

APPENDIX B

Example of Federal/Non-Federal Allocation of Funds

The following example shows the allocation of Federal and non-Federal funds during construction for a hypothetical single-purpose flood control project. In the example shown, LERRD is assumed to be 36 percent of total project costs resulting in a non-Federal cash requirement of 5 percent. If LERRD represented less than 20 percent of total project costs, the non-Federal cash requirement would be that amount required to make the non-Federal share equivalent to 25 percent of total project costs. In the example provided, PED costs are assumed to be \$1,285,000.

<u>Col</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>"</u>	<u>4</u>	<u>5</u>	<u>6</u>
<u>Yr</u>	<u>TPC 1/</u>	<u>Non-Fed LERRD</u>	<u>Sched Const</u>	<u>"</u>	<u>Percentage 3/</u>	<u>Non-Fed Cash 5/</u>	<u>Fed Cash 6/</u>
Prior to yr 1 of construction	3,749,800	2,464,800	1,285,000 2/	"	NA	NA	1,285,000
1	2,924,200	2,008,900	915,300	"	24.3	171,700 7/	743,600
2	2,356,400	614,400	1,742,000	"	19.3	136,300	1,605,700
3	3,145,300	NA	3,145,300	"	34.8	245,800	2,899,500
4	1,952,700	NA	1,952,700	"	21.6	152,600	1,800,100
Total	14,128,400	5,088,100	9,040,300	"	100	706,400 4/	8,333,900

Givens: Non-Fed LERRD (Col 2) and Sched Const (Col 3)

1/ TPC = Non-Fed LERRD (Col 2) plus Sched Const (Col 3)

2/ Represents all "sunk" PED costs

3/ The percentage is based on the proportion of scheduled construction cost to total construction cost. e.g., (yr 3) = \$3,145,300/\$9,040,300 = 34.8

4/ Total non-Fed cash \$706,400 = TPC (14,128,400) x 5%

5/ Non-Fed Cash based on total non-Fed Cash (706,400) x percentage (Col 4)
e.g., non-Fed Cash (yr 3): \$706,400 x (.348) = \$245,800

6/ Fed Cash = Sched Const (Col 3) - Non-Fed Cash (Col 5)

7/ Includes proportionate non-federal share of sunk PED costs

APPENDIX B

FED\NON-FED CASH BASED ON CONSTRUCTION SCHEDULE
SCHEDULE A (MILLIONS \$) PAID AT BEGINNING OF FY

<u>YR</u>	<u>TPC</u>	<u>NON-FED LERRD</u>	<u>CONST</u>	<u>%</u>	<u>CASH</u>	
					<u>NON-FED</u>	<u>FED</u>
PRIOR TO YR 1	3.7498	2.4648	1.285	NA	---	1.285
1	2.9242	2.0089	.9153	24.3	.1717	.7436
2	2.3564	.6144	1.742	19.3	.1363	1.6057
3	3.1453	0	3.1453	34.8	.2458	2.8995
4	1.9527	0	1.9527	21.6	.1526	1.8001
TOTAL	14.1284	5.0881	9.0403	100	.7064	8.3339

FED\NON-FED CASH BASED ON DEFERRAL
SCHEDULE B (MILLIONS \$) PAID AT BEGINNING OF FY

<u>YR</u>	<u>TPC</u>	<u>NON-FED LERRD</u>	<u>CONST</u>	<u>%</u>	<u>CASH</u>		
					<u>NON-FED</u>	<u>FED</u>	
PRIOR TO YR 1	3.7498	2.4648	1.285	NA	---	1.285	
1	2.9242	2.0089	.9153	NA	0	.9153	
INTEREST ON DEFERRAL	-----					.0065	NA
2	2.3564	.6144	1.742	NA	.3145	1.4275	
3	3.1453	0	3.1453	NA	.2458	2.8995	
4	1.9527	0	1.9527	NA	.1526	1.8001	
TOTAL (w/Int)	14.1284	5.0881	9.0403	NA	.7129	8.3274	

* Based on current cost estimate and schedule A above, \$171,700 is deferred to the beginning of YR 2; 6 month's interest, at the existing 6 month rate (7 3/8 % in this situation) plus 1/8%, all compounded monthly, will be charged. Interest is applied towards YR 2 Fed Construction cost.