

CITY OF CHEROKEE, OKLAHOMA

Fiscal Year 2016/ 2017 Annual Budget

January Amendments

BUDGET MEMO

February 8, 2017

The 2016/2017 Budget Amendments for the City of Cherokee are presented, as attached, for approval by the Council in accordance with the Oklahoma Municipal Budget Act, and include the following highlights:

CDA: Net Impact - Increase in Fund Balance \$2,845

Revenue decrease of \$338,655 consisting mainly of:

Decrease in utility revenues of \$110,000 based on year-to-date billings.

Removal of the CDBG Grant for the water tower project of \$227,500, as this project is not expected to occur in FY17.

Expense decrease of \$340,500 consisting mainly of:

Decrease in Water department expenses including the removal of the water tower project (\$257,500) and truck (\$30,000).

Decrease in Sewer department expenses including the reduction of the Sewer Lagoon project of \$60,000 and the increase in the Lift Station project of \$10,000 based on completed and projected costs.

General Fund: Net Impact - Decrease in Fund Balance of \$9,400

Revenue decrease of \$8,400 consisting mainly of:

Decrease in Sales taxes of \$70,000, partially offset by an increase in Use Tax of \$11,000 based on year-to-date collections.

Increase in Oil & Gas revenues of \$17,000 and Other revenue of \$10,000 based on year-to-date collections.

Increase in Donations of \$25,100 primarily from the \$25k donation from AEC for the new building.

Expense increase of \$1,000 spread throughout various departments based on year-to-date activity.

Special Revenue Fund: Net Impact - Decrease in Fund Balance \$17,500

Revenue increase of \$23,500 consisting of:

Decrease in Sales Tax of \$44,000 based on year-to-date collections

Increase in Grant income of \$57,000 for the Airport Grant reimbursement received in the current year.

Expense increase of \$41,000 consisting largely of:

Increase in the Airport Capital Outlay of \$25,000 for the Runway and Fuel system projects.

The legal level of control for the City's 2016 / 2017 budget is established at the Department level. Additional detail is provided for analysis purposes only.

If you have any questions, please contact Tracy Reed, CPA, or Russ Meacham, CPA.



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CITY OF CHEROKEE, OKLAHOMA

Fiscal Year 2016 / 2017 Annual Budget

January Amendments

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	\$ 127,239	\$ 627,123	\$ (773,416)	\$ 75,000	\$ (71,293)	\$ 55,947
ENTERPRISE FUNDS						
Development Authority	\$ 486,763	\$ 1,318,376	\$ (1,348,899)	\$ (175,000)	\$ (205,523)	\$ 281,240
SPECIAL REVENUE FUNDS	\$ 96,655	\$ 300,554	\$ (360,635)	\$ 100,000	\$ 39,918	\$ 136,573
GRAND TOTAL ALL FUNDS	\$ 710,657	\$ 2,246,052	\$ (2,482,950)	\$ -	\$ (236,897)	\$ 473,760

**City of Cherokee
Development Authority**

January Amendments

Fiscal Year 2016/ 2017 Annual Budget

	APPROVED BUDGET 2016/2017	PROPOSED AMENDMENTS JANUARY	PROPOSED BUDGET 2016/2017
OPERATING REVENUES			
Water Revenues	\$ 619,000	\$ (70,000)	\$ 549,000
Rate Increase - 3.6%	22,284		22,284
Sewer Revenues	227,000	(15,000)	212,000
Rate Increase - 3.6%	8,172		8,172
Trash Revenues	241,500	(10,000)	231,500
Rate Increase - 5%	12,075		12,075
RV Park Rental	70,000	(15,000)	55,000
Penalties	21,000	(6,000)	15,000
Grant Income - CDBG - Water Tower	227,500	(227,500)	-
Loan Proceeds - OWRB - Lagoon	200,000		200,000
Other Revenues	1,500	4,845	6,345
TOTAL OPERATING REVENUES	1,650,031	(338,655)	1,311,376
OPERATING EXPENSES			
Administration Department			
Personal Services	55,962	40,000	95,962
Materials and Supplies	5,000		5,000
Other Services and Charges	80,000		80,000
Capital Outlay	-		-
Total Administration Department	140,962	40,000	180,962
RV Park Department			
Materials and Supplies	-		-
Other Services and Charges	38,500	(3,000)	35,500
Capital Outlay	-		-
Total RV Park Department	38,500	(3,000)	35,500
Water Department			
Personal Services	200,956	(40,000)	160,956
Materials and Supplies	51,500	20,000	71,500
Other Services and Charges	125,000	(25,000)	100,000
Capital Outlay- water storage, line replacement, truck	337,500	(287,500)	50,000
Debt Service - RO Water Plant + Water Meters + Backhoe	106,952		106,952
Total Water Department	821,907	(332,500)	489,407
Sewer Department			
Personal Services	-	-	-
Materials and Supplies	100	-	100
Other Services and Charges	15,000	(5,000)	10,000
Capital Outlay - Lagoons (OWRB Loan)	200,000	(60,000)	140,000
Capital Outlay - Lift Station	130,000	10,000	140,000
Debt Service -OWRB \$2.64M; 2.27%; 30 yrs - Lagoons	142,930	-	142,930
Total Sewer Department	488,030	(55,000)	433,030
Trash Department			
Other Services & Charges - Estimated 23% increase in FY16	200,000	10,000	210,000
Total Trash Department	200,000	10,000	210,000
TOTAL OPERATING EXPENDITURES	1,689,399	(340,500)	1,348,899
OPERATING INCOME (LOSS)	(39,368)	1,845	(37,523)

**City of Cherokee
Development Authority**

January Amendments

Fiscal Year 2016/ 2017 Annual Budget

	APPROVED BUDGET 2016/2017	PROPOSED AMENDMENTS JANUARY	PROPOSED BUDGET 2016/2017
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	6,000	1,000	7,000
TOTAL OTHER FINANCING SOURCES (USES)	6,000	1,000	7,000
INCOME (LOSS) BEFORE TRANSFERS			
	(33,368)	2,845	(30,523)
TRANSFERS IN			
General Fund	-	-	-
Total transfers in	-	-	-
TRANSFERS OUT			
General Fund	-	-	-
Special Revenue Fund	(175,000)	-	(175,000)
Total transfers out	(175,000)	-	(175,000)
NET INCOME			
	(208,368)	2,845	(205,523)
BEGINNING RETAINED EARNINGS	486,763		486,763
ENDING RETAINED EARNINGS	278,395	2,845	281,240

Gross Profit excluding capital outlay:

Water Revenues	641,284	571,284
Water Expenses	484,407	439,407
	<u>156,877</u>	<u>131,877</u>
	24%	23%
Sewer Revenues	235,172	220,172
Sewer Expenses	288,030	153,030
	<u>(52,858)</u>	<u>67,142</u>
	-22%	30%

Sewer & Water Combined:

Sewer & Water Revenues	876,456	791,456
Sewer & Water Expenses	772,437	592,437
Gross Profit	<u>104,019</u>	<u>199,019</u>
Gross Profit %	12%	25%

Trash Revenues	253,575	243,575
Trash Expenses	200,000	210,000
	<u>53,575</u>	<u>33,575</u>
	21%	14%
RV Park Revenues	70,000	55,000
RV Park Expenses	38,500	35,500
	<u>31,500</u>	<u>19,500</u>
	45%	35%

**City of Cherokee
General Fund**

January Amendments

Fiscal Year 2016/ 2017 Annual Budget

	APPROVED BUDGET 2016/2017	PROPOSED AMENDMENTS JANUARY	PROPOSED BUDGET 2016/2017
OPERATING REVENUES			
Sales tax	\$ 389,912	\$ (70,000)	\$ 319,912
Use Tax	38,422	11,000	49,422
Franchise Tax	91,684	-	91,684
Beverage Tax	28,960	5,000	33,960
Tobacco Tax	7,804	(800)	7,004
Hotel Tax	12,502	(6,000)	6,502
Fines and Forfeitures	18,000	-	18,000
Fire Revenues	1,000	-	1,000
Library Revenue	17,000	500	17,500
Licenses & Permits	750	(100)	650
Oil & Gas Revenues	15,000	17,000	32,000
Grants	4,290	-	4,290
Interest	200	(100)	100
Donations	-	25,100	25,100
Other Revenue	10,000	10,000	20,000
TOTAL OPERATING REVENUES	635,523	(8,400)	627,123
OPERATING EXPENSES			
General Government			
Personal Services	115,744	(5,000)	110,744
Materials and Supplies	5,500	-	5,500
Other Services and Charges	230,000	5,000	235,000
Condemnation Expense	-	-	-
Capital Outlay-Building Repairs: Property Abatements	75,000	-	75,000
Total General Government	426,244	-	426,244
Police Department			
Personal Services	160,453	-	160,453
Materials and Supplies	3,000	-	3,000
Other Services and Charges	26,000	(10,000)	16,000
Total Police Department	189,453	(10,000)	179,453
Fire Department			
Personal Services	23,919	11,000	34,919
Materials and Supplies	5,000	3,000	8,000
Other Services and Charges	16,500	(3,000)	13,500
Total Fire Department	45,419	11,000	56,419

**City of Cherokee
General Fund**

January Amendments

Fiscal Year 2016/ 2017 Annual Budget

	APPROVED BUDGET 2016/2017	PROPOSED AMENDMENTS JANUARY	PROPOSED BUDGET 2016/2017
Economic Development			
Other Services and Charges-Main Street	25,000	-	25,000
Total Industrial Park and Economic Development	25,000	-	25,000
Library Department			
Personal Services	45,800	-	45,800
Materials and Supplies	3,500	-	3,500
Other Services and Charges	37,000	-	37,000
Total Library Department	86,300	-	86,300
TOTAL EXPENDITURES	772,416	1,000	773,416
REVENUES OVER (UNDER) EXPENDITURES	(136,893)	(9,400)	(146,293)
OTHER FINANCING SOURCES (USES)			
Transfers-in			
Capital Projects	-	-	-
CDA	-	-	-
Special Revenue	75,000	-	75,000
Total transfers in	75,000	-	75,000
Transfers-out			
Total transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	75,000	-	75,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(61,893)	(9,400)	(71,293)
BEGINNING FUND BALANCE	127,239		127,239
ENDING FUND BALANCE	65,347	(9,400)	55,947

City of Cherokee
Special Revenue Fund
January Amendments

Fiscal Year 2016/ 2017 Annual Budget

	APPROVED BUDGET 2016-2017	PROPOSED AMENDMENTS JANUARY	PROPOSED BUDGET 2016-2017
OPERATING REVENUES			
Sales Tax - Emergency Services	48,739	(9,000)	39,739
Sales Tax - Parks & Streets	194,956	(35,000)	159,956
Gasoline Excise Tax	2,500	500	3,000
Motor Vehicle Tax	10,268	500	10,768
Cemetery Income	7,500	2,500	10,000
Cemetery Income-Capital Improvements	1,500	500	2,000
Airport Income	5,500	1,000	6,500
Swimming Pool Income	6,000	4,000	10,000
Grant Income - FY15=Airport	-	57,000	57,000
Interest Income	90	-	90
Other income	-	1,500	1,500
TOTAL OPERATING REVENUES	277,054	23,500	300,554
OPERATING EXPENSES			
Streets Department			
Personal Services	95,445	5,000	100,445
Materials and Supplies	1,000		1,000
Other Services and Charges	35,000	15,000	50,000
Capital Outlay - Truck	-		-
Total Streets Department	131,445	20,000	151,445
Parks Department			
Personal Services	87,690	-	87,690
Materials and Supplies	3,500	-	3,500
Other Services and Charges	51,000	-	51,000
Capital Outlay - Pocket Park	25,000	-	25,000
Total Parks Department	167,190	-	167,190
Airport Department			
Other Services and Charges	5,000		5,000
Capital Outlay	-	25,000	25,000
Total Airport Department	5,000	25,000	30,000
Cemetery Department			
Other Services and Charges	16,000	(4,000)	12,000
Capital Outlay	-		-
Total Cemetery Department	16,000	(4,000)	12,000
TOTAL EXPENDITURES	319,635	41,000	360,635

City of Cherokee
Special Revenue Fund
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	APPROVED BUDGET 2016-2017	PROPOSED AMENDMENTS JANUARY	PROPOSED BUDGET 2016-2017
OTHER FINANCING SOURCES (USES)			
Transfer In- CDA	175,000		175,000
Transfers Out - General Fund	(75,000)		(75,000)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	-	100,000
Net Income	57,418	(17,500)	39,918
BEGINNING FUND BALANCE	96,655		96,655
ENDING FUND BALANCE	<u>154,073</u>	<u>(17,500)</u>	<u>136,573</u>