King County

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

King County Flood Control District

Boardmembers: Dave Upthegrove, Chair; Reagan Dunn, Vice Chair; Claudia Balducci, Rod Dembowski, Jeanne Kohl-Welles, Kathy Lambert, Joe McDermott, Pete von Reichbauer, Girmay Zahilay

1:00 PM | **Wednesday, May 27, 2020** | **Virtual Meeting**

SPECIAL MEETING

PUBLIC NOTICE: The King County Flood Control Board's May 27, 2020 SPECIAL Meeting will be held virtually. To help prevent the spread of the COVID 19 virus the chambers will be closed and all Boardmembers and staff will be participating in the meeting remotely. The live feed of the video conference will be streaming on the Council's website and on KCTV channel 22.

HOW TO LISTEN TO THE MEETING:

1) Stream online via the link below
To Watch Online Live Streaming Video of the Meeting input the web address below in your web browser:
https://livestream.com/accounts/15175343/events/4485487

2) To watch on King County TV tune to Channel 22 (Comcast Channel 22 and 322(HD) or Wave Broadband Channel 22).

1. Call to Order

2. Roll Call

3. Approval of Minutes of April 14, 2020 pg 3

To show a PDF of the written materials for an agenda item, click on the agenda item below.

Sign language and communication material in alternate formats can be arranged given sufficient notice (296-1000).
TDD Number 296-1024.
ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.

Discussion and Possible Action

4. FCD Motion No. FCD20-06 **pg 7**

A MOTION relating to the King County Flood Control Zone District's 2019 financial statements and adopting the King County Flood Control Zone District Financial Statements for the Year Ended December 31, 2019.

5. Adjournment

King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Minutes

King County Flood Control District

Boardmembers: Dave Upthegrove, Chair; Reagan Dunn, Vice Chair; Claudia Balducci, Rod Dembowski, Jeanne Kohl-Welles, Kathy Lambert, Joe McDermott, Pete von Reichbauer, Girmay Zahilay

1:00 PM | **Tuesday, April 14, 2020** | **Virtual Meeting**

DRAFT MINUTES

PUBLIC NOTICE: The King County Flood Control Board's April 14, 2020 Regular Meeting will be held virtually. To help prevent the spread of the COVID 19 virus the chambers will be closed and all Boardmembers and staff will be participating in the meeting remotely. The live feed of the video conference will be streaming on the Council's website and on KCTV channel 22.

HOW TO LISTEN TO THE MEETING: There are three ways to listen in to the meeting:

1) Stream online via the link below
To Watch Online Live Streaming Video of the Meeting input the web address below in your web browser:
https://livestream.com/accounts/15175343/events/4485487
2) Call in to the LISTEN ONLY phone number 206.205.5900
3) Watch King County TV Channel 22

1. Call to Order

The meeting was called to order at 2:49 p.m.

2. Roll Call

Present: 9 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer and Mr. Zahilay

3. Approval of Minutes of March 10, 2020

Supervisor Dunn moved to approve the minutes of the March 10, 2020 meeting as presented. Seeing no objection, the Chair so ordered.

Discussion and Possible Action

4. FCD Resolution No. FCD2020-08

A RESOLUTION of the Board of Supervisors of the King County Flood Control District, King County, Washington, Declaring an Emergency Related to the COVID-19 Virus, Authorizing Action Consistent with this Declaration, and Ratifying the Finding of Emergency by the Chair.

Charlotte Archer, District Legal Counsel, presented a staff report.

Michelle Clark. Executive Director, and Kimberly Matej, Deputy Director, answered questions of the Board.

A motion was made by Chair Dunn that this FCD Resolution be Passed. The motion carried by the following vote:

Yes: 9 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer and Mr. Zahilay

5. FCD Resolution No. FCD2020-09

A RESOLUTION authorizing the use of digital and electronic signature use and ratifying emergency electronic signature use per chapter 19.360 RCW.

Ms. Archer and Ms. Clark briefed the Board and answered questions.

A motion was made by Chair Dunn that this FCD Resolution be Passed. The motion carried by the following vote:

Yes: 9 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer and Mr. Zahilay

6. FCD Resolution No. FCD2020-10

A RESOLUTION authorizing membership with Enduris for the purpose of providing liability and property insurance for the King County Flood Control District; and approving a Master Agreement and authorizing execution thereof.

Ms. Matej presented a staff report and answered questions.

A motion was made by Chair Dunn that this FCD Resolution be Passed. The motion carried by the following vote:

Yes: 9 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer and Mr. Zahilay

7. FCD Motion No. FCD20-05

A MOTION authorizing the chair to enter into an amendment to the agreement for advisory committee facilitation services.

This matter was Deferred

8. Other Business

9. Adjournment

The meeting adjourned at 3:24 p.m.

Approved this _____ day of _____

_____

Clerk's Signature

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1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

KING COUNTY

Signature Report

FCD Motion

Proposed No. FCD20-06.1 **Sponsors**

A MOTION relating to the King County Flood Control Zone District's 2019 financial statements and adopting the King County Flood Control Zone District Financial Statements for the Year Ended December 31, 2019.

WHEREAS, the King County Flood Control Zone District ("District") board of supervisors desires to adopt the District's financial statements for the year ended December 31, 2019;

NOW, THEREFORE, BE IT MOVED BY THE BOARD OF SUPERVISORS OF THE KING COUNTY FLOOD CONTROL ZONE DISTRICT:

SECTION 1. The King County Flood Control Zone District board of supervisors

11 adopts the King County Flood Control Zone District Financial Statements for the Year

12 Ended December 31, 2019, attached to this motion as Attachment A.

13

KING COUNTY FLOOD CONTROL ZONE DISTRICT
KING COUNTY, WASHINGTON

_____

Dave Upthegrove, Chair

ATTEST:

_____

Melani Pedroza, Clerk of the Board

Attachments: A. King County Flood Control Zone District Financial Statements for the Year Ended December 31, 2019

FRANCIS & COMPANY PLLC

King County Flood Control Zone District

Financial Statements for the
Year Ended December 31, 2019

CERTIFIED PUBLIC ACCOUNTANTS | MANAGEMENT CONSULTANTS

FRANCIS & COMPANY PLLC
CERTIFIED PUBLIC ACCOUNTANTS | MANAGEMENT CONSULTANTS

ACCOUNTANT'S COMPILATION REPORT

King County Flood Control Zone District
Seattle, Washington

Management is responsible for the accompanying financial statements of King County Flood Control Zone District, as of and for the year ended December 31, 2019, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 6 and page 25, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the responsibility of management. The required supplementary information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to King County Flood Control Zone District.

Francis & Company

Seattle, Washington
April 22, 2020

200 West Mercer Street, Suite 208
Seattle, Washington 98119
206-282-3720 [main]
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www.francisco company.com

KING COUNTY FLOOD CONTROL ZONE DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) presents a narrative overview and analysis of the financial activities of the King County Flood Control Zone District (the District) for the fiscal year ended December 31, 2019. We encourage readers to consider this information in conjunction with the District's financial statements and notes to the financial statements, which follow.

The District was established in April 2007 to provide an integrated and coordinated approach to flooding as well as funding to improve the King County's nearly 500 aging and inadequate flood protection facilities. The King County Council oversees the District as a Board of Supervisors. A 15-member Advisory Committee, made up of citizens and local government officials, provides recommendations on the District's work plan and budget.

The District has also entered into an inter-local agreement with the Water and Land Resources Division of King County to provide the necessary staffing for implementation of the District flood control programs and projects.

Financial Highlights

- As of December 31, 2019, the assets of the District exceeded its liabilities by $219.1 million on a government-wide basis (net position). Net position included net investment in capital assets of $124.7 million and unrestricted net position of $94.4 million.
- In 2019, the District's total net position increased by $18.9 million. In addition, there was a prior year correction that increased the beginning net position by $9.1 million.
- As of December 31, 2019, the District's governmental fund had an ending balance of $93.8 million, which was an increase of $11.8 million from the prior year. The governmental fund balances included $4 million attributable to nonspendable cash advance, $30.4 million committed for carryover of unspent appropriations, and $7.5 million was assigned for self-insured retention. The remaining portion of fund balance, $51.9 million, was unassigned and available to support future operations.

Overview of the Financial Statements

The District's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. Required supplementary information is presented in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business. The statements provide short-term and long-term information about the District's financial position, which assists in assessing the District's financial condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. All revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The government-wide financial statements include two statements:

- The statement of net position presents all of the District's assets and liabilities, deferred inflows and outflows of resources, and net position. Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As a result, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods, such as revenues pertaining to uncollected taxes.

All of the District's activities are governmental activities related to flood control programs which are supported by property taxes.

Fund Financial Statements

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District is a special purpose governmental entity and it has one governmental fund, the sole major fund, to finance the flood control services. Unlike the government-wide financial statements, the governmental fund financial statements focus on how cash and other financial assets can readily be converted to available resources and the balances left at year-end that are available for future spending. Such information may be useful in determining whether there will be adequate financial resources available to meet the current needs of the District.

Because the focus on governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities. The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information is also presented. The required supplementary information immediately follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide Financial Analysis

The Statement of Net Position presents all of the District's assets, liabilities, deferred inflows and outflows of resources, and net position. The amount of net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Over time, this information may serve as a useful indicator of the District's financial position. The District's net position was $219.1 million at the end of 2019, and 56.9 percent of the net position was invested in capital assets. In 2019, the District's total net position increased by $18.9 million. In addition, there was a prior year correction that increased the beginning net position by $9.1 million.

Investment in capital assets went up by $16.2 million or 15.0 percent in 2019. For further information regarding the increase in capital assets see Note 4 to the financial statements. The increase in net position in 2019 reflects the District's ability to meet current and future obligations in the course of its activities.

	2019	2018
Condensed Statement of Net Position		
ASSETS		
Current and other assets	$ 120,922,913	$ 105,381,608
Capital assets	124,662,471	108,428,244
Total assets	245,585,384	213,809,852
DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
Current liabilities	26,450,589	22,698,706
Total liabilities	26,450,589	22,698,706
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	124,662,471	108,428,244
Unrestricted	94,472,324	82,682,902
Total net position	$ 219,134,795	$ 191,111,146

	2019	2018
Condensed Statement of Activities		
GENERAL REVENUE		
Property taxes	$ 57,995,143	$ 56,744,506
Investment earnings, net	2,254,672	1,539,805
Other taxes	300,053	308,782
Unrealized investment (loss)	854,242	63,832
Total Revenue	61,404,110	58,656,925
EXPENSES		
Flood controls	42,508,030	75,596,472
Change in Net Position	18,896,080	(16,939,547)
Net Position, Beginning of Year	191,111,146	210,349,706
Prior Year Correction	9,127,569	(2,299,013)
Net Position, Beginning of Year Adjusted	200,238,715	208,050,693
Net Position, End of Year	$ 219,134,795	$191,111,146

The District's flood control services are funded by property taxes, which comprise 94.4 percent of total general revenue. Total general revenue increased by $2.7 million or 4.7 percent in 2019, primarily due to increases in property tax revenue and investment earnings and gains. Expenses decreased by $33.1 million or 43.8 percent in 2019, primarily due to decreases in capital expenditures compared to the prior year. The change in the District's total net position resulted from revenues exceeding expenses. The overall financial position of the District has improved in 2019 and indicates its ability to meet its ongoing obligations.

Governmental Fund Financial Analysis

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and the resulting balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net financial resources available for spending at the end of the fiscal year.

As of December 31, 2019, the District's governmental fund reported ending fund balances of $93.8 million, of which $4 million was nonspendable, $30.4 was committed and $7.5 million was assigned. The nonspendable fund balance of $4 million was advanced to the King County Water and Land Resources Division for the District's operating and capital expenditures. For more information regarding nonspendable cash advance, see Note 6 to the District's financial statements. The committed fund balance of $30.4 million is for carryover of unspent appropriations, and the assigned fund balance of $7.5 million is for self-insured retention relating to the District's excess liability coverage and is explained in Note 5 to the District's financial statements. The remainder, $51.9 million, is available for spending in future years at the District's discretion. The total fund balances increased by $11.8 million.

Condensed Balance Sheet	2019	2018
Total Assets	$ 120,922,913	$ 105,381,608
Deferred Outflows of Resources	-	-
Total Liabilities	26,450,589	22,698,706
Deferred Inflows of Resources	664,224	677,986
Fund Balances		
Nonspendable - cash advance	4,000,000	4,000,000
Committed	30,433,926	27,169,811
Assigned	7,500,000	7,500,000
Unassigned	51,874,174	43,335,105
Total Fund Balances	$ 93,808,100	$ 82,004,916

Overall governmental fund revenues for 2019 totaled $61.5 million, an increase of $2.8 million or 4.7 percent. The increase was primarily due to the increase in property tax. Total expenditures increased 2.6 percent or $1.2 million from the previous year, primarily due to an increase in capital project expenditures. The fund balance increased by $11.8 million in 2019 compared to an increase of $10.3 million for 2018.

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances	2019	2018
Total Revenues	$61,464,528	$ 58,690,947
Total Expenditures	49,661,344	48,418,534
Changes in Fund Balances	$11,803,184	$ 10,272,413

Budget Variances in the General Fund

Differences between the original budget and the final amended budget resulted from a significant increase to budgeted expenditures for capital projects.

Property tax revenue was on budget for 2019. Property taxes were budgeted based on approved tax levies for 2019, while property taxes reported as actual were total taxes collected in 2019. See the District's accounting policies in Note 1 to the financial statements. Actual expenditures were less than budget estimates by $112.5 million primarily because the 2019 budgeted expenditures included carryover amounts from prior years which were not completely expended in 2019.

Capital Assets
The District's capital assets, net of accumulated depreciation, amounted to $124.7 million as of December 31, 2019. This is an increase of $7.1 million or 6.0 percent from the previous year (adjusted). There was a prior year correction of $9.1 million to construction in progress. For further information regarding capital assets, see Note 4 to the financial statements. See Note 7 for the prior year correction.

	Balance 12/31/2019	Balance 12/31/2018 Adjusted
Governmental Activities		
Land	$ 71,916,542	$ 66,927,538
Easement	21,984	-
Construction in progress	3,123,651	25,012,067
Levees and facilities	54,067,182	28,280,858
Machinery and equipment	18,476	18,476
Less: accumulated depreciation	(4,485,364)	(2,683,125)
Total Capital Assets, Net	$ 124,662,471	$ 117,555,814

Economic Factors and Next Year's Budget
The District adopts its budget on an annual basis. The budget is based on the District's goals and its operating and capital programs. The 2020 budget is summarized below:

Property Taxes	$61,261,488
District overhead and administration	913,238
Maintenance and operations	13,464,210
Construction and improvements	84,227,923
Total	$98,605,371

The District's Board has authorized $61.2 million of property taxes to be levied for 2020, an increase of 4.9 percent over 2019.

Request for Information
This financial report is designed to provide a general overview of the King County Flood Control Zone District's finances to all those with an interest in the District's finances. Questions concerning any information provided in this report should be addressed to: King County Flood Control Zone District, 516 3rd Ave, Room 1200, Seattle, Washington 98104.

STATEMENT OF NET POSITION

KING COUNTY FLOOD CONTROL ZONE DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
DECEMBER 31, 2019

		Primary Government
		Governmental Activities
ASSETS		
Cash and cash equivalents	$	115,823,470
Taxes receivable		872,581
Other receivable		226,862
Cash advance		4,000,000
Capital assets not being depreciated (Note 4)		
Land		71,916,542
Easements		21,984
Construction in progress		3,123,651
Capital assets net of accumulated depreciation (Note 4)		
Levees and facilities		49,600,294
TOTAL ASSETS		245,585,384
TOTAL DEFERRED OUTFLOWS OF RESOURCES		-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		26,450,589
TOTAL LIABILITIES		26,450,589
DEFERRED INFLOWS OF RESOURCES (NOTE 1)		
TOTAL DEFERRED INFLOWS OF RESOURCES		-
NET POSITION		
Net investment in capital assets		124,662,471
Unrestricted		94,472,324
TOTAL NET POSITION	$	219,134,795

The notes to financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

KING COUNTY FLOOD CONTROL ZONE DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Governmental Activities
PRIMARY GOVERNMENT					
Flood controls	$ 42,508,030				$ 42,508,030
Total primary government					42,508,030
General Revenue					
Taxes:					
Property taxes					57,995,143
Leasehold excise taxes					262,699
Other taxes					37,354
Investment earnings, net of investment expenses					2,254,672
Unrealized investment income (loss)					854,242
Total general revenues and special item					61,404,110
CHANGE IN NET POSITION					18,896,080
NET POSITION, BEGINNING OF THE YEAR					191,111,146
Prior year error correction					9,127,569
NET POSITION, BEGINNING OF THE YEAR ADJUSTED					200,238,715
NET POSITION, END OF THE YEAR					$ 219,134,795

The notes to financial statements are an integral part of this statement.

BALANCE SHEET – GOVERNMENTAL FUND

KING COUNTY FLOOD CONTROL ZONE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2019

	General Fund
ASSETS AND OUTFLOWS OF RESOURCES	
Cash and cash equivalents	$ 115,823,470
Taxes receivable	872,581
Other receivable	226,862
Cash advance	4,000,000
TOTAL ASSETS	120,922,913
DEFERRED OUTFLOWS OF RESOURCES	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 120,922,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued liabilities	$ 26,450,589
TOTAL LIABILITIES	26,450,589
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property tax	664,224
TOTAL DEFERRED INFLOWS OF RESOURCES	664,224
FUND BALANCES	
Nonspendable - cash advance	4,000,000
Restricted	-
Committed	30,433,926
Assigned	7,500,000
Unassigned	51,874,174
TOTAL FUND BALANCES	93,808,100
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 120,922,913
Total fund balances - governmental fund	$ 93,808,100
Amounts reported for governmental activities in the statement of net position (page 7) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund	124,662,471
Property taxes levied but unavailable in the governmental fund which were reported as property tax revenue in the statement of activities	664,224
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 219,134,795

The notes to financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND

KING COUNTY FLOOD CONTROL ZONE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund
REVENUES	
Property taxes, net of refund of $129,423	$ 58,008,905
Leasehold excise taxes	262,699
Other taxes	37,354
Investment income	2,301,328
Unrealized investment income (loss)	854,242
Total revenues	61,464,528
EXPENDITURES	
Current operating:	
Administrative and other operating expenses	957,418
Contracted labor and services	9,905,721
Investment expenses	46,656
Capital projects expenditures	38,751,549
Total expenditures	49,661,344
CHANGE IN FUND BALANCES	11,803,184
TOTAL FUND BALANCES, BEGINNING OF THE YEAR	82,004,916
TOTAL FUND BALANCES, END OF THE YEAR	$ 93,808,100

Change in fund balances - governmental fund	$ 11,803,184
Amounts reported for governmental activities in the statement of activities (page 8) are different because:	
Governmental fund reported capital projects expenditures as expenditures. However, certain capital projects expenditures were reclassified as capital assets in the statement of net position. This is amount capitalized in the current year, net of depreciation expenses.	7,106,658
Prior year property taxes collected which are not reported as current year revenue in the statement of activities	(13,762)
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 18,896,080

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of King County Flood Control Zone District (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

Reporting Entity

The District, a municipal corporation and independent taxing authority, was established in April 2007 to provide funding and policy oversight for flood protection projects and programs in King County. The District took over several King County flood districts to improve the County's aging and inadequate flood protection facilities and improve countywide flood warnings and flood prediction capacity.

As authorized by the Revised Code of Washington (RCW) 86.15 "Flood Control Zone Districts", the King County Council is the District's Board of Supervisors, the governing body. The Board is staffed by the Executive Director, an outside management consultant who oversees overall performance and who represents the District on behalf of the Board of Supervisors.

The District is considered a special purpose government, supported primarily through property tax levied in King County. All activities for which the District is financially accountable have been incorporated to form the reporting entity. The District has no component units that are required to be included in its financial statements. King County reports the District as a component unit in its financial statements. However, the District, as a separate legal entity, has legal and administrative authority over all its resources.

Government-Wide and Fund Financial Statements

Government-wide financial statements report information on all of the non-fiduciary activities of the District, the primary government, consisting of a statement of net position and a statement of activities. The District reports its governmental activities, which normally are supported by property taxes. The District does not have business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the District's program are offset by the program revenues.

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The District's flood control activities are funded by property taxes, which are not considered to be program revenues. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for the governmental fund. Governmental fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The general fund, the only major fund, is used to account for all financial resources and activities associated with the primary purpose for which the District was created. The District has no non-major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and resulting receivables are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligation*. This new GASB statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. It requires that recognition occur when the liability is both incurred and reasonably estimable. It is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This new GASB is considered by the District and determined not applicable.

GASB Statement No. 84, *Fiduciary Activities*. This new GASB statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. It is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This new GASB is considered by the District and determined not applicable.

GASB Statement No. 87, *Leases*. This new GASB statement establishes a single model for lease accounting based on the foundational principal that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. It is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is currently evaluating the impact of this new GASB statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. It is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This new GASB is considered by the District and determined not applicable.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This new GASB statement establishes accounting requirements for interest cost incurred before the end of a construction period. It is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is currently evaluating the impact of this new GASB statement.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No.61*. This new GASB statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meet the definition of an investment should be measured using the equity method at fair value. It is effective for reporting beginning after December 15, 2018. Earlier application is encouraged. This new GASB is considered by the District and determined not applicable.

GASB Statement No. 91, *Conduit Debt Obligations*. This new GASB statement defines conduit debt obligation and requires issuers to disclose information about the conduit debt obligations organized by type of commitment and improve comparability by removing the diversity in current practice. This statement also includes note disclosures that help inform users of the potential impact of commitments on financial resources. It is effective for reporting beginning after December 15, 2020. Earlier application is encouraged. The District is currently evaluating the impact of this new GASB statement.

GASB Statement No. 92, *Omnibus 2020*. This new GASB statement addresses a variety of topics including issues related to reinsurance recoveries and terminology used to refer to derivative instruments, intra-entity transfers, postemployment benefit arrangements, and the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition. It is effective for periods beginning after June 15, 2020. Earlier application is encouraged and is permitted by topic. The District is currently evaluating the impact of this new GASB statement.

GASB Statement No. 93, Replacement of Interbank Offered Rates. This statement removes interbank offered rate (IBOR) as an appropriate benchmark interest rate and identifies a Security Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap. The removal of LIBOR is effective for reporting periods ending after December 31, 2020. All other requirements are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The District is currently evaluating the impact of this new GASB statement.

Budgetary Information

The District adopts its budget on an annual basis. The budget is based upon the District's goals and its operating and capital programs. Most revenues and expenditures are budgeted on the accrual basis. Capital projects are budgeted on a project basis. Projects are budgeted in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project is budgeted again in the following year.

When the District determines that it is in the best interest of the District to increase or decrease the appropriation of a particular expenditure item, it may do so by resolution approved by its Board of Supervisors.

The budgetary comparison schedule contains the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, allocations,

supplemental appropriations, and other legally authorized changes applicable for the year.

The District may over expend appropriations in those instances where no specific limit is identified. In these cases, services that have been appropriately authorized are considered to be eligible for payment and revenue is available to pay for the service.

Cash and Cash Equivalents
Cash and cash equivalents consist of pooled investments in the King County Investment Pool (the Pool). The King County Treasurer acts as custodian for the District's cash. The Pool functions essentially as a demand deposit where the District receives an allocation of its proportionate share of pooled earnings. The District's equity share of the Pool's net position is reported on the balance sheet as cash and cash equivalents and reflects the change in fair value of the corresponding investment securities. See Note 2 Deposits and Investments.

Receivables
Taxes receivable consists of property taxes and related interest and penalties (See Property Taxation Note No. 3). Interest receivable consists of amounts earned on pooled investments at the end of the year.

Cash Advance
Advance to the King County Water and Land Resources Division for the District's operating and capital expenditures is included in the nonspendable fund balance in the governmental fund to indicate that it is not available for appropriation and is not an expendable financial resource.

Capital Assets
Capital assets, which include land, easement, construction in progress, levees and facilities, and machine and equipment, are reported in the government-wide financial statements. Construction in progress reports all costs associated with projects being developed. As projects are completed, the related costs are reclassified as levees and facilities.

Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed.

Donated capital assets are recorded at acquisition value at the date of donation. Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. Expenditures for maintenance and repairs are charged to expenses as incurred. It is the District's policy not to capitalize interest on construction of governmental capital assets.

Depreciation of capital assets is recorded using the straight-line method over the following estimated useful lives:

Levees and Facilities	30 to 75 years
Machinery and Equipment	5 to 7 years

Deferred Inflows of Resources
Concepts Statement No. 4, Elements of Financial Statements, defines a deferred inflow of resources as an acquisition of net assets by the government that is applicable to a future reporting period. As of December 31, 2019, the District had deferred inflows of resources of $664,224 in the governmental fund balance sheet.

Classification of Net Position
In the government-wide financial statements, net positions are classified in the following three components:

Net Investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of external constraints imposed by creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restrict the use of net assets.

Unrestricted – This component of net position consists of net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

As of December 31, 2019, the District reported $124,662,471 of net investment in capital assets and unrestricted net position of $94,472,324.

Fund Balance Classification and Details
In the fund financial statements, governmental funds report the following classes of fund balances in accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Non-spendable fund balances are amounts that cannot be spent because they are either in a non-spendable form or are legally/contractually required to be maintained intact, including inventories, prepaid expenses, advances, etc.

Restricted fund balances are amounts that can be spent only for specific purposes stipulated by donors, grantors, creditors or by law.

Committed fund balances are amounts that are constrained for a specific purpose determined by a formal action of the District's Board of Supervisors, the District's highest level of decision-making authority. The same action is required to remove or change the constraint as it did to impose the constraint.

Assigned fund balances are amounts constrained by the District's intent that they will be used for specific purposes. The District has adopted its policy to delegate the authority to assign amounts to be used for specific purposes to its Executive Committee.

Unassigned fund balances are amounts not classified as non-spendable, restricted, committed or assigned in the general fund.

As of December 31, 2019, the District had non-spendable funds of $4,000,000 advanced to King County for payment of reimbursable operating and capital expenditures, $30,433,926 of committed funds for carryover of unspent appropriations, and $7,500,000 of assigned funds for self-insured retention relating to its excess liability insurance policy. Unassigned funds as of December 31, 2019 was $51,874,174.

The District's spending policy of its general fund is restricted, assigned, unassigned, and committed. Restricted fund balances are spent first according to the purposes for which restricted funds are received.

Unassigned funds are spent after committed and assigned funds have been exhausted.

Income Tax
As a public governmental corporation, the District is exempt from federal income taxes.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

In accordance with State law, the District's governing body has entered into a formal inter-local agreement with the District's *ex officio* treasurer, King County, to have all of its funds not required for immediate expenditure to be invested in the King County Investment Pool (the Pool).

The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. Oversight is provided by the King County Executive Finance Committee (EFC), which serves the role of the County Finance Committee as defined in RCW 36.48.070. All investments are subject to written policies and procedures adopted by the EFC.

The District receives an allocation of its proportionate share of pooled earnings. Unrealized gains and losses due to changes in the fair values are not distributed to the District. However, the unrealized gain or loss is recognized in the statement of revenues, expenditures and changes in fund balances at year-end in accordance with accounting standards. As of December 31, 2019, the District had unimpaired pooled investments of $115,822,712.

Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of inputs in valuing the District's investments as of December 31, 2019:

		Fair Value Measurements Using		
Investments at Fair Value Level	**Fair Value 12/31/19**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Unobserv-able Inputs (Level 3)**
Governmental Agencies	$ 35,577,043	$ -	$ 35,577,043	$ -
Commercial Paper	8,169,972		8,169,972	
Corporate notes	14,022,222		14,022,222	
U.S. Agency Mortgage-backed Securities	57,943		57,943	
Treasury Securities	44,847,933	44,847,933		
Subtotals	102,675,113	44,847,933	57,827,180	-
Investments measured at amortized costs (not subject to Fair Value Hierarchy)				
Repurchase Agreements	1,960,607			
State government Investment Pool	11,186,992			
Subtotal investments measured at cost	13,147,599			
Total investments in Investment Pool	**$ 115,822,712**			

U.S. Treasury Securities are valued using quoted prices in active markets and classified in Level 1 of the fair value hierarchy.

U.S. Agency Securities, Commercial Paper, Bank Corporate Notes and U.S. Agency Mortgage-backed Securities are valued using standard inputs including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Repurchase Agreements and State Government Investment Pool are overnight securities and are not subject to GASB Statement No. 72.

Impaired Investment Pool

The King County Executive Finance Committee approved the bifurcation of the investment pool as of September 1, 2008. This separated the impaired investments into their own pool distinct from the main pool of performing investments. The reasons for bifurcating the pool were to: (1) ensure the yield on the performing assets is not negatively impacted by the impaired investments; (2) enhance transparency about the value of the performing pool

and the impaired pool; (3) ease the implementation of the restructuring processes for the impaired investments.

For the bifurcation, three impaired commercial paper investments were placed into an impaired investment pool (Impaired Pool). The Impaired Pool holds one commercial paper asset (Victoria), in which the County accepted an exchange offer in 2009 and is receiving cash flows from the investment's underlying securities. For the other two commercial paper investments (Cheyne and Rhinebridge), the County accepted a cash-out option in 2008, based on the results of the separate restructuring auctions conducted by the designated "receiver" of each commercial paper asset.

As of December 31, 2019, all impaired commercial paper investments have completed enforcement events. The District's share of the impaired investment pool principal was $1,126 and the fair value of these investments was $758.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of December 31, 2019, the Pool's average duration was 0.92 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average life, no longer than five years. While the Pool's market value is calculated on a monthly basis, unrealized gains or losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

Credit Risk is the chance that an issuer will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause the price of the investment to decline. As of December 31, 2019, the District's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSPO). In compliance with state statutes, the Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, municipal securities (rated at least "A" by two NRSROs), commercial paper (rated at least the equivalent of "A-1" by two NRSROs), certificates of deposits issued by qualified public depositaries, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer's office.

NOTE 3 - PROPERTY TAXATION

The District is authorized to levy property taxes to fund flood-related services and capital projects. The King County Assessor determines the tax levied against each property in each taxing district. The King County Treasury Operation Section Manager is responsible for billing and collecting taxes.

On January 1, at the time of assessment, an enforceable lien is attached to the property for property taxes. Tax bills are mailed on February 14th. All taxes are due and payable on April 30th of each year, but if the amount due from a taxpayer exceeds fifty dollars, one-half may be paid on April 30th and the balance is due no later than October 31st of that year. All taxes collected are distributed to the District and kept in the custody of the King County Treasury Division.

In the governmental fund, property taxes levied for the current year are recorded on the balance sheet as taxes receivable and unavailable revenue – property tax at the beginning of the year. Property taxes are recognized as revenue when collected in cash at which time taxes receivable and unavailable revenue – property taxes are reduced by the amount of the collection. The amount of taxes receivable at year end that would be collected soon enough to be used to pay liabilities of the current period is not material. At year-end, all uncollected property taxes are reported on the balance sheet as taxes receivable – delinquent and deferred inflow of resources. For the government-wide financial statements, the deferred inflow of resources related to the current period, net of the allowance for uncollectible property taxes, is reclassified to revenue. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible.

The District is permitted by law to levy a tax rate of 1 percent or $10 per $1,000 assessed value. $57,995,143 was levied for 2019 and $58,008,905 was collected during 2019, including delinquent taxes from previous years. The District had taxes receivable of $872,581 as of December 31, 2019.

Tax Abatements

As of December 31, 2019, King County provides tax abatements through three programs – the Current Use Programs, Historic Preservation Program and the Single-family Dwelling Improvement Program. All of these programs are property tax abatements. The property tax system in the state of Washington is budget-based, which means the taxing authority determines a budget or dollar amount and adjusts the rates for the taxpayers based on the assessed valuation of their property. The tax abatements did not result in a reduction or loss of revenue because, pursuant to state law, these taxes were effectively reallocated to other property taxpayers. King County has not determined the District's share of abatements at this time.

NOTE 4 - CAPITAL ASSETS

Capital assets activities for the year ended December 31, 2019 were as follows:

Governmental Activities	Balance 12/31/2018 Adjusted	Increases	Decreases	Balance 12/31/2019
Capital assets, not being depreciated:				
Land	$ 66,927,538	$ 4,989,004	$ -	$ 71,916,542
Easements	-	21,984	-	21,984
Construction in progress	25,012,067	3,897,908	(25,786,324)	3,123,651
Total capital assets, not being depreciated	91,939,605	8,908,897	(25,786,324)	75,062,177
Capital assets, being depreciated:				
Levees and facilities	28,280,858	25,786,324	-	54,067,182
Machinery and equipment	18,476	-	-	18,476
Total capital assets, being depreciated	28,299,334	25,786,324	-	54,085,658
Less accumulated depreciation for:				
Levees and facilities	(2,664,649)	(1,802,239)	-	(4,466,888)
Machinery and equipment	(18,476)	-	-	(18,476)
Total accumulated depreciation	(2,683,125)	(1,802,239)	-	(4,485,364)
Total capital assets, being depreciated, net	25,616,209	23,984,085	-	49,600,294
Total capital assets, net	$ 117,555,814	$ 32,892,981	$ (25,786,324)	$ 124,662,471

(Beginning balance was adjusted as a result of prior year corrections. See Note 7 for details.)

Land is acquired in the name of the King County in accordance with the Inter-Local Agreement. As of December 31, 2019, the District reported a total amount of $71,916,542 as land, which represents historical costs contributed by the District through property tax levied since the formation of the District. The Inter-local Agreement facilitates necessary transfers of land and other capital assets to the District by the King County. As of December 31, 2019, transfers have not been taken place.

As of December 31, 2019, the District reported easements totaling $21,984. This amount represents acquired rights of use over the property of others for the purposes of constructing levees and facilities outside the District's pre-existing right of way limits.

In addition, the District reported flood control construction in progress totaling $3,123,651 at December 31, 2019. The amount represents capitalizable costs associated with asset-generated projects being developed that have been funded through the property taxes levied by the District. No depreciation

is calculated for construction in progress. As projects are completed, the related costs are reclassified as levees and facilities.

Total depreciation expense of $1,802,239 was charged to the flood control function of the District in 2019.

NOTE 5 - RISK MANAGEMENT AND CONTINGENCIES

The District's risk-of-loss exposures include exposure to liability, accidental loss of real and personal property as well as human resources. The District's operations involve a variety of high-risk activities including, but not limited to, construction and maintenance activities. The District manages these risks with assistance from King County in order to reduce the exposure from liability and accidental loss of property and human resources. The risk management costs through King County are reimbursable by the District.

The District also has excess liability insurance coverage with Alliant Insurance Services that covers the District, its board members, employees and staff. The total coverage amount is $100 million with a self-insured retention of $7.5 million. Under this type of policy the District is responsible for the administration of all claims, which would be managed by King County on its behalf.

There were no claims against the District during the year 2019.

NOTE 6 - COMMITMENT

Since April 2008, the District has entered into an inter-local agreement with King County for administering and implementing flood protection projects and services. The District pays the County for all actual costs incurred for providing the services under this agreement. The County billed $48,657,269 to the District during 2019, and $26,176,337 was due to the County as of December 31, 2019. The District has advanced $4,000,000 to the County for prepayment of reimbursable costs.

In addition, an employee at King County Council (the Council) provides exclusively executive director services in addition to clerk's services to the District during 2019. The District was charged labor costs and overhead. The total expenses billed to the District by the Council was $228,487. Also, the District reimburses any reimbursable expenditures paid on the behalf of the District to manage the District activities. At December 31, 2019, the District reported $169,856 due to the Council.

NOTE 7 - PRIOR YEAR CORRECTION

During 2019, the District identified capital projects that were not properly included or excluded in the construction in progress and thus, the District made the correction to adjust the beginning balance of construction in progress and the net position by $9,127,569.

NOTE 8 - SUBSEQUENT EVENTS

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of a deadly new virus, COVID-19. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

As a result of the state of emergency declaration, the District has also required employees to stay at home. Certain operations, if not related to public safety and health, have been temporarily ceased. The District expects a reduction in capital project spending in 2020 as a result of curtailment of activities due to the COVID-19 virus. The District's primary revenue source is property tax, which is not expected to be impacted in the near term.

The length of time these measures will be in place, and the full extent of the financial impact on the District is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

KING COUNTY FLOOD CONTROL ZONE DISTRICT
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Revised Budget	Actual	% of Budget	Remaining Balance
REVENUES					
Property taxes	$ 55,685,024	$ 55,685,024	$ 58,008,905	104%	$ (2,323,881)
Other taxes			300,053		(300,053)
Investment income, net of investment expenses			2,254,672		(2,254,672)
Total revenue	55,685,024	55,685,024	60,563,630	109%	(4,878,606)
EXPENDITURES					
Administration and management	792,853	792,853	957,418	121%	(164,565)
Intergovernmental services	11,333,238	11,515,838	9,905,721	86%	1,610,117
Capital program expenditures	53,496,926	149,812,487	38,751,549	26%	111,060,938
Total expenditures	65,623,017	162,121,178	49,614,688	31%	$ 112,506,490
Excess of revenues over expenditures	(9,937,993)	(106,436,154)	10,948,942		
Adjustment from budgetary basis to GAAP basis			854,242		
CHANGES IN FUND BALANCE	$ (9,937,993)	$ (106,436,154)	11,803,184		
FUND BALANCE, AS OF JANUARY 1, 2019			82,004,916		
FUND BALANCE, AS OF DECEMBER 31, 2019			$ 93,808,100		

Elements of adjustment from budgetary basis to GAAP basis:	
Recognition of unrealized investment gain	$ 854,242
Adjustment from budgetary basis to GAAP basis	$ 854,242

The notes to financial statements are integral part of this statement.