

TOWN OF EAST DUKE OKLAHOMA
Fiscal Year 2017 - 2018 Annual Budget

BUDGET MEMO

DATE June 12, 2017

TO Town of East Duke, Council Members

FROM Tracy Reed, CPA
RSMeacham CPAs & Advisors

RE 2017 / 2018 Annual Budget

The FY 2018 Annual Budget for the Town of East Duke is presented, as attached, for approval by the Council in accordance with the Oklahoma Municipal Budget Act.

The budget includes the following highlights for fiscal year 2017 / 2018:

- Recurring revenues are budgeted at 90%
- Capital Outlay for the General Government includes Storm Sirens at \$20,000, partially funded with a \$15,000 grant.
- Capital Outlay for the Street Department includes Street Improvements at \$90,000, partially funded with a \$75,000 grant.
- Capital Outlay for the DMA includes \$25,000 in the Sewer department for a Tractor/Shredder.
- No pay increases are budgeted for employees.
- Included in this budget is a step increase in water rates for Town customers, based on usage, and a 3% increase for Centralvue customers. This increase is expected to generate an additional \$165,445 in water revenues. These revenues will be offset by the 30% increase in the cost to purchase water from our water provider. The increase in water costs are expected to be approximately \$163,000. No rate increase is included for Sewer or Trash.
- Continued debt service payments for the USDA note is budgeted at \$13,296, with an optional additional \$3,000/month payment.
- **This budget projects an overall loss of <\$21,970> for fiscal year 2018.**
- Please keep in mind that Oklahoma municipalities have to rely upon tax and utility revenues to provide services to citizens. These revenues must be able to fund current operations and capital outlay, as well as provide reserves for future capital projects.

In accordance with Section 17-208, Title 11, Oklahoma Statutes, the FY 2018 budget was presented to Council on May 8, 2017 for consideration.

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.



RECEIVED
JUL 03 2017
State Auditor
and Inspector
Jackson

In accordance with Section 17-208, Title 11, Oklahoma Statutes, notice is hereby given the proposed Town of East Duke Fiscal Year 2017 / 2018 Annual Budget will be considered at a public hearing on June 12, 2017, at 7:00 p.m. in the East Duke Town Hall. Copies of the proposed budget are available for review in the Office of the City Clerk, PO Box 340, Duke, OK 73532. Notice is hereby given that the Town of East Duke 2017 / 2018 Annual Budget will be adopted during a meeting of the City Council on June 12, 2017.

TOWN OF EAST DUKE, OKLAHOMA

Fiscal Year 2017 - 2018 Annual Budget

BUDGET SUMMARY

	BEGINNING BALANCE (Estimates)	REVENUES	EXPENSES	TRANSFERS	Net Change	ENDING BALANCE
GENERAL FUND	\$ 232,704	\$ 164,721	\$ (249,856)	\$ 40,000	\$ (45,135)	\$ 147,569
ENTERPRISE FUNDS						
DMA	\$ 347,943	\$ 1,139,445	\$ (1,076,280)	\$ (40,000)	\$ 23,165	\$ 411,108
TOTAL ENTERPRISE FUNDS	\$ 347,943	\$ 1,139,445	\$ (1,076,280)	\$ (40,000)	\$ 23,165	\$ 411,108
GRAND TOTAL ALL FUNDS	\$ 580,647	\$ 1,304,166	\$ (1,326,136)	\$ -	\$ (21,970)	\$ 558,677

**Town of East Duke
General Fund
Budget 2017 - 2018**

	Actual 2015-2016	Approved Budget 2016-2017	Projected YTD 2016-2017	Proposed Budget 2017-2018	
<u>REVENUES</u>					
Sales taxes	35,389	\$ 31,661	\$ 34,105	\$ 30,695	* 90%
Use taxes	1,188	-	9,468	8,522	* 90%
Beverage tax	2,289	2,093	2,448	2,203	* 90%
Franchise taxes	8,657	8,928	35,000	7,200	
Cigarette tax	400	347	411	370	* 90%
Motor Vehicle tax	2,937	2,736	2,796	2,516	* 90%
Gas Excise Tax	776	680	740	666	* 90%
License & permits	3,185	2,000	3,015	2,000	
Investment income	593	550	613	550	
Donations - Playground Equipment				20,000	
Grant Income:					
FEMA - Storm Sirens	-	-	-	15,000	
SWODA - Street Improvements	-	-	-	75,000	
Miscellaneous	9,421	-	6,157	-	
Total revenues before carryover	64,835	48,995	94,753	164,721	
<u>EXPENDITURES</u>					
General government:					
Personal services	-	-	-	-	
Materials & supplies	1,258	2,000	782	2,000	
Other services & charges	24,041	2,750	28,145	30,000	
Capital outlay - Storm Sirens	3,000	-	-	20,000	
Debt Service	-	-	-	-	
Total general government	28,299	4,750	28,927	52,000	
Animal Control:					
Personal services	-	-	-	-	
Total animal control	-	-	-	-	
Fire Department:					
Personal Services	840	-	1,120	1,000	
Materials & supplies	857	1,000	1,666	2,000	
Other services & charges	2,487	5,000	3,147	4,000	
Total Fire Department	4,184	6,000	4,813	6,000	
Street & Alley:					
Materials & Supplies	2,629	-	2,885	3,000	
Other services & charges	3,848	4,000	3,955	4,000	
Capital Outlay - Street Improvements	-	-	-	90,000	
Total Street & Alley	6,477	4,000	6,840	97,000	

**Town of East Duke
General Fund
Budget 2017 - 2018**

	Actual 2015-2016	Approved Budget 2016-2017	Projected YTD 2016-2017	Proposed Budget 2017-2018
Parks & Recreation:				
Other services & charges	746	1,000	328	1,000
Capital Outlay - Playground Equipment	-	-	-	30,000
Total Parks & Recreation	746	1,000	328	31,000
Police Department:				
Personal services	46,640	47,848	49,356	49,356
Materials & supplies	2,480	3,500	4,449	4,500
Other services & charges	2,759	2,000	1,253	1,500
Capital Outlay - vehicle		20,000	13,594	-
Total police department	51,879	73,348	68,652	55,356
Community Building				
Materials & supplies	1,104	1,000	636	1,000
Other services & charges	9,916	5,000	5,825	5,500
Capital outlay		-	-	-
Total community building	11,020	6,000	6,461	6,500
Municipal Court				
Materials & supplies	-	-	-	-
Other services & charges	-	2,000	-	2,000
Capital outlay	-	-	-	-
Total municipal court	-	2,000	-	2,000
Total expenditures	102,605	97,098	116,021	249,856
Revenue over (under) expenditures	(37,770)	(48,103)	(21,268)	(85,135)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in/(out)	46,247	47,000	25,166	40,000
Sale of assets	-	-	-	-
Net other financing sources (uses)	46,247	47,000	25,166	40,000
Revenues and other financing sources over (under) expenditures and other uses	8,477	(1,103)	3,898	(45,135)
Beginning Fund Balance (estimated)	217,551	220,000	220,000	232,704
Ending Fund Balance	226,028	218,897	223,898	187,569

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

	Actual 2015-2016	Approved Budget 2016-2017	Projected YTD 2016-2017	Proposed Budget 2017-2018	
<u>Operating revenues:</u>					
Charges for services:					
Water charges - Town	\$ 654,843	\$ 500,000	740,607	\$ 740,000	
Proposed rate increases (step)(Option#1)	-	220,000	-	161,545	
Water charges - Centralvue	86,500	130,000	131,412	130,000	
3% rate increase	-	3,900	-	3,900	
Sewer charges	35,056	33,000	34,410	33,000	
0% rate increase	-	-	-	-	
Sanitation charges	73,364	70,000	73,467	70,000	
0% rate increase	-	-	-	-	
Total charges for services	849,763	956,900	979,896	1,138,445	
Miscellaneous	14,679	1,000	3,116	1,000	
Penalty	-	-	9,833	9,500	
Total operating revenues	864,442	957,900	983,013	1,139,445	
Cost of Goods Sold:					
Electricity for Pumps	17,000	18,138	22,792	23,247	+2%
Trash Haul	60,155	61,430	61,938	63,177	+2%
Water Purchase	359,833	532,243	543,402	543,402	
Water Purchase-30% increase	-	-	-	163,021	+30%
Water Purchase-Lease	20,360	22,000	18,015	22,000	
Total Cost of Goods Sold	457,348	633,811	646,146	814,847	
<u>Gross Profit:</u>	407,094	324,089	336,866	324,599	
<u>Operating expenses:</u>					
Administration Department:					
Personal services	36,397	40,141	38,828	38,828	
Materials and supplies	3,824	5,000	3,107	4,000	
Other services and charges	11,830	10,000	2,528	3,000	
Total Administration Department:	52,052	55,141	44,462	45,828	
Sewer Department:					
Materials and supplies	5,996	8,000	-	2,500	
Other services and charges	4,845	-	2,267	2,500	
Capital Outlay - tractor/shredder	-	-	-	25,000	
Total Sewer Department:	10,841	8,000	2,267	30,000	
Water Department:					
Personal services	60,541	59,408	64,310	64,310	
Materials and supplies	25,598	25,000	25,392	25,000	
Other services and charges	39,272	42,000	42,850	43,000	
Debt service	-	-	-	-	
USDA Note - \$1,108 / mo.	8,206	13,296	13,296	13,296	
USDA Note - optional additional \$3k / mo.	-	-	-	36,000	
Capital Outlay	105,341	22,000	5,043	4,000	
Total Water Department:	238,958	161,704	150,891	185,606	
Total operating expenses	301,851	224,845	197,620	261,434	
Net operating income (loss)	\$ 105,243	\$ 99,244	\$ 139,246	\$ 63,165	

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

	Actual 2015-2016	Approved Budget 2016-2017	Projected YTD 2016-2017	Proposed Budget 2017-2018
<u>Nonoperating revenue :</u>				
Investment income	-	35	-	-
Grant Income	-	-	-	-
Total nonoperating revenue	-	35	-	-
Net Income (loss) before contributions and transfers	105,243	99,279	139,246	63,165
Transfers In from other funds				
Transfers to other funds, net	(46,247)	(47,000)	(25,166)	(40,000)
Revenues and other financing sources over (under) expenditures and other uses	58,995	52,279	114,080	23,165
Beginning Fund Balance (estimated)	164,089	228,845	228,845	347,943
Ending Fund Balance	223,084	281,124	342,925	371,108

GROSS PROFIT BY DEPARTMENT - Excludes Capital Outlay

Sewer Revenues	25,500	34,410	33,000
Sewer Expenses	750	2,267	30,000
Gross Profit	24,750	32,143	3,000
GP %	97%	93%	9%
Water Revenues	612,000	740,607	1,035,445
Water Expenses	523,206	735,099	770,255
Gross Profit	88,794	5,508	265,190
GP %	15%	1%	26%

Sewer & Water combined - excluding capital outlay	1,068,445
	800,255
	268,190
	25%

Trash Revenues	57,750	73,467	70,000
Trash Expenses	63,000	61,938	63,177
Gross Profit	(5,250)	11,529	6,823
GP %	-9%	16%	10%

Town of Duke Capital Outlay Detail
Fiscal Year 2017 / 2018 Annual Budget

	REQUESTED CAPITAL OUTLAY 2017/2018	PROPOSED CAPITAL OUTLAY 2017/2018	Notes:
GENERAL FUND:			
General Government			
Capital Outlay			
Storm Sirens	20,000	20,000	<i>partially funded with FEMA grant of \$15k</i>
Total General Government	<u>20,000</u>	<u>20,000</u>	
Fire			
Capital Outlay			
Total Fire	<u>-</u>	<u>-</u>	
Street and Alley			
Capital Outlay			
Street Improvements	90,000	90,000	<i>partially funded with SWODA grant of \$75k</i>
Total Street and Alley	<u>90,000</u>	<u>90,000</u>	
Park & Rec			
Capital Outlay			
Playground Equipment	30,000	30,000	<i>Partially offset by expected donations of \$20,000</i>
Total Park & Rec	<u>30,000</u>	<u>30,000</u>	
Police Department			
Capital Outlay		-	
Total Police Department	<u>-</u>	<u>-</u>	
Community Building			
Capital Outlay			
Total Community Building	<u>-</u>	<u>-</u>	
Municipal Court			
Capital Outlay			
Total Municipal Court	<u>-</u>	<u>-</u>	
Total General Fund	<u><u>\$ 140,000</u></u>	<u><u>\$ 140,000</u></u>	

Town of Duke Capital Outlay Detail
Fiscal Year 2017 / 2018 Annual Budget

	REQUESTED CAPITAL OUTLAY 2017/2018	PROPOSED CAPITAL OUTLAY 2017/2018	<i>Notes:</i>
DUKE MUNICIPAL AUTHORITY:			
General Government			
Capital Outlay			
Total General Government	-	-	
Sewer Department			
Capital Outlay			
Total Sewer Department	25,000 25,000	25,000 tractor shredder 25,000	
Water Department			
Capital Outlay			
Mapping Water Lines	4,000	4,000	
Total Water Department	4,000	4,000	
Total DMA	<u>\$ 29,000</u>	<u>\$ 29,000</u>	
Total Budgeted Capital Outlay All Funds		<u>\$ 169,000</u>	

BUDGET ADOPTION RESOLUTION

**TOWN OF EAST DUKE, OKLAHOMA
RESOLUTION NO. 0612-17**

A RESOLUTION APPROVING THE TOWN OF EAST DUKE, OKLAHOMA BUDGET FOR THE FISCAL YEAR 2017 - 2018 AND ESTABLISHING BUDGET AMENDMENT AUTHORITY

WHEREAS, The Town of East Duke has adopted the provisions of the Oklahoma Municipal Budget Act (the Act) in 11 O.S. Sections 17-201 through 17-216; and

WHEREAS, The Chief Executive Officer has prepared a budget for the fiscal year ending June 30, 2018 (FY 2017 - 2018) consistent with the Act; and

WHEREAS, The Act in section 17-215 provides for the chief executive office of the Town, or designee, as authorized by the governing body, to transfer any unexpended and unencumbered appropriation from one department to another within the same fund; and

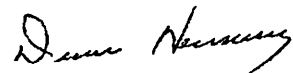
WHEREAS, The budget has been formally presented to the Town of East Duke governing body at least 30 days prior to the start of the fiscal year in compliance with Section 17-205; and

WHEREAS, The Town of East Duke governing body has conducted a Public Hearing at least 15 days prior to the start of the fiscal year, and published notice of the Public Hearing in compliance with Section 17-208 of the Act; and

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE
TOWN OF EAST DUKE, OKLAHOMA:**

SECTION 1. The Town Council of the Town of East Duke does hereby adopt the FY 2017 - 2018 Budget on the 12th day of June 2017 with total resources available in the amount of approximately \$1,884,813, and total fund/departamental appropriations in the amount of \$1,326,136. Legal appropriations (spending/encumbering limits) are hereby established as follows:

Fund: Department	Appropriation Amount
General Fund:	
General government	\$52,000
Fire Department	6,000
Street & Alley Department	97,000



Parks & Recreation Department	31,000
Police Department	55,356
Community Building Department	6,500
Municipal Court	2,000
Duke Municipal Authority:	
Administration Department	\$45,828
Sewer Department	30,000
Water Department	914,029
Trash Department	86,424

Dennis Henning

SECTION 2. The Town Council does hereby authorize the Town Clerk to transfer any unexpended and unencumbered appropriations, at any time throughout FY 2017 - 2018, from one line item to another, one object category to another within a department, or one department to another within a fund, without further approval by the Town Board.

SECTION 3. All supplemental appropriations or decrease in the total appropriation of a fund shall be adopted at a meeting of the Town Council and filed with the State Auditor and Inspector.

MEMORIAL DAY PICNIC HELD IN THE BURNETT PARK

About 100 people began to gather Monday around 11:30 for the old-fashioned lure of celebrating our freedom in the traditional way – a Memorial Day Picnic in the park. Sponsored by the Duke Frist Baptist Church, it was an unequitable success. In other words, fun was had by children of all ages. The youngest attending was Sailor Grace, the 5-month-old granddaughter of Paige and Rick Wilson, and the oldest – well, there was quite a few of us so we won't name names. Red, white and blue ribbons decorated the pavilion and balloons announcing Free Hot Dogs adorned a sign outside the park. Amidst the volley ball, bean tag toss, Spider Man Bouncy House and great use of old playground equipment (please remember that there is work going on to replace old equipment and make a Splash Park – contact Ty Darby if you are interested in helping), folks gathered in groups to visit and just kick back and enjoy the beautiful sunny but not too hot day. After a prayer where those who gave their lives and continue to keep us safe were remembered, grilled hot dogs with all the trimmings were served along with potato chips, Kool-Aid and water. Then came homemade desserts of all descriptions for every taste bud to be teased and

delighted, especially brownies and cobbles. To top it off there was an ice cream making contest with Terri Pearson bringing Straw-b-Nut in a giant freezer that used to be Gayle's (Terri asked her mother how did you every carry it) and Gay Meason making Butter Finger. Now, all of us judges who ate-er-tasted both kinds couldn't decide after several bites so it was unanimously voted a tie. And yes, there was plenty left for everyone else to eat. Door prizes were drawn, music was played and, oh, yes, David Wilson marked it all with his special brand of humor, including – er-singing! By the way, it's contagious. Thanks to everyone who came and added their very own unique personality to make it another special occasion in Duke. It was nice to see groups of all ages playing together or sitting around visiting. It was nice to hear laughter and encouragement. It was nice to be in American and have the freedom to do this. Thanks to all the many people whose hard work made it all possible. By Joan Wycoff

sandy creek
veterinary care, pllc
Large and Small Animal Medicine and Surgery
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GRAND TOTAL ALL FUNDS	\$ 580,647	\$ 1,306,766	\$ (1,326,136)	\$ -	\$ (19,370)	\$ 561,277

Danica Birdwell, R.D.H.
Dental Hygienist

www.livelydental.com

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