

TOWN OF EAST DUKE OKLAHOMA
Fiscal Year 2017 / 2018 Annual Budget
June Amendments
BUDGET MEMO

DATE June 5, 2018

TO Town of East Duke, Council Members

FROM Tracy Reed, CPA
RSMeacham CPAs & Advisors

RE 2017 / 2018 Annual Budget - June Amendments

The amendments to the 2017 / 2018 Annual Budget for the Town of East Duke are presented, as attached, for approval by the Council in accordance with the Oklahoma Municipal Budget Act. The amendments includes the following highlights for the fiscal year:

General Fund: Net increase of \$12,435

Net Revenue decrease of \$73,965

- Adjustments in various categories are based on year-to-date collections. The most notable increases (decreases) are:

| | | |
|------------------|----------|--------------------|
| Use Tax | 3,000 | |
| Franchise Taxes | 1,500 | |
| Donations - Park | (20,000) | |
| SWODA | (62,500) | <i>for Streets</i> |

Net Expenditure decrease of \$66,400

- The change in expenditures are spread across most departments and are based on year-to-date activity. The most notable changes were:

| | | |
|--------------------|----------|--|
| General Government | 4,100 | <i>Capital Outlay increase for mower purchase</i> |
| Street & Alley | (72,750) | <i>Decrease related to capital project for street improvements</i> |
| Parks | 10,000 | <i>Playground equipment</i> |
| Police | (9,500) | |
| Community Building | 1,750 | |

DMA Fund: Net increase of \$21,500

Net Revenue increase of \$68,000

- Increase is largely related to OWRB/REAP grant for waterline replacement for \$98,000.
- Increase related to miscellaneous revenue for sale of assets for \$4,500.
- Decrease in water revenues of \$35,000 based on year-to-date collections.

Net Expenditure increase of \$26,500

- Increase in Admin in Capital Outlay of \$10,000 for the roof.
- Decrease in Sewer department of \$25,000 for capital purchases not expended in FY18.
- Increase in Water department of \$41,000 related to decrease of 20,000 in other services and charges and increase in capital outlay of 61,000 for waterline replacement.

The legal level of control for the Town's 2017 / 2018 budget is established at the Department level. Additional detail is provided for analysis purposes only.

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



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State Auditor
and Inspector

TOWN OF EAST DUKE, OKLAHOMA
Fiscal Year 2017 - 2018 Annual Budget
June Amendments
BUDGET SUMMARY

| | BEGINNING BALANCE (Estimates) | REVENUES | EXPENSES | TRANSFERS | Net Change | ENDING BALANCE |
|-------------------------------|--|---------------------|-----------------------|--------------------|-------------------|---------------------------|
| GENERAL FUND | \$ 247,276 | \$ 90,757 | \$ (184,456) | \$ 60,000 | \$ (33,699) | \$ 213,577 |
| ENTERPRISE FUNDS | | | | | | |
| DMA | \$ 372,962 | \$ 1,216,945 | \$ (1,102,781) | \$ (60,000) | \$ 54,164 | \$ 427,126 |
| TOTAL ENTERPRISE FUNDS | \$ 372,962 | \$ 1,216,945 | \$ (1,102,781) | \$ (60,000) | \$ 54,164 | \$ 427,126 |
| SPECIAL REVENUE FUNDS | | | | | | |
| GRAND TOTAL ALL FUNDS | \$ 620,238 | \$ 1,307,702 | \$ (1,287,237) | \$ - | \$ 20,465 | \$ 640,703 |

Town of East Duke
General Fund
June Amendments
Budget 2017 - 2018

| | <u>Approved Budget 2017-2018</u> | <u>June Amendments 2017-2018</u> | <u>Proposed Budget 2017-2018</u> |
|---------------------------------------|--|--|--|
| <u>REVENUES</u> | | | |
| Sales taxes | \$ 30,695 | \$ - | \$ 30,695 |
| Use taxes | 8,522 | 3,000 | 11,522 |
| Beverage tax | 2,203 | - | 2,203 |
| Franchise taxes | 7,200 | 1,500 | 8,700 |
| Cigarette tax | 370 | - | 370 |
| Motor Vehicle tax | 2,516 | - | 2,516 |
| Gas Excise Tax | 666 | - | 666 |
| License & permits | 2,000 | 1,000 | 3,000 |
| Investment income | 550 | 600 | 1,150 |
| Donations - Playground Equipment | 20,000 | (20,000) | - |
| Grant Income: | | - | - |
| FEMA - Storm Sirens | 15,000 | 1,425 | 16,425 |
| SWODA - Street Improvements | 75,000 | (62,500) | 12,500 |
| Miscellaneous | - | 1,010 | 1,010 |
| Total revenues before carryover | <u>164,722</u> | <u>(73,965)</u> | <u>90,757</u> |
| <u>EXPENDITURES</u> | | | |
| General government: | | | |
| Personal services | - | - | - |
| Materials & supplies | 2,000 | - | 2,000 |
| Other services & charges | 30,000 | - | 30,000 |
| Capital outlay - Storm Sirens & Mower | 20,000 | 4,100 | 24,100 |
| Total general government | <u>52,000</u> | <u>4,100</u> | <u>56,100</u> |
| Fire Department: | | | |
| Personal Services | 1,000 | - | 1,000 |
| Materials & supplies | 2,000 | - | 2,000 |
| Other services & charges | 4,000 | - | 4,000 |
| Total Fire Department | <u>7,000</u> | <u>-</u> | <u>7,000</u> |
| Street & Alley: | | | |
| Materials & supplies | 3,000 | 2,000 | 5,000 |
| Other services & charges | 4,000 | 250 | 4,250 |
| Capital outlay - Street Improvements | 90,000 | (75,000) | 15,000 |
| Total Street & Alley | <u>97,000</u> | <u>(72,750)</u> | <u>24,250</u> |

Town of East Duke
General Fund
June Amendments
Budget 2017 - 2018

| | <u>Approved Budget 2017-2018</u> | <u>June Amendments 2017-2018</u> | <u>Proposed Budget 2017-2018</u> |
|--|--|--|--|
| Parks & Recreation: | | | |
| Other services & charges | 1,000 | - | 1,000 |
| Capital Outlay - Playground Equipment | 30,000 | 10,000 | 40,000 |
| Total Parks & Recreation | <u>31,000</u> | <u>10,000</u> | <u>41,000</u> |
| Police Department: | | | |
| Personal services | 49,356 | (10,000) | 39,356 |
| Materials & supplies | 4,500 | - | 4,500 |
| Other services & charges | 1,500 | 500 | 2,000 |
| Total police department | <u>55,356</u> | <u>(9,500)</u> | <u>45,856</u> |
| Community Building | | | |
| Materials & supplies | 1,000 | 1,750 | 2,750 |
| Other services & charges | 5,500 | - | 5,500 |
| Total community building | <u>6,500</u> | <u>1,750</u> | <u>8,250</u> |
| Municipal Court | | | |
| Other services & charges | 2,000 | - | 2,000 |
| Total municipal court | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| Total expenditures | <u>250,856</u> | <u>(66,400)</u> | <u>184,456</u> |
| Revenue over (under) expenditures | (86,134) | (7,565) | (93,699) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Operating transfers in/(out) | 40,000 | 20,000 | 60,000 |
| Sale of assets | - | - | - |
| Net other financing sources (uses) | <u>40,000</u> | <u>20,000</u> | <u>60,000</u> |
| Revenues and other financing sources over (under) expenditures and other uses | <u>(46,134)</u> | <u>12,435</u> | <u>(33,699)</u> |
| Beginning Fund Balance (estimated) | 247,276 | | 247,276 |
| Ending Fund Balance | 201,142 | | <u>213,577</u> |

**Town of East Duke
Duke Municipal Authority
June Amendments
Budget 2017 - 2018**

| | <u>Approved Budget 2017-2018</u> | <u>June Amendments 2017-2018</u> | <u>Proposed Budget 2017-2018</u> |
|--|--|--|--|
| <u>Operating revenues:</u> | | | |
| Charges for services: | | | |
| Water charges - Town | \$ 740,000 | \$ (35,000) | \$ 705,000 |
| Proposed rate increases (step)(Option#1) | 161,545 | - | 161,545 |
| Water charges - Centralvue | 130,000 | - | 130,000 |
| 3% rate increase | 3,900 | - | 3,900 |
| Sewer charges | 33,000 | - | 33,000 |
| 0% rate increase | - | - | - |
| Sanitation charges | 70,000 | - | 70,000 |
| 0% rate increase | - | - | - |
| Total charges for services | <u>1,138,445</u> | <u>(35,000)</u> | <u>1,103,445</u> |
| Miscellaneous | 1,000 | 4,500 | 5,500 |
| Penalty | 9,500 | - | 9,500 |
| Total operating revenues | <u>1,148,945</u> | <u>(30,500)</u> | <u>1,118,445</u> |
| | | | |
| Cost of Goods Sold: | | | |
| Electricity for Pumps | 23,247 | 500 | 23,747 |
| Trash Haul | 63,177 | - | 63,177 |
| Water Purchase | 543,402 | - | 543,402 |
| Water Purchase-30% increase | 163,021 | - | 163,021 |
| Water Purchase-Lease | 22,000 | - | 22,000 |
| Total Cost of Goods Sold | <u>814,847</u> | <u>500</u> | <u>815,347</u> |
| | | | |
| <u>Gross Profit:</u> | <u>334,098</u> | <u>(31,000)</u> | <u>303,098</u> |
| | | | |
| <u>Operating expenses:</u> | | | |
| Administration Department: | | | |
| Personal services | 38,828 | - | 38,828 |
| Materials and supplies | 4,000 | - | 4,000 |
| Other services and charges | 3,000 | - | 3,000 |
| Capital Outlay | - | 10,000 | 10,000 |
| Total Administration Department: | <u>45,828</u> | <u>10,000</u> | <u>55,828</u> |
| | | | |
| Sewer Department: | | | |
| Materials and supplies | 2,500 | - | 2,500 |
| Other services and charges | 2,500 | - | 2,500 |
| Capital Outlay - tractor/shredder | 25,000 | (25,000) | - |
| Total Sewer Department: | <u>30,000</u> | <u>(25,000)</u> | <u>5,000</u> |

Town of East Duke
Duke Municipal Authority
June Amendments
Budget 2017 - 2018

| | <u>Approved Budget 2017-2018</u> | <u>June Amendments 2017-2018</u> | <u>Proposed Budget 2017-2018</u> |
|--|--|--|--|
| Water Department: | | | |
| Pers: Decrease in water revenues of \$35,000 bas | 64,310 | - | 64,310 |
| Materials and supplies | 25,000 | - | 25,000 |
| Other services and charges | 43,000 | (20,000) | 23,000 |
| Bad Debt | - | - | - |
| Debt service | | | |
| USDA Note | 13,296 | - | 13,296 |
| USDA Note - optional additional \$3K/mo. | 36,000 | - | 36,000 |
| Capital Outlay | 4,000 | 61,000 | 65,000 |
| Total Water Department: | <u>185,606</u> | <u>41,000</u> | <u>226,606</u> |
| Total operating expenses | <u>261,434</u> | <u>26,000</u> | <u>287,434</u> |
| Net operating income (loss) | \$ 72,664 | \$ (57,000) | \$ 15,664 |
| <u>Nonoperating revenue :</u> | | | |
| Investment income | - | 500 | 500 |
| Grant Income | - | 98,000 | 98,000 |
| Total nonoperating revenue | <u>-</u> | <u>98,500</u> | <u>98,500</u> |
| Net Income (loss) before contributions and transfers | 72,664 | 41,500 | 114,164 |
| Transfers In from other funds | | | |
| Transfers to other funds, net | <u>(40,000)</u> | <u>(20,000)</u> | <u>(60,000)</u> |
| Revenues and other financing sources over (under) expenditures and other uses | <u>32,664</u> | <u>21,500</u> | <u>54,164</u> |
| Beginning Fund Balance (estimated) | <u>372,962</u> | | <u>372,962</u> |
| Ending Fund Balance | 405,626 | | 427,126 |

Town of East Duke
Duke Municipal Authority
June Amendments
Budget 2017 - 2018

| | Approved Budget 2017-2018 | June Amendments 2017-2018 | Proposed Budget 2017-2018 |
|--|---------------------------------|---------------------------------|---------------------------------|
| <i><u>GROSS PROFIT BY DEPARTMENT - Excludes Capital Outlay</u></i> | | | |
| Sewer Revenues | 31,174 | 25,500 | 33,000 |
| Sewer Expenses | 467 | 750 | 5,000 |
| <i>Gross Profit</i> | <u>30,707</u> | <u>24,750</u> | <u>28,000</u> |
| <i>GP %</i> | 99% | 97% | 85% |
| | | | |
| Water Revenues | 647,863 | 612,000 | 1,000,445 |
| Water Expenses | 487,025 | 523,206 | 913,776 |
| <i>Gross Profit</i> | <u>160,838</u> | <u>88,794</u> | <u>86,669</u> |
| <i>GP %</i> | 25% | 15% | 9% |
| | | | |
| Sewer & Water combined - excluding capital outlay | | | 1,033,445 |
| | | | <u>918,776</u> |
| | | | <u>114,669</u> |
| | | | 11% |
| | | | |
| Trash Revenues | 60,758 | 57,750 | 70,000 |
| Trash Expenses | 61,802 | 63,000 | 63,177 |
| <i>Gross Profit</i> | <u>(1,044)</u> | <u>(5,250)</u> | <u>6,823</u> |
| <i>GP %</i> | -2% | -9% | 10% |