TOWN OF MILTON, VERMONT

AUDIT REPORT

JUNE 30, 2022

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Independent Auditor's Report

Selectboard
Town of Milton, Vermont
43 Bombardier Road
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Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above 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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Milton, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2022, the Town implemented GASB Statement No. 87, "Leases".

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Milton, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and "Government Auditing Standards", we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Milton, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Milton, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, 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 express no 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 January 19, 2023 on our consideration of the Town of Milton, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town of Milton, Vermont's 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.

Sullivan, Powers & Co.

January 19, 2023
Montpelier, Vermont
VT Lic. #92-000180

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, 2022. Please note that this section (MD&A) 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 $42,636,172 (net position). Of this amount, $4,685,678 (unrestricted net position) may be used to meet the Town's ongoing obligations. The balance of net position is made up of $33,861,638 invested in capital assets net of related debt and $4,088,856 restricted for specific purposes.

- The Town's total net position increased by $1,503,445 (3.66%). Of this amount, net position of the governmental activities increased by $1,112,069 (6.77%), and net position attributable to business-type activities increased by $391,376 (1.58%).

- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $10,582,177. This is a decrease of $135,956 from the prior year's combined ending fund balance of $10,718,133.

- 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 $2,768,842, or approximately 33.5% of total general fund expenditures.

- The Town's total outstanding long-term debt decreased by $972,053 during the current fiscal year. Additions to long-term debt totaled $531,107 offset by principal payments of $1,503,160. The additions included notes for a plow truck, a police cruiser, and a building and grounds vehicle.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A 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 four major governmental funds; the General Fund, the Town Core TIF Fund, the Capital Reserve Fund and the ARPA 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 ***Required 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	
	2022	2021	2022	2021	2022	2021
Assets:						
Cash and Investments	$ 13,746,342	$ 12,134,213	$ -	$ -	$ 13,746,342	$ 12,134,213
Receivables, Net	608,899	581,435	576,152	618,326	1,185,051	1,199,761
Other Assets	(962,680)	(858,410)	1,998,952	1,585,308	1,036,272	726,898
Capital Assets	18,159,716	17,648,042	25,618,893	25,818,841	43,778,609	43,466,883
Total Assets	31,552,277	29,505,280	28,193,997	28,022,475	59,746,274	57,527,755
Deferred Outflows of Resources	702,359	975,501	38,759	52,735	741,118	1,028,236
Liabilities:						
Other Liabilities	2,634,255	865,241	140,548	235,859	2,774,803	1,101,100
Noncurrent Liabilities	11,181,224	13,042,283	2,947,225	3,128,960	14,128,449	16,171,243
Total Liabilities	13,815,479	13,907,524	3,087,773	3,364,819	16,903,252	17,272,343
Deferred Inflows of Resources	898,560	144,729	49,408	6,192	947,968	150,921
Net Position:						
Net Investment in Capital Assets	11,098,616	10,561,927	22,763,022	22,838,652	33,861,638	33,400,579
Restricted	4,088,856	3,624,145	0	0	4,088,856	3,624,145
Unrestricted	2,353,125	2,242,456	2,332,553	1,865,547	4,685,678	4,108,003
Total Net Position	$ 17,540,597	$ 16,428,528	$ 25,095,575	$ 24,704,199	$ 42,636,172	$ 41,132,727

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 $42,636,172. The Town's total net position is split between governmental activities net position of $17,540,597 and business-type activities net position of $25,095,575.

The largest portion of the Town's total net position $33,861,638 (79.4%) 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 $4,088,856 (9.6%) of restricted net position. Restricted net position represents assets whose use is subject to external restrictions. The remaining balance of $4,685,378 (11.0%) 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 2022	Governmental Activities 2021	Business-type Activities 2022	Business-type Activities 2021	Total Government 2022	Total Government 2021
Revenues:						
Program Revenues:						
Charges for Services	$ 814,173	$ 654,470	$ 2,214,988	$ 2,111,241	$ 3,029,161	$ 2,765,711
Operating Grants & Contributions	682,135	630,970	0	0	682,135	630,970
Capital Grants & Contributions	136,542	333,491	146,905	16,088	283,447	349,579
General Revenues:						
Property Taxes	8,091,849	7,350,829	0	0	8,091,849	7,350,829
Other	367,759	258,014	1,885	1,746	369,644	259,760
Total Revenues	10,092,458	9,227,774	2,363,778	2,129,075	12,456,236	11,356,849
Expenses:						
General Government	1,745,890	1,786,420	0	0	1,745,890	1,786,420
Public Safety	3,116,025	3,094,023	0	0	3,116,025	3,094,023
Highways and Streets (including Cemetery)	3,051,670	2,852,430	0	0	3,051,670	2,852,430
Culture and Recreation	582,463	536,939	0	0	582,463	536,939
Interest on Long-Term Debt	296,616	289,936	0	0	296,616	289,936
Water	0	0	1,070,268	1,027,407	1,070,268	1,027,407
Wastewater	0	0	1,089,859	941,662	1,089,859	941,662
Total Expenses	8,792,664	8,559,748	2,160,127	1,969,069	10,952,791	10,528,817
Increase (Decrease) in Net Position Before Transfers	1,299,794	668,026	203,651	160,006	1,503,445	828,032
Transfers	(187,725)	(144,578)	187,725	144,578	0	0
Increase (Decrease) in Net Position	1,112,069	523,448	391,376	304,584	1,503,445	828,032
Beginning Net Position	16,428,528	15,905,080	24,704,199	24,399,615	41,132,727	40,304,695
Ending Net Position	$ 17,540,597	$ 16,428,528	$ 25,095,575	$ 24,704,199	$ 42,636,172	$ 41,132,727

Governmental Activities

Governmental activities increased the Town's net position by $1,112,069 for the year ended June 30, 2022. Key elements of the change are as follows.

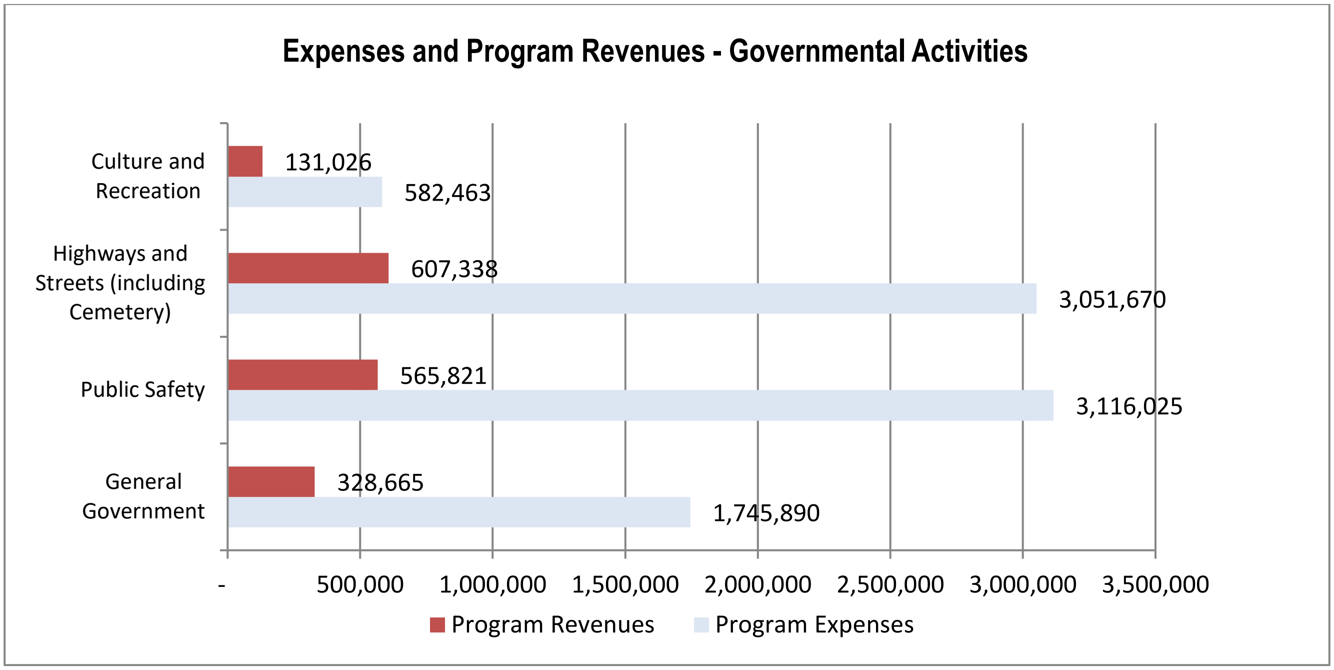
- Total governmental activities' revenues increased by 9.4% ($864,684) from 2021 to 2022. This was driven by an increase in the grand list to increase tax revenue and charges for services.

- Property tax revenues increased by 10.12% or $741,020 from the previous year as a result of a amount to be raised by taxes and other revenue.

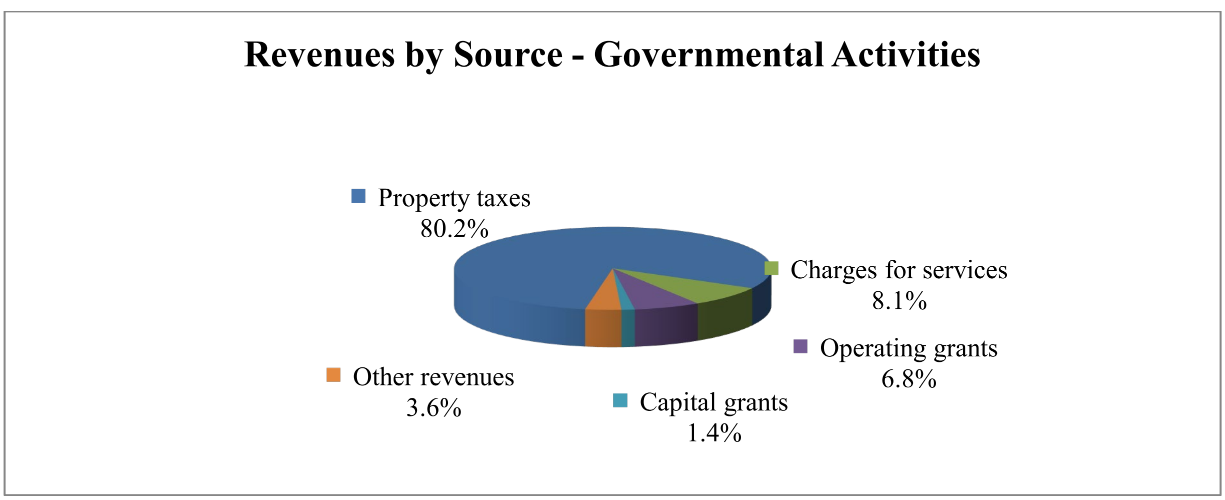
- Total governmental activities' expenses increased by 2.75% ($232,916) from 2021 to 2022. Public safety expenses end the year at 35.4% ($3,116,025) of total governmental activities' expenses. Public safety remains the largest category of expenses from year to year, followed closely by highways and streets at 34.3% ($3,017,995) of total governmental activities' expenses for the year.

- General Government expenses decreased by 2.3% or $40,530 from the previous year. This was a result of insurance benefit decreases and a decrease 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; 80.2% of total revenue or $8,091,849. The second largest category of revenue is charges for services coming in at 8.1% or $814,173 of total revenue. The following graph shows the distribution of governmental activities revenues by source for the year ended June 30, 2022.



Business-type Activities

Business-type activities increased the Town's net position by $391,376 during the current fiscal year. Key elements of this increase are as follows.

- Charges for services increased by $103,747 or 4.9% from $2,111,241 to $2,214,988. On the government-wide financial statements charges for services in the business-type activities are made up of user fees, penalties and connection fees.

- Total expenses of $2,160,127 reflect an increase of $191,058 (9.8%) as compared to the prior year. The driving factors contributing to the decrease are as follows.

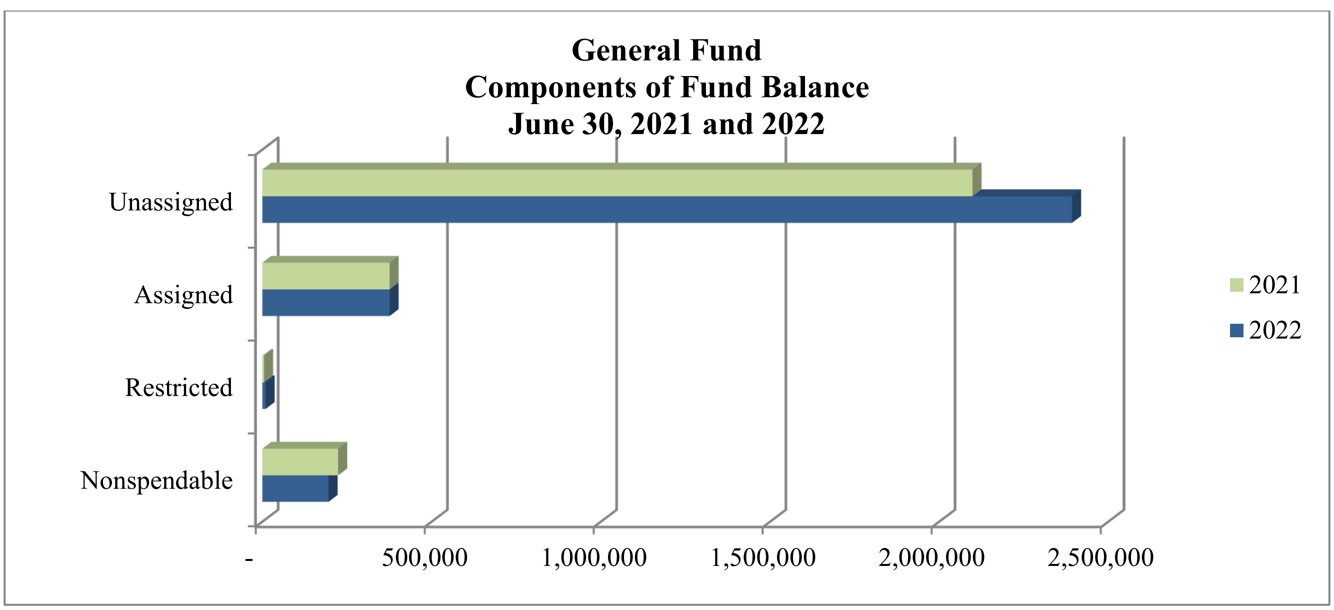
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

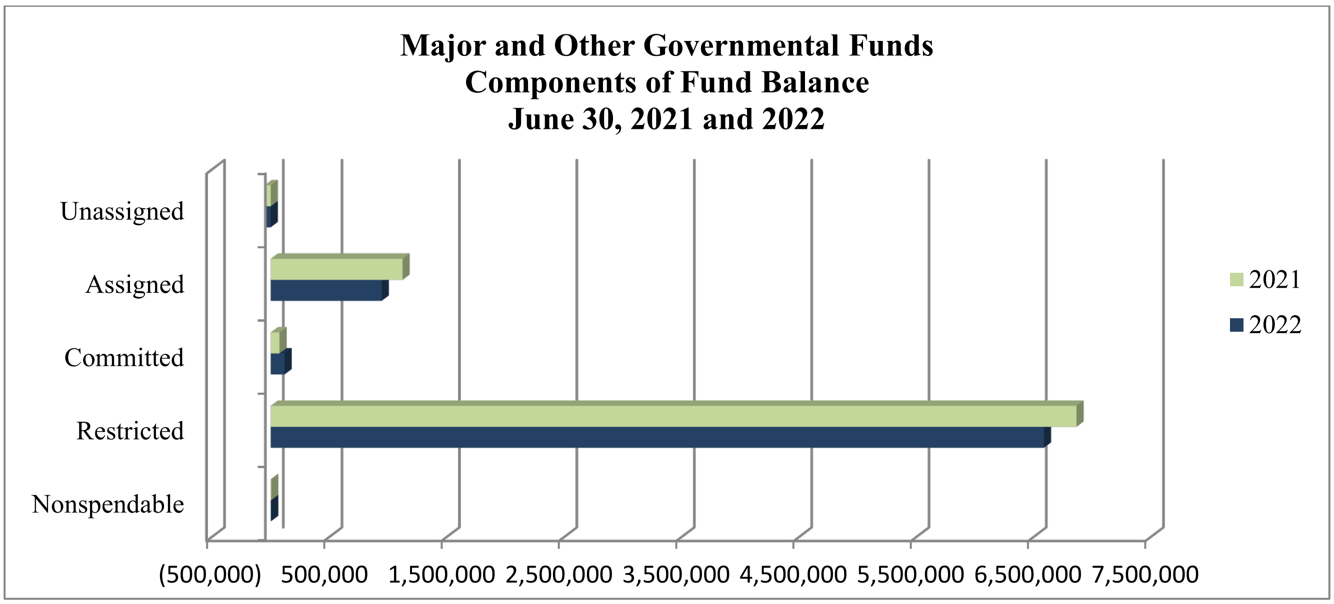
The focus of the Town's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's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

At June 30, 2022, the Town's governmental funds reported combined fund balances of $10,582,177 a decrease of $135,956 in comparison with the prior year. 22.1% of this amount ($2,346,332) 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 ($199,910), restricted for particular purposes ($6,597,125), committed for particular purposes ($117,951), or assigned by the Town for particular purposes ($1,320,859). 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 $2,973,753, an increase of $270,248 from the previous year. Of this amount, $195,410 is in non-spendable form (prepaid items and inventories). Of the remaining amount, $375,928 is assigned for purposes detailed in Footnote IV.K. and $2,392,914 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 36.0% 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 33.5% of total general fund expenditures.



In the governmental funds other than the general fund the most noteworthy change to fund balance are decreased in restricted and assigned fund balances of $277,437 and $177,530, respectively. The Town's Capital Reserve Fund reported a decrease in restricted fund balances related to the spending of debt proceeds received in the prior period.

General Fund Budgetary Highlights

The Town's budget for the year ended June 30, 2022 passed on the first vote in March of 2021 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 $270,248. Expenditures came in under budget by $123,688. See schedule 1, page 58.

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 $6,461,947, an increase of $354,889 or 5.8% from the previous year. The water fund has $5,280,462 of net position invested in capital assets net of related debt. This leaves an unrestricted balance in the fund of $1,181,485. In the sewer fund, total net position is $18,633,628, an increase of $36,487 or 0.2% 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 ($17,482,560), leaving an unrestricted balance of $1,151,068. 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, 2022 were $58,933,183 (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 $1,885,938 from June 30, 2021 to June 30, 2022, or 2.9%. Combined accumulated depreciation at the end of the year is $15,154,574. The increase in combined investment in new capital assets of $1,885,938 resulted in a total combined investment in capital assets which exceeded the depreciation of $1,574,212 causing a net increase in capital assets net of accumulated depreciation.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Capital Assets:						
Land	$ 1,786,590	$ 1,786,590	$ 117,520	$ 117,520	$ 1,904,110	$ 1,904,110
Construction in Progress	2,677,249	2,769,749	282,526	183,947	2,959,775	2,953,696
Land Improvements	259,365	316,254	0	0	259,365	316,254
Buildings and Improvements	4,567,374	4,643,674	0	0	4,567,374	4,643,674
Vehicles, Machinery and Equipment	4,338,179	6,366,959	291,754	522,187	4,629,933	6,889,146
Infrastructure	12,421,019	17,193,355	32,191,607	32,221,629	44,612,626	49,414,984
	26,049,776	33,076,581	32,883,407	33,045,283	58,933,183	66,121,864
Less: Accumulated Depreciation	(7,890,060)	(15,428,539)	(7,264,514)	(7,226,442)	(15,154,574)	(22,654,981)
Total Assets, Net	$ 18,159,716	$ 17,648,042	$ 25,618,893	$ 25,818,841	$ 43,778,609	$ 43,466,883

Major capital asset activity for the year ended June 30, 2022 included the following:

- Paving projects totaling $885,226 were completed during the year contributing to the increase in governmental activities infrastructure.
- Major construction projects to include road restoration of upper and lower Cherry Street, Racine Road, Forbes Road, Legion Road, and portions of Lake Road, Manley Road and Poor Farm Road.
- Vehicle and equipment purchases during the year included an ambulance, refurbishment of the vac truck, one police cruiser, one pickup truck, a mower with blower/bagger and a tandem dump truck.
- Other capital purchases include a folder/inserter machine, wet well wizard, an ambulance, guardrail replacements, Bombardier Road sidewalk addition, 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 $13,457,649 in long-term debt outstanding. As of June 30, 2022, this amount had decreased by $972,053 or 7.22% to end the current year with $12,485,596 in long-term debt outstanding.

Summary of Long Term Debt

	June 30, 2021	Additions	Deletions	June 30, 2022
Governmental Activities	$ 10,477,460	$ 334,187	$ 1,181,922	$ 9,629,725
Business-type Activities	2,980,189	196,920	321,238	2,855,871
Total Government	$ 13,457,649	$ 531,107	$ 1,503,160	$ 12,485,596

Factors contributing to the change include the following:

- Principal payments totaling $1,181,922 were made on governmental activities debt and principal payments totaling $321,328 were made on business-type activities debt.
- New debt in the amount of $531,107 was incurred for a plow truck, pickup truck, and a police cruiser.

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 FY23 approved expenditure budget of $9,287,539 was an increase of $599,044 from the FY22 budget. The amount to be raised by property taxes increased by $466,108. As a result of this increase and a town wide reappraisal, the Town reduced the municipal tax rate slightly from $0.5805 to $0.4888.

The FY23 budget includes a $350,000 reduction in fund balance (a budgeted deficit), the same as in the prior year.

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.

TOWN OF MILTON, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 13,720,651	$ 0	$ 13,720,651
Investments	25,691	0	25,691
Deposits held by Escrow Agent	818,678	0	818,678
Receivables (Net of Allowance for Uncollectibles)	608,899	576,152	1,185,051
Internal Balances	(1,976,768)	1,976,768	0
Prepaid Expenses	133,091	5,727	138,818
Inventory	62,319	16,457	78,776
Capital Assets:			
Land	1,786,590	117,520	1,904,110
Construction in Progress	2,677,249	282,526	2,959,775
Other Capital Assets, (Net of Accumulated Depreciation)	13,695,877	25,218,847	38,914,724
Total Assets	31,552,277	28,193,997	59,746,274
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	702,359	38,759	741,118
Total Deferred Outflows of Resources	702,359	38,759	741,118
LIABILITIES			
Accounts Payable	572,486	86,287	658,773
Accrued Payroll and Benefits Payable	178,142	11,713	189,855
Unearned Revenue	1,644,068	2,388	1,646,456
Due to Others	148,335	0	148,335
Accrued Interest Payable	91,224	40,160	131,384
Noncurrent Liabilities:			
Due within One Year	1,191,497	179,209	1,370,706
Due in More than One Year	9,989,727	2,768,016	12,757,743
Total Liabilities	13,815,479	3,087,773	16,903,252
DEFERRED INFLOWS OF RESOURCES			
Prepaid Property Taxes	3,263	0	3,263
Deferred Inflows of Resources Related to the Town's Participation in VMERS	895,297	49,408	944,705
Total Deferred Inflows of Resources	898,560	49,408	947,968
NET POSITION			
Net Investment in Capital Assets	11,098,616	22,763,022	33,861,638
Restricted for:			
Town Core TIF	3,570,403	0	3,570,403
Impact Fee Eligible Expenses	244,645	0	244,645
Restoration of Records	163,080	0	163,080
Other Purposes	110,728	0	110,728
Unrestricted	2,353,125	2,332,553	4,685,678
Total Net Position	$ 17,540,597	$ 25,095,575	$ 42,636,172

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, 2022

		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	$ 1,745,890	$ 283,738	$ 44,927	$ 0	$ (1,417,225)	$ 0	$ (1,417,225)
Public Safety	3,116,025	447,468	118,353	0	(2,550,204)	0	(2,550,204)
Highways and Streets	3,017,995	16,236	447,635	136,542	(2,417,582)	0	(2,417,582)
Culture and Recreation	582,463	59,806	71,220	0	(451,437)	0	(451,437)
Cemetery	33,675	6,925	0	0	(26,750)	0	(26,750)
Interest on Long-term Debt	296,616	0	0	0	(296,616)	0	(296,616)
Total Governmental Activities	8,792,664	814,173	682,135	136,542	(7,159,814)	0	(7,159,814)
Business-type Activities:							
Water	1,070,268	1,269,058	0	146,667	0	345,457	345,457
Sewer	1,089,859	945,930	0	238	0	(143,691)	(143,691)
Total Business-type Activities	2,160,127	2,214,988	0	146,905	0	201,766	201,766
Total Primary Government	$ 10,952,791	$ 3,029,161	$ 682,135	$ 283,447	(7,159,814)	201,766	(6,958,048)
General Revenues:							
Property Taxes					8,091,849	0	8,091,849
Penalties and Interest on Delinquent Taxes					75,295	0	75,295
General State Grants					99,796	0	99,796
Impact Fees					112,281	0	112,281
ARPA Funds					16,953	0	16,953
Unrestricted Investment Earnings					15,216	1,885	17,101
Gain on Sale of Vehicles					33,719	0	33,719
Other Revenues					14,499	0	14,499
Transfers:					(187,725)	187,725	0
Total General Revenues and Transfers					8,271,883	189,610	8,461,493
Change in Net Position					1,112,069	391,376	1,503,445
Net Position - July 1, 2021					16,428,528	24,704,199	41,132,727
Net Position - June 30, 2022					$ 17,540,597	$ 25,095,575	$ 42,636,172

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

TOWN OF MILTON, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Town Core TIF Fund	Capital Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 7,644,752	$ 6,041,157	$ 0	$ 0	$ 34,742	$ 13,720,651
Investments	25,691	0	0	0	0	25,691
Deposits held by Escrow Agent	0	0	818,678	0	0	818,678
Receivables (Net of Allowance for Uncollectibles)	524,612	0	0	0	84,287	608,899
Due from Other Funds	0	0	210,901	1,604,162	840,328	2,655,391
Prepaid Items	133,091	0	0	0	0	133,091
Inventory	62,319	0	0	0	0	62,319
Total Assets	$ 8,390,465	$ 6,041,157	$ 1,029,579	$ 1,604,162	$ 959,357	$ 18,024,720
LIABILITIES						
Accounts Payable	$ 256,052	$ 11,575	$ 269,178	$ 929	$ 34,752	$ 572,486
Accrued Payroll and Benefits Payable	178,142	0	0	0	0	178,142
Due to Other Funds	4,578,121	2,410	0	0	51,628	4,632,159
Unearned Revenue	35,291	0	0	1,601,782	6,995	1,644,068
Due to Others	148,335	0	0	0	0	148,335
Total Liabilities	5,195,941	13,985	269,178	1,602,711	93,375	7,175,190
DEFERRED INFLOWS OF RESOURCES						
Prepaid Property Taxes	3,263	0	0	0	0	3,263
Unavailable Property Taxes, Penalties and Interest	171,800	0	0	0	0	171,800
Unavailable Ambulance Fees	45,708	0	0	0	0	45,708
Unavailable Grants	0	0	0	0	46,582	46,582
Total Deferred Inflows of Resources	220,771	0	0	0	46,582	267,353
FUND BALANCES						
Nonspendable	195,410	0	0	0	4,500	199,910
Restricted	9,501	6,027,172	56,000	0	504,452	6,597,125
Committed	0	0	0	0	117,951	117,951
Assigned	375,928	0	704,401	1,451	239,079	1,320,859
Unassigned/(Deficit)	2,392,914	0	0	0	(46,582)	2,346,332
Total Fund Balances	2,973,753	6,027,172	760,401	1,451	819,400	10,582,177
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,390,465	$ 6,041,157	$ 1,029,579	$ 1,604,162	$ 959,357	

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.	18,159,716
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	264,090
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.	(11,272,448)
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.	(192,938)
Net Position of Governmental Activities	$ 17,540,597

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

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Town Core TIF Fund	Capital Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	$ 6,801,488	$ 824,298	$ 0	$ 0	$ 502,863	$ 8,128,649
Penalties and Interest on Delinquent Taxes	75,295	0	0	0	0	75,295
Intergovernmental	649,295	0	55,011	16,953	236,711	957,970
Charges for Services	904,612	0	0	0	6,925	911,537
Permits, Licenses and Fees	205,995	0	0	0	149,666	355,661
Fines and Forfeits	25,569	0	0	0	0	25,569
Investment Income	3,903	7,921	824	1,451	1,117	15,216
Donations	17,545	0	0	0	455	18,000
Other	13,140	0	0	0	1,359	14,499
Total Revenues	8,696,842	832,219	55,835	18,404	899,096	10,502,396
Expenditures:						
General Government	1,783,794	4,780	1,317	1,523	219,196	2,010,610
Public Safety	2,801,521	0	2,301	0	51,024	2,854,846
Highways and Streets	1,730,273	0	121,808	0	83,570	1,935,651
Culture and Recreation	508,766	0	0	0	56,181	564,947
Cemetery	33,675	0	0	0	0	33,675
Capital Outlay:						
General Government	0	0	2,199	0	0	2,199
Public Safety	0	0	272,967	0	0	272,967
Highways and Streets	493,598	58,790	707,692	0	459,721	1,719,801
Debt Service:						
Principal	761,922	420,000	0	0	0	1,181,922
Interest	146,641	156,555	0	0	0	303,196
Total Expenditures	8,260,190	640,125	1,108,284	1,523	869,692	10,879,814
Excess/(Deficiency) of Revenues Over Expenditures	436,652	192,094	(1,052,449)	16,881	29,404	(377,418)
Other Financing Sources/(Uses):						
Issuance of Long-term Debt	0	0	334,187	0	0	334,187
Proceeds from Sale of Vehicles	0	0	95,000	0	0	95,000
Transfers In	138,213	0	307,859	0	56,235	502,307
Transfers Out	(304,617)	(187,725)	(27,817)	(15,430)	(154,443)	(690,032)
Total Other Financing Sources/(Uses)	(166,404)	(187,725)	709,229	(15,430)	(98,208)	241,462
Net Change in Fund Balances	270,248	4,369	(343,220)	1,451	(68,804)	(135,956)
Fund Balances - July 1, 2021	2,703,505	6,022,803	1,103,621	0	888,204	10,718,133
Fund Balances - June 30, 2022	$ 2,973,753	$ 6,027,172	$ 760,401	$ 1,451	$ 819,400	$ 10,582,177

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, 2022

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)	$	(135,956)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($1,994,967) is allocated over their estimated useful lives and reported as depreciation expense ($1,214,264). This is the amount by which capital outlays exceeded depreciation in the current period.		780,703
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(269,029)
The issuance of long-term debt ($334,187) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt ($1,181,922) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		847,735
Governmental funds report employer pension contributions as expenditures ($231,416). However, in the statement of activities, the cost of pension benefits earned net of employee contributions ($266,760) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(35,344)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(77,344)
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.		1,304
Change in net position of governmental activities (Exhibit B)	$	1,112,069

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

Exhibit F

TOWN OF MILTON, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Receivables (Net of Allowance for Uncollectibles)	$ 335,815	$ 240,337	$ 576,152
Due from Other Funds	968,858	1,007,910	1,976,768
Prepaid Expenses	2,371	3,356	5,727
Inventory	7,526	8,931	16,457
Total Current Assets	1,314,570	1,260,534	2,575,104
Noncurrent Assets:			
Land	39,400	78,120	117,520
Construction in Progress	254,243	28,283	282,526
Vehicles, Machinery and Equipment	86,568	205,186	291,754
Buildings, Distribution and Collection Systems	8,412,005	23,779,602	32,191,607
Less: Accumulated Depreciation	(2,660,557)	(4,603,957)	(7,264,514)
Total Noncurrent Assets	6,131,659	19,487,234	25,618,893
Total Assets	7,446,229	20,747,768	28,193,997
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	23,780	14,979	38,759
Total Deferred Outflows of Resources	23,780	14,979	38,759
LIABILITIES			
Current Liabilities:			
Accounts Payable	54,593	31,694	86,287
Accrued Payroll and Benefits Payable	5,215	6,498	11,713
Unearned Revenue	2,388	0	2,388
Accrued Interest Payable	10,083	30,077	40,160
General Obligation Bonds Payable - Current Portion	31,170	148,039	179,209
Total Current Liabilities	103,449	216,308	319,757
Noncurrent Liabilities:			
Compensated Absences Payable	7,950	7,950	15,900
Net Pension Liability	46,311	29,143	75,454
General Obligation Bonds Payable - Noncurrent Portion	820,027	1,856,635	2,676,662
Total Noncurrent Liabilities	874,288	1,893,728	2,768,016
Total Liabilities	977,737	2,110,036	3,087,773
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	30,325	19,083	49,408
Total Deferred Inflows of Resources	30,325	19,083	49,408
NET POSITION			
Net Investment in Capital Assets	5,280,462	17,482,560	22,763,022
Unrestricted	1,181,485	1,151,068	2,332,553
Total Net Position	$ 6,461,947	$ 18,633,628	$ 25,095,575

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

Exhibit G

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	$ 1,126,963	$ 848,275	$ 1,975,238
Penalties	18,303	11,212	29,515
Hookup Fees	121,946	86,243	208,189
Other Income	1,846	200	2,046
Total Operating Revenues	1,269,058	945,930	2,214,988
Operating Expenses:			
CWD Water Purchases	411,963	0	411,963
Salaries and Benefits	216,370	226,697	443,067
Administrative Fees	183,156	183,156	366,312
Utilities	16,345	112,167	128,512
Water Meters	32,031	19,596	51,627
Supplies	17,199	68,680	85,879
Printing and Advertising	1,436	0	1,436
Insurances	2,815	4,783	7,598
Technology	2,913	1,547	4,460
Vehicles, Machinery and Equipment	434	9,353	9,787
Telephone and Internet	2,616	5,432	8,048
Professional Development	300	0	300
Miscellaneous Expenses	2,286	259	2,545
Dues and Fees	860	4,035	4,895
Employee Uniforms	2,903	3,119	6,022
Repairs and Maintenance	18,815	65,172	83,987
Depreciation	106,661	253,287	359,948
Rentals	1,116	100	1,216
Professional Services	10,682	10,047	20,729
Technical Services	2,855	77,931	80,786
Total Operating Expenses	1,033,756	1,045,361	2,079,117
Operating Income/(Loss)	235,302	(99,431)	135,871
Non-Operating Revenues/(Expenses):			
Investment Income	866	1,019	1,885
Loss on Disposal of Assets	(5,561)	(8,150)	(13,711)
Interest Expense	(30,951)	(36,348)	(67,299)
Total Non-Operating Revenues/(Expenses)	(35,646)	(43,479)	(79,125)
Net Income/(Loss) Before Capital Contributions and Transfers	199,656	(142,910)	56,746
Capital Contributions and Transfers:			
Capital Contributions	146,667	238	146,905
Transfers In	8,566	179,159	187,725
Total Capital Contributions and Transfers	155,233	179,397	334,630
Change in Net Position	354,889	36,487	391,376
Net Position - July 1, 2021	6,107,058	18,597,141	24,704,199
Net Position - June 30, 2022	$ 6,461,947	$ 18,633,628	$ 25,095,575

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

TOWN OF MILTON, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	$ 1,304,877	$ 949,271	$ 2,254,148
Payments for Goods and Services	(545,459)	(370,263)	(915,722)
Payments for Interfund Services	(183,156)	(183,156)	(366,312)
Payments for Wages and Benefits	(215,547)	(226,798)	(442,345)
Net Cash Provided by Operating Activities	360,715	169,054	529,769
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(321,885)	(88,572)	(410,457)
Net Cash Provided/(Used) by Noncapital Financing Activities	(321,885)	(88,572)	(410,457)
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Long-term Debt	196,444	476	196,920
Acquisition and Construction of Capital Assets	(192,681)	(73,215)	(265,896)
Transfers Received from Other Funds	8,566	179,159	187,725
Principal Paid on General Obligation Bonds Payable	(29,197)	(145,136)	(174,333)
Interest Paid on General Obligation Bonds Payable	(22,828)	(42,785)	(65,613)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(39,696)	(81,501)	(121,197)
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	866	1,019	1,885
Net Cash Provided by Investing Activities	866	1,019	1,885
Net Increase in Cash	0	0	0
Cash - July 1, 2021	0	0	0
Cash - June 30, 2022	$ 0	$ 0	$ 0
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	235,302	(99,431)	135,871
Depreciation	106,661	253,287	359,948
(Increase)/Decrease in Receivables	38,833	3,341	42,174
(Increase)/Decrease in Prepaid Expenses	2,852	1,867	4,719
(Increase)/Decrease in Inventory	(4,979)	(2,927)	(7,906)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	8,502	5,474	13,976
Increase/(Decrease) in Accounts Payable	(15,763)	13,018	(2,745)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	371	576	947
Increase/(Decrease) in Unearned Revenue	(3,014)	0	(3,014)
Increase/(Decrease) in Compensated Absences Payable	(1,929)	(1,929)	(3,858)
Increase/(Decrease) in Net Pension Liability	(32,656)	(20,903)	(53,559)
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	26,535	16,681	43,216
Net Cash Provided by Operating Activities	$ 360,715	$ 169,054	$ 529,769

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 $146,667.

The Sewer Fund recognized a forgiveness of debt from the State of Vermont in the amount of $238.

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, 2022

	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.

TOWN OF MILTON, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Fund Education Tax Fund
ADDITIONS	
Education Taxes Collected for Other Governments	$ 14,998,376
Total Additions	14,998,376
DEDUCTIONS	
Education Taxes Distributed to Other Governments	14,998,376
Total Deductions	14,998,376
Change in Net Position	0
Net Position - July 1, 2021	0
Net Position - June 30, 2022	$ 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.

ARPA Fund – This fund accounts for the resources from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program used to support the Town's response to and recovery from the COVID-19 public health emergency.

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 financed purchases 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 – Leases

Effective June 30, 2022, the Town implemented GASB Statement No. 87, “Leases”. GASB Statement No. 87 increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. This Statement replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. The Town currently has no lease arrangements applicable to this Statement.

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, financed purchases 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 2022 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, 2022 consisted of the following:

Cash:	
Deposits with Financial Institutions	$13,715,611
Cash on Hand	5,040
Total Cash	13,720,651
Investments:	
Certificates of Deposit	25,691
Total Cash and Investments	$13,746,342

The Town has five (5) certificates of deposit at various banks ranging from $908 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	$ 531,413	$ 531,413
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	7,636,239	7,706,399
Insured by Letter of Credit Issued by Federal Home Loan Bank	5,573,650	5,573,650
Total	$13,741,302	$13,811,462

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	$13,715,611
Investments – Certificates of Deposit	25,691
Total	$13,741,302

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. Deposits 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, 2022 is $484,411.

In 2022, the Town entered into lease agreements with Municipal Leasing Consultants, LLC in the amounts of $52,272 and $281,915 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, 2022 is $334,267.

C. Receivables

Receivables as of June 30, 2022, 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	$ 275,974	$ 0	$ 275,974
Penalties and Interest Receivable	23,128	0	23,128
Ambulance Receivable	345,536	0	345,536
Grants Receivable	102,137	0	102,137
Accounts Receivable	117,519	0	117,519
Billed Services	3,637	64,078	67,715
Unbilled Services	0	515,474	515,474
Allowance for Doubtful Accounts - Taxes	(5,900)	0	(5,900)
Allowance for Doubtful Accounts - Ambulance	(253,132)	0	(253,132)
Allowance for Doubtful Accounts - Water/Sewer	0	(3,400)	(3,400)
Total	$ 608,899	$ 576,152	$ 1,185,051

D. Loans Receivable

Loans receivable as of June 30, 2022 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, 2022	$ 0

E. Capital Assets

Capital asset activity for the year ended June 30, 2022 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	2,769,749	417,047	509,547	2,677,249
Total Capital Assets, Not Being Depreciated	4,556,339	417,047	509,547	4,463,839
Capital Assets, Being Depreciated:				
Land Improvements	316,254	0	56,889	259,365
Buildings and Building Improvements	4,643,674	0	76,300	4,567,374
Vehicles	4,806,944	798,879	1,593,914	4,011,909
Machinery and Equipment	1,560,015	13,716	1,247,461	326,270
Roads, Bridges and Sidewalks	17,193,355	1,265,139	6,037,475	12,421,019
Totals	28,520,242	2,077,734	9,012,039	21,585,937
Less Accumulated Depreciation for:				
Land Improvements	114,343	8,646	56,889	66,100
Buildings and Building Improvements	1,293,324	85,686	76,300	1,302,710
Vehicles	2,615,210	340,503	1,459,997	1,495,716
Machinery and Equipment	1,321,747	43,439	1,218,470	146,716
Roads, Bridges and Sidewalks	10,083,915	735,990	5,941,087	4,878,818
Totals	15,428,539	1,214,264	8,752,743	7,890,060
Total Capital Assets, Being Depreciated	13,091,703	863,470	259,296	13,695,877
Governmental Activities Capital Assets, Net	$ 17,648,042	$ 1,280,517	$ 768,843	$ 18,159,716

During the year, the wrote-off $9,733 of projects that were included in construction in progress in the governmental activities.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 117,520	$ 0	$ 0	$ 117,520
Construction in Progress	183,947	98,579	0	282,526
Total Capital Assets, Not Being Depreciated	301,467	98,579	0	400,046
Capital Assets, Being Depreciated:				
Vehicles, Machinery and Equipment	522,187	75,133	305,566	291,754
Buildings, Distribution and Collection Systems	32,221,629	0	30,022	32,191,607
Totals	32,743,816	75,133	335,588	32,483,361
Less Accumulated Depreciation for:				
Vehicles, Machinery and Equipment	401,008	22,438	292,416	131,030
Buildings, Distribution and Collection Systems	6,825,434	337,510	29,460	7,133,484
Totals	7,226,442	359,948	321,876	7,264,514
Total Capital Assets, Being Depreciated	25,517,374	(284,815)	13,712	25,218,847
Business-type Activities Capital Assets, Net	$ 25,818,841	$ (186,236)	$ 13,712	$ 25,618,893

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	$ 90,230	Water	$ 106,661
Public Safety	177,798	Sewer	253,287
Highways and Streets	929,900		
Culture and Recreation	16,336		
Total Depreciation Expense - Governmental Activities	$ 1,214,264	Total Depreciation Expense - Business-type Activities	$ 359,948

F. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2022 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 0	$ 4,578,121
Town Core TIF Fund	0	2,410
Capital Reserve Fund	210,901	0
ARPA Fund	1,604,162	0
Non-Major Governmental Funds	840,328	51,628
Water Fund	968,858	0
Sewer Fund	1,007,910	0
Total	$ 4,632,159	$ 4,632,159

Interfund transfers during the year ended June 30, 2022 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Reserve Fund	$ 276,199	Annual Subsidy
General Fund	Grant Fund	28,418	Fund Local Match
Town Core TIF Fund	Water Fund	8,566	Fund Debt Service
Town Core TIF Fund	Sewer Fund	179,159	Fund Debt Service
Capital Reserve Fund	Grant Fund	27,817	Fund Local Match
ARPA Fund	General Fund	15,430	Fund Rescue Expenses
Impact Fees Fund	General Fund	26,169	Fund Debt Service
Impact Fees Fund	Capital Reserve Fund	31,660	Fund Capital Expenditures
Restoration of Records Fund	General Fund	15,993	Fund Restoration Expenses
Drug Forfeiture Fund	General Fund	26,000	Fund Police Expenses
Fire/EMS Capital Reserve Fund	General Fund	54,621	Fund Debt Service
Total		$ 690,032	

G. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of $254,829 from the difference between the expected and actual experience and $216,114 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $231,416 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is $702,359.

Deferred outflows of resources in the business-type activities consists of $14,064 from the difference between the expected and actual experience and $11,926 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $12,769 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is $38,759.

Deferred outflows of resources in the Water Fund consists of $8,632 from the difference between the expected and actual experience and $7,320 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $7,828 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is $23,780.

Deferred outflows of resources in the Sewer Fund consists of $5,432 from the difference between the expected and actual experience and $4,606 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $4,941 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is $14,979.

H. Unearned Revenue

Unearned revenue in the governmental activities consists of 35,291 of recreation fees and $1,608,777 of grant revenue received in advance. Total unearned revenue in the governmental activities is $1,644,068.

Unearned revenue in the business-type activities and Water Fund consists of $2,388 of user fees received in advance.

Unearned revenue in the General Fund consists of $35,291 of recreation fees received in advance.

Unearned revenue in the ARPA Fund consists of $1,601,782 of grant revenue received in advance.

Unearned revenue in the Non-Major Governmental Funds consists of $6,995 of grant revenue received in advance.

I. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of $806,166 from the difference between the projected and actual investment earnings and $89,131 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 $3,263 of prepaid property taxes. Total deferred inflows of resources in the governmental activities is $898,560.

Deferred inflows of resources in the business-type activities consists of $44,489 from the difference between the projected and actual investment earnings and $4,919 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 $49,408.

Deferred inflows of resources in the General Fund consists of $171,800 of delinquent property taxes, penalties and interest on those taxes and $45,708 of ambulance fees not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes $3,263 of prepaid property taxes. Total deferred inflows of resources in the General Fund is $220,771.

Deferred inflows of resources in the Non-Major Governmental Funds consists of $46,582 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 $27,306 from the difference between the projected and actual investment earnings and $3,019 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 $30,325.

Deferred inflows of resources in the Sewer Fund consists of $17,183 from the difference between the projected and actual investment earnings and $1,900 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 $19,083.

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 State of Vermont offers a number of no-interest and low 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 financed purchases 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, 2022 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 on June 1 and December 1, Due December, 2030	\$ 800,000	\$ 0	\$ 80,000	\$ 720,000
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	105,000	0	40,000	65,000

	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	$ 135,000	$ 0	$ 45,000	$ 90,000
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	312,000	0	26,000	286,000
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	4,970,000	0	420,000	4,550,000
Note Payable, Capital One Public Funding, LLC, Bridge Improvements, Principal Payments of $85,877 Plus Interest Payable on February 4 Annually, Interest at 2.89%, Due February, 2041	1,717,531	0	85,877	1,631,654
Note Payable, Capital One Public Funding, LLC, Paving, Principal Payments of $201,114 Plus Interest Payable on February 4 Annually, Interest at 1.89%, Due February, 2026	1,005,569	0	201,114	804,455
Financed Purchase, 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	1,055,038	0	106,893	948,145

	Beginning Balance	Additions	Deletions	Ending Balance
Financed Purchase, 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	$ 34,521	$ 0	$ 17,099	$ 17,422
Financed Purchase, 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	342,801	0	83,934	258,867
Financed Purchase, Municipal Leasing Consultants, LLC, Police Cruiser, Principal and Interest Payments of $17,717 Payable on November 10 Annually, Interest at 1.69%, Due November, 2023	0	52,272	17,717	34,555
Financed Purchase, Municipal Leasing Consultants, LLC, Public Works Dump Truck and Buildings and Grounds Truck, Principal and Interest Payments of $58,288 Payable on November 10 Annually, Interest at 1.69%, Due November, 2025	0	281,915	58,288	223,627
Total Governmental Activities	$10,477,460	$334,187	$1,181,922	$9,629,725

On May 17, 2022, the Town approved a bond anticipation note with Union Bank in the amount of $5,500,000 in the form of a line of credit to fund the construction of the highway garage. Interest is at 2.09% and expires December 31, 2024. As of June 30, 2022, the Town has not drawn on this bond anticipation note.

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	$ 360,333	$ 0	$ 15,667	$ 344,666

	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 78,000	$ 0	$ 6,000	$ 72,000
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	349,079	0	7,530	341,549
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	888	0	13,908

	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 $2,802 Payable on September 1 Annually Beginning September 1, 2022, 0% Interest, 2% Administrative Fee, Due September, 2051. The Town Recognized $146,667 of the Subsidy During the Year.	$ 5,363	$195,556	$146,667	$ 54,252
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	2,033,163	0	138,496	1,894,667
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	106,074	0	6,640	99,434
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 Recognized $238 of the Subsidy During the Year.	10,335	476	238	10,573
Total Business-type Activities	$2,980,189	$196,920	$321,238	$2,855,871

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	$ 6,322,000	$ 0	$ 611,000	$ 5,711,000	$ 611,000
Notes Payable	2,723,100	0	286,991	2,436,109	286,991
Financed Purchases	1,432,360	334,187	283,931	1,482,616	283,506
Compensated Absences Payable	155,978	8,276	0	164,254	0
Landfill Post-Closure	23,000	0	3,000	20,000	10,000
Net Pension Liability	2,385,845	0	1,018,600	1,367,245	0
Total Governmental Activities Long-term Liabilities	$ 13,042,283	$ 342,463	$ 2,203,522	$ 11,181,224	$ 1,191,497

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	$ 2,980,189	$ 196,920	$ 321,238	$ 2,855,871	$ 179,209
Compensated Absences Payable	19,758	0	3,858	15,900	0
Net Pension Liability	129,013	0	53,559	75,454	0
Total Business-type Activities Long-term Liabilities	$ 3,128,960	$ 196,920	$ 378,655	$ 2,947,225	$ 179,209

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 $20,000. 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	Business-type Activities Principal	Business-type Activities Interest
2023	$ 1,181,497	$ 277,650	$ 179,209	$ 63,085
2024	1,153,971	243,892	188,754	62,201
2025	1,071,248	211,504	199,531	61,493
2026	987,337	183,890	202,897	57,284
2027	731,583	157,251	205,553	52,972
2028-2032	3,355,205	457,847	1,019,156	196,789
2033-2037	805,380	98,343	530,027	86,934
2038-2042	343,504	24,818	154,970	45,810
2043-2047	0	0	119,578	18,326
2048-2050	0	0	56,196	3,562
Total	$ 9,629,725	$ 1,655,195	$ 2,855,871	$ 648,456

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 $2,346,332 which is 25.3% of the 2023 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	$133,091
Nonspendable Inventories	62,319
Total General Fund	195,410

Non-Major Funds

Permanent Fund:	
Nonspendable West Milton Cemetery Fund Principal	4,500
Total Nonspendable Fund Balances	$199,910

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)	$ 9,501
Town Core TIF Fund:	
Restricted for Town Core TIF Fund Debt/Expenditures by Statute (Source of Revenue is Property Taxes)	3,570,403
Restricted for Town Core TIF Fund Expenditures by Unspent Bond Proceeds (Source of Revenue is Bond Proceeds)	2,456,769
Total Town Core TIF Fund	6,027,172
Capital Reserve Fund:	
Restricted for Capital Equipment Expenditures by Unspent Lease Proceeds	56,000

Non-Major Funds

Special Revenue Funds:	
Restricted Impact Fees Fund Expenses by Impact Fees (Source of Revenue is Impact Fees)	$ 244,645
Restricted for Restoration of Records Fund Expenses by Statute (Source of Revenue is Restoration Fees)	163,080
Restricted for Drug Forfeiture Expenses by Agreement (Source of Revenue is Grant Revenue)	23,697
Restricted for Milton Public Library Expenses by Donations (Source of Revenue is Donations)	5,532
Total Special Revenue Funds	436,954
Permanent Fund:	
Restricted for West Milton Cemetery Expenses by Trust Agreements and Sale of Lots	67,498
Total Non-Major Funds	504,452
Total Restricted Fund Balances	$6,597,125

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

Non-Major Funds

Capital Projects Funds:	
Committed for Road/Sidewalk Restoration Expenditures by Voters	$ 8,811
Committed for Fire/EMS Capital Expenditures by Voters	109,140
Total Committed Fund Balances	$117,951

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

Major Funds

General Fund:	
Assigned to Reduce Property Taxes in Fiscal Year 2023	$ 350,000
Assigned for Emergency Management Expenditures	25,928
Total General Fund	375,928
Capital Reserve Fund:	
Assigned for Capital Expenditures	704,401
ARPA Fund:	
Assigned for Eligible ARPA Expenditures	1,451

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	$ 239,079
Total Assigned Fund Balances	$1,320,859

The unassigned deficit of $46,582 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, 2022 consisted of the following:

Governmental Activites:	
Restricted for July 4th Celebration expenses by Donations	$ 9,501
Restricted for Town Core TIF Fund by Statute	3,570,403
Restricted for Impact Fees Fund Expenses by Impact Fees	244,645
Restricted for Restoration of Records Expenses by Statute	163,080
Restricted for Drug Forfeiture Expenses by Agreement	23,697
Restricted for Milton Public Library Expenses by Donations	5,532
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	67,498
Total Governmental Activities	$4,088,856

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, 2021, 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, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of $926,034,330 and a total pension liability of $1,073,218,528 resulting in a net position liability of $147,184,198. As of June 30, 2022, the Town’s proportionate share of this was 0.9802% resulting in a net pension liability of $1,442,699. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 0.9802% was a decrease of 0.0139 from its proportion measured as of the prior year.

For the year ended June 30, 2022, the Town recognized pension expense of $283,191.

As of June 30, 2022, 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	$ 268,893	$ 0
Net difference between projected and actual investment earnings on pension assets	0	850,655
Changes in assumptions	228,040	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	94,050
Town's required employer contributions made subsequent to the measurement date	244,185	0
	$ 741,118	$ 944,705

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of $244,185 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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	
2023	$ (43,546)
2024	(62,576)
2025	(107,057)
2026	(234,593)
Total	$(447,772)

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 – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contributions – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

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.

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 Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee Amount-Weighted 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 Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.
>
> Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.
>
> Disabled Post-retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted 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, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. 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, 2021. 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%)
$2,851,576	$1,442,699	$284,189

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 $600,117. Pension expense for the years ended June 30, 2022, 2021 and 2020 was $30,756, $31,780 and $31,641, 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, 2022, taxes became due and payable on September 15, 2021, February 15, 2022 and May 15, 2022. 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 2022 were as follows:

	Homestead	Non-Homestead
Town	.6289	.6289
Local Agreement	.0052	.0052
Education	1.5520	1.7604
Total	2.1861	2.3945

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 $1,537 in unemployment claims during fiscal year 2022.

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. $1,894,667 of outstanding debt is included in the Sewer Fund and $72,000 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 is currently a pending claim 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.

The Town is a party to an unfair labor practice complaint pending before the Vermont Labor Relations Board, in which the Town's police union claims the Town was obligated to bargain with the Union over certain assignments of duties. There may be potential for the Town to pay back-wages to Union members for such assignments. The unfair labor practice complaint is in the early stages, so therefore, the likelihood of or the amount of a negative outcome is unknown at this time.

F. Concentration of Expenses

The Town purchased all of their water from Champlain Water district "CWD" for the year ended June 30, 2022. The Town purchased $411,963 of water from CWD.

G. Subsequent Events

Subsequent to year-end, the Town will receive the second half of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds in the amount of $1,618,734.

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, 2022

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:					
Property Taxes	$ 6,780,911	$ 0	$ 6,780,911	$ 6,801,488	$ 20,577
Interest on Delinquent Taxes	30,000	0	30,000	16,614	(13,386)
Penalties on Delinquent Taxes	45,000	0	45,000	58,681	13,681
Railroad Taxes	4,000	0	4,000	2,031	(1,969)
State Land Taxes	12,500	0	12,500	12,538	38
Current Use Taxes	55,000	0	55,000	69,986	14,986
State Land PILOT	5,600	0	5,600	6,623	1,023
Penalty on Late HS-122	5,500	0	5,500	8,618	3,118
School Tax Collection Fee	30,000	0	30,000	34,707	4,707
Interest on Investments	5,000	0	5,000	3,903	(1,097)
Miscellaneous	12,000	0	12,000	13,140	1,140
Administrative Contribution - Water and Sewer	350,000	0	350,000	366,313	16,313
Clerk and Treasurer	116,415	0	116,415	163,658	47,243
Library	3,000	0	3,000	346	(2,654)
Recreation	59,000	0	59,000	75,412	16,412
Planning and Zoning	42,000	0	42,000	54,731	12,731
Public Works	247,500	0	247,500	490,347	242,847
Buildings and Grounds	3,500	0	3,500	9,250	5,750
Police	148,000	0	148,000	154,178	6,178
Animal Control	2,500	0	2,500	715	(1,785)
Fire	375	0	375	644	269
Rescue	302,000	0	302,000	394,912	92,912
Transfers In	78,694	0	78,694	96,220	17,526
Total Revenues	8,338,495	0	8,338,495	8,835,055	496,560
Expenditures:					
Administrative Services	137,515	0	137,515	130,142	7,373
Selectboard	70,775	0	70,775	69,299	1,476
Insurance/Risk Management	142,000	0	142,000	151,471	(9,471)
Legal	57,000	0	57,000	91,388	(34,388)
County and Regional Functions	134,096	0	134,096	128,225	5,871
Information Technology	107,762	0	107,762	99,403	8,359
Contingency	30,000	0	30,000	0	30,000
Debt Service, Principal and Interest	691,314	182,550	873,864	908,563	(34,699)
Manager	266,226	0	266,226	251,637	14,589
Clerk and Treasurer	255,150	0	255,150	230,243	24,907
Elections	12,782	0	12,782	5,135	7,647
Finance	327,373	0	327,373	323,571	3,802
Listers	92,817	0	92,817	75,090	17,727
Library	309,384	0	309,384	273,200	36,184
Recreation	242,999	0	242,999	235,566	7,433
Planning and Zoning	229,136	0	229,136	228,190	946
Public Works Administration	271,625	0	271,625	238,407	33,218
Highways	1,531,940	0	1,531,940	1,674,451	(142,511)
Buildings and Grounds	382,394	0	382,394	373,106	9,288
Public Safety Administration	100,530	0	100,530	93,648	6,882
Police	2,083,247	0	2,083,247	1,953,911	129,336
Animal Control	10,591	0	10,591	4,648	5,943
Fire	229,504	0	229,504	230,675	(1,171)
Rescue	513,586	0	513,586	518,639	(5,053)
Transfer to Capital	458,749	(182,550)	276,199	276,199	0
Total Expenditures	8,688,495	0	8,688,495	8,564,807	123,688
Excess/(Deficiency) of Revenues Over Expenditures	$ (350,000)	$ 0	$ (350,000)	270,248	$ 620,248
Fund Balance - July 1, 2021				2,703,505	
Fund Balance - June 30, 2022				$ 2,973,753	

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TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	$ 147,184,198	$ 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	0.9802%	0.9941%	1.0389%	1.1007%	1.1926%	1.1443%	1.2687%	1.2374%
Town's Proportionate Share of the Net Pension Liability	$ 1,442,699	$ 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	$ 2,229,198
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	54.5083%	96.6915%	70.5209%	60.9806%	55.6994%	63.2869%	41.4518%	5.0659%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.29%	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: None.

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

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TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	$ 244,185	$ 217,902	$ 206,035	$ 199,606	$ 192,798	$ 194,767	$ 173,914	$ 177,348
Contributions in Relation to the Actuarially Determined Contributions	244,185	217,902	206,035	199,606	192,798	194,767	173,914	177,348
Contribution Excess/(Deficiency)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Town's Covered Employee Payroll	$ 2,843,942	$ 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	8.586%	8.233%	7.922%	7.810%	7.593%	7.508%	7.474%	7.516%

Notes to Schedule

Valuation Date: June 30, 2021

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

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TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
ASSETS				
Cash	$ 29,020	$ 0	$ 5,722	$ 34,742
Receivables	84,287	0	0	84,287
Due from Other Funds	656,101	117,951	66,276	840,328
Total Assets	$ 769,408	$ 117,951	$ 71,998	$ 959,357
LIABILITIES				
Accounts Payable	$ 34,752	$ 0	$ 0	$ 34,752
Due to Other Funds	51,628	0	0	51,628
Unearned Revenue	6,995	0	0	6,995
Total Liabilities	93,375	0	0	93,375
DEFERRED INFLOWS OF RESOURCES				
Unavailable Grants	46,582	0	0	46,582
Total Deferred Inflows of Resources	46,582	0	0	46,582
FUND BALANCES				
Nonspendable	0	0	4,500	4,500
Restricted	436,954	0	67,498	504,452
Committed	0	117,951	0	117,951
Assigned	239,079	0	0	239,079
Unassigned/(Deficit)	(46,582)	0	0	(46,582)
Total Fund Balances	629,451	117,951	71,998	819,400
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 769,408	$ 117,951	$ 71,998	$ 959,357

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TOWN OF MILTON, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
Revenues:				
Property Taxes	$ 0	$ 502,863	$ 0	$ 502,863
Intergovernmental	236,711	0	0	236,711
Charges for Services	0	0	6,925	6,925
Permits, Licenses and Fees	149,666	0	0	149,666
Investment Income	726	324	67	1,117
Donations	455	0	0	455
Other	1,359	0	0	1,359
Total Revenues	388,917	503,187	6,992	899,096
Expenditures:				
General Government	219,196	0	0	219,196
Public Safety	51,024	0	0	51,024
Highways and Streets	83,570	0	0	83,570
Culture and Recreation	56,181	0	0	56,181
Capital Outlay:				
Highways and Streets	46,235	413,486	0	459,721
Total Expenditures	456,206	413,486	0	869,692
Excess/(Deficiency) of Revenues Over Expenditures	(67,289)	89,701	6,992	29,404
Other Financing Sources/(Uses):				
Transfers In	56,235	0	0	56,235
Transfers Out	(99,822)	(54,621)	0	(154,443)
Total Other Financing Sources/(Uses)	(43,587)	(54,621)	0	(98,208)
Net Change in Fund Balances	(110,876)	35,080	6,992	(68,804)
Fund Balances - July 1, 2021	740,327	82,871	65,006	888,204
Fund Balances - June 30, 2022	$ 629,451	$ 117,951	$ 71,998	$ 819,400

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TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 23,697	$ 5,323	$ 0	$ 29,020
Receivables	0	0	0	0	0	84,287	84,287
Due from Other Funds	244,645	246,975	164,272	0	209	0	656,101
Total Assets	$ 244,645	$ 246,975	$ 164,272	$ 23,697	$ 5,532	$ 84,287	$ 769,408
LIABILITIES							
Accounts Payable	$ 0	$ 7,896	$ 1,192	$ 0	$ 0	$ 25,664	$ 34,752
Due to Other Funds	0	0	0	0	0	51,628	51,628
Unearned Revenue	0	0	0	0	0	6,995	6,995
Total Liabilities	0	7,896	1,192	0	0	84,287	93,375
DEFERRED INFLOWS OF RESOURCES							
Unavailable Grants	0	0	0	0	0	46,582	46,582
Total Deferred Inflows of Resources	0	0	0	0	0	46,582	46,582
FUND BALANCES/(DEFICIT)							
Restricted	244,645	0	163,080	23,697	5,532	0	436,954
Assigned	0	239,079	0	0	0	0	239,079
Unassigned/(Deficit)	0	0	0	0	0	(46,582)	(46,582)
Total Fund Balances/(Deficit)	244,645	239,079	163,080	23,697	5,532	(46,582)	629,451
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 244,645	$ 246,975	$ 164,272	$ 23,697	$ 5,532	$ 84,287	$ 769,408

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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, 2022

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
Revenues:							
Intergovernmental	$ 0	$ 42,646	$ 0	$ 8,995	$ 1,074	$ 183,996	$ 236,711
Permits, Licenses and Fees	112,281	0	37,385	0	0	0	149,666
Investment Income	216	325	174	6	5	0	726
Donations	0	0	0	0	455	0	455
Other	0	0	0	0	0	1,359	1,359
Total Revenues	112,497	42,971	37,559	9,001	1,534	185,355	388,917
Expenditures:							
General Government	0	212,826	4,089	0	0	2,281	219,196
Public Safety	0	0	0	350	0	50,674	51,024
Highways and Streets	0	0	0	0	0	83,570	83,570
Culture and Recreation	0	0	0	0	2,442	53,739	56,181
Capital Outlay:							
Highways and Streets	0	0	0	0	0	46,235	46,235
Total Expenditures	0	212,826	4,089	350	2,442	236,499	456,206
Excess/(Deficiency) of Revenues Over Expenditures	112,497	(169,855)	33,470	8,651	(908)	(51,144)	(67,289)
Other Financing Sources/(Uses):							
Transfers In	0	0	0	0	0	56,235	56,235
Transfers Out	(57,829)	0	(15,993)	(26,000)	0	0	(99,822)
Total Other Financing Sources/(Uses)	(57,829)	0	(15,993)	(26,000)	0	56,235	(43,587)
Net Change in Fund Balances	54,668	(169,855)	17,477	(17,349)	(908)	5,091	(110,876)
Fund Balances/(Deficit) - July 1, 2021	189,977	408,934	145,603	41,046	6,440	(51,673)	740,327
Fund Balances/(Deficit) - June 30, 2022	$ 244,645	$ 239,079	$ 163,080	$ 23,697	$ 5,532	$ (46,582)	$ 629,451

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TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
ASSETS			
Due from Other Funds	$ 8,811	$ 109,140	$ 117,951
Total Assets	$ 8,811	$ 109,140	$ 117,951
LIABILITIES AND FUND BALANCES			
Liabilities:	$ 0	$ 0	$ 0
Fund Balances:			
Committed	8,811	109,140	117,951
Total Fund Balances	8,811	109,140	117,951
Total Liabilities and Fund Balances	$ 8,811	$ 109,140	$ 117,951

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Schedule 9

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, 2022

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
Revenues:			
Property Taxes	$ 413,486	$ 89,377	$ 502,863
Investment Income	219	105	324
Total Revenues	413,705	89,482	503,187
Expenditures:			
Capital Outlay:			
Highways and Streets	413,486	0	413,486
Total Expenditures	413,486	0	413,486
Excess of Revenues Over Expenditures	219	89,482	89,701
Other Financing Sources/(Uses):			
Transfers Out	0	(54,621)	(54,621)
Total Other Financing Sources/(Uses)	0	(54,621)	(54,621)
Net Change in Fund Balances	219	34,861	35,080
Fund Balances - July 1, 2021	8,592	74,279	82,871
Fund Balances - June 30, 2022	$ 8,811	$ 109,140	$ 117,951

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TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Water Rents	$ 1,192,223	$ 1,108,294	$ (83,929)
Penalties	16,000	18,303	2,303
Hookup Fees	40,000	121,946	81,946
Water Hauler Receipts	12,000	15,369	3,369
Maintenance Agreement Receipts	3,600	3,300	(300)
Interest Earnings	0	866	866
Other Income	1,500	1,846	346
Transfer In - TIF Fund	8,637	8,566	(71)
Total Revenues	1,273,960	1,278,490	4,530
Expenses:			
Regular Salaries	163,534	151,639	11,895
Overtime Salaries	6,500	8,066	(1,566)
Insurance Buyout	7,750	10,150	(2,400)
Group Health Insurance	26,100	11,532	14,568
Group Dental Insurance	1,879	1,369	510
Group LTD/STD/Vision Insurance	470	357	113
Group Life Insurance	1,950	1,725	225
Social Security	13,688	13,142	546
Retirement Contribution	10,579	46,704	(36,125)
Workers Compensation	10,000	6,271	3,729
Other Employee Benefits	1,150	0	1,150
Official/Administrative	179,398	187,553	(8,155)
Other Professional	1,500	875	625
Technical Services	2,300	2,855	(555)
Recording Fees	0	75	(75)
Consulting Services	10,000	8,932	1,068
Laundry Services	150	271	(121)
Water/Sewer	200	245	(45)
Water Purchase - CWD	421,057	411,963	9,094
Disposal and Refuse	425	489	(64)
Repair and Maintenance Facility	12,150	12,661	(511)
Vehicle Repair and Maintenance	1,530	267	1,263
Equipment Repair and Maintenance	3,500	5,887	(2,387)
Rental of Equipment and Vehicle	450	1,116	(666)
Construction Services	10,000	875	9,125
Operating Transfer Out - Capital Reserve	45,000	45,000	0
General Liability Insurance	4,000	2,815	1,185
Communications - Telephone	1,000	779	221
Communications - Other	2,000	1,837	163
Advertising	300	0	300
Printing and Binding	2,652	1,436	1,216
Travel	275	0	275
Postage	3,900	3,960	(60)
Office Supplies	258	210	48
General Supplies	12,700	12,992	(292)
Water Meters	20,000	32,031	(12,031)
Technology	3,000	2,913	87
Natural Gas	4,080	3,933	147

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TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Electricity	$ 14,000	$ 8,806	$ 5,194
Bottled Gas	75	0	75
Diesel Fuel	500	0	500
Gasoline	2,500	2,872	(372)
Books and Periodicals	200	0	200
Employee Uniforms	2,700	2,903	(203)
Capital Projects	178,000	98,579	79,421
Machinery and Equipment	2,000	434	1,566
Vehicles	19,000	0	19,000
Dues and Fees	1,000	785	215
Professional Development	2,000	300	1,700
Small Tools	800	149	651
Safety Supplies/Equipment	2,000	37	1,963
Miscellaneous	0	1,866	(1,866)
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	17,744	10,970
Interest	12,964	12,614	350
Total Expenses	1,273,545	1,161,681	111,864
Net Income	$ 415	116,809	$ 116,394
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(106,661)	
Principal Payments on Long-term Debt		29,197	
Debt Forgiveness		146,667	
Capital Outlay		102,976	
Loss on Disposal of Equipment		(5,561)	
Transfer In - Capital Reserve		45,000	
Change in Accrued Interest		(8,123)	
Change in Compensated Absences Payable		1,929	
Change in Net Pension Liability - GASB 68		32,656	
Change in Net Position - Exhibit G		$ 354,889	

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Sewer Rents	$ 792,914	$ 759,804	$ (33,110)
Penalties	10,000	11,212	1,212
Hookup Fees	50,000	86,243	36,243
Septage Receipts	70,000	88,471	18,471
Maintenance Agreement Receipts	350	0	(350)
Interest Earnings	0	1,019	1,019
Other Income	100	200	100
Transfer In - TIF Fund	179,159	179,159	0
Total Revenues	1,102,523	1,126,108	23,585
Expenses:			
Regular Salaries	171,169	159,210	11,959
Overtime Salaries	13,500	14,169	(669)
Insurance Buyout	11,250	10,100	1,150
Group Health Insurance	23,516	11,293	12,223
Group Dental Insurance	1,730	1,369	361
LTD/STD Group Vision Insurance	420	357	63
Group Life Insurance and AD&D	2,099	1,725	374
Social Security	15,076	14,083	993
Retirement	11,160	30,952	(19,792)
Worker's Compensation	10,000	6,271	3,729
Other Employee Benefits	1,150	0	1,150
Official/Administrative	223,398	231,554	(8,156)
Other Professional	10,000	9,665	335
Technical Services	65,000	77,931	(12,931)
Recording Fees	0	75	(75)
Consulting Services	10,000	382	9,618
Laundry Services	150	236	(86)
Water/Sewer	4,000	4,077	(77)
Disposal and Refuse	6,120	7,654	(1,534)
Repair and Maintenance Facility	25,000	26,508	(1,508)
Vehicle Repair and Maintenance	2,000	824	1,176
Equipment Repair and Maintenance	34,000	37,840	(3,840)
Rental of Land and Buildings	100	100	0
Rental of Equipment and Vehicle	510	0	510
Construction Services	5,000	0	5,000
General Liability Insurance	4,000	4,783	(783)
Communications - Telephone	3,355	3,324	31
Communications - Other	2,000	2,108	(108)
Advertising	300	0	300
Travel	275	0	275
Postage and Mailing	4,070	3,373	697
Office Supplies	258	201	57
General Supplies	14,000	24,296	(10,296)
Chemical Supplies	27,000	40,277	(13,277)
Water Meter Purchases	20,000	19,596	404
Technology	1,800	1,547	253
Natural Gas	12,000	9,442	2,558

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TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Electricity	$ 80,000	$ 87,414	$ (7,414)
Bottled Gas	75	0	75
Diesel Fuel	1,000	836	164
Gasoline	2,000	2,744	(744)
Books and Periodicals	400	0	400
Employee Uniforms	2,700	3,119	(419)
Capital Projects	59,000	26,706	32,294
Machinery and Equipment	2,000	4,984	(2,984)
Vehicles	19,000	0	19,000
Furniture and Fixtures	1,500	0	1,500
Dues and Fees	5,000	3,960	1,040
Professional Development	1,000	0	1,000
Small Tools	800	23	777
Safety Supplies/Equipment	4,000	533	3,467
2013-1 Sewer Principal	138,496	138,496	0
Village Core Sewer Improvements Bond	8,762	8,761	1
Interest	40,663	40,663	0
Total Expenses	1,101,802	1,073,561	28,241
Net Income	$ 721	52,547	$ 51,826
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(253,287)	
Principal Payments on Long-term Debt		145,136	
Debt Forgiveness		238	
Capital Outlay		70,735	
Loss on Disposal of Equipment		(8,150)	
Change in Accrued Interest		6,436	
Change in Compensated Absences Payable		1,929	
Change in Net Pension Liability - GASB 68		20,903	
Change in Net Position - Exhibit G		$ 36,487	

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