

Town of Vian
Vian Public Works Authority
Budget 2015-2016

Town of Vian Budget 2015-2016

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Town of Vian and the Vian Public Works Authority
Vian, Oklahoma

I have compiled the accompanying historical statement of income and cash flows of the Town of Vian and the Vian Public Works Authority for the year then ended June 30, 2014. I have not audited or reviewed the accompanying historical financial statements and, accordingly, do not express an opinion or provide any assurance about whether the historical financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the historical financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the historical financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management (the owners) in presenting financial information in the form of historical financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the historical financial statements.

Management has omitted the Management's Discuss and Analysis that is required by accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has omitted the budgetary comparisons for the year ended June 30, 2014. Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the historical financial statements, they might influence the user's conclusions about the Authority's historical financial position, results of operations, and cash flows. Accordingly, these historical financial statements are not designed for those who are not informed about such matters.

I have also compiled the accompanying forecasted statements of income and cash flows of the Town of Vian and the Vian Public Works Authority for the years ending June 30, 2016, and June 30, 2015, in accordance with attestation standards established by the American Institute of Certified Public Accountants.



A compilation of forecasted statements limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are not independent with respect to the Town of Vian and the Vian Public Works Authority.

A handwritten signature in black ink that reads "Kris Kirk CPA of Corp". The signature is written in a cursive, flowing style.

Kris Kirk, CPA, Professional Corporation

December 17, 2015

Budget Summary 2015-2016						
Town of Vian						
Vian VPWA						
	Forecasted Income Statement			Forecasted Income and Cash Flows Statements		
	General	Special		Town		Memo
	Fund	Sales Tax	Court	Totals	VPWA	Totals
Franchise Tax	42,000			42,000		42,000
Cigarette Tax	4,400			4,400		4,400
Sales Tax	285,000	93,000		378,000		378,000
Use Tax	26,000			26,000		26,000
Gasoline tax	2,500			2,500		2,500
Motor Vehicle Tax	21,000			21,000		21,000
Alcohol Beverage Tax	700			700		700
Licenses and Permits	1,500			1,500		1,500
Grants	101,287	-	-	101,287		101,287
Sanitation	162,000			162,000		162,000
Transfers in	182,500			182,500		182,500
Fines, Net of Refunds			152,800	152,800		152,800
Interest	600	160	-	760	400	1,160
Miscellaneous	3,930			3,930	-	3,930
Water				-	295,000	295,000
Sewer				-	175,000	175,000
Transfer fees				-	400	400
Meter reset fees				-	12,000	12,000
Penalties				-	14,000	14,000
Water taps				-	-	-
Transfers from Sales Tax				-	150,000	150,000
Total Revenues	833,417	93,160	152,800	1,032,977	646,800	1,679,777
Total Expenditures	895,205	150,000	229,450	1,274,655	587,614	1,862,269
Increase (Decrease) in Cash	(61,788)	(56,840)	(76,650)	(195,278)	(188,314)	(383,592)
Carryover From Previous Year	87,511	64,194	190,439	342,144	442,298	784,442
Forecasted Ending Balance	25,723	7,354	113,789	146,865	253,984	400,849

Expenditures by Department and Fund	
Clerk	59,827
Code Enforcement	1,900
Fire Department	27,921
General Government	113,200
Nutrition	4,820
Parks	44,900
Police	324,867
Sanitation	84,335
Street and Alley	208,898
Town Supervisor	24,536
	<u>895,205</u>
Special Sales Tax	150,000
Court	229,450
Total Special Revenue	<u>379,450</u>
Total Town	1,274,655
VPWA	587,614
Total	<u>1,862,269</u>

General Fund Revenues Town of Vian Forecasted Income Statement			
	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Revenues			
Taxes			
Franchise Tax	42,000	42,000	42,662
Cigarette Tax	4,400	6,600	4,474
Sales Tax	285,000	277,000	285,369
Use Tax	26,000	25,000	26,096
Gasoline tax	2,500	3,800	2,592
Motor Vehicle Tax	21,000	10,000	21,915
Alcohol Beverage Tax	700	10,000	755
	381,600	374,400	383,863
Licenses and Permits	1,500	1,000	1,551
Total licenses and permits	1,500	1,000	1,551
Intergovernmental			
Grants	4,200	-	-
FEMA Debris	14,721	-	-
FEMA Ditch Project	82,366	-	-
Total intergovernmental	101,287	-	-
Charges for Services			
Tin Horn Purchases	-	-	898
Nutrition Center rentals	-	200	-
Sanitation	162,000	160,925	162,276
Accident Reports	-	-	-
Copier	100	100	186
Notary Fees	100	100	130
Pickup Up Returned Check	-	-	-
Misc.	-	-	343
	162,200	161,325	163,833
Other revenue			
Code Enforcement	20	100	25
Pop revenue	10	80	12
Reimbursements	-	-	305
Insurance reimbursements	-	-	-
Interest	600	600	687
Nutrition center utilities	900	400	991
Donations	-	-	4,370
Donations Fire	2,800	2,900	2,835
Surplus Items	-	-	10,700
Miscellaneous	-	-	1,413

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
	4,330	4,080	21,338
Transfers in from Court	135,000	110,000	158,262
Transfers in from Court for Streets, One Time	30,000	-	-
Transfers in from Court for Streets, Monthly	17,500		
Transfer in from VPWA for ADA	-	-	1,000
REAP Grant			20,000
	182,500	110,000	179,262
Total Revenues	833,417	650,805	749,848
Expenditures	895,205	717,206	746,061
Increase (Decrease) in Fund Balance	(61,788)	(66,401)	3,787
Carryover From Previous Year	87,511	208,789	106,483
Ending Fund Balance	25,723	142,388	110,269

General Fund Expenditures			
Town of Vian			
Forecasted Income Statement			
Modified Accrual Basis			
	Budget	Budget	Actual
	2015-2016	2014-2015	2013-2014
Clerk			
Personal Services			
Wages and salaries	41,680	26,000	37,070
Overtime	1,500	1,500	2,462
Social Security/Medicare	3,303	2,104	2,976
Group health insurance	10,090	-	2,651
Workers comp	1,000	-	-
State unemployment	432	275	389
Retirement	1,822	1,161	1,503
Total Personal Services	59,827	31,039	47,051
Materials and Supplies			
Office supplies	-	-	122
Total Materials and Supplies	-	-	122
Other Services and Charges			
Telephone	-	-	-
Total Other Services	-	-	-
Total Revenues			
Total Clerk	59,827	31,039	47,173
Code Enforcement			
Materials and Supplies			
Supplies	100	100	57
Office Supplies	-	-	-
Total Materials and Supplies	100	100	57
Other Services and Charges			
Telephone	200	200	134
Contracted Services	600	600	580
Bonds and Insurance	400	400	349
Memberships and Dues	500	500	406
Postage	100	100	12
Total Other Services and Charges	1,800	1,800	1,481
Total Code Enforcement	1,900	1,900	1,538

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Fire Department			
Personal Services			
Wages and salaries	2,300	2,300	2,300
Bonus	1,600	-	-
Social Security/Medicare	298	176	92
Workers comp	1,100	1,100	1,042
State unemployment	23	23	12
Retirement	1,100	1,100	1,020
Total Personal Services	6,421	4,699	4,466
Materials and Supplies			
Supplies	4,700	4,700	4,672
Gasoline and oil	2,100	2,100	2,050
Total Materials and Supplies	6,800	6,800	6,721
Other Services and Charges			
Repairs and Maintenance	4,000	4,000	3,336
Electricity	3,000	3,000	2,926
Natural gas	600	600	534
Water	1,200	1,200	1,117
Contracted services	1,500	1,500	3,731
Bonds and insurance	2,600	2,600	2,589
Memberships	1,800	1,800	1,800
Total Other Services	14,700	14,700	16,033
Capital Outlay			
Equipment	-	-	-
Total Capital Outlay	-	-	-
Total Fire Department	27,921	26,199	27,221
General Government			
Personal Services			
Salaries and Wages	1,200	-	1,200
Overtime	-	-	709
Social Security/Medicare	-	-	146
Group health insurance	-	-	2,528
Workers Comp	-	-	5,543
Unemployment	-	-	19
Retirement	-	-	81
Council fee	10,500	15,600	16,349
Clerk	1,800	-	-
Contract labor	2,500	4,700	2,500

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Total Personal Services	14,800	20,300	29,075
Materials and Supplies			
Reconciliation discrepancies	-	-	-
General Supplies	5,000	4,000	11,269
Office Supplies	2,200	3,200	2,159
Gas and oil	4,200	4,200	4,183
Total Materials and Supplies	11,400	11,400	17,612
Other Services and Charges			
Bank Service Charges	-	-	10
Repairs	500	7,100	738
Electricity	1,600	1,400	1,563
Natural gas	900	800	900
Telephone	7,000	8,000	6,604
Water	1,300	1,200	1,219
Contracted services	7,000	11,000	6,719
Legal Fees	8,000	7,000	10,188
Accounting and auditing	7,000	6,000	7,925
Sequoyah County Emergency	-	1,500	125
Administration Services	200	-	137
Bonds and insurance	6,200	3,500	1,107
Training, Travel, Lodging, and Gas	2,500	4,200	118
Advertising and publication	300	600	279
Memberships and dues	2,600	3,000	2,538
Equipment rental	100	-	80
Election costs	-	1,900	-
Postage	1,200	400	1,119
Misc.	100	100	12
Streetlight Electricity	35,000	32,000	34,672
Fireworks	1,500	3,500	1,475
Other	-	-	487
Total Other Services	83,000	93,200	78,007
Capital Outlay			
Capital improvements	4,000	2,400	6,395
Total Capital Outlay	4,000	2,400	6,395
Transfers out	-	-	20,000
Total General Government	113,200	127,300	151,088
Nutrition			
Personal Services			
Contract Labor	-	-	-

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Total Personal Services	-	-	-
Materials and Supplies			
Supplies	20	20	19
Gas and oil	-	-	-
Total Materials and Supplies	20	20	19
Other Services and Charges			
Repairs	300	300	205
Electricity	700	700	687
Natural gas	900	900	873
Water	1,200	1,200	1,135
Contracted services	100	100	50
Bonds and insurance	1,600	1,000	939
Total Other Services	4,800	4,200	3,889
Capital Outlay	-	-	-
Total Nutrition	4,820	4,220	3,908
Parks Department			
Personal services			
Salaries and Wages	25,760	23,680	19,052
Overtime	1,500	100	260
Social Security and MC	2,072	1,800	1,445
Health Insurance	5,045	4,800	-
Workers Compensation	1,800	2,500	1,741
Retirement	1,150	1,004	542
State unemployment	273	238	189
	37,600	34,121	23,229
Materials and Supplies			
Supplies	1,200	600	528
Gas and Oil	800	-	-
Total Materials and Supplies	2,000	600	528
Other Services and Charges			
Repairs	100	100	59
Electricity	900	900	830
Water	1,300	1,300	1,256
Contracted Services	600	600	546
Bonds and Insurance	400	400	1,865
Total Other Services	3,300	3,300	4,556

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Capital Purchases			
Capital improvements	2,000	6,000	3,500
Total Capital Purchases	2,000	6,000	3,500
Total Parks Department	44,900	44,021	31,814
Police Department			
Personal Services			
Wages	144,434	128,967	108,785
Overtime	8,000	8,000	5,662
Social Security/Medicare	11,661	10,478	8,469
Group health insurance	11,800	14,400	9,696
Worker's Comp	16,000	13,000	15,852
State unemployment	1,524	1,370	981
Retirement	6,433	5,780	3,129
Consultant Mileage	915	-	-
Total Personal Services	200,767	181,994	152,575
Materials and Supplies			
Supplies	5,820	5,820	8,036
Office Supplies	3,000	2,000	2,098
Gas and Oil	18,000	18,000	17,452
Total Materials and Supplies	26,820	25,820	27,586
Other Services and Charges			
OSBI	1,500	-	1,500
Repairs	7,700	3,700	7,629
Building Maintenance and Repair	-	500	14,637
Electricity	2,600	2,700	2,560
Telephone	5,400	3,000	5,368
Petty cash(car washes)	-	576	-
Water	1,200	1,300	1,180
Contracted services	200	300	189
Legal fees	7,000	7,000	8,066
Sequoyah County Emergency	-	1,500	125
Insurance and bonds	51,000	3,500	10,357
Training, travel and lodging	1,500	500	160
Advertising and publication	200	100	101
Membership and dues	80	80	-
Postage	200	50	40
Uniforms	3,000	3,000	628
OLETS	600	600	600
Other	-	-	9
Animal Control	2,500	-	-
K9 Valdo	1,500	-	-

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Total Other Services	86,180	28,406	53,149
Capital Outlay			
Vehicles	-	25,000	24,900
Equipment	11,100	3,900	7,334
Total Capital Outlay	11,100	28,900	32,234
Total Police	324,867	265,120	265,544
Sanitation Department			
Personal Services			
Wages	24,090	20,800	21,225
Overtime	-	2,200	1,141
Social Security/Medicare	1,843	1,760	1,460
Group health insurance	5,045	4,800	-
Worker's Comp	1,200	6,000	3,855
State unemployment	241	230	156
Retirement	1,017	971	605
Total Personal Services	33,435	36,760	28,444
Materials and Supplies			
Supplies	9,700	9,700	9,668
Gas and Oil	9,000	9,000	8,694
Total Materials and Supplies	18,700	18,700	18,363
Other Services and Charges			
Equipment repairs	5,000	5,000	4,592
Electricity	500	40	31
Telephone	500	200	42
Contracted services	-	30	22
Landfill	22,000	22,000	20,708
Insurance and bonds	3,200	2,300	2,264
Postage	600	300	554
Uniforms	400	600	385
Total Other Services	32,200	30,470	28,598
Capital Outlay			
Equipment	-	-	-
Total Capital Outlay	-	-	-
Transfers out	-	-	-

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Total Sanitation	84,335	85,930	75,404
Street and Alley			
Personal Services			
Wages	23,830	24,960	30,263
Overtime	1,500	1,400	1,326
Seasonal	8,640	-	-
Social security taxes	2,599	2,017	2,026
Group health	5,045	4,800	-
Worker's Comp	1,800	1,800	1,741
State unemployment	339.70	264	254
Retirement	1,069	1,112	800
Contract labor	300	300	300
Total Personal Services	45,122	36,653	36,710
Materials and Supplies			
Supplies	15,000	15,000	28,698
Gasoline and oil	5,000	5,000	4,832
Total Materials and Supplies	20,000	20,000	33,529
Other Services and Charges			
Repairs	6,000	1,900	1,818
Electricity	700	700	680
Natural gas	700	700	674
Telephone	1,200	1,200	1,162
Petty Cash	10	10	7
Water	700	700	636
Contracted services	400	400	333
Bonds and insurance	3,000	6,700	2,914
Uniforms	1,200	600	527
Total Other Services	13,910	12,910	8,751
Capital Outlay			
Street Improvements, One time	30,000	37,000	36,035
Street Improvements, Monthly	17,500	-	-
Equipment	-	-	4,200
FEMA Ditch Project	82,366	-	-
Total Capital Outlay	129,866	37,000	40,235
Total Street and Alley	208,898	106,563	119,225
Town Supervisor			
Personal Services			
Wages and salaries	20,738	19,656	20,052
Overtime	1,000	1,000	425

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Social Security/Medicare	1,663	1,580	1,567
Health insurance	-	-	-
Workers comp	-	-	-
State unemployment	217	207	188
Retirement	917	872	728
Total Personal Services	24,536	23,314	22,960
Materials and Supplies			
Supplies	-	600	-
Office Supplies	-	500	-
Gas and Oil	-	300	-
Total materials and supplies	-	1,400	-
Other Services and Charges			
Telephone	-	200	188
Postage	-	-	-
Total other services and charges	-	200	188
Capital outlay	-	-	-
Total Town Supervisor	24,536	24,914	23,147
Total General Fund Expenditures	<u>895,205</u>	<u>717,206</u>	<u>746,061</u>

Special Revenue Funds Budgets			
Town of Vian			
Forecasted Income Statement			
	Budget	Budget	Actual
	2015-2016	2014-2015	2013-2014
Special Sales Tax Capital Improvement Fund			
Revenues			
Sales Tax	93,000	92,000	93,880
Interest	160	100	167
Total Revenues	93,160	92,100	94,047
Expenditures			
Wire Transfer Fees	-	30	-
Transfers to General	-	-	-
Transfers to VPWA for Loan Payment	150,000	111,000	108,163
	150,000	111,030	108,163
Total Expenditures	150,000	111,030	108,163
Increase (Decrease) in Net Assets	(56,840)	(18,930)	(14,116)
Carryover From Previous Year	64,194	90,694	105,829
Ending Fund Balance	7,354	71,764	91,713
Court			
Revenues			
Fines	153,000	165,000	153,911
Returned Checks	-	-	-
Less refunds	(200)	(1,400)	(107)
Total Revenues	152,800	163,600	153,804
Expenditures			
Personal Services			
Judge fees	9,000	6,000	9,000
Court clerk fees	50	600	50
Total Personal Services	9,050	6,600	9,050
Supplies and Materials			
Police Citations	-	-	439
Total Supplies and Materials	-	-	439

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Other Services and Charges			
Bank Checks	800	100	726
Returned Checks	300	400	254
Seq Cty Criminal Justice Authority	23,000	23,000	23,679
Other	900	200	880
CLEET	6,200	6,700	6,110
OSBI	6,700	7,200	6,610
Total other services and charges	37,900	37,600	38,259
Capital Outlay			
Capital improvements	-	-	-
Transfers			
Transfers to General Fun	135,000	110,000	158,262
Transfers to Streets, One Time	30,000	-	-
Transfer to Streets, Monthly	17,500		
Total transfers	182,500	110,000	158,262
Total Expenditures	229,450	154,200	206,010
Increase (Decrease) in Net Assets	(76,650)	9,400	(52,206)
Carryover From Previous Year	190,439	109,133	172,052
Ending Fund Balance	113,789	118,533	119,846

VPWA Enterprise Fund			
Forecasted Statements of Income and Cash Flows			
	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Revenues:			
Charges for Services			
Water	295,000	301,350	299,941
Sewer	175,000	170,150	176,632
Transfer fee	400	400	540
Meter reset fees	12,000	8,000	12,207
Penalties	14,000	14,000	15,578
Water taps	-	-	1,290
7-Day Clean	2,500	-	3,633
Billing Adjustments	-	(600)	12
Other Charges	-	-	-
Total charges for services	498,900	493,300	509,834
Other Revenues			
Cash over/short	-	-	(23)
Interest	400	200	421
Miscellaneous	-	-	1,598
Grants	40,000	-	-
Total other revenues	40,400	200	1,996
Transfers in from Court	-	-	-
Total Transfers in (out)	-	-	-
Total Revenues	539,300	493,500	511,830
Expenses			
Personal Services			
Payroll	112,216	96,000	89,987
Overtime	15,000	9,000	14,371
Social Security/Medicare	9,732	8,033	7,658
Group health insurance	25,225	19,200	17,872
Workers Comp	6,700	6,700	13,447
State unemployment	1,272	800	881
Retirement	5,369	4,431	4,404
Contract labor	3,000	-	200
Total Personal Services	175,514	144,164	148,819
Materials and Supplies			
Supplies	24,000	24,000	22,431
Office Supplies	1,500	1,000	1,239
Gasoline and oil	3,100	3,100	2,031
Water purchased	115,000	132,000	125,165

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Total Materials and Supplies	143,600	160,100	150,866
Other Services and Charges			
Licensing and Permits	1,500	-	-
Contracted Services	2,600	2,600	7,184
Returned Checks	800	800	(440)
Bank Fees	1,400	600	1,323
Repairs	33,000	5,000	32,832
Building Repairs	7,000	7,000	7,022
Electricity	22,000	22,000	21,542
Telephone	5,700	4,000	5,739
Council fees	10,500	7,000	-
Clerk	3,000	-	-
Legal	7,000	7,000	5,094
Accounting and auditing	7,000	7,000	8,652
Engineering services	6,000	-	5,100
Lab tests	13,000	5,000	12,244
Bonds and insurance	11,000	6,000	10,432
Training, Travel, Lodging	1,600	-	-
Advertising and publication	500	1,200	490
Memberships and dues	2,000	700	644
Uniforms	3,600	700	31
Postage	3,300	3,000	3,228
Misc. Other	1,000	-	5,993
Total Other Services	143,500	79,600	127,109
Depreciation Expense	95,000	80,000	94,344
Interest Expense	30,000	12,000	25,010
Total Expenses	587,614	475,864	546,149
Transfers			
From Special Sales Tax	150,000	61,000	108,163
From Town	-	-	20,000
Out to Town for ADA	-	-	(1,000)
	150,000	61,000	127,163
Net Income	101,686	78,637	92,845
Operating Adjustments			
Depreciation	95,000	80,000	94,344
Operating Adjustments	95,000	80,000	-
Cash Provided by (Used) by Investing Activities			

	Budget 2015-2016	Budget 2014-2015	Actual 2013-2014
Road	-	(128,000)	-
Sewer Lagoon	-	-	(568,522)
Truck	-	(15,000)	-
Computers	(4,000)	(2,400)	-
Water Line Expansion	(150,000)	-	-
Sewer Expansion	(111,000)	-	-
	(265,000)	(145,400)	(568,522)
Cash Provided by (Used) by Financing Activities			
OWRB	(120,000)	(128,000)	(87,987)
OWRB loan proceeds	-	-	547,622
Total Debt Service	(120,000)	(128,000)	459,634
Change in Cash	(188,314)	(114,764)	(16,043)
Carryover From Previous Year	442,298	433,335	268,942
Ending Balance	253,984	318,572	252,899

Summary of Significant Assumptions for 2014-2015 Year (Expired Period)

This financial forecast presents, to the best of management's knowledge and belief, the Town's expected results of operation for the forecast periods. Accordingly, the forecast reflects management's judgment as of December 17, 2015, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

A

The Town Council has assumed that 100% of the actual revenues for the year ended June 30, 2013 will be available for the Town in the year ending June 30, 2015, with certain modifications, with a 3% increase in sewer and water rates in July, 2014..

Sales tax revenues and water revenues are especially sensitive assumptions, because these revenues constitute a large part of total income.

B

The Town Council has assumed that, generally, expenditures for the year ending June 30, 2015 will be similar to those budgeted for the year ending June 30, 2013, with changes made in consultation with department heads. There is a new police car budgeted, with necessary police auto equipment. For general government, there is budgeted \$2400 for new computers. Three full time police officers and three part time reserve officers are budgeted. The VPWA budget includes the completion of rebuilding a road to the sewer plant the purchase of a new truck.

Summary of Significant Assumptions for 2015-2016

This financial forecast presents, to the best of management's knowledge and belief, the Town's expected results of operation for the forecast periods. Accordingly, the forecast reflects management's judgment as of December 17, 2015, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

A

The Town Council has assumed that 100% of the actual revenues for the year ended June 30, 2014, will be available for the Town in the year ending June 30, 2016, with certain modifications according to the Town's judgment.

B

The Town Council has assumed that, generally, expenditures for the year ending June 30, 2016 will be similar to those spent in the year ended June 30, 2014, with certain adjustments made by management.

C

Significant changes to the previous levels of revenue and spending are assumed as follows:

Police tasers and computer server \$11,000

Office computers \$4000

VPWA computers \$4000

Highway 82 sewer expansion \$111,000

Increased transfers from Court to facilitate increased street repairs and other General Fund expenditures

Revenue from a FEMA Ditch Project Grant to improve drainage ditches and revenue from a FEMA Debris grant to

clear debris

Increased transfers from Court to pay for street repairs

Adjustments to salary and wages and to insurance and bond expenditures

D

Sales tax revenues and water revenues are especially sensitive assumptions, because these revenues constitute a large part of total income.

Summary of Significant Accounting Policies

Under accrual accounting revenues are recognized when earned (not received), and expenses are recognized when amounts are owed (not necessarily paid).

Depreciation is recorded using lives for fixed assets as follows:

Sewer plant and infrastructure 40 years

Equipment years

Automobiles 5 years