agency New Appropriation</i>	(6,619,241)	(20,225,733)	(30,066,843)	(26,258,062)	(50,376,268)	(30,647,385)	(899,605)	(2,810,000)	(7,462,358)
<i>Other Agency Carryover</i>	(32,334,389)	(23,539,179)	(30,413,688)	(51,408,451)	(66,016,536)	(98,933,884)	(110,144,079)	(94,387,131)	(82,617,561)
<i>Expenditure Rate</i>	19%	40%	15%	15%	15%	15%	15%	15%	15%
C. External Agency Project Expenditures	(7,221,502)	(17,505,965)	(9,072,080)	(11,649,977)	(17,458,921)	(19,437,190)	(16,656,553)	(14,579,570)	(13,511,988)
<i>Opportunity Fund New Appropriation</i>	(5,738,670)	(5,889,245)	(5,889,245)	(6,091,017)	(6,255,428)	(6,414,885)	(6,568,817)	(6,720,084)	(6,869,230)
<i>Opportunity Fund Carryover</i>	(12,079,766)	(12,472,905)	(14,505,037)	(15,295,712)	(16,040,046)	(16,721,606)	(17,352,368)	(17,940,889)	(18,495,730)
<i>Expenditure Rate</i>	20%	30%	25%	25%	25%	25%	25%	25%	25%
D. Opportunity Fund Payments	(3,643,555)	(5,508,645)	(5,098,571)	(5,346,682)	(5,573,869)	(5,784,123)	(5,980,296)	(6,165,243)	(6,341,240)
<i>WRIA Grants New Appropriation</i>	(4,520,525)	(4,684,168)	(4,684,168)	(4,810,172)	(4,939,566)	(5,072,440)	(5,208,889)	(5,349,008)	(5,492,896)
<i>WRIA Grants Carryover</i>	(7,653,641)	(7,913,208)	(6,971,932)	(7,576,465)	(8,051,314)	(8,444,072)	(8,785,733)	(9,096,504)	(9,389,583)
<i>Expenditure Rate</i>	43%	35%	35%	35%	35%	35%	35%	35%	35%
E. WRIA Grant Payments	(5,263,999)	(4,409,081)	(4,079,635)	(4,335,323)	(4,546,808)	(4,730,779)	(4,898,118)	(5,055,929)	(5,208,868)
<i>Flood Reduction Grants New Appropriation</i>	(3,085,306)	(3,166,261)	(3,166,261)	(3,274,741)	(3,363,133)	(3,448,863)	(3,531,622)	(3,612,948)	(3,693,134)
<i>Flood Reduction Grants Carryover</i>	(4,392,073)	(5,383,713)	(5,692,842)	(6,378,554)	(6,950,373)	(7,425,724)	(7,829,703)	(8,180,154)	(8,491,033)
<i>Expenditure Rate</i>	28%	28%	28%	28%	28%	28%	28%	28%	28%
F. Flood Reduction Grant Payments	(2,082,721)	(2,393,993)	(2,480,549)	(2,702,923)	(2,887,782)	(3,044,884)	(3,181,171)	(3,302,068)	(3,411,567)
Capital Summary - All Expenditures A-F									
<i>Total New Capital Appropriation ¹¹</i>	(53,496,926)	(79,817,269)	(44,681,107)	(84,227,923)	(126,042,124)	(122,786,033)	(54,413,034)	(56,262,793)	(53,590,266)
<i>Total Carryover</i>	(97,639,111)	(92,596,787)	(106,886,217)	(109,367,799)	(129,838,755)	(188,284,037)	(228,546,303)	(205,640,561)	(189,554,022)
<i>Overall Expenditure Rate</i>	30%	36%	28%	33%	26%	27%	27%	28%	27%
Total Capital Expenditure ⁷	(44,595,640)	(61,922,778)	(42,199,525)	(63,756,967)	(67,596,841)	(82,523,767)	(77,318,776)	(72,349,333)	(66,714,112)