

MEMORANDUM

To: Kimberly Ferrell, Finance Director
From: Faye Henry, Treasurer
Date: May 23, 2018
Re: Budget Amendment and Net Transfer Summary

Attached, please find the budget amendment of \$5,513,550 representing expenditures from 2015 to present remaining budgeted amounts less transfer.

The reason for the budget amendment is that we have discontinued this financing program which to date has received no proceeds. To support the program termination, we are including the unassigned fund balance analysis (unaudited) and reasons for the program termination.

- Unassigned fund balance is \$4,643,675 and analysis is attached.
- Main reasons for program termination are attached.
 - \$0 lease proceeds to date
 - Not common financing activity for Municipality
 - Program lacks City Attorney approval
 - Lease financing rates exceed 3%
 - City of Delray Beach is AAA and Bank Note is a better option
 - Projected Surplus Current Fiscal Year \$2 Million
 - Allocation of Staff Time in Administration > Benefits Program

The recommended funding sources of the budget amendment of \$5,513,550 are:

- 2017 fund balance \$4,643,675, net of UDAG \$3.84 Million
- 2018 fund balance \$869,875

Changes in Unassigned Fund Balance

Net Changes in fund Balance @ 9/30/2017	\$ 1,887,299
Total Fund balance, October 2016	39,084,081
Estimated Fund balance, September 2017 (unaudited)	<u>\$ 40,971,380</u>

Other Fund Balance Components

Inventories	15,472	
Prepaid Items - Non Spendable	32,809	
Economic Development	1,000,000	
Capital Improvements	5,985	
2017 Encumbrances	<u>1,878,311</u>	
Total		2,932,577.00
 AUBURN TRACE	 3,840,000	 3,840,000.00

Estimated Unassigned Fund Balance 9/30/2017	<u><u>\$ 34,198,803</u></u>
--	------------------------------------

Per Fund Balance Policy - Minimum Target Level Calculation	
FY 2018 Expenditures	118,220,511
Unassigned Fund Balance Minimum target level (25 % of GF Expenses)	25% 29,555,128

Unassigned Fund Balance in excess of minimum target	<u><u>\$ 4,643,675</u></u>
--	-----------------------------------

Unassigned Fund Balance -Ten Year History

Fiscal Year	Unassigned Fund Balance	Change per year	Cumulative Change
2007-08	18,593,915		
2008-09	19,747,589	1,153,674	1,153,674
2009-10	20,337,823	590,234	1,743,908
2010-11	18,682,823	(1,655,000)	88,908
2011-12	19,741,367	1,058,544	1,147,452
2012-13	22,864,687	3,123,320	4,270,772
2013-14	23,700,352	835,665	5,106,437
2014-15	31,843,644	8,143,292	13,249,729
2015-16	36,984,767	5,141,123	18,390,852
2016-17**	34,198,803	(2,785,964)	15,604,888

Other items to consider in FY 2018

Hurricane Irma Reimbursement in FY 2018
2018 Mid-Year Budget Amendment