Sullivan, Powers & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Fred Duplessis, CPA
Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Wendy C. Gilwee, CPA
VT Lic. #92-000180

Independent Auditor's Report

Selectboard
Town of Milton, Vermont
43 Bombardier Road
Milton, Vermont 05468-3205

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milton, Vermont, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Milton, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milton, Vermont, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2021, the Town implemented GASB Statement No. 84, “Fiduciary Activities”.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 through 14, the budgetary comparison information on Schedule 1, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 2 and the Schedule of Contributions on Schedule 3 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 considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Milton, Vermont’s basic financial statements. The combining fund financial statements and the budgetary comparison schedules for the Water and Sewer Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated December 10, 2021 on our consideration of the Town of Milton, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Milton, Vermont's internal control over financial reporting and compliance.

December 10, 2021
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Company

Management of the Town of Milton (the Town) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. Please note that this section of the Basic Financial Statements is unaudited.

FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $41,132,727 (net position). Of this amount, $4,108,003 (unrestricted net position) may be used to meet the Town's ongoing obligations. The balance of net position is made up of $33,400,579 invested in capital assets net of related debt and $3,624,145 restricted for specific purposes.

- The Town's total net position increased by $828,032 (2.1%). Of this amount, net position of the governmental activities increased by $523,448 (3.3%), and net position attributable to business-type activities increased by $304,584 (1.3%).

- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $10,718,133. This is an increase of $2,072,059 from the prior year's combined ending fund balance of $8,646,074. This increase is primarily in assigned and unassigned fund balances. Most of the assigned fund balance is for capital expenditures.

- At the end of the current fiscal year, unrestricted fund balance (the sum of unassigned, assigned and committed fund balance) for the general fund was $2,474,633, or approximately 33.6% of total general fund expenditures.

- The Town's total outstanding long-term debt increased by $1,135,088 during the current fiscal year. Additions to long-term debt totaled $6,023,967 offset by principal payments of $4,888,879. The additions included notes for a plow truck, an ambulance, a police cruiser, and a shared use vehicle.

- The COVID pandemic had minimal financial impact on the Town in 2021. Property tax collection was actually slightly above the average, meaning there were fewer delinquent accounts than in previous years. There were reductions in revenue of various fees for services, but those were offset by savings in expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which are presented in three sections: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains other and required supplementary information such as budget to actual comparisons and combining financial statements.

It is important for the reader to understand that, although governmental accounting resembles private sector accounting, the two differ significantly. The government-wide financial statements will be the most familiar for readers versed in private sector financial reporting. Readers should know that the financial activities of the government unit are recorded in funds. A fund, generally, is a separate set of self-balancing books for each major activity. For example, the Town operates a sewer facility referred to as a business-type activity, which is supported by user fees and recorded in an enterprise fund separately from the general governmental activities which are accounted for primarily in the general fund and supported in large part by property tax revenues.

Government-Wide Financial Statements

The government-wide financial statements provide a general overview of the Town's operations presenting all data on the full accrual basis, similar to the way a private sector business would present its financial statements. There are two statements presented at the government-wide level: the Statement of Net Position and the Statement of Activities. Within each of these statements, governmental activities are presented separately from business-type activities. The governmental activities reflect the Town's basic services; including general government, public safety, highways and streets, culture and recreation, and community development. Property taxes finance the majority of these services supplemented by program fees, grant revenues, and other revenues. The business-type activities reflect private-sector-type operations for which user fees recover all or a significant portion of costs. The business-type activities of the Town include both water and sewer operations.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities reports how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave time).

Government-wide financial statements include not only the Town itself (referred to as the primary government), but also other legally separate entities for which the Town is financially accountable (referred to as component units). During the current year, the Town was not responsible for any entities that qualify as component units.

The government-wide financial statements can be found in Exhibits A and B of this report.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the Town are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view helping the reader determine the level of financial resources available to finance the Town's programs in the near future. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided reconciling the governmental fund financial statements to the government-wide statements explaining the relationship between the two.

The Town maintains three major governmental funds; the General Fund, the Town Core TIF Fund, and the Capital Reserve Fund. In addition to these, the Town maintains six special revenue funds, two capital project funds, and one permanent fund, none of which qualify as major funds. These funds are consolidated into the column labeled Non-Major Governmental Funds in the Fund Financial Statements. Combining financial statements containing more detailed information on these funds may be found in Schedules 4 through 9.

The basic governmental fund financial statements can be found in Exhibits C through E of this report. The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement is provided in Schedule 1 for the purpose of demonstrating compliance with the duly appropriated budget.

Proprietary funds are used to account for a government's business-type activities at the fund level. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town maintains two enterprise funds: the Water Fund and the Sewer Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. At this time, the Town has no internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Fund and the Sewer Fund separately.

The proprietary fund financial statements of the Town may be found in Exhibits F through H. Although not required, non-GAAP budgetary comparison statements and reconciliation to the financial statements is provided in Schedules 10 and 11.

Fiduciary funds, also known as trust and agency funds, account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the Town. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town has one Custodial Fund detailed in Exhibits I and J.

Notes to the Financial Statements provide additional information necessary to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes serve to explain, clarify, and expand upon the financial data presented in the financial statements, and provide some additional information. The notes can be found immediately following the basic financial statements.

In addition to the basic financial statements and accompanying notes, certain ***Supplementary Information*** is provided, including a budgetary comparison statement for the general fund, information on changes in the net pension liability, and employer contributions to pensions. The supplementary information can be found immediately following the notes to the financial statements in this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the general fund budget and pension.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and Investments	$ 12,134,213	$ 10,272,771	$ -	$ -	$ 12,134,213	$ 10,272,771
Receivables, Net	581,435	951,159	618,326	653,122	1,199,761	1,604,281
Other Assets	(858,410)	(932,086)	1,585,308	1,159,483	726,898	227,397
Capital Assets	17,648,042	17,347,493	25,818,841	26,032,493	43,466,883	43,379,986
Total Assets	29,505,280	27,639,337	28,022,475	27,845,098	57,527,755	55,484,435
Deferred Outflows of Resources	975,501	603,557	52,735	31,242	1,028,236	634,799
Liabilities:						
Other Liabilities	865,241	1,174,680	235,859	213,470	1,101,100	1,388,150
Noncurrent Liabilities	13,042,283	11,060,709	3,128,960	3,257,999	16,171,243	14,318,708
Total Liabilities	13,907,524	12,235,389	3,364,819	3,471,469	17,272,343	15,706,858
Deferred Inflows of Resources	144,729	102,425	6,192	5,256	150,921	107,681
Net Position:						
Net Investment in Capital Assets	10,561,927	11,511,098	22,838,652	22,878,520	33,400,579	34,389,618
Restricted	3,624,145	3,693,292	0	0	3,624,145	3,693,292
Unrestricted	2,242,456	700,690	1,865,547	1,521,095	4,108,003	2,221,785
Total Net Position	$ 16,428,528	$ 15,905,080	$24,704,199	$ 24,399,615	$ 41,132,727	$ 40,304,695

As noted earlier, net position serves as a useful indicator of a government's financial position over time. At the end of the most recent fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $41,132,727. The Town's total net position is split between governmental activities net position of $16,428,528 and business-type activities net position of $24,704,199.

The largest portion of the Town's total net position $33,400,579 (81.2%) reflects its investment in capital assets (construction in progress, equipment, vehicles, land, buildings and infrastructure) net of any outstanding debt used to acquire or construct those assets. The Town uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's total net position includes $3,624,145 (8.8%) of restricted net position. Restricted net position represents assets whose use is subject to external restrictions. The remaining balance of $4,108,003 (10.0%) is unrestricted net position, which may be used to meet the government's ongoing financial obligations. Included in unrestricted net position are amounts that management has assigned for particular purposes, such as capital reserve funds and reserves for expenditures in subsequent years.

Summary of the Statement of Activities

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	$ 654,470	$ 819,456	$ 2,111,241	$ 1,995,487	$ 2,765,711	$ 2,814,943
Operating Grants & Contributions	630,970	545,192	0	0	630,970	545,192
Capital Grants & Contributions	333,491	839,696	16,088	159,739	349,579	999,435
General Revenues:						
Property Taxes	7,350,829	6,793,468	0	0	7,350,829	6,793,468
Other	258,014	371,390	1,746	5,528	259,760	376,918
Total Revenues	9,227,774	9,369,202	2,129,075	2,160,754	11,356,849	11,529,956
Expenses:						
General Government	1,786,420	1,772,318	0	0	1,786,420	1,772,318
Public Safety	3,094,023	3,149,021	0	0	3,094,023	3,149,021
Highways and Streets (including Cemetery)	2,852,430	3,043,530	0	0	2,852,430	3,043,530
Culture and Recreation	536,939	634,965	0	0	536,939	634,965
Interest on Long-Term Debt	289,936	263,535	0	0	289,936	263,535
Water	0	0	1,027,407	959,379	1,027,407	959,379
Wastewater	0	0	941,662	1,025,104	941,662	1,025,104
Total Expenses	8,559,748	8,863,369	1,969,069	1,984,483	10,528,817	10,847,852
Increase (Decrease) in Net Position Before Transfers	668,026	505,833	160,006	176,271	828,032	682,104
Transfers	(144,578)	(188,246)	144,578	188,246	0	0
Increase (Decrease) in Net Position	523,448	317,587	304,584	364,517	828,032	682,104
Beginning Net Position	15,905,080	15,587,493	24,399,615	24,035,098	40,304,695	39,622,591
Ending Net Position	$ 16,428,528	$ 15,905,080	$ 24,704,199	$ 24,399,615	$ 41,132,727	$ 40,304,695

Governmental Activities

Governmental activities increased the Town's net position by $523,448 for the year ended June 30, 2021. Key elements of the change are as follows.

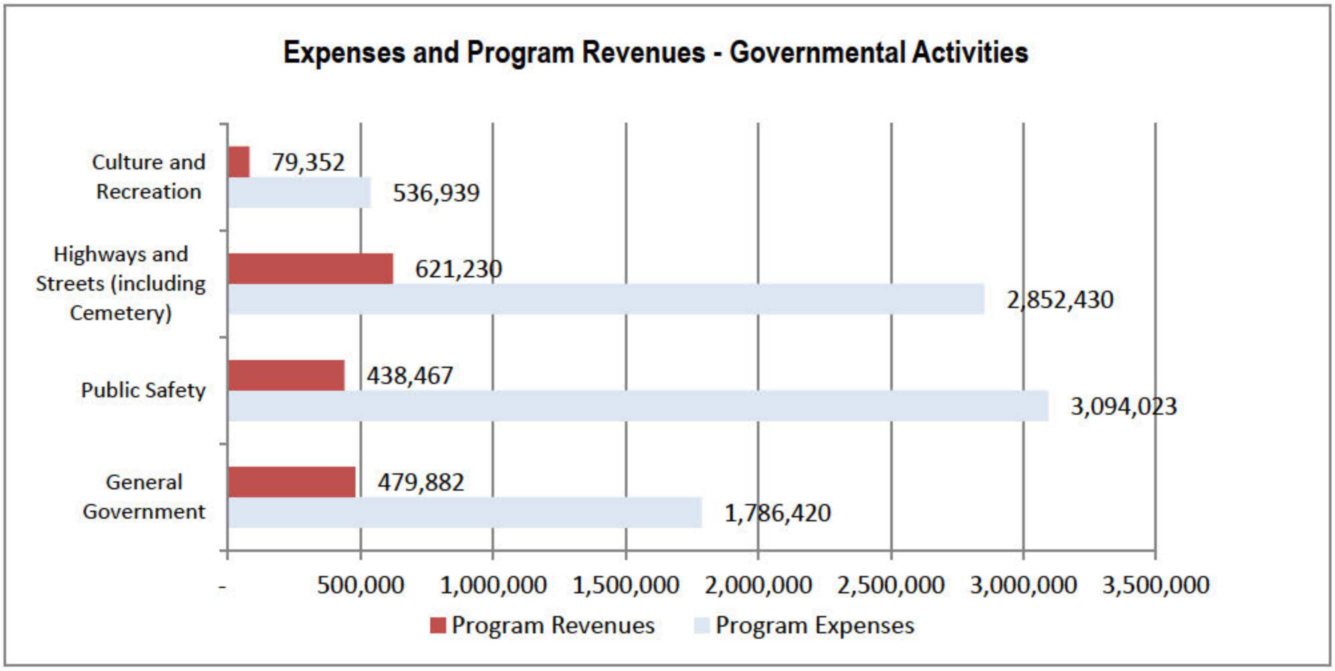
- Total governmental activities' revenues decreased by 1.5% ($141,428) from 2020 to 2021. This was driven by a decrease in capital grants as well as a slight decrease in charges for services.

- Property tax revenues increased 8.2% or $557,361 from the previous year as a result of an increase in the grand list.

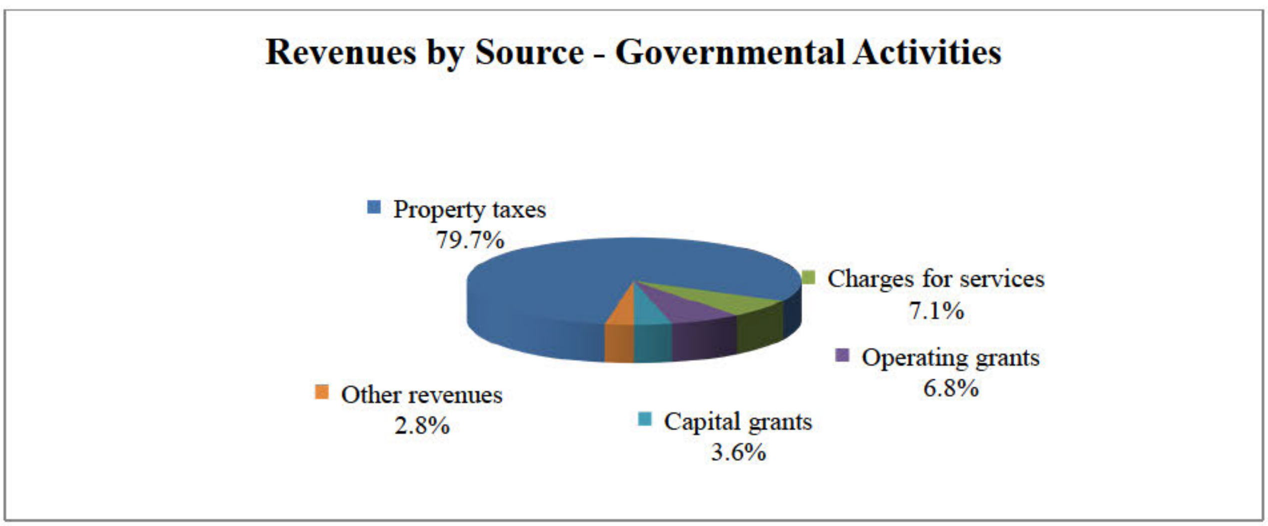
- Total governmental activities' expenses decreased by 3.4% ($303,621) from 2020 to 2021. Public safety expenses end the year at 36.1% ($3,094,023) of total governmental activities' expenses. Public safety remains the largest category of expenses from year to year, followed closely by highways and streets at 33.3% ($2,852,430) of total governmental activities' expenses for the year.

- General Government expenses increased 0.8% or $14,102 from the previous year. This was a result of insurance benefit increases and other slight increases to other general operating expenses.

The following graph entitled Expense and Program Revenues – Governmental Activities, gives the reader an idea of how each major program is funded. The revenues included in this graph are program specific revenues including user fees, operating grants, and capital grants. General revenues such as property tax revenues and interest earnings are excluded. The supporting data may be found on Exhibit B, the Statement of Activities. As noted previously, public safety is the largest category of expenses in the current year and historically, followed closely by highways and streets.



The vast majority of revenue for governmental activities comes from property taxes; 79.7% of total revenue or $7,350,829. The second largest category of revenue is charges for services coming in at 7.1% or $654,470 of total revenue. The following graph shows the distribution of governmental activities revenues by source for the year ended June 30, 2021.



Business-type Activities

Business-type activities increased the Town's net position by $304,584 during the current fiscal year. Key elements of this increase are as follows.

- Charges for services increased by $115,754 or 5.7% from $1,995,487 to $2,111,241. On the government-wide financial statements charges for services in the business-type activities are made up of user fees, penalties and connection fees. Increases in charges for service ($97,723) make up the majority of the increase, followed by an increase in connection fees ($41,251).

- Total expenses of $1,969,069 reflect a decrease of $15,414 (0.8%) as compared to the prior year. The driving factors contributing to the decrease are as follows.

    - Interest expense decreased $49,843 or 78.4% from the previous year.

    - Repairs and maintenance decreased $28,333 or 29.4% from the previous year. Several large maintenance projects were completed in the prior year, requiring less repairs and maintenance in 2021.

    - Insurance expense decreased $10,081 or 56.9% from the previous year.

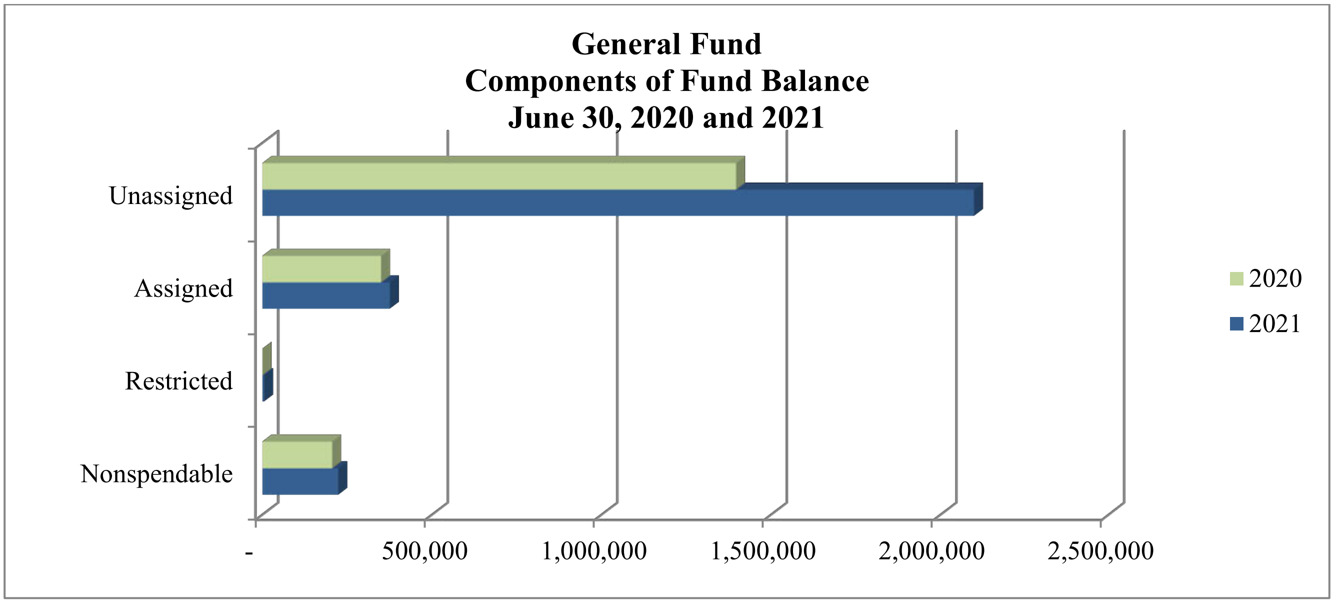
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Information presented and discussed in this section is specific to the fund financial statements.

Governmental Funds

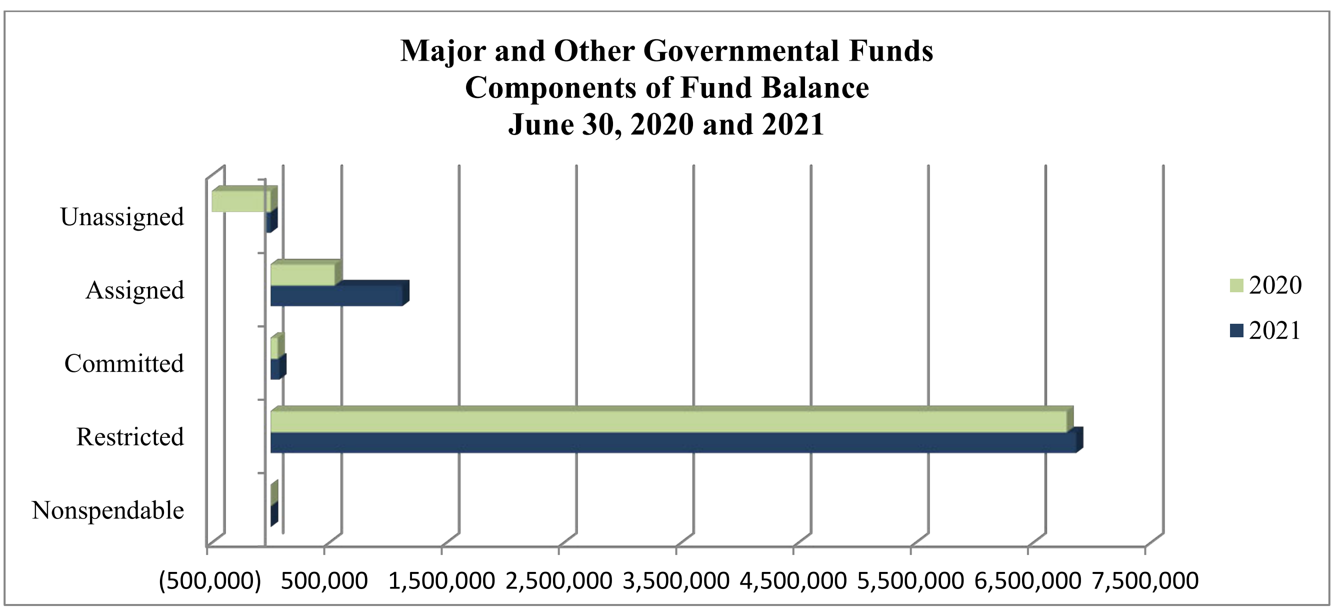
The focus of the Town's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2021, the Town's governmental funds reported combined fund balances of $10,718,133, an increase of $2,072,059 in comparison with the prior year. 19.1% of this amount ($2,047,032) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form ($228,331), restricted for particular purposes ($6,870,102), committed for particular purposes ($74,279), or assigned by the Town for particular purposes ($1,498,389). The components of each category of fund balance are detailed in Footnote IV.K. Fund Balances.



The general fund is the chief operating fund of the Town. At the end of the year, total fund balance in the general fund was $2,703,505, an increase of $750,316 from the previous year. Of this amount, $223,831 is in non-spendable form (prepaid expenses and inventories). Of the remaining amount, $375,928 is assigned for purposes detailed in Footnote IV.K. and $2,098,705 is unassigned.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total general fund expenditures. Total fund balance represents approximately 36.8% of total general fund expenditures, however, this amount includes nonspendable balances which would not be available to finance general fund expenditures if necessary. The remaining categories of fund balance (committed, assigned, and unassigned) are referred to as unrestricted fund balance and are resources that could be liquidated to support general fund expenditures if necessary. Unrestricted fund balance represents 33.6% of total general fund expenditures.



In the governmental funds other than the general fund the most noteworthy change to fund balance are increases in unrestricted and assigned fund balances of $649,642 and $577,252, respectively. The Town's Capital Reserve Funds reports and increase in restricted, assigned and unassigned fund balances related to the receipt of debt proceeds expended in a prior period, and unspent debt proceeds on deposit for budgeted capital projects that will be fully complete in 2023.

General Fund Budgetary Highlights

The Town's budget for the year ended June 30, 2021 passed on the first vote in March of 2020 and there were no amendments made during the year. The voter approved budget included a $350,000 reduction in fund balance (a budgeted deficit). Actual results on the year were a surplus of $750,316. Expenditures came in under budget by $802,520 as a result of budgeted debt payments that were not paid as the existing lines of credit were extended and no payments were due, as well as savings in various departments due to vacancies and the pandemic. Revenues were over budget by $297,796. The most significant contributing factors are recording fees in the Clerk's office were over budget by $111,013 due to an increased volume of recording, FEMA and State grants for COVID/pandemic response in the amount of $121,759, and additional State Aid to Highway funds that were not anticipated in the amount of $75,556.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position in the water fund is $6,107,058, an increase of $240,448 or 4.1% from the previous year. The water fund has $5,310,288 of net position invested in capital assets net of related debt. This leaves an unrestricted balance in the fund of $796,770. In the sewer fund, total net position is $18,597,141, an increase of $64,136 or 0.3% from the previous year. Similar to the water fund, the vast majority of net position in the sewer fund is invested in capital assets net of related debt ($17,528,364), leaving an unrestricted balance of $1,068,777. Other major factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for governmental and business-type activities as of June 30, 2021 were $66,121,864 (before depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The Town's combined investment in capital assets increased by $1,493,550 from June 30, 2020 to June 30, 2021, or 2.3%. Combined accumulated depreciation at the end of the year is $22,654,981. The increase in combined investment in new capital assets of $1,493,550 resulted in a total combined investment in capital assets which exceeded the depreciation of $1,406,653 causing a net increase in capital assets net of accumulated depreciation.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Capital Assets:						
Land	$ 1,786,590	$ 1,786,590	$ 117,520	$ 117,520	$ 1,904,110	$ 1,904,110
Construction in Progress	2,769,749	2,132,848	183,947	56,870	2,953,696	2,189,718
Land Improvements	316,254	316,254	0	0	316,254	316,254
Buildings and Improvements	4,643,674	4,602,179	0	0	4,643,674	4,602,179
Vehicles, Machinery and Equipment	6,366,959	6,626,559	522,187	522,187	6,889,146	7,148,746
Infrastructure	17,193,355	16,272,620	32,221,629	32,194,687	49,414,984	48,467,307
	33,076,581	31,737,050	33,045,283	32,891,264	66,121,864	64,628,314
Less: Accumulated Depreciation	(15,428,539)	(14,389,557)	(7,226,442)	(6,858,771)	(22,654,981)	(21,248,328)
Total Assets, Net	$ 17,648,042	$ 17,347,493	$ 25,818,841	$ 26,032,493	$ 43,466,883	$ 43,379,986

Major capital asset activity for the year ended June 30, 2021 included the following:

- Paving projects totaling $523,240 were completed during the year contributing to the increase in governmental activities infrastructure.
- Major construction projects to include road restoration on sections of Hardscrabble Rd and Poor Farm Rd.
- Vehicle and equipment purchases during the year included one police cruiser and one shared use vehicle.
- Other capital purchases include an equipment trailer, guardrail replacements, East Rd and Devino Rd culvert replacements, and municipal building improvements.

Additional information on the Town's capital assets can be found in Footnote IV.E. Capital Assets.

Long-Term Debt

The Town began the year with $12,322,561 in long-term debt outstanding. As of June 30, 2021, this amount had increased by $1,135,088 or 9.2% to end the current year with $13,457,649 in long-term debt outstanding.

Summary of Long Term Debt

	June 30, 2020	Additions	Deletions	June 30, 2021
Governmental Activities	$ 9,168,588	$ 6,005,876	$ 4,697,004	$ 10,477,460
Business-type Activities	3,153,973	18,091	191,875	2,980,189
Total Government	$ 12,322,561	$ 6,023,967	$ 4,888,879	$ 13,457,649

Factors contributing to the change include the following:

- Principal payments totaling $4,697,004 were made on governmental activities debt and principal payments totaling $191,875 were made on business-type activities debt.

- New debt in the amount of $6,005,876 was incurred for a plow truck, police cruiser, ambulance, shared use vehicle, and to secure final financing for outstanding bond anticipation notes from the prior year for highway equipment/fire truck/bridge improvements/road restoration and paving.

Additional information about long-term debt can be found in Footnote IV.J. Long-term Liabilities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's FY22 approved expenditure budget of $8,688,495 was an increase of $323,732 from the FY21 budget. The amount to be raised by property taxes increased by $284,328. An additional one-time tax was levied to collect roughly $400,000 for paving as approved by the voters on Town Meeting Day 2021. As a result of these two factors, the Town increased the municipal tax rate slightly from $0.5385 to $0.5805.

The FY22 budget includes a $350,000 reduction in fund balance (a budgeted deficit), the same as in the prior year. The fund balance assigned for paving was entirely spent in FY21. The FY22 paving budget is $350,000 plus the additional $400,000 for a total of $750,000.

The budgeted capital transfer was increased by $159,399 for a total of $458,749.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's financial positions to all those with an interest in the government's finances. Questions concerning any of the information provided in this report of requests for additional financial information should be addressed to the Finance Director at 43 Bombardier Rd., Milton, VT 05468. The report is available online at www.miltonvt.gov.

Exhibit A

TOWN OF MILTON, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 12,108,538	$ 0	$ 12,108,538
Investments	25,675	0	25,675
Deposit held by Escrow Agent	484,070	0	484,070
Receivables (Net of Allowance for Uncollectibles)	581,435	618,326	1,199,761
Internal Balances	(1,566,311)	1,566,311	0
Prepaid Expenses	148,635	10,446	159,081
Inventory	75,196	8,551	83,747
Capital Assets:			
Land	1,786,590	117,520	1,904,110
Construction in Progress	2,769,749	183,947	2,953,696
Other Capital Assets, (Net of Accumulated Depreciation)	13,091,703	25,517,374	38,609,077
Total Assets	29,505,280	28,022,475	57,527,755
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	975,501	52,735	1,028,236
Total Deferred Outflows of Resources	975,501	52,735	1,028,236
LIABILITIES			
Accounts Payable	392,955	181,217	574,172
Accrued Payroll and Benefits Payable	155,633	10,766	166,399
Unearned Revenue	29,825	5,402	35,227
Due to Others	189,024	0	189,024
Accrued Interest Payable	97,804	38,474	136,278
Noncurrent Liabilities:			
Due within One Year	1,145,495	174,333	1,319,828
Due in More than One Year	11,896,788	2,954,627	14,851,415
Total Liabilities	13,907,524	3,364,819	17,272,343
DEFERRED INFLOWS OF RESOURCES			
Prepaid Property Taxes	30,234	0	30,234
Deferred Inflows of Resources Related to the Town's Participation in VMERS	114,495	6,192	120,687
Total Deferred Inflows of Resources	144,729	6,192	150,921
NET POSITION			
Net Investment in Capital Assets	10,561,927	22,838,652	33,400,579
Restricted for:			
Town Core TIF	3,087,244	0	3,087,244
Impact Fee Eligible Expenses	189,977	0	189,977
Restoration of Records	145,603	0	145,603
Other Purposes	201,321	0	201,321
Unrestricted	2,242,456	1,865,547	4,108,003
Total Net Position	$ 16,428,528	$ 24,704,199	$ 41,132,727

The accompanying notes are an integral part of this financial statement.

Exhibit B

TOWN OF MILTON, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	$ 1,786,420	$ 358,166	$ 98,405	$ 23,311	$ (1,306,538)	$ 0	$ (1,306,538)
Public Safety	3,094,023	233,262	187,405	17,800	(2,655,556)	0	(2,655,556)
Highways and Streets	2,815,654	10,824	311,096	292,380	(2,201,354)	0	(2,201,354)
Culture and Recreation	536,939	45,288	34,064	0	(457,587)	0	(457,587)
Cemetery	36,776	6,930	0	0	(29,846)	0	(29,846)
Interest on Long-term Debt	289,936	0	0	0	(289,936)	0	(289,936)
Total Governmental Activities	8,559,748	654,470	630,970	333,491	(6,940,817)	0	(6,940,817)
Business-type Activities:							
Water	1,027,407	1,242,238	0	16,088	0	230,919	230,919
Sewer	941,662	869,003	0	0	0	(72,659)	(72,659)
Total Business-type Activities	1,969,069	2,111,241	0	16,088	0	158,260	158,260
Total Primary Government	$ 10,528,817	$ 2,765,711	$ 630,970	$ 349,579	(6,940,817)	158,260	(6,782,557)
General Revenues:							
Property Taxes					7,350,829	0	7,350,829
Penalties and Interest on Delinquent Taxes					76,461	0	76,461
General State Grants					78,940	0	78,940
Impact Fees					67,962	0	67,962
Unrestricted Investment Earnings					17,034	1,746	18,780
Insurance Proceeds					6,288	0	6,288
Gain on Sale of Vehicles					5,233	0	5,233
Other Revenues					6,096	0	6,096
Transfers:					(144,578)	144,578	0
Total General Revenues and Transfers					7,464,265	146,324	7,610,589
Change in Net Position					523,448	304,584	828,032
Net Position - July 1, 2020					15,905,080	24,399,615	40,304,695
Net Position - June 30, 2021					$ 16,428,528	$ 24,704,199	$ 41,132,727

The accompanying notes are an integral part of this financial statement.

Exhibit C

TOWN OF MILTON, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Town Core TIF Fund	Capital Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 6,031,221	$ 6,024,318	$ 0	$ 52,999	$ 12,108,538
Investments	25,675	0	0	0	25,675
Deposit held by Escrow Agent	0	0	484,070	0	484,070
Receivables (Net of Allowance for Uncollectibles)	503,807	0	25,620	52,008	581,435
Due from Other Funds	0	0	657,560	926,180	1,583,740
Prepaid Items	148,635	0	0	0	148,635
Inventory	75,196	0	0	0	75,196
Total Assets	$ 6,784,534	$ 6,024,318	$ 1,167,250	$ 1,031,187	$ 15,007,289
LIABILITIES					
Accounts Payable	$ 283,860	$ 1,203	$ 42,963	$ 64,929	$ 392,955
Accrued Payroll and Benefits Payable	152,795	0	0	2,838	155,633
Due to Other Funds	3,124,285	312	0	25,454	3,150,051
Unearned Revenue	27,636	0	0	2,189	29,825
Due to Others	189,024	0	0	0	189,024
Total Liabilities	3,777,600	1,515	42,963	95,410	3,917,488
DEFERRED INFLOWS OF RESOURCES					
Prepaid Property Taxes	30,234	0	0	0	30,234
Unavailable Property Taxes, Penalties and Interest	208,600	0	0	0	208,600
Unavailable Ambulance Fees	64,318	0	0	0	64,318
Unavailable Grants	277	0	20,666	47,573	68,516
Total Deferred Inflows of Resources	303,429	0	20,666	47,573	371,668
FUND BALANCES					
Nonspendable	223,831	0	0	4,500	228,331
Restricted	5,041	6,022,803	390,094	452,164	6,870,102
Committed	0	0	0	74,279	74,279
Assigned	375,928	0	713,527	408,934	1,498,389
Unassigned/(Deficit)	2,098,705	0	0	(51,673)	2,047,032
Total Fund Balances/(Deficit)	2,703,505	6,022,803	1,103,621	888,204	10,718,133
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,784,534	$ 6,024,318	$ 1,167,250	$ 1,031,187	

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.	17,648,042
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	341,434
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.	(13,140,087)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.	861,006
Net Position of Governmental Activities	$ 16,428,528

The accompanying notes are an integral part of this financial statement.

Exhibit D

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Town Core TIF Fund	Capital Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	$ 6,529,047	$ 761,347	$ 0	$ 85,835	$ 7,376,229
Penalties and Interest on Delinquent Taxes	76,461	0	0	0	76,461
Intergovernmental	598,426	329,821	48,973	162,843	1,140,063
Charges for Services	710,026	0	0	6,930	716,956
Permits, Licenses and Fees	244,192	0	0	122,702	366,894
Fines and Forfeits	27,862	0	0	0	27,862
Investment Income	5,608	9,166	969	1,291	17,034
Donations	9,016	0	23,311	554	32,881
Other	6,096	0	0	0	6,096
Total Revenues	8,206,734	1,100,334	73,253	380,155	9,760,476
Expenditures:					
General Government	1,754,279	7,418	3,495	201,205	1,966,397
Public Safety	2,644,997	0	0	53,224	2,698,221
Highways and Streets	1,525,294	0	16,719	0	1,542,013
Culture and Recreation	465,171	0	0	27,507	492,678
Cemetery	36,776	0	0	0	36,776
Capital Outlay:					
General Government	23,348	0	41,328	0	64,676
Public Safety	7,446	0	159,944	0	167,390
Highways and Streets	411,734	744,281	407,644	54,323	1,617,982
Debt Service:					
Principal	433,504	420,000	0	0	853,504
Interest	53,712	169,932	65,692	0	289,336
Total Expenditures	7,356,261	1,341,631	694,822	336,259	9,728,973
Excess/(Deficiency) of Revenues Over Expenditures	850,473	(241,297)	(621,569)	43,896	31,503
Other Financing Sources/(Uses):					
Insurance Proceeds	0	0	6,288	0	6,288
Issuance of Long-term Debt	0	0	2,162,376	0	2,162,376
Proceeds from Sale of Vehicles	0	0	16,470	0	16,470
Transfers In	105,825	19,702	234,605	178	360,310
Transfers Out	(205,982)	(144,578)	(178)	(154,150)	(504,888)
Total Other Financing Sources/(Uses)	(100,157)	(124,876)	2,419,561	(153,972)	2,040,556
Net Change in Fund Balances	750,316	(366,173)	1,797,992	(110,076)	2,072,059
Fund Balances/(Deficit) - July 1, 2020	1,953,189	6,388,976	(694,371)	998,280	8,646,074
Fund Balances - June 30, 2021	$ 2,703,505	$ 6,022,803	$ 1,103,621	$ 888,204	$ 10,718,133

The accompanying notes are an integral part of this financial statement.

TOWN OF MILTON, VERMONT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total government funds (Exhibit D)	$	2,072,059
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($1,850,048) is allocated over their estimated useful lives and reported as depreciation expense ($1,550,846). This is the amount by which capital outlays exceeded depreciation in the current period.		299,202
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(16,453)
The effect of donated capital assets is to increase net position. The Town received a donation of public safety equipment during the year.		17,800
The issuance of long-term debt ($2,162,376) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt ($853,504) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(1,308,872)
Governmental funds report employer pension contributions as expenditures ($206,737). However, in the statement of activities, the cost of pension benefits earned net of employee contributions ($519,843) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(313,106)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(226,023)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,159)
Change in net position of governmental activities (Exhibit B)	$	523,448

The accompanying notes are an integral part of this financial statement.

TOWN OF MILTON, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Receivables (Net of Allowance for Uncollectibles)	$ 374,648	$ 243,678	$ 618,326
Due from Other Funds	646,973	919,338	1,566,311
Prepaid Expenses	5,223	5,223	10,446
Inventory	2,547	6,004	8,551
Total Current Assets	1,029,391	1,174,243	2,203,634
Noncurrent Assets:			
Land	39,400	78,120	117,520
Construction in Progress	155,664	28,283	183,947
Vehicles, Machinery and Equipment	180,255	341,932	522,187
Buildings, Distribution and Collection Systems	8,442,027	23,779,602	32,221,629
Less: Accumulated Depreciation	(2,676,441)	(4,550,001)	(7,226,442)
Total Noncurrent Assets	6,140,905	19,677,936	25,818,841
Total Assets	7,170,296	20,852,179	28,022,475
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	32,282	20,453	52,735
Total Deferred Outflows of Resources	32,282	20,453	52,735
LIABILITIES			
Current Liabilities:			
Accounts Payable	160,061	21,156	181,217
Accrued Payroll and Benefits Payable	4,844	5,922	10,766
Unearned Revenue	5,402	0	5,402
Accrued Interest Payable	1,960	36,514	38,474
General Obligation Bonds Payable - Current Portion	29,197	145,136	174,333
Total Current Liabilities	201,464	208,728	410,192
Noncurrent Liabilities:			
Compensated Absences Payable	9,879	9,879	19,758
Net Pension Liability	78,967	50,046	129,013
General Obligation Bonds Payable - Noncurrent Portion	801,420	2,004,436	2,805,856
Total Noncurrent Liabilities	890,266	2,064,361	2,954,627
Total Liabilities	1,091,730	2,273,089	3,364,819
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	3,790	2,402	6,192
Total Deferred Inflows of Resources	3,790	2,402	6,192
NET POSITION			
Net Investment in Capital Assets	5,310,288	17,528,364	22,838,652
Unrestricted	796,770	1,068,777	1,865,547
Total Net Position	$ 6,107,058	$ 18,597,141	$ 24,704,199

The accompanying notes are an integral part of this financial statement.

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	$ 1,110,394	$ 762,291	$ 1,872,685
Penalties	12,153	7,222	19,375
Hookup Fees	119,466	99,240	218,706
Other Income	225	250	475
Total Operating Revenues	1,242,238	869,003	2,111,241
Operating Expenses:			
CWD Water Purchases	399,659	0	399,659
Salaries and Benefits	230,980	225,682	456,662
Administrative Fees	168,000	168,000	336,000
Utilities	18,158	101,481	119,639
Water Meters	5,639	13,238	18,877
Supplies	23,854	50,551	74,405
Printing and Advertising	1,439	0	1,439
Insurances	3,813	3,813	7,626
Technology	1,178	1,279	2,457
Vehicles, Machinery and Equipment	3,002	4,606	7,608
Telephone and Internet	2,525	4,927	7,452
Professional Development	0	558	558
Miscellaneous Expenses	3,569	313	3,882
Dues and Fees	525	3,000	3,525
Employee Uniforms	2,115	1,965	4,080
Repairs and Maintenance	21,719	46,384	68,103
Depreciation	110,325	257,346	367,671
Rentals	0	100	100
Professional Services	16,351	594	16,945
Technical Services	798	57,825	58,623
Total Operating Expenses	1,013,649	941,662	1,955,311
Operating Income/(Loss)	228,589	(72,659)	155,930
Non-Operating Revenues/(Expenses):			
Investment Income	731	1,015	1,746
Interest Expense	(13,758)	0	(13,758)
Total Non-Operating Revenues/(Expenses)	(13,027)	1,015	(12,012)
Net Income/(Loss) Before Capital Contributions and Transfers	215,562	(71,644)	143,918
Capital Contributions and Transfers:			
Capital Contributions	16,088	0	16,088
Transfers In	8,798	135,780	144,578
Total Capital Contributions and Transfers	24,886	135,780	160,666
Change in Net Position	240,448	64,136	304,584
Net Position - July 1, 2020	5,866,610	18,533,005	24,399,615
Net Position - June 30, 2021	$ 6,107,058	$ 18,597,141	$ 24,704,199

The accompanying notes are an integral part of this financial statement.

Exhibit H

TOWN OF MILTON, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	$ 1,225,898	$ 868,547	$ 2,094,445
Payments for Goods and Services	(520,270)	(294,907)	(815,177)
Payments for Interfund Services	(168,000)	(168,000)	(336,000)
Payments for Wages and Benefits	(206,955)	(219,377)	(426,332)
Net Cash Provided by Operating Activities	330,673	186,263	516,936
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(279,737)	(148,693)	(428,430)
Net Cash Provided/(Used) by Noncapital Financing Activities	(279,737)	(148,693)	(428,430)
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Long-term Debt	18,091	0	18,091
Acquisition and Construction of Capital Assets	(31,301)	(32,075)	(63,376)
Transfers Received from Other Funds	8,798	135,780	144,578
Principal Paid on General Obligation Bonds Payable	(33,497)	(142,290)	(175,787)
Interest Paid on General Obligation Bonds Payable	(13,758)	0	(13,758)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(51,667)	(38,585)	(90,252)
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	731	1,015	1,746
Net Cash Provided by Investing Activities	731	1,015	1,746
Net Increase in Cash	0	0	0
Cash - July 1, 2020	0	0	0
Cash - June 30, 2021	$ 0	$ 0	$ 0
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	228,589	(72,659)	155,930
Depreciation	110,325	257,346	367,671
(Increase)/Decrease in Receivables	11,382	23,414	34,796
(Increase)/Decrease in Prepaid Expenses	1,376	1,376	2,752
(Increase)/Decrease in Inventory	616	(763)	(147)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	(16,661)	(4,832)	(21,493)
Increase/(Decrease) in Accounts Payable	(15,797)	(2,765)	(18,562)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	570	1,330	1,900
Increase/(Decrease) in Unearned Revenue	(27,722)	(23,870)	(51,592)
Increase/(Decrease) in Compensated Absences Payable	2,205	2,205	4,410
Increase/(Decrease) in Net Pension Liability	34,628	5,707	40,335
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	1,162	(226)	936
Net Cash Provided by Operating Activities	$ 330,673	$ 186,263	$ 516,936

There was $1,542 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2020.

There was $89,705 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2021.

There was $2,480 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2021.

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amounts of $16,088.

The accompanying notes are an integral part of this financial statement.

Exhibit I

TOWN OF MILTON, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Custodial Fund
	Education Tax Fund
ASSETS	
Assets:	$ 0
LIABILITIES	
Liabilities:	0
NET POSITION	
Net Position:	$ 0

The accompanying notes are an integral part of this financial statement.

Exhibit J

TOWN OF MILTON, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Fund Education Tax Fund
ADDITIONS	
Education Taxes Collected for Other Governments	$ 14,436,924
Total Additions	14,436,924
DEDUCTIONS	
Education Taxes Distributed to Other Governments	14,436,924
Total Deductions	14,436,924
Change in Net Position	0
Net Position - July 1, 2020	0
Net Position - June 30, 2021	$ 0

The accompanying notes are an integral part of this financial statement.

The Town of Milton, Vermont, (herein the "Town") operates under a Manager/Selectboard form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture and recreation, community/economic development, public improvements, planning, zoning, water, sewer and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of Milton (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the activity of the Town of Milton, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

Town Core TIF Fund – This fund accounts for all revenues and expenditures related to capital projects and improvements within the Town Core tax increment financing (TIF) district.

Capital Reserve Fund – This fund accounts for the general capital expenditures of the Town.

The Town reports on the following major enterprise funds:

Water Fund – This fund accounts for the operations of the Water Department.

Sewer Fund – This fund accounts for the operations of the Sewer Department.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Additionally, the Town reports the following fund type:

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., total net position) is segregated into net investment in capital assets; restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, acquisitions under capital leases and sales of capital assets are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

E. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. New Pronouncement – Fiduciary Activities

Effective June 30, 2021, the Town implemented GASB Statement No. 84, "Fiduciary Activities". GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This required moving certain items previously recorded through a General Fund liability account to the newly established custodial fund that reports additions and deductions for these activities. No restatement of beginning net position/fund balance was required in either fund. As a result, the collection and remittance of education taxes on behalf of other governments are now presented in a Custodial Fund.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess withdrawals are shown as due to other funds. Interest income is allocated based on the due from/to other funds balances.

2. Investments

The Town invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

3. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances from/to other funds”. All other outstanding balances between funds are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

5. Inventories and Prepaid Expenses/Items

Inventory quantities are determined by a physical count and are valued at the lower of cost or market. Inventories in the governmental funds consist of materials and inventories in the proprietary funds consist of chemicals and materials.

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses/items.

Reported inventories and prepaid items of governmental funds in the fund financial statements are offset by a nonspendable fund balance as they are not in spendable form.

6. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) plan and additions to/deductions from the VMERS' fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with fiscal year June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Service Life
Land	$ 1,000	Not Depreciated
Land Improvements	5,000	25-50 Years
Buildings and Building Improvements	5,000	40-75 Years
Vehicles	5,000	4-15 Years
Machinery and Equipment	1,000	8-20 Years
Roads, Bridges and Sidewalks	5,000	30-75 Years
Water and Sewer Distribution and and Collection Systems	5,000	30-100 Years

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are incurred.

9. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused leave time. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

10. Long-term Liabilities

Long-term liabilities include bonds and notes payable and other obligations such as compensated absences and the Town's net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current liabilities on their balance sheets.

11. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and proprietary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, whereas government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as other financing sources, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report the issuance of long-term debt as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The General Fund budget is approved at the annual Town Meeting in March. The Town allows the Selectboard to approve adjustments from one line item to another within each fund, however, increases in total appropriations are not allowed without voter approval. The budget amendments for fiscal year 2021 are reflected in Schedule 1.

B. Budgeted Deficit

The Town budgeted a current year's deficiency of revenues over expenditures in the General Fund in the amount of $350,000 in order to utilize a portion of the previous year's surplus. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 1.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2021 consisted of the following:

Cash:	
Deposits with Financial Institutions	$12,103,148
Cash on Hand	5,390
Total Cash	12,108,538
Investments:	
Certificates of Deposit	25,675
Total Cash and Investments	$12,134,213

The Town has five (5) certificates of deposit at various banks ranging from $905 to $10,000 with interest rates ranging from 0.05% to 0.30%. All of the certificates of deposit mature by fiscal year 2025.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The following table shows the custodial credit risk of the Town's cash and certificates of deposit.

	Book Balance	Bank Balance
FDIC Insured	$ 540,629	$ 540,629
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	6,026,584	6,025,350
Insured by Letter of Credit Issued by Federal Home Loan Bank	5,561,610	5,603,502
Total	$12,128,823	$12,169,481

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	$12,103,148
Investments – Certificates of Deposit	25,675
Total	$12,128,823

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town's certificates of deposit are not subject to interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town's certificates of deposit are not subject to credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town's certificates of deposit are not subject to concentration of credit risk disclosure.

B. Deposit held by Escrow Agent

In 2021, the Town entered into a $1,669,864 lease agreement with Municipal Leasing Consultants, LLC for the financing of capital equipment and vehicles. Unspent lease proceeds and the interest earned are held by an escrow agent until the acquisition of capital equipment and vehicles and reimbursement is requested. The amount held by the escrow agent as of June 30, 2021 is $484,070.

C. Receivables

Receivables as of June 30, 2021, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes Receivable	$ 313,079	$ 0	$ 313,079
Penalties and Interest Receivable	27,795	0	27,795
Ambulance Receivable	264,968	0	264,968
Grants Receivable	77,628	0	77,628
Accounts Receivable	6,437	0	6,437
Billed Services	0	100,941	100,941
Unbilled Services	0	520,785	520,785
Allowance for Doubtful Accounts - Taxes	(5,000)	0	(5,000)
Allowance for Doubtful Accounts - Ambulance	(103,472)	0	(103,472)
Allowance for Doubtful Accounts - Water/Sewer	0	(3,400)	(3,400)
Total	$ 581,435	$ 618,326	$ 1,199,761

D. Loans Receivable

Loans receivable as of June 30, 2021 are as follows:

Loan Receivable, Meadow Lane Housing Associates, LP, Interest at 0%, Deferred Until June 1, 2035 at which Time all Principal is Due, Secured by Real Estate	$296,000
Loan Receivable, Elm Place Limited Partnership, Interest at 0%, Deferred Until April 29, 2046 at which Time all Principal is Due, Secured by Real Estate	555,843
Total	851,843
Less: Allowance for Doubtful Loans Receivable	(851,843)
Reported Value as of June 30, 2021	$ 0

E. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,786,590	$ 0	$ 0	$ 1,786,590
Construction in Progress	2,132,848	1,024,123	387,222	2,769,749
Total Capital Assets, Not Being Depreciated	3,919,438	1,024,123	387,222	4,556,339
Capital Assets, Being Depreciated:				
Land Improvements	316,254	0	0	316,254
Buildings and Building Improvements	4,602,179	41,495	0	4,643,674
Vehicles	4,960,877	225,826	379,759	4,806,944
Machinery and Equipment	1,665,682	52,153	157,820	1,560,015
Roads, Bridges and Sidewalks	16,272,620	920,735	0	17,193,355
Totals	27,817,612	1,240,209	537,579	28,520,242
Less Accumulated Depreciation for:				
Land Improvements	105,698	8,645	0	114,343
Buildings and Building Improvements	1,208,854	84,470	0	1,293,324
Vehicles	2,613,263	358,166	356,219	2,615,210
Machinery and Equipment	1,387,425	89,967	155,645	1,321,747
Roads, Bridges and Sidewalks	9,074,317	1,009,598	0	10,083,915
Totals	14,389,557	1,550,846	511,864	15,428,539
Total Capital Assets, Being Depreciated	13,428,055	(310,637)	25,715	13,091,703
Governmental Activities Capital Assets, Net	$ 17,347,493	$ 713,486	$ 412,937	$ 17,648,042

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 117,520	$ 0	$ 0	$ 117,520
Construction in Progress	56,870	127,077	0	183,947
Total Capital Assets, Not Being Depreciated	174,390	127,077	0	301,467
Capital Assets, Being Depreciated:				
Vehicles, Machinery and Equipment	522,187	0	0	522,187
Buildings, Distribution and Collection Systems	32,194,687	26,942	0	32,221,629
Totals	32,716,874	26,942	0	32,743,816
Less Accumulated Depreciation for:				
Vehicles, Machinery and Equipment	374,919	26,089	0	401,008
Buildings, Distribution and Collection Systems	6,483,852	341,582	0	6,825,434
Totals	6,858,771	367,671	0	7,226,442
Total Capital Assets, Being Depreciated	25,858,103	(340,729)	0	25,517,374
Business-type Activities Capital Assets, Net	$ 26,032,493	$ (213,652)	$ 0	$ 25,818,841

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	$ 90,653	Water	$ 110,325
Public Safety	218,394	Sewer	257,346
Highways and Streets	1,217,730		
Culture and Recreation	24,069		
Total Depreciation Expense - Governmental Activities	$ 1,550,846	Total Depreciation Expense - Business-type Activities	$ 367,671

F. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2021 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 0	$ 3,124,285
Town Core TIF Fund	0	312
Capital Reserve Fund	657,560	0
Non-Major Governmental Funds	926,180	25,454
Water Fund	646,973	0
Sewer Fund	919,338	0
Total	$ 3,150,051	$ 3,150,051

Interfund transfers during the year ended June 30, 2021 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Reserve Fund	$ 205,982	Annual Subsidy
Town Core TIF Fund	Water Fund	8,798	Fund Debt Service
Town Core TIF Fund	Sewer Fund	135,780	Fund Debt Service
Capital Reserve Fund	Grant Fund	178	Fund Local Match
Impact Fees Fund	General Fund	27,111	Fund Debt Service
Impact Fees Fund	Town Core TIF Fund	19,702	Fund Capital Expenditures
Impact Fees Fund	Capital Reserve Fund	12,243	Fund Capital Expenditures
Restoration of Records Fund	General Fund	23,220	Fund Restoration Expenses
Fire/EMS Capital Reserve Fund	General Fund	55,494	Fund Debt Service
Fire/EMS Capital Reserve Fund	Capital Reserve Fund	16,380	Fund Capital Expenditures
Total		$ 504,888	

G. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of $214,871 from the difference between the expected and actual experience, $228,186 from the difference between the projected and actual investment earnings, $319,867 from changes in assumptions and $5,840 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $206,737 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is $975,501.

Deferred outflows of resources in the business-type activities consists of $11,620 from the difference between the expected and actual experience, $12,339 from the difference between the projected and actual investment earnings, $17,296 from changes in assumptions and $315 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $11,165 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is $52,735.

Deferred outflows of resources in the Water Fund consists of $7,112 from the difference between the expected and actual experience, $7,552 from the difference between the projected and actual investment earnings, $10,587 from changes in assumptions and $193 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $6,838 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is $32,282.

Deferred outflows of resources in the Sewer Fund consists of $4,508 from the difference between the expected and actual experience, $4,787 from the difference between the projected and actual investment earnings, $6,709 from changes in assumptions and $122 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $4,327 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is $20,453.

H. Unearned Revenue

Unearned revenue in the governmental activities consists of $27,636 of recreation fees and $2,189 of grant revenue received in advance. Total unearned revenue in the governmental activities is $29,825.

Unearned revenue in the business-type activities and Water Fund consists of $5,402 of user fees received in advance.

Unearned revenue in the General Fund consists of $27,636 of recreation fees received in advance.

Unearned revenue in the Non-Major Governmental Funds consists of $2,189 of grant revenue received in advance.

I. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of $7,071 from the difference between the expected and actual experience and $107,424 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS). It also includes $30,234 of prepaid property taxes. Total deferred inflows of resources in the governmental activities is $144,729.

Deferred inflows of resources in the business-type activities consists of $383 from the difference between the expected and actual experience and $5,809 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows in the business-type activities is $6,192.

Deferred inflows of resources in the General Fund consists of $208,600 of delinquent property taxes, penalties and interest on those taxes, $64,318 of ambulance fees and $277 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes $30,234 of prepaid property taxes. Total deferred inflows of resources in the General Fund is $303,429.

Deferred inflows of resources in the Capital Reserve Fund consists of $20,666 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Non-Major Governmental Funds consists of $47,573 of grant revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Water Fund consists of $234 from the difference between the expected and actual experience and $3,556 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Water Fund is $3,790.

Deferred inflows of resources in the Sewer Fund consists of $149 from the difference between the expected and actual experience and $2,253 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Sewer Fund is $2,402.

J. Long-term Liabilities

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for both governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

The Town had bond anticipation notes to finance various capital improvements and purchases through a local bank.

The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the State of Vermont Special Environmental Revolving Fund for water and sewer projects.

The Town enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the Town does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town's share of the net pension liability is recorded in the government-wide financial statements and proprietary fund financial statements.

It is the policy of the Town to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements.

Long-term liabilities outstanding as of June 30, 2021 were as follows:

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, Vermont Municipal Bond Bank, Recovery Zone Economic Development Bond, Library Expenses and West Milton Road Construction, Principal Payments Ranging from \$80,000 to \$85,000 Payable on December 1 Annually, Interest Ranging from 0.777% to 3.546% Payable June 1 and December 1, Due December, 2030	$ 885,000	$ 0	$ 85,000	$ 800,000
Bond Payable, Vermont Municipal Bond Bank, Fire Station, Principal Payments Ranging from \$25,000 to \$40,000 Payable on December 1 Annually, Interest Ranging from 0.804% to 3.844% Payable on June 1 and December 1, Due December, 2023	145,000	0	40,000	105,000

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, Vermont Municipal Bond Bank, Tower Truck, Principal Payments of $45,000 Payable on December 1 Annually, Interest Ranging from 0.804% to 3.634% Payable on June 1 and December 1, Due December, 2023	$ 180,000	$ 0	$ 45,000	$ 135,000
Bond Payable, Vermont Municipal Bond Bank, Bombardier Property Purchase, Principal Payments of $26,000 Payable on November 1 Annually, Interest Ranging from 1.78% to 3.49% Payable on May 1 and November 1, Due November, 2032	338,000	0	26,000	312,000
Bond Payable, TD Bank, TIF Improvements, Principal Payments of $420,000 Payable on March 1 Annually with a Final Payment of $350,000 Payable on March 1, 2033, Interest at 3.15% Payable on March 1 and September 1, Due March, 2033	5,390,000	0	420,000	4,970,000
Bond Anticipation Note, Union Bank, Bridge Improvements, Authorized to $1,695,000, Interest at 1.7%. The Town Drew the Remaining Available Balance and Refinanced this Note and Accrued Interest with Capital One Public Funding, LLC During the Year.	1,082,088	612,912	1,695,000	0
Note Payable, Capital One Public Funding, LLC, Bridge Improvements, Principal Payments of $85,877 Plus Interest Payable on February 4 Annually Beginning February 4, 2022, Interest at 2.89%, Due February, 2041	0	1,717,531	0	1,717,531
Bond Anticipation Note, Union Bank, Paving, Authorized to $1,000,000, Interest at 2.23%. The Town Drew the Available Balance and Refinanced this Note and Accrued Interest with Capital One Public Funding, LLC During the Year.	0	1,000,000	1,000,000	0

	Beginning Balance	Additions	Deletions	Ending Balance
Note Payable, Capital One Public Funding, LLC, Paving, Principal Payments of $201,114 Plus Interest Payable on February 4 Annually Beginning February 4, 2022, Interest at 1.89%, Due February, 2026	$ 0	$1,005,569	$ 0	$ 1,005,569
Bond Anticipation Note, Union Bank, Fire Truck/Equipment, Interest at 1.7%. The Town Refinanced this Note and Accrued Interest with Capital One Public Funding, LLC During the Year.	1,148,500	0	1,148,500	0
Capital Lease Payable, Capital One Public Funding, LLC, Fire Truck/Equipment, Principal and Interest Payments of $131,054 Payable on January 27 Annually, Interest at 2.29%, Due January, 2030	0	1,186,092	131,054	1,055,038
Capital Lease Payable, Capital One Public Funding, LLC, Miscellaneous Capital Equipment/Vehicles, Principal and Interest Payments of $17,751 Payable on January 27 Annually, Interest at 1.89%, Due January, 2023	0	52,272	17,751	34,521
Capital Lease Payable, Capital One Public Funding, LLC, Miscellaneous Capital Equipment/Vehicles, Principal and Interest Payments of $88,699 Payable on January 27 Annually, Interest at 1.39%, Due January, 2025	0	431,500	88,699	342,801
Total Governmental Activities	$9,168,588	$6,005,876	$4,697,004	$10,477,460

Business-type Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, Vermont Municipal Bond Bank, Water Line Improvements, Principal Payments of $15,667 Payable on December 1 Annually, Interest Ranging from 0.804% to 4.954% Payable on June 1 and December 1, Due December, 2043	$ 376,000	$ 0	$ 15,667	$ 360,333
Bond Payable, Vermont Municipal Bond Bank, Bombardier Water Line Improvements, Principal Payments of $6,000 Payable on December 1 Annually, Interest Ranging from 0.804% to 4.644% Payable on June 1 and December 1, Due December, 2033	84,000	0	6,000	78,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Authorized to $37,400, Principal Payments of $7,480 Payable on March 1 Annually Beginning March, 2024, 0% Interest, Due March, 2028	24,822	0	0	24,822
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Principal, Interest and Administrative Fee Payment of $17,744 Payable on September 1, 2021 with Remaining Principal, Interest and Administrative Fee Payments of $18,202 Payable on September 1 Annually Beginning September 1, 2022, 1% Interest, 2% Administrative Fee, Due September, 2049. The Town Made a $11,830 Principal Payment During the Year.	358,329	2,580	11,830	349,079
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Authorized to $18,050, Principal Payments of $3,610 Payable on February 1 Annually Beginning February, 2024, 0% Interest, Due February, 2028	13,020	0	0	13,020

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Authorized to $251,000 but Eligible for 188,250 Subsidy, Principal And Administrative Fee Payments of $2,801 Payable on September 1 Annually Beginning September 1, 2022, 0% Interest, 2% Administrative Fee, Due September, 2051. The Town Has Recognized $16,088 of the Subsidy.	$ 5,940	$15,511	$ 16,088	$ 5,363
Bond Payable, State of Vermont Special Environmental Revolving Fund, Village Core Sewer Improvements, Principal and Administrative Fee Payments of $179,159 Payable on October 1 Annually, 0% Interest, 2% Administrative Fee, Due October, 2033	2,168,943	0	135,780	2,033,163
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Rehabilitation, Principal and Administrative Fee Payments of $8,762 Payable on September 1 Annually, 0% Interest, 2% Administrative Fee, Due September, 2034	112,584	0	6,510	106,074
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer Upgrade, Authorized to $27,050 but Eligible for $13,525 Subsidy, Principal Payments of $2,705 Payable on February 1 Annually Beginning February, 2024, 0% Interest, Due February, 2028. The Town Has Recognized $10,335 of the Subsidy.	10,335	0	0	10,335
Total Business-type Activities	$3,153,973	$18,091	$191,875	$2,980,189

Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	$ 6,938,000	$ 0	$ 616,000	$ 6,322,000	$ 611,000
Notes Payable	2,230,588	2,723,100	2,230,588	2,723,100	286,991
Capital Leases Payable	0	1,669,864	237,504	1,432,360	237,504
Compensated Absences Payable	148,419	7,559	0	155,978	0
Landfill Post-Closure	30,000	0	7,000	23,000	10,000
Net Pension Liability	1,713,702	672,143	0	2,385,845	0
Total Governmental Activities Long-term Liabilities	$ 11,060,709	$ 5,072,666	$ 3,091,092	$ 13,042,283	$ 1,145,495

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	$ 3,153,973	$ 18,091	$ 191,875	$ 2,980,189	$ 174,333
Compensated Absences Payable	15,348	4,410	0	19,758	0
Net Pension Liability	88,678	40,335	0	129,013	0
Total Business-type Activities Long-term Liabilities	$ 3,257,999	$ 62,836	$ 191,875	$ 3,128,960	$ 174,333

State and Federal laws and regulations required the Town to close its landfill in 1991. These laws and regulations required the Town to perform certain maintenance and monitoring at the site through May, 2013. After further testing, the State of Vermont has mandated the Town continue to perform maintenance and monitoring. The Town has estimated that they will continue for another two (2) years. The Town's estimated liability is $23,000. This amount is based on what it would cost to perform all post closure care now. Actual costs may vary due to changes in the cost of living, changes in technology, changes in regulations or variances between estimated and actual amounts.

Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The change in the net pension liability is allocated to the function where the employee is charged.

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest	Governmental Activities Capital Leases	Business-type Activities Principal	Business-type Activities Interest
2022	$ 897,991	$ 272,615	$ 237,504	$ 174,333	$ 65,964
2023	897,991	247,647	237,504	179,209	63,085
2024	882,991	219,114	219,753	188,754	62,201
2025	812,991	191,720	219,753	199,531	61,493
2026	812,990	168,895	131,054	201,885	56,568
2027-2031	3,059,385	535,983	524,216	1,004,053	214,502
2032-2036	1,251,381	136,359	0	701,482	99,798
2037-2041	429,380	37,227	0	142,220	48,483
2042-2046	0	0	0	121,063	20,437
2047-2050	0	0	0	67,659	5,149
Total	9,045,100	1,809,560	1,569,784	2,980,189	697,680
Less: Imputed Interest	0	0	(137,424)	0	0
Total	$ 9,045,100	$ 1,809,560	$ 1,432,360	$ 2,980,189	$ 697,680

K. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town has established a policy to maintain a minimum unassigned fund balance of approximately ten percent (10%) of the budget. The unassigned fund balance is $2,047,032 which is 23.6% of the 2022 expenditures budget.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Major Funds	
General Fund:	
Nonspendable Prepaid Items	$148,635
Nonspendable Inventories	75,196
Total General Fund	223,831
Non-Major Funds	
Permanent Fund:	
Nonspendable West Milton Cemetery Fund Principal	4,500
Total Nonspendable Fund Balances	$228,331

The fund balances in the following funds are restricted as follows:

Major Funds	
General Fund:	
Restricted for July 4th Celebration Expenses by Donations (Source of Revenue is Donations)	$ 5,041
Town Core TIF Fund:	
Restricted for Town Core TIF Fund Debt/Expenditures by Statute (Source of Revenue is Property Taxes)	3,087,244
Restricted for Town Core TIF Fund Expenditures by Unspent Bond Proceeds (Source of Revenue is Bond Proceeds)	2,935,559
Total Town Core TIF Fund	6,022,803
Capital Reserve Fund:	
Restricted for Bridge/Road Restoration Expenditures by Unspent Lease Proceeds	155,501
Restricted for Capital Equipment and Vehicles Expenditures by Unspent Lease Proceeds	234,593
Total Capital Reserve Fund	390,094

Non-Major Funds

Special Revenue Funds:	
Restricted Impact Fees Fund Expenses by Impact Fees (Source of Revenue is Impact Fees)	$ 189,977
Restricted for Restoration of Records Fund Expenses by Statute (Source of Revenue is Restoration Fees)	145,603
Restricted for Drug Forfeiture Expenses by Agreement (Source of Revenue is Grant Revenue)	41,046
Restricted for Milton Public Library Expenses by Donations (Source of Revenue is Donations)	6,440
Total Special Revenue Funds	383,066
Capital Projects Funds:	
Restricted for Road/Sidewalk Restoration Expenditures by Statute (Source of Revenue is Highway Property Taxes)	8,592
Permanent Fund:	
Restricted for West Milton Cemetery Expenses by Trust Agreements and Sale of Lots	60,506
Total Non-Major Funds	452,164
Total Restricted Fund Balances	$6,870,102

The fund balances in the following fund is committed as follows:

Non-Major Funds

Capital Projects Funds:	
Committed for Fire/EMS Capital Expenditures by Voters	$74,279
Total Committed Fund Balances	$74,279

The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:	
Assigned to Reduce Property Taxes in Fiscal Year 2022	$ 350,000
Assigned for Emergency Management Expenditures	25,928
Total General Fund	375,928
Capital Reserve Fund:	
Assigned for Capital Expenditures	713,527

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	408,934
Total Assigned Fund Balances	$1,498,389

The unassigned deficit of $51,673 in the Grant Fund will be funded with the collection of grant revenues and a transfer from the General Fund.

L. Restricted Net Position

The restricted net position of the Town as of June 30, 2021 consisted of the following:

Governmental Activites:	
Inventories Restricted for Highway Use by Statute	$ 75,196
Restricted for July 4th Celebration expenses by Donations	5,041
Restricted for Town Core TIF Fund by Statute	3,087,244
Restricted for Impact Fees Fund Expenses by Impact Fees	189,977
Restricted for Restoration of Records Expenses by Statute	145,603
Restricted for Drug Forfeiture Expenses by Agreement	41,046
Restricted for Milton Public Library Expenses by Donations	6,440
Restricted for Road/Sidewalk Restoration Expenditures by Statue	8,592
Restricted for West Milton Cemetery Expenses by Trust Agreements – Non-Expendable Portion	4,500
Restricted for West Milton Cemetery Expenses by Trust Agreements – Expendable Portion	60,506
Total Governmental Activities	$3,624,145

V. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2020, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2020, the measurement date selected by the State of Vermont, VMERS was funded at 74.52% and had a plan fiduciary net position of $740,052,895 and a total pension liability of $993,026,959 resulting in a net position liability of $252,974,064. As of June 30, 2021, the Town's proportionate share of this was 0.9941% resulting in a net pension liability of $2,514,858. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.9941% was a decrease of 0.0448 from its proportion measured as of the prior year.

For the year ended June 30, 2021, the Town recognized pension expense of $550,787.

As of June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 226,491	$ 7,454
Net difference between projected and actual investment earnings on pension assets	240,525	0
Changes in assumptions	337,163	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,155	113,233
Town's required employer contributions made subsequent to the measurement date	217,902	0
	$ 1,028,236	$ 120,687

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of $217,902 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2022	$191,017
2023	194,306
2024	174,805
2025	129,519
Total	$689,647

Summary of System Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Groups B, C and D.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments".

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 3.00%. Group B – 5.375%. Group C – 10.50%. Group D – 11.85%.

Employer Contributions – Group A – 4.50%. Group B – 6.00%. Group C – 7.75%. Group D – 10.35%.

Retirement Stipend – $25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation, a decrease from 7.50% in the prior year.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Disabled Post-retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Inflation: 2.30%

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	29%	7.07%
US Equity – Large Cap	4%	6.19%
US Equity – Small/Mid Cap	3%	6.93%
Non-US Equity – Large Cap	5%	7.01%
Non-US Equity – Small Cap	2%	7.66%
Emerging Markets Debt	4%	3.66%
Core Bond	20%	0.39%
Private & Alternate Credit	10%	6.03%
US TIPS	3%	(0.20)%
Core Real Estate	5%	4.06%
Non-Core Real Estate	3%	6.43%
Private Equity	10%	11.27%
Infrastructure/Farmland	2%	5.44%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%, a decrease from 7.50% in the prior year. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
$3,842,194	$2,514,858	$1,422,742

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

Defined Contribution Plan

The Town participates in Group DC of VMERS, a defined contribution plan, which requires employees to contribute 5% of their gross salary while the Town contributes 5.125%.

The Town pays all costs accrued each year for the plan. The premise of Plan DC is to allow employees to have a choice in investing their retirement assets. Each employee will receive the value of their account upon retirement.

Total covered payroll for Group DC was $620,105. Pension expense for the years ended June 30, 2021, 2020 and 2019 was $31,780, $31,641 and $30,806, respectively.

Deferred Compensation Plan

The Town also offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The Town is the administrator of the plan. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town has no liability for losses under this plan, but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee.

B. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are collected three (3) times per year. During the tax year ended June 30, 2021, taxes became due and payable on September 15, 2020, February 15, 2021 and May 15, 2021. The Town assesses an 8% penalty on delinquent taxes and interest is assessed at 1% per month. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2021 were as follows:

	Homestead	Non-Homestead
Town	.5752	.5752
Local Agreement	.0053	.0053
Education	1.5330	1.7097
Total	2.1135	2.2902

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risk of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and rate setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. No liabilities have been accrued as the Town is not able to make an estimate as to any future costs. The Town paid $1,590 in unemployment claims during fiscal year 2021.

D. Tax Increment Financing Districts

In April, 2008, the Town created the Milton Town Core TIF District which VEPC approved in 2008. In April 2012, VEPC approved the TIF District Financing Plan and the District was activated at 2013 Town Meeting.

TIF Districts allow the Town to undertake and pay for infrastructure improvements that will allow for increased economic and community development. The Town cannot begin any TIF projects unless a debt ceiling is in place. The Town may adjust its debt ceiling through debt related ballot items for TIF projects. Milton specific legislation allows Milton to approve debt ceilings incrementally. All TIF District debt will be secured by the TIF District revenues and the general obligation of the Town. The Town can no longer borrow on the Town Core TIF District. The Town was required to incur all approved debt by March 31, 2018 which was completed. The Town previously incurred $3,250,000 for Phases I and II of the Village Core Sewer Expansion System and to extend a waterline along Bombardier Road to Route 7. These projects were finished during fiscal years 2015 and 2016. The Town borrowed $6,230,000 in 2018 to fund approved projects including $2,800,000 for the Hourglass Intersection Improvement, $2,500,000 for Streetscape Improvements along Route 7 and $1,000,000 for the Southern Gateway Intersection. $2,033,163 of outstanding debt is included in the Sewer Fund and $78,000 in the Water Fund that will be paid with TIF District incremental taxes.

With a TIF District, the value of properties within the District are frozen at the time the District is created. All property taxes generated by the original base continue to go to the municipal General Fund and the State Education Fund. For twenty (20) years, the municipal and education property taxes generated by any new development are shared with 75% going to finance TIF District infrastructure debt and 25% going to the municipal General Fund and State Education Fund.

E. Contingent Liabilities

The Town is a participating member in the Chittenden Solid Waste District (CSWD) and the Champlain Water District (CWD). The Town could be subject to a portion of these entities debt if these entities experience financial problems.

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

There are currently pending claims against the Town where the Town's insurance carrier is providing defense. The Town is vigorously defending the claims. The Town and the insurer do not believe that the claims could exceed the insurance policy limits in the event of unfavorable rulings.

F. Concentration of Expenses

The Town purchased all of their water from Champlain Water district "CWD" for the year ended June 30, 2021. The Town purchased $399,659 of water from CWD.

TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:					
Property Taxes	$ 6,496,584	$ 0	$ 6,496,584	$ 6,529,047	$ 32,463
Interest on Delinquent Taxes	30,000	0	30,000	19,879	(10,121)
Penalties on Delinquent Taxes	45,000	0	45,000	56,582	11,582
Railroad Taxes	4,000	0	4,000	4,062	62
State Land Taxes	14,000	0	14,000	12,538	(1,462)
Current Use Taxes	54,000	0	54,000	56,463	2,463
State Land PILOT	5,400	0	5,400	5,877	477
Penalty on Late HS-122	5,000	0	5,000	5,727	727
School Tax Collection Fee	29,000	0	29,000	33,248	4,248
Interest on Investments	4,500	0	4,500	5,608	1,108
Miscellaneous	15,000	0	15,000	5,890	(9,110)
Administrative Contribution - Water and Sewer	350,000	0	350,000	336,000	(14,000)
Clerk and Treasurer	95,400	0	95,400	206,413	111,013
Finance	31,400	0	31,400	23,900	(7,500)
Library	3,300	0	3,300	419	(2,881)
Recreation	69,000	0	69,000	51,823	(17,177)
Planning and Zoning	42,000	0	42,000	47,887	5,887
Public Works	247,500	0	247,500	328,303	80,803
Buildings and Grounds	4,000	0	4,000	9,677	5,677
Police	118,000	0	118,000	101,824	(16,176)
Animal Control	2,500	0	2,500	1,168	(1,332)
Fire	375	0	375	697	322
Rescue	270,000	0	270,000	265,163	(4,837)
Transfers In	78,804	0	78,804	82,605	3,801
FEMA/LGER Grant Income	0	0	0	78,807	78,807
EMS Workforce Stabilization Grant Income	0	0	0	42,952	42,952
Total Revenues	8,014,763	0	8,014,763	8,312,559	297,796
Expenditures:					
Administrative Services	139,009	0	139,009	128,132	10,877
Selectboard	69,025	0	69,025	68,726	299
Insurance/Risk Management	122,995	0	122,995	179,455	(56,460)
Legal	60,500	0	60,500	42,556	17,944
County and Regional Functions	135,993	0	135,993	134,252	1,741
Information Technology	103,432	0	103,432	92,813	10,619
Contingency	30,000	0	30,000	0	30,000
Debt Service, Principal and Interest	762,636	0	762,636	487,216	275,420
Manager	264,342	0	264,342	245,381	18,961
Clerk and Treasurer	324,563	(70,123)	254,440	256,767	(2,327)
Elections	20,318	0	20,318	15,732	4,586
Finance	289,314	70,123	359,437	316,198	43,239
Listers	90,153	0	90,153	66,273	23,880
Library	302,271	0	302,271	270,551	31,720
Recreation	244,186	0	244,186	194,620	49,566
Planning and Zoning	253,328	0	253,328	231,342	21,986
Public Works Administration	327,910	0	327,910	200,314	127,596
Highways	1,402,401	0	1,402,401	1,442,674	(40,273)
Buildings and Grounds	377,017	0	377,017	330,816	46,201
Public Safety Administration	109,872	0	109,872	93,710	16,162
Police	2,008,369	0	2,008,369	1,852,215	156,154
Animal Control	11,091	0	11,091	6,014	5,077
Fire	227,731	0	227,731	198,801	28,930
Rescue	444,757	(55,800)	388,957	501,703	(112,746)
Transfer to Capital	243,550	55,800	299,350	205,982	93,368
Total Expenditures	8,364,763	0	8,364,763	7,562,243	802,520
Excess/(Deficiency) of Revenues Over Expenditures	$ (350,000)	$ 0	$ (350,000)	750,316	$ 1,100,316
Fund Balance - July 1, 2020				1,953,189	
Fund Balance - June 30, 2021				$ 2,703,505	

See Disclaimer in Accompanying Independent Auditor's Report

TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMETARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	$ 252,974,064	$ 173,491,807	$ 140,675,892	$ 121,155,552	$ 128,696,167	$ 77,095,810	$ 9,126,613
Town's Proportion of the Net Pension Liability	0 9941%	1 0389%	1 1007%	1 1926%	1 1443%	1 2687%	1 2374%
Town's Proportionate Share of the Net Pension Liability	$ 2,514,858	$ 1,802,380	$ 1,548,443	$ 1,444,939	$ 1,472,657	$ 978,129	$ 112,929
Town's Covered Employee Payroll	$ 2,646,749	$ 2,600,909	$ 2,555,809	$ 2,539,238	$ 2,594,175	$ 2,326,953	$ 2,359,680
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	95 0169%	69 2981%	60 5852%	56 9044%	56 7678%	42 0348%	4 7858%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74 52%	80 35%	82 60%	83 64%	80 95%	87 42%	98 32%

Notes to Schedule

Benefit Changes: None

Changes in Assumptions and Methods: The following changes were effective for the June 30, 2020 valuation date:
- The investment return assumption was lowered from 7 50% to 7 00%
- The inflation assumption was lowered from 2 50% to 2 30%
- The COLA assumption was lowered from 1 15% to 1 10% for Group A members and from 1 30% to 1 20% for Groups B, C and D members
- The mortality assumptions were updated as follows:
  - Pre-Retirement:
    - Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019
    - Group D - PubG-2010 General Employee above-median, with generational projection using scale MP-2019
  - Healthy Post-Retirement - Retirees:
    - Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019
    - Group D - PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019
  - Healthy Post-Retirement - Beneficiaries:
    - Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019
    - Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019
  - Disabled Retirees:
    - All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2 20% for all subsequent years, plus revised inflation of 2 30%
- The active retirement rates were updated as follows:
  - Group A: Decreased the rates throughout all ages
  - Group B: For females, slightly decreased the rates at younger ages and then increased the rates at later ages For males, slightly decreased the rates at most ages
  - Group C: Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females
  - Group D: For members with less than 20 years of service, increased the rates for ages 55-59
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age
- The liability loan of accumulated contributions for Inactive Members was removed Liabilities for Inactive Members are now based on 100% of the accumulated contributions Inactive Members who are vested immediately become Deferred Members, and the liabilities for all Deferred Members are based on the accrued benefit
- The termination rates were updated as follows:
  - Simplified female rates to one set of slightly reduced rates for all females

Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown

See Disclaimer in Accompanying Independent Auditor's Report

TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	$ 217,902	$ 206,035	$ 199,606	$ 192,798	$ 194,767	$ 173,914	$ 177,348
Contributions in Relation to the Actuarially Determined Contributions	217,902	206,035	199,606	192,798	194,767	173,914	177,348
Contribution Excess/(Deficiency)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Town's Covered Employee Payroll	$ 2,646,749	$ 2,600,909	$ 2,555,809	$ 2,539,238	$ 2,594,175	$ 2,326,953	$ 2,359,680
Contributions as a Percentage of Town's Covered Employee Payroll	8 233%	7 922%	7 810%	7 593%	7 508%	7 474%	7 516%

Notes to Schedule

Valuation Date: June 30, 2020

Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown

TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
ASSETS				
Cash	$ 47,278	$ 0	$ 5,721	$ 52,999
Receivables	52,008	0	0	52,008
Due from Other Funds	778,228	88,667	59,285	926,180
Total Assets	$ 877,514	$ 88,667	$ 65,006	$ 1,031,187
LIABILITIES				
Accounts Payable	$ 59,133	$ 5,796	$ 0	$ 64,929
Accrued Payroll and Benefits Payable	2,838	0	0	2,838
Due to Other Funds	25,454	0	0	25,454
Unearned Revenue	2,189	0	0	2,189
Total Liabilities	89,614	5,796	0	95,410
DEFERRED INFLOWS OF RESOURCES				
Unavailable Grants	47,573	0	0	47,573
Total Deferred Inflows of Resources	47,573	0	0	47,573
FUND BALANCES				
Nonspendable	0	0	4,500	4,500
Restricted	383,066	8,592	60,506	452,164
Committed	0	74,279	0	74,279
Assigned	408,934	0	0	408,934
Unassigned/(Deficit)	(51,673)	0	0	(51,673)
Total Fund Balances	740,327	82,871	65,006	888,204
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 877,514	$ 88,667	$ 65,006	$ 1,031,187

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
Revenues:				
Property Taxes	$ 0	$ 85,835	$ 0	$ 85,835
Intergovernmental	162,843	0	0	162,843
Charges for Services	0	0	6,930	6,930
Permits, Licenses and Fees	122,702	0	0	122,702
Investment Income	1,094	125	72	1,291
Donations	554	0	0	554
Total Revenues	287,193	85,960	7,002	380,155
Expenditures:				
General Government	201,205	0	0	201,205
Public Safety	53,224	0	0	53,224
Culture and Recreation	27,507	0	0	27,507
Capital Outlay:				
Highways and Streets	54,323	0	0	54,323
Total Expenditures	336,259	0	0	336,259
Excess/(Deficiency) of Revenues Over Expenditures	(49,066)	85,960	7,002	43,896
Other Financing Sources/(Uses):				
Transfers In	178	0	0	178
Transfers Out	(82,276)	(71,874)	0	(154,150)
Total Other Financing Sources/(Uses)	(82,098)	(71,874)	0	(153,972)
Net Change in Fund Balances	(131,164)	14,086	7,002	(110,076)
Fund Balances - July 1, 2020	871,491	68,785	58,004	998,280
Fund Balances - June 30, 2021	$ 740,327	$ 82,871	$ 65,006	$ 888,204

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 41,046	$ 6,232	$ 0	$ 47,278
Receivables	0	0	0	0	0	52,008	52,008
Due from Other Funds	189,977	442,440	145,603	0	208	0	778,228
Total Assets	$ 189,977	$ 442,440	$ 145,603	$ 41,046	$ 6,440	$ 52,008	$ 877,514
LIABILITIES							
Accounts Payable	$ 0	$ 33,506	$ 0	$ 0	$ 0	$ 25,627	$ 59,133
Accrued Payroll and Benefits Payable	0	0	0	0	0	2,838	2,838
Due to Other Funds	0	0	0	0	0	25,454	25,454
Unearned Revenue	0	0	0	0	0	2,189	2,189
Total Liabilities	0	33,506	0	0	0	56,108	89,614
DEFERRED INFLOWS OF RESOURCES							
Unavailable Grants	0	0	0	0	0	47,573	47,573
Total Deferred Inflows of Resources	0	0	0	0	0	47,573	47,573
FUND BALANCES/(DEFICIT)							
Restricted	189,977	0	145,603	41,046	6,440	0	383,066
Assigned	0	408,934	0	0	0	0	408,934
Unassigned/(Deficit)	0	0	0	0	0	(51,673)	(51,673)
Total Fund Balances/(Deficit)	189,977	408,934	145,603	41,046	6,440	(51,673)	740,327
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 189,977	$ 442,440	$ 145,603	$ 41,046	$ 6,440	$ 52,008	$ 877,514

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
Revenues:							
Intergovernmental	$ 0	$ 42,351	$ 0	$ 9,368	$ 390	$ 110,734	$ 162,843
Permits, Licenses and Fees	67,962	0	54,740	0	0	0	122,702
Investment Income	238	652	185	14	5	0	1,094
Donations	0	0	0	0	554	0	554
Total Revenues	68,200	43,003	54,925	9,382	949	110,734	287,193
Expenditures:							
General Government	0	179,278	0	0	0	21,927	201,205
Public Safety	0	0	0	0	0	53,224	53,224
Culture and Recreation	0	0	0	0	1,340	26,167	27,507
Capital Outlay:							
Highways and Streets	0	0	0	0	0	54,323	54,323
Total Expenditures	0	179,278	0	0	1,340	155,641	336,259
Excess/(Deficiency) of Revenues Over Expenditures	68,200	(136,275)	54,925	9,382	(391)	(44,907)	(49,066)
Other Financing Sources/(Uses):							
Transfers In	0	0	0	0	0	178	178
Transfers Out	(59,056)	0	(23,220)	0	0	0	(82,276)
Total Other Financing Sources/(Uses)	(59,056)	0	(23,220)	0	0	178	(82,098)
Net Change in Fund Balances	9,144	(136,275)	31,705	9,382	(391)	(44,729)	(131,164)
Fund Balances/(Deficit) - July 1, 2020	180,833	545,209	113,898	31,664	6,831	(6,944)	871,491
Fund Balances/(Deficit) - June 30, 2021	$ 189,977	$ 408,934	$ 145,603	$ 41,046	$ 6,440	$ (51,673)	$ 740,327

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
ASSETS			
Due from Other Funds	$ 8,592	$ 80,075	$ 88,667
Total Assets	$ 8,592	$ 80,075	$ 88,667
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 0	$ 5,796	$ 5,796
Total Liabilities	0	5,796	5,796
Fund Balances:			
Restricted	8,592	0	8,592
Committed	0	74,279	74,279
Total Fund Balances	8,592	74,279	82,871
Total Liabilities and Fund Balances	$ 8,592	$ 80,075	$ 88,667

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
Revenues:			
Property Taxes	$ 0	$ 85,835	$ 85,835
Investment Income	11	114	125
Total Revenues	11	85,949	85,960
Expenditures:	0	0	0
Excess of Revenues Over Expenditures	11	85,949	85,960
Other Financing Sources/(Uses):			
Transfers Out	0	(71,874)	(71,874)
Total Other Financing Sources/(Uses)	0	(71,874)	(71,874)
Net Change in Fund Balances	11	14,075	14,086
Fund Balances - July 1, 2020	8,581	60,204	68,785
Fund Balances - June 30, 2021	$ 8,592	$ 74,279	$ 82,871

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Water Rents	$ 1,095,191	$ 1,095,540	$ 349
Penalties	14,000	12,153	(1,847)
Hookup Fees	20,000	119,466	99,466
Water Hauler Receipts	12,000	14,854	2,854
Maintenance Agreement Receipts	3,600	0	(3,600)
Interest Earnings	0	731	731
Other Income	1,500	225	(1,275)
Transfer In - TIF Fund	9,087	8,798	(289)
Total Revenues	1,155,378	1,251,767	96,389
Expenses:			
Regular Salaries	161,405	147,348	14,057
Overtime Salaries	6,500	4,534	1,966
Insurance Buyout	7,750	9,600	(1,850)
Group Health Insurance	25,970	12,672	13,298
Group Dental Insurance	2,106	1,208	898
Group LTD/STD/Vision Insurance	502	340	162
Group Life Insurance	1,927	1,619	308
Social Security	13,526	12,249	1,277
Retirement Contribution	10,134	10,709	(575)
Workers Compensation	8,981	9,367	(386)
Other Employee Benefits	1,150	0	1,150
Official/Administrative	175,000	168,000	7,000
Other Professional	3,000	875	2,125
Technical Services	2,300	798	1,502
Consulting Services	10,000	4,140	5,860
Laundry Services	150	312	(162)
Water/Sewer	200	197	3
Water Purchase - CWD	409,644	399,659	9,985
Disposal and Refuse	425	977	(552)
Repair and Maintenance Facility	12,150	1,564	10,586
Vehicle Repair and Maintenance	1,530	837	693
Equipment Repair and Maintenance	3,500	9,766	(6,266)
Rental of Equipment and Vehicle	450	0	450
Construction Services	15,500	11,336	4,164
General Liability Insurance	8,384	3,813	4,571
Communications - Telephone	1,000	780	220
Communications - Other	2,000	1,745	255
Advertising	300	0	300
Printing and Binding	2,652	1,439	1,213
Travel	275	0	275
Postage	3,900	2,747	1,153
Office Supplies	258	404	(146)
General Supplies	12,700	20,476	(7,776)
Water Meters	20,000	5,639	14,361
Technology	1,800	1,178	622
Natural Gas	4,080	1,346	2,734

TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Electricity	$ 14,500	$ 11,869	$ 2,631
Bottled Gas	75	0	75
Diesel Fuel	500	0	500
Gasoline	2,500	3,769	(1,269)
Books and Periodicals	200	0	200
Employee Uniforms	2,700	2,115	585
Capital Projects	125,500	129,016	(3,516)
Machinery and Equipment	2,000	3,002	(1,002)
Dues and Fees	1,000	525	475
Professional Development	2,000	0	2,000
Small Tools	800	677	123
Safety Supplies/Equipment	1,500	227	1,273
Miscellaneous	0	2,580	(2,580)
Bombardier Water Line Improvements Debt	15,667	15,667	0
Water Line Improvements Debt	6,000	6,000	0
Lake Road Water Line Debt	28,714	11,830	16,884
Interest	15,180	13,758	1,422
Total Expenses	1,149,985	1,048,709	101,276
Net Income	$ 5,393	203,058	$ 197,665
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(110,325)	
Principal Payments on Long-term Debt		33,497	
Debt Forgiveness		16,088	
Capital Outlay		119,464	
Change in Compensated Absences Payable		(2,205)	
Change in Net Pension Liability - GASB 68		(19,129)	
Change in Net Position - Exhibit G		$ 240,448	

TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Sewer Rents	$ 773,252	$ 748,469	$ (24,783)
Penalties	8,000	7,222	(778)
Hookup Fees	40,000	99,240	59,240
Septage Receipts	70,000	13,822	(56,178)
Maintenance Agreement Receipts	350	0	(350)
Interest Earnings	0	1,015	1,015
Other Income	100	250	150
Transfer In - TIF Fund	179,159	135,780	(43,379)
Total Revenues	1,070,861	1,005,798	(65,063)
Expenses:			
Regular Salaries	167,945	155,016	12,929
Overtime Salaries	13,500	11,625	1,875
Insurance Buyout	11,250	9,660	1,590
Group Health Insurance	23,340	12,434	10,906
Group Dental Insurance	1,956	1,208	748
LTD/STD Group Vision Insurance	453	340	113
Group Life Insurance and AD&D	2,066	1,619	447
Social Security	14,829	13,311	1,518
Retirement	10,739	8,248	2,491
Worker's Compensation	14,370	9,367	5,003
Other Employee Benefits	1,150	0	1,150
Official/Administrative	175,000	168,000	7,000
Other Professional	25,000	0	25,000
Technical Services	65,000	57,825	7,175
Consulting Services	10,000	0	10,000
Laundry Services	150	235	(85)
Water/Sewer	8,160	3,738	4,422
Disposal and Refuse	6,120	6,212	(92)
Repair and Maintenance Facility	25,000	11,165	13,835
Vehicle Repair and Maintenance	2,000	5,844	(3,844)
Equipment Repair and Maintenance	30,000	29,375	625
Rental of Land and Buildings	100	100	0
Rental of Equipment and Vehicle	510	0	510
Construction Services	8,000	594	7,406
General Liability Insurance	13,414	3,813	9,601
Communications - Telephone	3,355	3,182	173
Communications - Other	2,000	1,745	255
Advertising	300	0	300
Travel	275	0	275
Postage and Mailing	4,070	2,533	1,537
Office Supplies	258	136	122
General Supplies	12,500	17,980	(5,480)
Chemical Supplies	35,000	25,349	9,651
Water Meter Purchases	20,000	13,238	6,762
Technology	1,800	1,279	521
Natural Gas	12,000	8,456	3,544

TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Electricity	$ 80,000	$ 82,475	$ (2,475)
Bottled Gas	75	0	75
Diesel Fuel	1,000	600	400
Gasoline	2,000	0	2,000
Books and Periodicals	400	0	400
Employee Uniforms	2,700	1,965	735
Capital Projects	52,500	34,555	17,945
Machinery and Equipment	2,000	4,606	(2,606)
Furniture and Fixtures	2,000	0	2,000
Dues and Fees	5,000	3,000	2,000
Professional Development	1,750	558	1,192
Small Tools	800	78	722
Safety Supplies/Equipment	4,000	4,553	(553)
2013-1 Sewer Principal	133,118	135,780	(2,662)
Village Core Sewer Improvements Bond	6,383	6,510	(127)
Interest	46,041	0	46,041
Total Expenses	1,061,377	858,307	203,070
Net Income	$ 9,484	147,491	$ 138,007
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(257,346)	
Principal Payments on Long-term Debt		142,290	
Capital Outlay		34,555	
Change in Compensated Absences Payable		(2,205)	
Change in Net Pension Liability - GASB 68		(649)	
Change in Net Position - Exhibit G		$ 64,136	