TOWN OF MILTON, VERMONT

AUDIT REPORT AND REPORTS ON COMPLIANCE AND INTERNAL CONTROL

JUNE 30, 2024

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Independent Auditor's Report

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

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, 2024, 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, 2024, 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 Principle

As described in Note I.F. to the financial statements, in 2024, the Town adopted new accounting guidance, GASB Statement No. 100, "Accounting Changes and Error Corrections", an amendment of GASB Statement No. 62. Our opinion is not modified with respect to this matter.

Correction of Errors

As described in Note III.C. to the financial statements, certain errors were corrected by management during the current year. Our opinions are not modified with respect to these matters.

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 a 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 the management's discussion and analysis on pages 5 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.

Supplemental 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 accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 27, 2025, on our consideration of the Town of Milton, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 27, 2025
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, 2024. 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 $50,305,581 (we own more than we owe). Of this amount, $4,466,007 (unrestricted) may be used to meet the Town's ongoing obligations. The balance of net position is made up of $41,510,377 invested in capital assets net of related debt and $4,329,197 restricted for specific purposes.

- The Town's total net position increased by $4,854,297 (10.68%) of this amount, net position of the governmental activities increased by $4,281,811 (21.56%), and net position attributable to business-type activities increased by $572,486 (2.24%).

- 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 $2,907,703, or approximately 30.78% of total general fund expenditures.

- The Town's total outstanding long-term debt increased by $1,784,536 (15.78%). Details are found on page 14 of this report. Most of the increase is the construction of the new Public Works Facility that will be completed during fiscal year 2025.

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. 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.

The business of the town is divided into two different accounting types: Governmental vs Business-type activities:

- Governmental activities – Most of the basic services such as the General Fund (budget), Town Core TIF Fund, Capital Reserve Fund and grants such as ARPA Funds. Consider this town money raised by the general fund budget for the operations of the town.
- Business-type Activities – the Town operates the water distribution systems (water is purchased from Champlain Water District), and the sewer facility, these are referred to as a business-type activity. User fees pay for the water and sewer system expenses. They are recorded an enterprise fund which is separate from the general governmental activities. This is district money raised by other than taxes for very specific function (earmarks) within the district.

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

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

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

The combining statements referred to earlier in connection with non-major 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	
	2024	2023	2024	2023	2024	2023
Assets:						
Cash and Investments	$ 14,159,507	$ 17,287,079	$ -	$ -	$ 14,159,507	$ 17,287,079
Receivables, Net	1,019,561	700,379	568,049	605,258	1,587,610	1,305,637
Other Assets	(2,804,717)	(1,936,242)	2,965,061	2,472,160	160,344	535,918
Capital Assets	27,615,391	18,242,286	25,458,486	25,498,545	53,073,877	43,740,831
Total Assets	39,989,742	34,293,502	28,991,596	28,575,963	68,981,338	62,869,465
Deferred Outflows of Resources	1,035,268	1,084,311	46,633	62,855	1,081,901	1,147,166
Liabilities:						
Other Liabilities	2,895,276	4,012,637	209,720	190,728	3,104,996	4,203,365
Noncurrent Liabilities	13,962,750	11,635,780	2,663,555	2,853,633	16,626,305	14,489,413
Total Liabilities	16,858,026	15,648,417	2,873,275	3,044,361	19,731,301	18,692,778
Deferred Inflows of Resources	25,221	53,895	1,136	3,125	26,357	57,020
Net Position:						
Net Investment in Capital Assets	18,517,075	11,733,187	22,993,302	22,819,771	41,510,377	34,552,958
Restricted	4,329,197	5,539,934	0	0	4,329,197	5,539,934
Unrestricted	1,295,491	2,402,380	3,170,516	2,771,561	4,466,007	5,173,941
Total Net Position	$ 24,141,763	$ 19,675,501	$ 26,163,818	$ 25,591,332	$ 50,305,581	$ 45,266,833

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 $50,305,581. The Town's total net position is split between governmental activities net position of $24,141,763 and business-type activities net position of $26,163,818.

The largest portion of the Town's total net position $41,510,377 (82.52%) 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 $4,329,197 (8.61%) of restricted net position. Restricted net position represents assets whose use is subject to external restrictions. The remaining balance of $4,466,007 (8.88%) is unrestricted net position, which may be used to meet the government's ongoing financial obligations. Included in unrestricted net position are amounts that management has assigned for particular purposes, such as capital reserve funds and reserves for expenditures in subsequent years.

Summary of the Statement of Activities

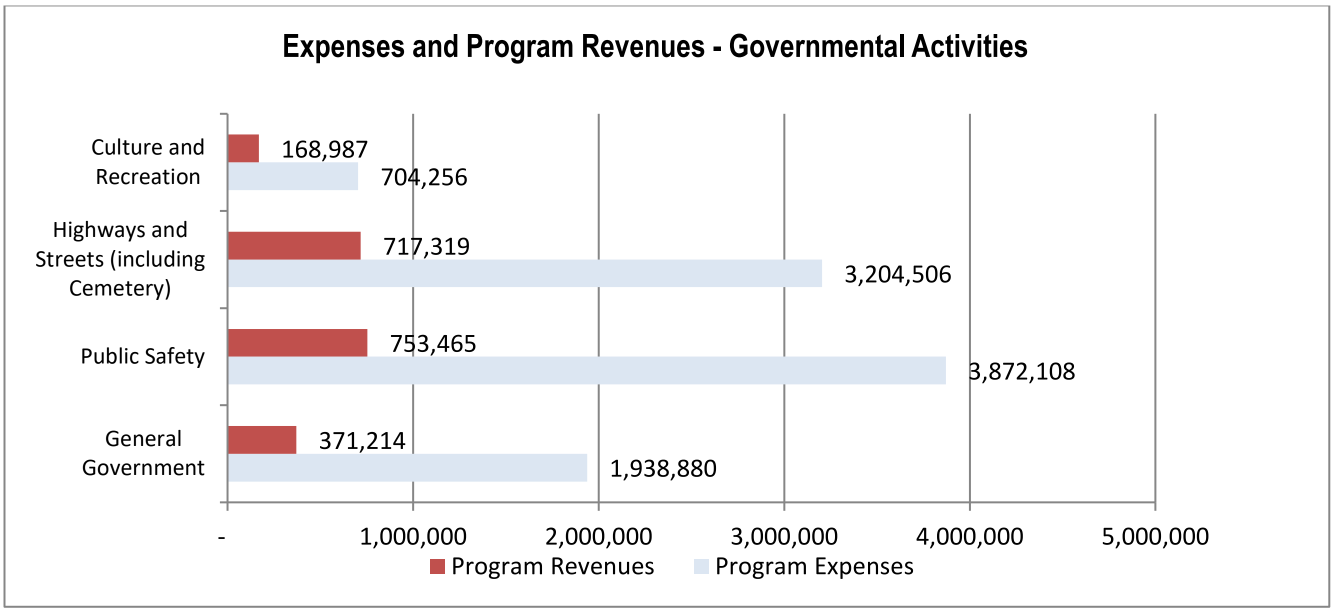
	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	$ 1,084,211	$ 842,269	$ 2,582,661	$ 2,366,112	$ 3,666,872	$ 3,208,381
Operating Grants & Contributions	512,128	522,759	126,746	0	638,874	522,759
Capital Grants & Contributions	414,646	173,970	4,427	0	419,073	173,970
General Revenues:						
Property Taxes	9,311,057	8,802,172	0	0	9,311,057	8,802,172
Other	3,127,240	1,336,676	88,063	47,597	3,215,303	1,384,273
Total Revenues	14,449,282	11,677,846	2,801,897	2,413,709	17,251,179	14,091,555
Expenses:						
General Government	1,938,880	1,676,876	0	0	1,938,880	1,676,876
Public Safety	3,872,108	3,624,984	0	0	3,872,108	3,624,984
Highways and Streets	3,204,506	3,083,633	0	0	3,204,506	3,083,633
Culture and Recreation	704,256	601,449	0	0	704,256	601,449
Interest on Long-Term Debt	259,188	268,486	0	0	259,188	268,486
Water	0	0	1,309,936	1,097,255	1,309,936	1,097,255
Wastewater	0	0	1,108,008	1,108,211	1,108,008	1,108,211
Total Expenses	9,978,938	9,255,428	2,417,944	2,205,466	12,396,882	11,460,894
Increase (Decrease) in Net Position						
Before Transfers	4,470,344	2,422,418	383,953	208,243	4,854,297	2,630,661
Transfers	(188,533)	(287,514)	188,533	287,514	0	0
Increase (Decrease) in Net Position	4,281,811	2,134,904	572,486	495,757	4,854,297	2,630,661
Error Corrections	184,451	0	0	0	184,451	0
Beginning Net Position	19,675,501	17,540,597	25,591,332	25,095,575	45,266,833	42,636,172
Ending Net Position	$ 24,141,763	$ 19,675,501	$ 26,163,818	$ 25,591,332	$ 50,305,581	$ 45,266,833

Governmental Activities

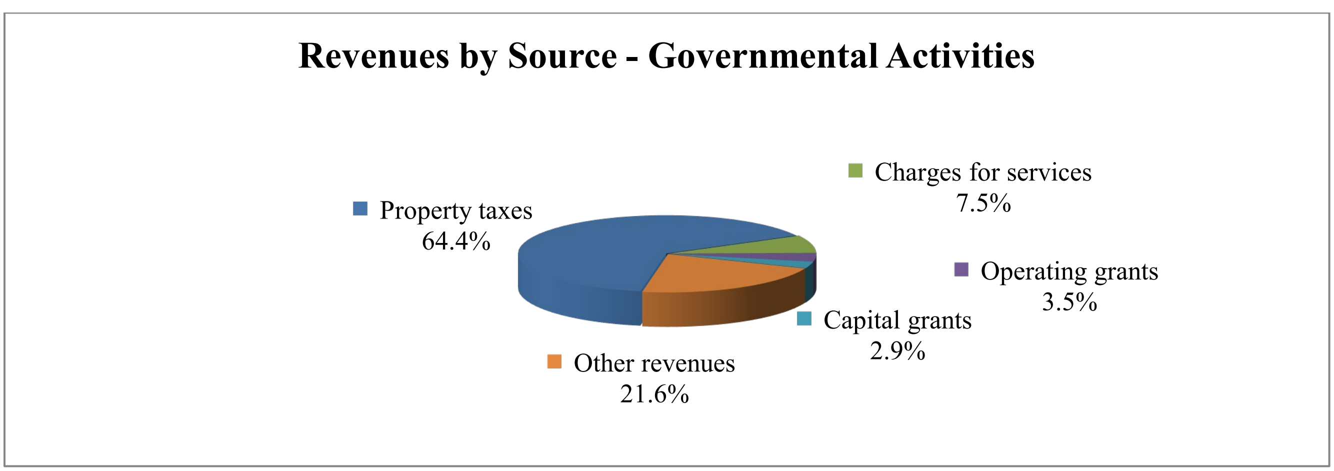
Governmental activities increased the Town's net position by $4,281,811 for the year ended June 30, 2024. Key elements of the change are as follows.

- Total governmental activities' revenues increased by 23.7% ($2,771,436) from 2023 to 2024. The "Other" category and increases in the grand list which increase tax revenue are the largest contributions to the increase in Total Revenue.
- The "Other" category includes the revenue from the ARPA federal allocation resulting in an increase of $1,790,564, which is an increase of 134%.
- Property tax revenues increased by 5.8% or $508,885 from the previous year because growth in the grand list, increase in tax rate and this includes penalty and interest on delinquent taxes.
- Total governmental activities' expenses increased by 7.82% ($723,510) from 2023 to 2024. The increases are across all departments to varying degrees with the exception of a reduction in "Interest on Long Term Debt" of 3.5% ($9,298).

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 total revenue for governmental activities is $14,449,282. Of that total 64.4% comes from property taxes ($9,311,057). The second largest category of revenue is other coming in at 21.6% of total revenue ($3,127,240). This is largely the result of the ARPA Federal Allocation. The following graph shows the distribution of governmental activities revenues by source for the year ended June 30, 2024.



Business-type Activities

Business-type activities increased the Town's net position by $572,486 during the current fiscal year. Key elements of this increase are as follows.

- Charges for services increased by $216,549 or 9.2% from $2,366,112 to $2,582,661. 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 $2,417,944 reflect an increase of $212,478 (9.6%) from the prior year.

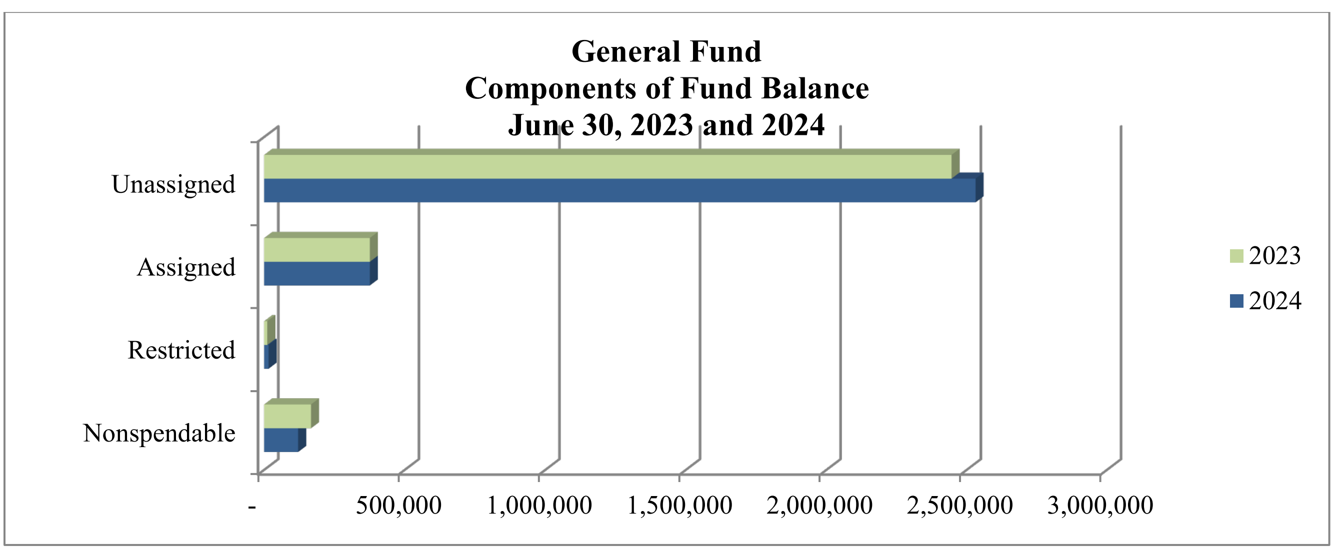
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

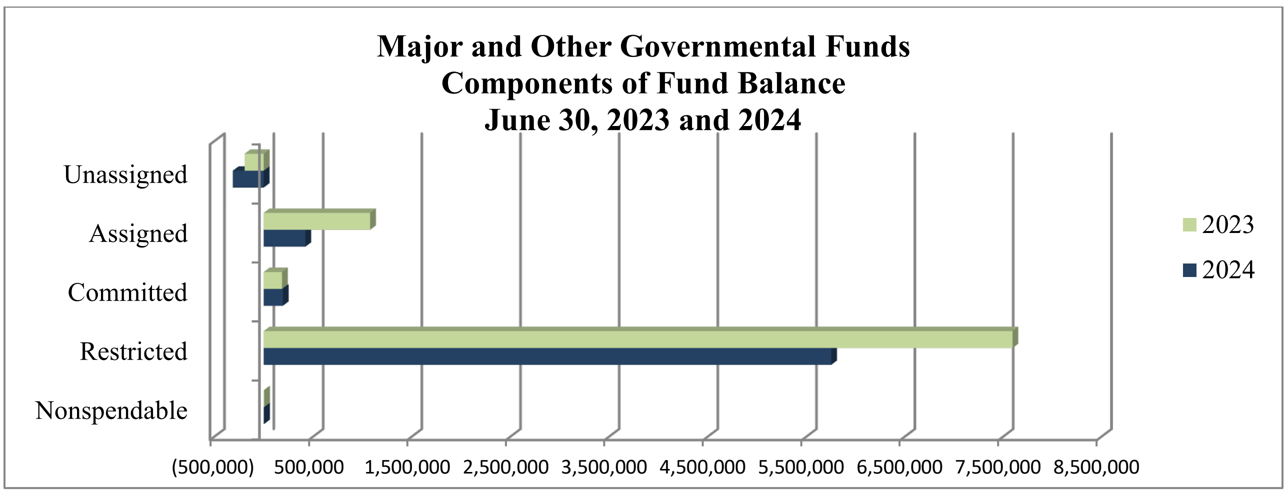
The focus of the Town's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's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

At June 30, 2024, the Town's governmental funds reported combined fund balances of $9,104,339 a decrease of $2,750,681 (-23.20%) from the prior year. $2,218,009 (24.36%) of this amount is the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is divided into four categories "non-spendable" which are not in a spendable form such as pending refunds or credits $125,517 (1.38%), "restricted" set aside for a particular purposes $5,768,193 (63.36%), "committed" earmarked for a specific expense $194,092 (2.13%), "assigned" usable only for the purpose for which the money was raised $798,528 (8.77%). The components of each category of fund balance are detailed in Footnote IV. K "Fund Balances" Pages 46-49 of this report.



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 $3,044,491, an increase of $133,559 (4.59%) from the previous year. Of this amount, $121,017 (3.97%) of the fund balance is in "Non-spendable" category, $15,771 (0.52%) is "Restricted",$375,928 (12.35%) is "Assigned" and $2,531,715 is "Unassigned". These terms and categories are more well defined in Footnote IV. K "Fund Balances" Pages 46-49 of this report.

As a measure of the general fund's liquidity, it may be useful to compare General Fund (GF), Fund Balance to GF expenditures. The GF fund balance, $3,044,491 is approximately 32.2% of GF expenditures; however, this amount includes non-spendable balances defined in the paragraph above, which would not be available to finance general fund expenditures. Comparing the unassigned or available fund balance to the expenditures gives slightly different picture. The GF "Unassigned" portion of the fund balance, $2,531,775 is approximately 26.8% of GF 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 $1,843,069 and $655,808, respectively.

General Fund Budgetary Highlights

The Town's budget for the year ended June 30, 2024 passed on the first vote in March of 2023 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 $133,559. Expenditures came in under budget by $116,697 See schedule 1, page 59-60.

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 $6,996,984, an increase of $196,683 or 2.89% from the previous year. The water fund has $5,554,106 of net position invested in capital assets net of related debt. This leaves an unrestricted balance in the fund of $1,442,578. In the sewer fund, total net position is $19,167,134, an increase of $375,803 or 2.0% 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 ($17,439,196), leaving an unrestricted balance of $1,727,938. 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, 2024 were $71,614,728 (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 $10,588,898 from June 30, 2023, to June 30, 2024, or 17.35%.

Combined accumulated depreciation at the end of the year is $18,540,851. Of this combined depreciation, $1,457,030 is attributed to Fiscal Year 2024. The increase in combined investment in new capital assets of $10,588,898 far exceeds the depreciation for FY 2024 resulting in a net increase in capital assets net of accumulated depreciation of $9,333,046.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Capital Assets:						
Land	$ 5,671,945	$ 1,836,590	$ 117,520	$ 117,520	$ 5,789,465	$ 1,954,110
Construction in Progress	5,406,935	310,810	104,419	50,110	5,511,354	360,920
Land Improvements	1,763,146	1,689,378	0	0	1,763,146	1,689,378
Buildings and Improvements	5,131,180	4,971,044	0	0	5,131,180	4,971,044
Vehicles, Machinery and Equipment	6,069,812	5,653,616	838,951	596,867	6,908,763	6,250,483
Infrastructure	14,078,912	13,367,987	32,431,908	32,431,908	46,510,820	45,799,895
	38,121,930	27,829,425	33,492,798	33,196,405	71,614,728	61,025,830
Less: Accumulated Depreciation	(10,506,539)	(9,587,139)	(8,034,312)	(7,697,860)	(18,540,851)	(17,284,999)
Total Assets, Net	$ 27,615,391	$ 18,242,286	$ 25,458,486	$ 25,498,545	$ 53,073,877	$ 43,740,831

Major community infrastructure and system improvement activity for the year ended June 30, 2024 included the following:

- Ongoing construction of the Public Works Facility approved by the voters in March of 2022 and expected to be completed early in Fiscal Year 2025. This major project will improve the safety, security and maintenance of the highway and public works equipment as well as a more productive environment for the staff.

- The "Grange Hall" recently purchased by the town has undergone significant renovation and is now available for rental as well as town and school uses during the year. This unique facility gives the citizens of our town a great location for events such as recreation program activities during weather (winter) that cannot occur outside.

- Town Forest trails have been improved allowing for safer and more robust interaction between the citizens and nature in this beautiful natural reserve here in town.

- During this year, the system has been implemented to automatically deduct payment of water and sewer bills from users' accounts, This system has been requested for several years by the systems users. The payment is withdrawn from each participant's account on the due date of the bill.

- The tennis and pickleball courts have been repaired and improved as well as re-blazing the trails throughout the Bombardier Parks (East and West) and installing an additional basketball court in the west park.

- We finalized the purchase of land to accommodate the future construction of the "Hour Glass" project which is expected to be completed as soon as the state is able likely in Fiscal Year 2026.

Additional information on the Town's capital assets can be found in Footnote. IV. E. Capital Assets pages 36 & 37.

Long-Term Debt

The Town began the year with $11,309,227 in long-term debt outstanding. As of June 30, 2024, this amount had increased by $1,784,536 or 15.78% to end the current year with $13,093,763 in long-term debt outstanding.

Summary of Long Term Debt

	June 30, 2023	Additions	Deletions	June 30, 2024
Governmental Activities	$ 8,630,453	$ 3,109,748	$ 1,153,970	$ 10,586,231
Business-type Activities	2,678,774	144,987	316,229	2,507,532
Total Government	$ 11,309,227	$ 3,254,735	$ 1,470,199	$ 13,093,763

Factors contributing to the change include the following:

- Principal payments totaling $1,153,970 were made on governmental activities debt and principal payments totaling $316,229 were made on business-type activities debt.

- New debt for Governmental Activities in the amount of $3,109,748 was incurred in the form of draw down from the Line of Credit used as a Bond Anticipation Note for the Public Works Facility approved by the voters on Town Meeting Day 2022. In the Business-type activities, we borrowed $144,987 from the State Special Environmental Revolving Fund.

Additional information about long-term debt can be found in Footnote IV. J. Long-term Liabilities Pages 40-45.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's FY25 approved expenditure budget of $10,025,278 was an increase of $240,300 from the FY24 budget. The resulting change in the tax rate for the Municipal taxes decreased from $0.5036 to $0.5024.

The FY25 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, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 14,133,675	$ 0	$ 14,133,675
Investments	25,832	0	25,832
Deposits held by Escrow Agent	10,668	0	10,668
Receivables (Net of Allowance for Uncollectibles)	1,019,561	568,049	1,587,610
Internal Balances	(2,936,402)	2,936,402	0
Prepaid Expenses	61,801	0	61,801
Inventory	59,216	28,659	87,875
Capital Assets:			
Land	5,671,945	117,520	5,789,465
Construction in Progress	5,406,935	104,419	5,511,354
Other Capital Assets, (Net of Accumulated Depreciation)	16,536,511	25,236,547	41,773,058
Total Assets	39,989,742	28,991,596	68,981,338
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	1,035,268	46,633	1,081,901
Total Deferred Outflows of Resources	1,035,268	46,633	1,081,901
LIABILITIES			
Accounts Payable	1,847,211	154,718	2,001,929
Accrued Payroll and Benefits Payable	238,701	13,883	252,584
Unearned Revenue	573,923	4,864	578,787
Due to Others	139,518	0	139,518
Accrued Interest Payable	95,923	36,255	132,178
Noncurrent Liabilities:			
Due within One Year	1,077,245	192,597	1,269,842
Due in More than One Year	12,885,505	2,470,958	15,356,463
Total Liabilities	16,858,026	2,873,275	19,731,301
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	25,221	1,136	26,357
Total Deferred Inflows of Resources	25,221	1,136	26,357
NET POSITION			
Net Investment in Capital Assets	18,517,075	22,993,302	41,510,377
Restricted:			
Non-Expendable:			
Cemetery	4,500	0	4,500
Expendable:			
Town Core TIF	3,412,884	0	3,412,884
Impact Fee Eligible Expenses	564,295	0	564,295
Restoration of Records	171,269	0	171,269
Other Purposes	176,249	0	176,249
Unrestricted	1,295,491	3,170,516	4,466,007
Total Net Position	$ 24,141,763	$ 26,163,818	$ 50,305,581

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

TOWN OF MILTON, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		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	$ 1,938,880	$ 281,721	$ 89,493	$ 0	$ (1,567,666)	$ 0	$ (1,567,666)
Public Safety	3,872,108	688,740	64,725	0	(3,118,643)	0	(3,118,643)
Highways and Streets	3,155,378	5,930	349,093	353,146	(2,447,209)	0	(2,447,209)
Culture and Recreation	704,256	98,670	8,817	61,500	(535,269)	0	(535,269)
Cemetery	49,128	9,150	0	0	(39,978)	0	(39,978)
Interest on Long-term Debt	259,188	0	0	0	(259,188)	0	(259,188)
Total Governmental Activities	9,978,938	1,084,211	512,128	414,646	(7,967,953)	0	(7,967,953)
Business-type Activities:							
Water	1,309,936	1,327,704	122,494	4,427	0	144,689	144,689
Sewer	1,108,008	1,254,957	4,252	0	0	151,201	151,201
Total Business-type Activities	2,417,944	2,582,661	126,746	4,427	0	295,890	295,890
Total Primary Government	$ 12,396,882	$ 3,666,872	$ 638,874	$ 419,073	(7,967,953)	295,890	(7,672,063)
General Revenues:							
Property Taxes					9,311,057	0	9,311,057
Penalties and Interest on Delinquent Taxes					71,283	0	71,283
General State Grants					76,930	0	76,930
Impact Fees					181,153	0	181,153
ARPA Funds					2,048,451	0	2,048,451
Unrestricted Investment Earnings					603,449	88,063	691,512
Gain on Sale of Property					88,275	0	88,275
Gain on Sale of Vehicles					41,047	0	41,047
Other Revenues					16,652	0	16,652
Transfers:					(188,533)	188,533	0
Total General Revenues and Transfers					12,249,764	276,596	12,526,360
Change in Net Position					4,281,811	572,486	4,854,297
Net Position - July 1, 2023, As Previously Presented					19,675,501	25,591,332	45,266,833
Error Corrections					184,451	0	184,451
Net Position - July 1, 2023, As Restated					19,859,952	25,591,332	45,451,284
Net Position - June 30, 2024					$ 24,141,763	$ 26,163,818	$ 50,305,581

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

TOWN OF MILTON, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Town Core TIF Fund	Capital Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 9,249,637	$ 4,804,856	$ 0	$ 0	$ 79,182	$ 14,133,675
Investments	25,832	0	0	0	0	25,832
Deposits held by Escrow Agent	0	0	10,668	0	0	10,668
Receivables (Net of Allowance for Uncollectibles)	547,003	217,044	0	0	255,514	1,019,561
Due from Other Funds	0	0	740,890	578,793	1,344,143	2,663,826
Prepaid Items	61,801	0	0	0	0	61,801
Inventory	59,216	0	0	0	0	59,216
Total Assets	$ 9,943,489	$ 5,021,900	$ 751,558	$ 578,793	$ 1,678,839	$ 17,974,579
LIABILITIES						
Accounts Payable	$ 642,619	$ 126,808	$ 853,542	$ 8,484	$ 215,758	$ 1,847,211
Accrued Payroll and Benefits Payable	238,701	0	0	0	0	238,701
Due to Other Funds	5,561,516	38,712	0	0	0	5,600,228
Unearned Revenue	57,767	0	0	475,332	40,824	573,923
Due to Others	139,518	0	0	0	0	139,518
Total Liabilities	6,640,121	165,520	853,542	483,816	256,582	8,399,581
DEFERRED INFLOWS OF RESOURCES						
Unavailable Property Taxes, Penalties and Interest	206,200	0	0	0	0	206,200
Unavailable Ambulance Fees	52,677	0	0	0	0	52,677
Unavailable Grants	0	0	0	0	211,782	211,782
Total Deferred Inflows of Resources	258,877	0	0	0	211,782	470,659
FUND BALANCES/(DEFICIT)						
Nonspendable	121,017	0	0	0	4,500	125,517
Restricted	15,771	4,856,380	0	0	896,042	5,768,193
Committed	0	0	0	0	194,092	194,092
Assigned	375,928	0	0	94,977	327,623	798,528
Unassigned/(Deficit)	2,531,775	0	(101,984)	0	(211,782)	2,218,009
Total Fund Balances/(Deficit)	3,044,491	4,856,380	(101,984)	94,977	1,210,475	9,104,339
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,943,489	$ 5,021,900	$ 751,558	$ 578,793	$ 1,678,839	

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.	27,615,391
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	470,659
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.	(14,058,673)
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.	1,010,047
Net Position of Governmental Activities	$ 24,141,763

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, 2024

	General Fund	Town Core TIF Fund	Capital Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	$ 7,604,736	$ 1,602,665	$ 0	$ 0	$ 122,256	$ 9,329,657
Penalties and Interest on Delinquent Taxes	71,283	0	0	0	0	71,283
Intergovernmental	349,757	0	0	2,048,451	625,475	3,023,683
Charges for Services	1,251,031	0	0	0	9,150	1,260,181
Permits, Licenses and Fees	163,070	0	0	0	187,501	350,571
Fines and Forfeits	35,455	0	0	0	0	35,455
Investment Income	185,264	297,986	6,773	48,756	64,670	603,449
Donations	10,481	0	0	0	1,092	11,573
Other	16,652	0	0	0	0	16,652
Total Revenues	9,687,729	1,900,651	6,773	2,097,207	1,010,144	14,702,504
Expenditures:						
General Government	2,078,347	0	0	26,727	76,439	2,181,513
Public Safety	3,363,378	0	17,600	0	50,300	3,431,278
Highways and Streets	2,074,438	74,188	694	4,214	100,931	2,254,465
Culture and Recreation	583,933	0	8,600	69,374	2,019	663,926
Cemetery	49,128	0	0	0	0	49,128
Capital Outlay:						
General Government	38,036	0	0	47,505	0	85,541
Public Safety	30,368	0	249,476	5,833	8,161	293,838
Highways and Streets	371,024	3,409,834	4,059,993	1,836,730	353,146	10,030,727
Culture and Recreation	8,573	0	35,360	43,768	61,500	149,201
Debt Service:						
Principal	733,970	420,000	0	0	0	1,153,970
Interest	114,694	129,764	0	0	0	244,458
Total Expenditures	9,445,889	4,033,786	4,371,723	2,034,151	652,496	20,538,045
Excess/(Deficiency) of Revenues Over Expenditures	241,840	(2,133,135)	(4,364,950)	63,056	357,648	(5,835,541)
Other Financing Sources/(Uses):						
Issuance of Long-term Debt	0	0	3,109,748	0	0	3,109,748
Proceeds from Sale of Property	0	88,275	0	0	0	88,275
Proceeds from Sale of Vehicles	0	0	75,370	0	0	75,370
Transfers In	114,111	0	265,182	0	22,585	401,878
Transfers Out	(222,392)	(188,533)	0	(14,300)	(165,186)	(590,411)
Total Other Financing Sources/(Uses)	(108,281)	(100,258)	3,450,300	(14,300)	(142,601)	3,084,860
Net Change in Fund Balances	133,559	(2,233,393)	(914,650)	48,756	215,047	(2,750,681)
Fund Balances - July 1, 2023, As Previously Presented	2,999,797	6,816,457	812,666	46,221	995,428	11,670,569
Error Corrections	(88,865)	273,316	0	0	0	184,451
Fund Balances - July 1, 2023, As Restated	2,910,932	7,089,773	812,666	46,221	995,428	11,855,020
Fund Balances/(Deficit) - June 30, 2024	$ 3,044,491	$ 4,856,380	$ (101,984)	$ 94,977	$ 1,210,475	$ 9,104,339

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, 2024

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

Net change in fund balances - total government funds (Exhibit D)	$	(2,750,681)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($10,559,307) is allocated over their estimated useful lives and reported as depreciation expense ($1,120,578). This is the amount by which capital outlays exceeded depreciation in the current period.		9,438,729
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(65,624)
The issuance of long-term debt ($3,109,748) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt ($1,153,970) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(1,955,778)
Governmental funds report employer pension contributions as expenditures ($297,973). However, in the statement of activities, the cost of pension benefits earned net of employee contributions ($667,624) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(369,651)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net difference in the treatment of these items from the previous year.		21,456
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. This amount is the net difference in the treatment of these items from the previous year.		(36,640)
Change in net position of governmental activities (Exhibit B)	$	4,281,811

The General Fund charges the Water Fund and Sewer Fund for administrative expenses. These charges totaling $404,000 have been eliminated from the Governmental Activities on the Statement of Activities.

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

TOWN OF MILTON, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Receivables (Net of Allowance for Uncollectibles)	$ 333,741	$ 234,308	$ 568,049
Due from Other Funds	1,316,475	1,619,927	2,936,402
Inventory	11,612	17,047	28,659
Total Current Assets	1,661,828	1,871,282	3,533,110
Noncurrent Assets:			
Land	39,400	78,120	117,520
Construction in Progress	83,749	20,670	104,419
Vehicles, Machinery and Equipment	465,565	373,386	838,951
Buildings, Distribution and Collection Systems	8,627,093	23,804,815	32,431,908
Less: Accumulated Depreciation	(2,900,036)	(5,134,276)	(8,034,312)
Total Noncurrent Assets	6,315,771	19,142,715	25,458,486
Total Assets	7,977,599	21,013,997	28,991,596
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	29,223	17,410	46,633
Total Deferred Outflows of Resources	29,223	17,410	46,633
LIABILITIES			
Current Liabilities:			
Accounts Payable	86,739	67,979	154,718
Accrued Payroll and Benefits Payable	7,184	6,699	13,883
Unearned Revenue	4,864	0	4,864
Accrued Interest Payable	10,686	25,569	36,255
General Obligation Bonds Payable - Current Portion	36,462	156,135	192,597
Total Current Liabilities	145,935	256,382	402,317
Noncurrent Liabilities:			
Compensated Absences Payable	7,120	7,120	14,240
Net Pension Liability	88,820	52,963	141,783
General Obligation Bonds Payable - Noncurrent Portion	767,551	1,547,384	2,314,935
Total Noncurrent Liabilities	863,491	1,607,467	2,470,958
Total Liabilities	1,009,426	1,863,849	2,873,275
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	712	424	1,136
Total Deferred Inflows of Resources	712	424	1,136
NET POSITION			
Net Investment in Capital Assets	5,554,106	17,439,196	22,993,302
Unrestricted	1,442,578	1,727,938	3,170,516
Total Net Position	$ 6,996,684	$ 19,167,134	$ 26,163,818

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, 2024

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	$ 1,125,489	$ 1,014,661	$ 2,140,150
Penalties	15,300	10,129	25,429
Hookup Fees	180,793	228,876	409,669
Other Income	6,122	1,291	7,413
Total Operating Revenues	1,327,704	1,254,957	2,582,661
Operating Expenses:			
CWD Water Purchases	468,652	0	468,652
Salaries and Benefits	223,711	194,439	418,150
Administrative Fees	202,000	202,000	404,000
Utilities	17,678	134,692	152,370
Sludge Disposal	0	91,106	91,106
Supplies	13,795	79,194	92,989
Printing and Advertising	2,694	804	3,498
Insurances	4,429	8,209	12,638
Technology	9,416	4,607	14,023
Vehicles, Machinery and Equipment	11,599	12,443	24,042
Telephone and Internet	2,499	5,346	7,845
Professional Development	743	753	1,496
Miscellaneous Expenses	313	305	618
Dues and Fees	100	1,898	1,998
Employee Uniforms	3,297	3,866	7,163
Repairs and Maintenance	39,443	70,770	110,213
Depreciation	109,549	226,903	336,452
Rentals	70	6,749	6,819
Professional Services	8,461	14,955	23,416
Technical Services	1,976	16,556	18,532
Total Operating Expenses	1,120,425	1,075,595	2,196,020
Operating Income	207,279	179,362	386,641
Non-Operating Revenues/(Expenses):			
Debt Forgiveness	122,494	0	122,494
Service Line Inventory Expenses	(154,538)	0	(154,538)
FEMA Reimbursement	0	4,252	4,252
Loss on Disposal of Assets	(9,700)	0	(9,700)
Investment Income	42,620	45,443	88,063
Interest Expense	(25,273)	(32,413)	(57,686)
Total Non-Operating Revenues/(Expenses)	(24,397)	17,282	(7,115)
Net Income Before Capital Contributions and Transfers	182,882	196,644	379,526
Capital Contributions and Transfers:			
Capital Contributions	4,427	0	4,427
Transfers In	9,374	179,159	188,533
Total Capital Contributions and Transfers	13,801	179,159	192,960
Change in Net Position	196,683	375,803	572,486
Net Position - July 1, 2023	6,800,001	18,791,331	25,591,332
Net Position - June 30, 2024	$ 6,996,684	$ 19,167,134	$ 26,163,818

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, 2024

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	$ 1,348,722	$ 1,273,218	$ 2,621,940
Payments for Goods and Services	(594,268)	(411,123)	(1,005,391)
Payments for Interfund Services	(202,000)	(202,000)	(404,000)
Payments for Wages and Benefits	(221,931)	(197,707)	(419,638)
Net Cash Provided by Operating Activities	330,523	462,388	792,911
Cash Flows From Noncapital Financing Activities:			
Issuance of Long-term Debt	144,987	0	144,987
Principal Paid on Long-term Debt	(4,967)	0	(4,967)
Service Line Inventory Expenses	(147,695)	0	(147,695)
FEMA Reimbursement	0	4,252	4,252
(Increase)/Decrease in Due from Other Funds	(130,837)	(356,920)	(487,757)
Net Cash Provided/(Used) by Noncapital Financing Activities	(138,512)	(352,668)	(491,180)
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(188,109)	(144,286)	(332,395)
Transfers Received from Other Funds	9,374	179,159	188,533
Principal Paid on Long-term Debt	(31,226)	(153,115)	(184,341)
Interest Paid on Long-term Debt	(24,670)	(36,921)	(61,591)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(234,631)	(155,163)	(389,794)
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	42,620	45,443	88,063
Net Cash Provided by Investing Activities	42,620	45,443	88,063
Net Increase in Cash	0	0	0
Cash - July 1, 2023	0	0	0
Cash - June 30, 2024	$ 0	$ 0	$ 0
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	207,279	179,362	386,641
Depreciation	109,549	226,903	336,452
(Increase)/Decrease in Receivables	18,948	18,261	37,209
(Increase)/Decrease in Prepaid Expenses	2,166	4,056	6,222
(Increase)/Decrease in Inventory	(5,278)	(6,088)	(11,366)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	8,409	7,813	16,222
Increase/(Decrease) in Accounts Payable	(5,991)	43,162	37,171
Increase/(Decrease) in Accrued Payroll and Benefits Payable	2,007	1,108	3,115
Increase/(Decrease) in Unearned Revenue	2,070	0	2,070
Increase/(Decrease) in Compensated Absences Payable	817	817	1,634
Increase/(Decrease) in Net Pension Liability	(8,295)	(12,175)	(20,470)
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	(1,158)	(831)	(1,989)
Net Cash Provided by Operating Activities	$ 330,523	$ 462,388	$ 792,911

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amounts of $126,921.

There was $23,255 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2023.

There was $18,389 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2024.

There was $21,436 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2023.

The Water Fund disposed of capital assets with a cost and accumulated depreciation of $9,700 and $-0-, respectively.

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, 2024

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

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

Exhibit J

TOWN OF MILTON, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund Education Tax Fund
ADDITIONS	
Education Taxes Collected for Other Governments	$ 15,344,408
Total Additions	15,344,408
DEDUCTIONS	
Education Taxes Distributed to Other Governments	15,344,408
Total Deductions	15,344,408
Change in Net Position	0
Net Position - July 1, 2023	0
Net Position - June 30, 2024	$ 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 – Accounting Changes and Error Corrections

Effective June 30, 2024, the Town implemented GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. GASB Statement No. 100 identifies accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes various transactions or events included in these changes. This Statement established accounting and financial reporting requirements for each type of accounting change and correction of an error in previously issued financial statements. The financial reporting requirements related to correction of errors in the Town’s previously issued financial statements were 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. 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.

7. 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.

8. 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.

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, proprietary and fiduciary 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. There were no budget changes during the year.

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.

C. Correction of Errors in Previously Issued Financial Statements

During fiscal year 2024, the Town determined there was an omission of parcels from the TIF parcel listing which resulted in errors in the calculation of municipal and education tax increments. These errors resulted in $20,310 of municipal tax increment to remain in the General Fund but should have been allocated to the Town Core TIF Fund and $53,182 of education tax increment to be paid to the State Education Fund but should have remained in the Town Core TIF Fund. In addition, exemptions for certain parcels were handled incorrectly which caused an overpayment to the State Education Fund of $131,269. Furthermore, the Town used $68,555 of tax increment to pay for related costs that had not been approved by the voters. The effects of correcting these errors on net position/fund balances are shown in the following table.

	Reporting Units Affected by Restatements of Beginning Balances		
	Government-Wide	Funds	
	Governmental Activities	General Fund	Town Core TIF Fund
Net Position/Fund Balances - July 1, 2023, As Previously Presented	$ 19,675,501	$ 2,999,797	$ 6,816,457
Error Corrections:			
(Overstatement)/Understatement of Due from State of Vermont	184,451	0	184,451
(Overstatement)/Understatement of Due from Other Funds	0	0	88,865
Overstatement/(Understatement) of Due to Other Funds	0	(88,865)	0
Net Position/Fund Balances - July 1, 2023 As Restated	$ 19,859,952	$ 2,910,932	$ 7,089,773

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash, cash equivalents and investments as of June 30, 2024 consisted of the following:

Cash and Cash Equivalents:	
Deposits with Financial Institutions	$ 8,319,148
Certificates of Deposit	5,809,487
Cash on Hand	5,040
Total Cash and Cash Equivalents	14,133,675
Investments:	
Certificates of Deposit	25,832
Total Cash, Cash Equivalents and Investments	$14,159,507

The Town has seven (7) certificates of deposit at various banks ranging from $910 to $3,203,207 with interest rates ranging from 0.05% to 5.00%. All of the certificates of deposit mature by fiscal year 2026.

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	$ 531,119	$ 531,119
Insured by Letter of Credit Issued by Federal Home Loan Bank	13,623,348	13,777,753
Total	$14,154,467	$14,308,872

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	$ 8,319,148
Cash Equivalents – Certificates of Deposit	5,809,487
Investments – Certificates of Deposit	25,832
Total	$14,154,467

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. 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 to be drawn down as of June 30, 2024 is $10,668.

C. Receivables

Receivables as of June 30, 2024, 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	$ 357,655	$ 0	$ 357,655
Penalties and Interest Receivable	28,574	0	28,574
Ambulance Receivable	316,007	0	316,007
Grants Receivable	256,189	0	256,189
Accounts Receivable	41,392	0	41,392
Due from State of Vermont	217,044	0	217,044
Billed Services	0	33,026	33,026
Unbilled Services	0	538,423	538,423
Allowance for Doubtful Accounts - Taxes	(1,300)	0	(1,300)
Allowance for Doubtful Accounts - Ambulance	(196,000)	0	(196,000)
Allowance for Doubtful Accounts - Water/Sewer	0	(3,400)	(3,400)
Total	$ 1,019,561	$ 568,049	$ 1,587,610

D. Loans Receivable

Loans receivable as of June 30, 2024 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, 2024	$ 0

E. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,836,590	$ 3,835,355	$ 0	$ 5,671,945
Construction in Progress	310,810	5,125,234	29,109	5,406,935
Total Capital Assets, Not Being Depreciated	2,147,400	8,960,589	29,109	11,078,880
Capital Assets, Being Depreciated:				
Land Improvements	1,689,378	73,768	0	1,763,146
Buildings and Building Improvements	4,971,044	160,136	0	5,131,180
Vehicles	4,851,748	491,723	234,995	5,108,476
Machinery and Equipment	801,868	159,468	0	961,336
Roads, Bridges and Sidewalks	13,367,987	713,623	2,698	14,078,912
Totals	25,682,025	1,598,718	237,693	27,043,050
Less Accumulated Depreciation for:				
Land Improvements	133,128	40,336	0	173,464
Buildings and Building Improvements	1,473,825	85,669	0	1,559,494
Vehicles	2,693,521	330,013	200,672	2,822,862
Machinery and Equipment	570,852	41,484	0	612,336
Roads, Bridges and Sidewalks	4,715,813	623,076	506	5,338,383
Totals	9,587,139	1,120,578	201,178	10,506,539
Total Capital Assets, Being Depreciated	16,094,886	478,140	36,515	16,536,511
Governmental Activities Capital Assets, Net	$ 18,242,286	$ 9,438,729	$ 65,624	$ 27,615,391

During the year, the Town wrote-off $29,109 that was included in the governmental activities construction in process.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 117,520	$ 0	$ 0	$ 117,520
Construction in Progress	50,110	64,009	9,700	104,419
Total Capital Assets, Not Being Depreciated	167,630	64,009	9,700	221,939
Capital Assets, Being Depreciated:				
Vehicles, Machinery and Equipment	596,867	242,084	0	838,951
Buildings, Distribution and Collection Systems	32,431,908	0	0	32,431,908
Totals	33,028,775	242,084	0	33,270,859
Less Accumulated Depreciation for:				
Vehicles, Machinery and Equipment	165,494	52,500	0	217,994
Buildings, Distribution and Collection Systems	7,532,366	283,952	0	7,816,318
Totals	7,697,860	336,452	0	8,034,312
Total Capital Assets, Being Depreciated	25,330,915	(94,368)	0	25,236,547
Business-type Activities Capital Assets, Net	$ 25,498,545	$ (30,359)	$ 9,700	$ 25,458,486

During the year, the Town wrote-off $9,700 that was included in the business-type activities construction in process.

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	$ 91,273	Water	$ 109,549
Public Safety	193,340	Sewer	226,903
Highways and Streets	816,544		
Culture and Recreation	19,421		
Total Depreciation Expense - Governmental Activities	$ 1,120,578	Total Depreciation Expense - Business-type Activities	$ 336,452

F. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2024 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 0	$ 5,561,516
Town Core TIF Fund	0	38,712
Capital Reserve Fund	740,890	0
ARPA Fund	578,793	0
Non-Major Governmental Funds	1,344,143	0
Water Fund	1,316,475	0
Sewer Fund	1,619,927	0
Total	$ 5,600,228	$ 5,600,228

Interfund transfers during the year ended June 30, 2024 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Reserve Fund	$ 56,019	Fund Future Paving Projects
General Fund	Capital Reserve Fund	123,788	Appropriation
General Fund	Capital Reserve Fund	20,000	Additional Funding for Garage Project
General Fund	Grant Fund	22,585	Fund Local Match
Town Core TIF Fund	Water Fund	9,374	Fund Debt Service
Town Core TIF Fund	Sewer Fund	179,159	Fund Debt Service
ARPA Fund	General Fund	14,300	Fund Planning and Zoning Expenses
Impact Fees Fund	General Fund	26,962	Fund Debt Service
Restoration of Records Fund	General Fund	10,444	Fund Restoration Expenses
Fire/EMS Capital Reserve Fund	General Fund	49,080	Fund Debt Service
Fire/EMS Capital Reserve Fund	Capital Reserve Fund	65,375	Fund Capital Expenditures
West Milton Cemetery Fund	General Fund	13,325	Fund Cemetery Expenses
Total		$ 590,411	

G. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of $197,416 from the difference between the expected and actual experience, $358,131 from the net difference between the projected and actual investment earnings on pension plan investments, $102,603 from changes in assumptions and $79,145 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $297,973 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is $1,035,268.

Deferred outflows of resources in the business-type activities consists of $8,892 from the difference between the expected and actual experience, $16,131 from the net difference between the projected and actual investment earnings on pension plan investments, $4,621 from changes in assumptions and $3,565 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $13,424 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is $46,633.

Deferred outflows of resources in the Water Fund consists of $5,571 from the difference between the expected and actual experience, $10,105 from the net difference between the projected and actual investment earnings on pension plan investments, $2,895 from changes in assumptions and $2,233 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $8,419 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is $29,223.

Deferred outflows of resources in the Sewer Fund consists of $3,321 from the difference between the expected and actual experience, $6,026 from the net difference between the projected and actual investment earnings on pension plan investments, $1,726 from changes in assumptions and $1,332 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and $5,005 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is $17,410.

H. Unearned Revenue

Unearned revenue in the governmental activities consists of $20,000 of space rental fees, $36,267 of recreation fees and $517,656 of grant revenue received in advance. Total unearned revenue in the governmental activities is $573,923.

Unearned revenue in the business-type activities and Water Fund consists of $4,864 of user fees received in advance.

Unearned revenue in the General Fund consists of $20,000 of space rental fees, $36,267 of recreation fees and $1,500 of grant revenue received in advance. Total unearned revenue in the General Fund is $57,767.

Unearned revenue in the ARPA Fund consists of $475,332 of grant revenue received in advance.

Unearned revenue in the Non-Major Governmental Funds consists of $40,824 of grant revenue received in advance.

I. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of $25,221 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).

Deferred inflows of resources in the business-type activities consists of $1,136 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).

Deferred inflows of resources in the General Fund consists of $206,200 of delinquent property taxes, penalties and interest on those taxes and $52,677 of ambulance fees not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Total deferred inflows of resources in the General Fund is $258,877.

Deferred inflows of resources in the Non-Major Governmental Funds consists of $211,782 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 $712 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).

Deferred inflows of resources in the Sewer Fund consists of $424 from changes in the Town’s proportional share of contributions related to the Town’s participation in the Vermont Municipal Employee’s Retirement System (VMERS).

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 has notes payable to finance various capital projects and capital purchases.

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, 2024 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	$ 640,000	$ 0	$ 80,000	$ 560,000
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 and Paid December, 2023	25,000	0	25,000	0
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 and Paid December, 2023	45,000	0	45,000	0
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	260,000	0	26,000	234,000
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	4,130,000	0	420,000	3,710,000

	Beginning Balance	Additions	Deletions	Ending Balance
Note Payable, Capital One Public Funding, LLC, Bridge Improvements, Principal Payments of $85,876 Plus Interest Payable on February 4 Annually, Interest at 2.89%, Due February, 2041	$1,545,777	$ 0	$ 85,876	$ 1,459,901
Note Payable, Capital One Public Funding, LLC, Paving, Principal Payments of $201,113 Plus Interest Payable on February 4 Annually, Interest at 1.89%, Due February, 2026	603,341	0	201,113	402,228
Bond Anticipation Note, Union Bank, Highway Garage, Authorized to $5,500,000, Interest at 2.09%, Due December, 2024. In December, 2024 This Note was Renewed Until December, 2025	182,226	3,109,748	0	3,291,974
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	838,804	0	111,846	726,958
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	173,766	0	86,283	87,483
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 and Paid November, 2023	17,422	0	17,422	0

	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 169,117	$ 0	$ 55,430	$ 113,687
Total Governmental Activities	$8,630,453	$3,109,748	$1,153,970	$10,586,231

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	$ 328,999	$ 0	$ 15,667	$ 313,332
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	66,000	0	6,000	60,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Principal Payments of $4,967 Payable on January 1 Annually, 0% Interest, Due January, 2028	24,822	0	4,967	19,855
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Principal, Interest and Administrative Fee Payment of $18,202 Payable on September 1 Annually, 1% Interest, 2% Administrative Fee, Due September, 2049	333,594	0	8,195	325,399

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Authorized to $190,611 but Eligible for $53,371 Subsidy, Principal Payments of $27,448 Payable on April 1 Annually Beginning April, 2029, 0% Interest, Due April, 2033. The Town Recognized $4,427 of the Subsidy During the Year.	$ 15,811	$ 0	$ 4,427	$ 11,384
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Principal and Administrative Fee Payments of $2,422 Payable on September 1 Annually, 0% Interest, 2% Administrative Fee, Due September, 2051	52,914	0	1,364	51,550
Bond Payable, State of Vermont Special Environmental Revolving Fund, Service Line Inventory, Authorized to $298,000 but Eligible for $199,000 Subsidy, Principal Payments of $19,800 Payable on August 1 Annually Beginning August, 2028, 0% Interest, Due August, 2032. The Town Recognized $122,494 of the Subsidy During the Year.	0	144,987	122,494	22,493
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	1,753,401	0	144,091	1,609,310
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	92,660	0	6,909	85,751

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer Upgrade, Principal Payments of $2,115 Payable on February 1 Annually, 0% Interest, Due February, 2028	$ 10,573	$ 0	$ 2,115	$ 8,458
Total Business-type Activities	$2,678,774	$144,987	$316,229	$2,507,532

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	$ 5,100,000	$ 0	$ 596,000	$ 4,504,000	$ 526,000
Notes Payable	2,331,344	3,109,748	286,989	5,154,103	286,989
Financed Purchases	1,199,109	0	270,981	928,128	258,256
Compensated Absences Payable	191,769	27,910	0	219,679	0
Landfill Post-Closure	15,000	0	6,000	9,000	6,000
Net Pension Liability	2,798,558	349,282	0	3,147,840	0
Total Governmental Activities Long-term Liabilities	$ 11,635,780	$ 3,486,940	$ 1,159,970	$ 13,962,750	$ 1,077,245

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	$ 2,678,774	$ 144,987	$ 316,229	$ 2,507,532	$ 192,597
Compensated Absences Payable	12,606	1,634	0	14,240	0
Net Pension Liability	162,253	0	20,470	141,783	0
Total Business-type Activities Long-term Liabilities	$ 2,853,633	$ 146,621	$ 336,699	$ 2,663,555	$ 192,597

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 $9,000. 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
2025	$ 1,071,245	$ 211,505	$ 192,597	$ 59,575
2026	987,339	183,891	195,959	55,479
2027	731,583	157,251	199,389	51,123
2028	734,325	135,185	202,890	46,644
2029	737,129	113,026	230,573	42,025
2030-2034	2,431,504	263,306	1,055,916	133,709
2035-2039	429,380	62,045	155,971	60,513
2040-2044	171,752	7,446	157,889	31,018
2045-2049	0	0	91,691	11,429
2050-2052	0	0	24,657	811
Unknown Maturities - Bond Anticipation Note	3,291,974	0	0	0
Total	$ 10,586,231	$ 1,133,655	$ 2,507,532	$ 492,326

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 $2,218,009 which is 22.7% of the 2024 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	$ 61,801
Nonspendable Inventories	59,216
Total General Fund	121,017
Non-Major Funds	
Permanent Fund:	
Nonspendable West Milton Cemetery Fund Principal	4,500
Total Nonspendable Fund Balances	$125,517

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)	$ 15,771
Town Core TIF Fund:	
Restricted for Town Core TIF Fund Debt/Expenditures by Statute (Source of Revenue is Property Taxes and Unspent Bond Proceeds)	4,856,380

Non-Major Funds

Special Revenue Funds:	
Restricted Impact Fees Fund Expenses by Impact Fees (Source of Revenue is Impact Fees)	$ 564,295
Restricted for Restoration of Records Fund Expenses by Statute (Source of Revenue is Restoration Fees)	171,269
Restricted for Drug Forfeiture Expenses by Agreement (Source of Revenue is Grant Revenue)	68,501
Restricted for Milton Public Library Expenses by Donations (Source of Revenue is Donations)	5,185
Total Special Revenue Funds	809,250
Permanent Fund:	
Restricted for West Milton Cemetery Expenses by Trust Agreements and Sale of Lots	86,792
Total Non-Major Funds	896,042
Total Restricted Fund Balances	$5,768,193

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	$ 9,258
Committed for Fire/EMS Capital Expenditures by Voters	184,834
Total Committed Fund Balances	$194,092

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

Major Funds

General Fund:	
Assigned to Reduce Property Taxes in Fiscal Year 2025	$350,000
Assigned for Emergency Management Expenditures	25,928
Total General Fund	375,928
ARPA Fund:	
Assigned for Eligible ARPA Expenditures	94,977

Non-Major Funds

Special Revenue Funds:	
Assigned for Reappraisal Expenses	$327,623
Total Assigned Fund Balances	$798,528

The unassigned deficit of $101,984 in the Capital Reserve Fund will be funded with proceeds from long-term debt.

The unassigned deficit of $211,782 in the Grant Fund will be funded with the collection of grant revenues.

L. Restricted Net Position

The restricted net position of the Town as of June 30, 2024 consisted of the following:

Governmental Activites:	
Restricted for July 4th Celebration expenses by Donations	$ 15,771
Restricted for Town Core TIF Fund by Statute	3,412,884
Restricted for Impact Fees Fund Expenses by Impact Fees	564,295
Restricted for Restoration of Records Expenses by Statute	171,269
Restricted for Drug Forfeiture Expenses by Agreement	68,501
Restricted for Milton Public Library Expenses by Donations	5,185
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	86,792
Total Governmental Activities	$4,329,197

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, 2023, the measurement date selected by the State of Vermont, the retirement system consisted of 357 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, 2023, the measurement date selected by the State of Vermont, VMERS was funded at 74.01% and had a plan fiduciary net position of $912,113,032 and a total pension liability of $1,232,406,785 resulting in a net position liability of $320,293,753. The Town's proportionate share of this was 1.0271% resulting in a net pension liability of $3,289,623. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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 1.0271% was an increase of 0.0511 from its proportion measured as of the prior year.

For the year ended June 30, 2024, the Town recognized pension expense of $674,811.

As of June 30, 2024, 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	$ 206,308	$ 0
Net difference between projected and actual investment earnings on pension plan investments	374,262	0
Changes in assumptions	107,224	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	82,710	26,357
Town's required employer contributions made subsequent to the measurement date	311,397	0
	$ 1,081,901	$ 26,357

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of $311,397 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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	
2025	$258,245
2026	124,033
2027	369,613
2028	(7,744)
Total	$744,147

Summary of Plan 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.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – 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.

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

Early Retirement Amount – Normal retirement 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; payable without reduction to Group D members.

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

Disability Retirement Amount – All Groups – 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 – All Groups – Death after five (5) years of service.

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

Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

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

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

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

Member Contribution Rates:

- Group A – 3.75% effective July 1, 2023; 4.00% effective July 1, 2024; 4.25% effective July 1, 2025, and thereafter.
- Group B – 6.125% effective July 1, 2023; 6.375% effective July 1, 2024; 6.625% effective July 1, 2025, and thereafter.
- Group C – 11.25% effective July 1, 2023; 11.50% effective July 1, 2024; 11.75% effective July 1, 2025, and thereafter.
- Group D – 12.60% effective July 1, 2023; 12.85% effective July 1, 2024; 13.10% effective July 1, 2025, and thereafter.

Employer Contribution Rates:

- Group A – 5.25% effective July 1, 2023; 5.50% effective July 1, 2024; 5.75% effective July 1, 2025, and thereafter.
- Group B – 6.75% effective July 1, 2023; 7.00% effective July 1, 2024; 7.25% effective July 1, 2025, and thereafter.
- Group C – 8.50% effective July 1, 2023; 8.75% effective July 1, 2024; 9.00% effective July 1, 2025, and thereafter.
- Group D – 11.10% effective July 1, 2023; 11.35% effective July 1, 2024; 11.60% effective July 1, 2025, and thereafter.

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

Investment Rate of Return – 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases – Ranging from 4.07% to 6.21% based on service.

Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024 COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023 COLAs were 2.00% for Group A and 3.00% for Groups B, C and D.

Mortality:

> Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.
>
> Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.
>
> Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.
>
> Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) years younger than males.

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.

Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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 adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	44%	5.35%
Private Equity	10%	7.50%
Emerging Market Debt	2%	5.00%
Private and Alternative Credit	10%	5.50%
Non-Core Real Estate	4%	5.50%
Core Fixed Income	19%	1.50%
Core Real Estate	4%	3.25%
US TIPS	2%	1.50%
Infrastructure/Farmland	5%	4.25%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2023, is 3.65%, as published by The Bond Buyer.

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023. 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). 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, 2023. 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.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
$4,951,391	$3,289,623	$1,923,714

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 6%.

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 $436,819. Pension expense for the years ended June 30, 2024, 2023 and 2022 was $26,209, $23,941 and $30,756, 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 due and payable on May 15 and become delinquent on May 16. 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 2024 were as follows:

	Homestead	Non-Homestead
Town	.5006	.5006
Local Agreement	.0030	.0030
Education	1.1956	1.2995
Total	1.6992	1.8031

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 $611 in unemployment claims during fiscal year 2024.

D. Tax Increment Financing District

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. $1,609,310 of outstanding debt is included in the Sewer Fund and $60,000 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 up to 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.

F. Concentration of Expenses

The Town purchased all of their water from Champlain Water district “CWD” for the year ended June 30, 2024. The Town purchased $468,652 of water from CWD.

G. Subsequent Events

On July 18, 2024, the Town entered into a lease agreement with Municipal Leasing Consultants, LLC for an E-One Pumper Truck for the Fire Department in the amount of $700,000 with a term of fifteen (15) years and an interest rate of 5.04%.

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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	$ 7,595,546	$ 7,604,736	$ 9,190
Interest on Delinquent Taxes	30,000	19,401	(10,599)
Penalties on Delinquent Taxes	50,000	51,882	1,882
Railroad Taxes	4,000	4,062	62
State Land Taxes	12,538	12,699	161
Current Use Taxes	56,000	51,594	(4,406)
Land Use Change Tax/Penalty	0	2,038	2,038
State Land PILOT	6,000	8,575	2,575
Penalty on Late HS-122	10,000	10,667	667
School Tax Collection Fee	35,000	35,670	670
Interest on Investments	110,000	185,264	75,264
Miscellaneous	10,000	18,652	8,652
Administrative Contribution - Water and Sewer	402,000	404,000	2,000
FEMA Grants	0	4,162	4,162
Clerk and Treasurer	108,063	138,996	30,933
Library	2,000	1,724	(276)
Recreation	63,500	103,552	40,052
Planning and Zoning	45,100	50,979	5,879
Public Works	270,609	272,515	1,906
Buildings and Grounds	5,000	46,067	41,067
Police	138,447	111,505	(26,942)
Animal Control	1,500	729	(771)
Fire	500	1,089	589
Rescue	403,000	557,615	154,615
Transfers In - Debt Service	76,175	76,042	(133)
Transfers In	0	27,625	27,625
Total Revenues	9,434,978	9,801,840	366,862
Expenditures:			
Selectboard	73,649	122,695	(49,046)
Elections	11,283	16,352	(5,069)
Insurance/Risk Management	192,750	214,377	(21,627)
Legal	65,500	46,040	19,460
County and Regional Functions	151,911	151,331	580
Manager	277,253	292,463	(15,210)
Clerk and Treasurer	259,134	240,919	18,215
Finance	369,332	369,916	(584)
Assessors	100,203	80,402	19,801
Contingency	50,000	0	50,000
Administrative Services	149,641	154,409	(4,768)
Information Technology	152,035	114,637	37,398
Police	2,478,696	2,334,543	144,153

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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, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures/(Cont'd):			
Fire	$ 256,902	$ 246,736	$ 10,166
Rescue	691,879	734,068	(42,189)
Animal Control	9,221	14,251	(5,030)
Public Safety Administration	98,835	80,148	18,687
Public Works Administration	299,192	220,810	78,382
Highways	1,995,787	1,898,652	97,135
Buildings and Grounds	439,429	491,768	(52,339)
Library	308,057	305,471	2,586
Recreation	270,202	287,035	(16,833)
Planning and Zoning	290,239	274,806	15,433
Debt Service, Principal and Interest	686,060	848,664	(162,604)
Transfer to Capital Reserve Fund	107,788	127,788	(20,000)
Total Expenditures	9,784,978	9,668,281	116,697
Excess/(Deficiency) of Revenues Over Expenditures	$ (350,000)	133,559	$ 483,559
Fund Balance - July 1, 2023, As Previously Presented		2,999,797	
Error Corrections		(88,865)	
Fund Balance - July 1, 2023, As Restated		2,910,932	
Fund Balance - June 30, 2024		$ 3,044,491	

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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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	$ 320,293,753	$ 303,371,956	$ 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	1.0271%	0.9760%	0.9802%	0.9941%	1.0389%	1.1007%	1.1926%	1.4430%	1.2687%	1.2374%
Town's Proportionate Share of the Net Pension Liability	$ 3,289,623	$ 2,960,811	$ 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	$ 3,276,258	$ 2,843,942	$ 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	100.4079%	104.1094%	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	74.01%	73.60%	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: Effective for the June 30, 2023 actuarial valuation, the following assumptions were updated:
- Assumed rates of salary increase were adjusted, generally increased, based on plan experience.
- Mortality assumptions changed as follows:

Pre-Retirement:

Groups A/B - Changed from 40% of PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Employee Amount-Weighted (sex specific) tables to 60% of PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables and 40% of PubG-2010 General Employee Amount-Weighted (sex-specific) tables.

Group C - Changed from 40% of PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Employee Amount-Weighted (sex specific) tables to PubG-2010 General Employee Amount-Weighted Below Median (sex-specific) tables.

Group D - Changed from PubG-2010 General Employee Amount-Weighted Above Median (sex specific) tables to PubS-2010 Public Safety Employee Amount-Weighted Below Median (sex specific) tables.

Healthy Post-Retirement - Retirees:

Groups A/B - Changed from 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables to PubG-2010 General Healthy Retiree Amount-Weighted Below Median (sex-specific) tables with 90% and 87% adjustments for males and females, respectively.

Group C - Changed from 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted Below Median (sex-specific) tables and 60% of PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables to PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables.

Group D - Changed from PubG-2010 General Healthy Retiree Amount-Weighted (sex-specific) tables to PubS-2010 Public Safety Retiree Amount-Weighted Below Median (sex-specific) tables.

Healthy Post-Retirement - Beneficiaries:

Groups A/B/C - Changed from 70% of the Pub-2010 Contingent Survivor Amount-Weighted Below Median (sex-specific) tables and 30% of the Pub-2010 Contingent Survivor Amount-Weighted (sex-specific) tables to Pub-2010 Contingent Survivor Amount-Weighted Below-Median (sex-specific) tables.

Group D - Changed from Pub-2010 Contingent Survivor Amount-Weighted (sex-specific) tables to Pub-2010 Contingent Survivor Amount-Weighted Below-Median (sex-specific) tables.

Disabled Retirees:

Group D - Changed from PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted (sex-specific) tables to PubS-2010 Safety Disabled Retiree Amount-Weighted (sex-specific) tables.

Mortality improvement scale was changed from generational projection using scale MP-2019 to generational projection using scale MP-2021 for all assumptions.

- Assumed active retirement rates for all groups were adjusted based on plan experience.
- Assumed termination rates were adjusted based on plan experience. Rates are now split between Groups A and B, and C and D.
- Assumed disability rates were adjusted based on plan experience. Rates are now split between Groups A and B, and C and D.

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TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	$ 311,397	$ 292,749	$ 244,185	$ 217,902	$ 206,035	$ 199,606	$ 192,798	$ 194,767	$ 173,914	$ 177,348
Contributions in Relation to the Actuarially Determined Contributions	311,397	292,749	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	$ 0	$ 0
Town's Covered Employee Payroll	$ 3,390,871	$ 3,276,258	$ 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	9.183%	8.935%	8.586%	8.233%	7.922%	7.810%	7.593%	7.508%	7.474%	7.516%

Notes to Schedule

Valuation Date: June 30, 2023

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TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
ASSETS				
Cash	$ 73,459	$ 0	$ 5,723	$ 79,182
Receivables	255,514	0	0	255,514
Due from Other Funds	1,064,482	194,092	85,569	1,344,143
Total Assets	$ 1,393,455	$ 194,092	$ 91,292	$ 1,678,839
LIABILITIES				
Accounts Payable	$ 215,758	$ 0	$ 0	$ 215,758
Unearned Revenue	40,824	0	0	40,824
Total Liabilities	256,582	0	0	256,582
DEFERRED INFLOWS OF RESOURCES				
Unavailable Grants	211,782	0	0	211,782
Total Deferred Inflows of Resources	211,782	0	0	211,782
FUND BALANCES				
Nonspendable	0	0	4,500	4,500
Restricted	809,250	0	86,792	896,042
Committed	0	194,092	0	194,092
Assigned	327,623	0	0	327,623
Unassigned/(Deficit)	(211,782)	0	0	(211,782)
Total Fund Balances	925,091	194,092	91,292	1,210,475
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,393,455	$ 194,092	$ 91,292	$ 1,678,839

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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, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
Revenues:				
Property Taxes	$ 0	$ 122,256	$ 0	$ 122,256
Intergovernmental	625,475	0	0	625,475
Charges for Services	0	0	9,150	9,150
Permits, Licenses and Fees	187,501	0	0	187,501
Investment Income	52,971	8,709	2,990	64,670
Donations	1,092	0	0	1,092
Total Revenues	867,039	130,965	12,140	1,010,144
Expenditures:				
General Government	76,439	0	0	76,439
Public Safety	50,300	0	0	50,300
Highways and Streets	100,931	0	0	100,931
Culture and Recreation	2,019	0	0	2,019
Capital Outlay:				
Public Safety	0	8,161	0	8,161
Highways and Streets	353,146	0	0	353,146
Culture and Recreation	61,500	0	0	61,500
Total Expenditures	644,335	8,161	0	652,496
Excess of Revenues Over Expenditures	222,704	122,804	12,140	357,648
Other Financing Sources/(Uses):				
Transfers In	22,585	0	0	22,585
Transfers Out	(37,406)	(114,455)	(13,325)	(165,186)
Total Other Financing Sources/(Uses)	(14,821)	(114,455)	(13,325)	(142,601)
Net Change in Fund Balances	207,883	8,349	(1,185)	215,047
Fund Balances - July 1, 2023	717,208	185,743	92,477	995,428
Fund Balances - June 30, 2024	$ 925,091	$ 194,092	$ 91,292	$ 1,210,475

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TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 68,501	$ 4,958	$ 0	$ 73,459
Receivables	0	0	0	0	0	255,514	255,514
Due from Other Funds	564,295	327,623	171,269	0	227	1,068	1,064,482
Total Assets	$ 564,295	$ 327,623	$ 171,269	$ 68,501	$ 5,185	$ 256,582	$ 1,393,455
LIABILITIES							
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 215,758	$ 215,758
Unearned Revenue	0	0	0	0	0	40,824	40,824
Total Liabilities	0	0	0	0	0	256,582	256,582
DEFERRED INFLOWS OF RESOURCES							
Unavailable Grants	0	0	0	0	0	211,782	211,782
Total Deferred Inflows of Resources	0	0	0	0	0	211,782	211,782
FUND BALANCES/(DEFICIT)							
Restricted	564,295	0	171,269	68,501	5,185	0	809,250
Assigned	0	327,623	0	0	0	0	327,623
Unassigned/(Deficit)	0	0	0	0	0	(211,782)	(211,782)
Total Fund Balances/(Deficit)	564,295	327,623	171,269	68,501	5,185	(211,782)	925,091
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 564,295	$ 327,623	$ 171,269	$ 68,501	$ 5,185	$ 256,582	$ 1,393,455

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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, 2024

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
Revenues:							
Intergovernmental	$ 0	$ 42,161	$ 0	$ 18,855	$ 636	$ 563,823	$ 625,475
Permits, Licenses and Fees	181,153	0	6,348	0	0	0	187,501
Investment Income	16,692	9,941	25,620	659	59	0	52,971
Donations	0	0	0	0	1,092	0	1,092
Total Revenues	197,845	52,102	31,968	19,514	1,787	563,823	867,039
Expenditures:							
General Government	0	0	29,707	0	0	46,732	76,439
Public Safety	0	0	0	8,272	0	42,028	50,300
Highways and Streets	0	0	0	0	0	100,931	100,931
Culture and Recreation	0	0	0	0	1,536	483	2,019
Capital Outlay:							
Highways and Streets	0	0	0	0	0	353,146	353,146
Culture and Recreation	0	0	0	0	0	61,500	61,500
Total Expenditures	0	0	29,707	8,272	1,536	604,820	644,335
Excess/(Deficiency) of Revenues Over Expenditures	197,845	52,102	2,261	11,242	251	(40,997)	222,704
Other Financing Sources/(Uses):							
Transfers In	0	0	0	0	0	22,585	22,585
Transfers Out	(26,962)	0	(10,444)	0	0	0	(37,406)
Total Other Financing Sources/(Uses)	(26,962)	0	(10,444)	0	0	22,585	(14,821)
Net Change in Fund Balances	170,883	52,102	(8,183)	11,242	251	(18,412)	207,883
Fund Balances/(Deficit) - July 1, 2023	393,412	275,521	179,452	57,259	4,934	(193,370)	717,208
Fund Balances/(Deficit) - June 30, 2024	$ 564,295	$ 327,623	$ 171,269	$ 68,501	$ 5,185	$ (211,782)	$ 925,091

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
ASSETS			
Due from Other Funds	$ 9,258	$ 184,834	$ 194,092
Total Assets	$ 9,258	$ 184,834	$ 194,092
LIABILITIES AND FUND BALANCES			
Liabilities:	$ 0	$ 0	$ 0
Fund Balances:			
Committed	9,258	184,834	194,092
Total Fund Balances	9,258	184,834	194,092
Total Liabilities and Fund Balances	$ 9,258	$ 184,834	$ 194,092

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
Revenues:			
Property Taxes	$ 0	$ 122,256	$ 122,256
Investment Income	306	8,403	8,709
Total Revenues	306	130,659	130,965
Expenditures:			
Capital Outlay:			
Public Safety	0	8,161	8,161
Total Expenditures	0	8,161	8,161
Excess of Revenues Over Expenditures	306	122,498	122,804
Other Financing Sources/(Uses):			
Transfers Out	0	(114,455)	(114,455)
Total Other Financing Sources/(Uses)	0	(114,455)	(114,455)
Net Change in Fund Balances	306	8,043	8,349
Fund Balances - July 1, 2023	8,952	176,791	185,743
Fund Balances - June 30, 2024	$ 9,258	$ 184,834	$ 194,092

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Water Rents	$ 1,240,000	$ 1,112,140	$ (127,860)
Penalties	16,000	15,300	(700)
Hookup Fees	60,000	180,793	120,793
Water Hauler Receipts	12,000	9,949	(2,051)
Maintenance Agreement Receipts	3,600	3,400	(200)
Interest Earnings	0	42,620	42,620
Other Income	1,500	6,122	4,622
Transfer In - Town Core TIF Fund	9,485	9,374	(111)
Transfer In - Capital Reserve	150,000	150,000	0
Total Revenues	1,492,585	1,529,698	37,113
Expenses:			
Regular Salaries	191,829	147,296	44,533
Overtime Salaries	6,500	6,217	283
Insurance Buyout	6,000	488	5,512
Group Health Insurance	37,447	37,393	54
Group Dental Insurance	2,673	1,799	874
Group LTD/STD/Vision Insurance	792	452	340
Group Life Insurance	1,591	1,545	46
Social Security	15,725	11,729	3,996
Retirement Contribution	13,545	11,039	2,506
Workers Compensation	6,300	5,980	320
Other Employee Benefits	1,225	0	1,225
Official/Administrative	202,000	202,000	0
Other Professional	1,500	0	1,500
Technical Services	2,300	17,856	(15,556)
Recording Fees	500	20	480
Consulting Services	10,000	0	10,000
Laundry Services	300	293	7
Water/Sewer	200	213	(13)
Water Purchase - CWD	476,000	468,652	7,348
Disposal and Refuse	750	571	179
Repair and Maintenance Facility	12,150	11,983	167
Vehicle Repair and Maintenance	1,530	6,195	(4,665)
Equipment Repair and Maintenance	3,500	715	2,785
Rental of Equipment and Vehicle	1,500	70	1,430
Construction Services	10,000	8,461	1,539
Transfer Out - Capital Reserve	45,000	45,000	0
General Liability Insurance	6,775	4,429	2,346
Communications - Telephone	800	956	(156)
Communications - Other	2,000	1,543	457
Advertising	200	0	200
Printing and Binding	2,000	2,694	(694)
Travel	100	0	100
Postage	3,000	4,236	(1,236)
Office Supplies	600	293	307
General Supplies	12,700	8,057	4,643

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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, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Water Meters	$ 30,000	$ 50,197	$ (20,197)
Technology	13,000	20,249	(7,249)
Natural Gas	2,600	2,160	440
Electricity	12,000	10,269	1,731
Bottled Gas	75	0	75
Diesel Fuel	250	750	(500)
Gasoline	4,500	3,715	785
Books and Periodicals	200	0	200
Employee Uniforms	2,500	3,297	(797)
Capital Projects	215,000	246,910	(31,910)
Machinery and Equipment	2,000	1,445	555
Vehicles	40,500	43,395	(2,895)
Dues and Fees	1,000	100	900
Professional Development	2,000	743	1,257
Small Tools	1,000	1,270	(270)
Safety Supplies/Equipment	2,000	1,209	791
Bombardier Water Line Improvements Debt	15,667	15,667	0
Water Line Improvements Debt	6,000	6,000	0
Lake Road Water Line Improvements Debt	12,927	8,195	4,732
Railroad Street Debt	7,480	4,967	2,513
River Street Water Line Improvements Debt	1,578	1,364	214
Flanders Project Debt	3,610	0	3,610
River Street PSV Debt	2,780	0	2,780
Interest	31,060	24,670	6,390
Total Expenses	1,488,759	1,454,747	34,012
Net Income	$ 3,826	74,951	$ 71,125
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(109,549)	
Principal Payments on Long-term Debt		36,193	
Debt Forgiveness		122,494	
Debt Forgiveness - Capital Contributions		4,427	
Capital Outlay		183,243	
Loss on Disposal of Assets		(9,700)	
Transfer In - Capital Reserve		45,000	
Transfer Out - Capital Reserve		(150,000)	
Change in Accrued Interest Payable		(603)	
Change in Compensated Absences Payable		(817)	
Change in Net Pension Liability - GASB 68		1,044	
Change in Net Position - Exhibit G		$ 196,683	

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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, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Sewer Rents	$ 792,900	$ 790,620	$ (2,280)
Penalties	10,000	10,129	129
Hookup Fees	60,000	228,876	168,876
Septage Receipts	70,000	224,041	154,041
Maintenance Agreement Receipts	350	0	(350)
Interest Earnings	0	45,443	45,443
Sale of Vehicles	1,000	0	(1,000)
FEMA Reimbursement	0	4,252	4,252
Other Income	100	1,291	1,191
Transfer In - Town Core TIF Fund	179,159	179,159	0
Transfer In - Capital Reserve	150,000	150,000	0
Total Revenues	1,263,509	1,633,811	370,302
Expenses:			
Regular Salaries	165,728	121,200	44,528
Overtime Salaries	13,500	12,670	830
Insurance Buyout	6,000	738	5,262
Group Health Insurance	34,701	36,757	(2,056)
Group Dental Insurance	2,100	1,799	301
LTD/STD Group Vision Insurance	548	452	96
Group Life Insurance and AD&D	1,923	1,545	378
Social Security	14,264	10,105	4,159
Retirement	12,132	7,569	4,563
Worker's Compensation	6,300	5,980	320
Other Employee Benefits	1,225	0	1,225
Official/Administrative	202,000	202,000	0
Other Professional	5,000	0	5,000
Technical Services	10,000	16,556	(6,556)
Sludge Removal	48,000	91,106	(43,106)
Collection System Maintenance	20,000	20,383	(383)
Recording Fees	500	20	480
Consulting Services	10,000	35	9,965
Laundry Services	350	285	65
Water/Sewer	4,000	4,121	(121)
Disposal and Refuse	6,300	9,749	(3,449)
Repair and Maintenance Facility	25,000	18,742	6,258
Vehicle Repair and Maintenance	2,000	1,261	739
Equipment Repair and Maintenance	35,000	43,875	(8,875)
Rental of Land and Buildings	100	0	100
Rental of Equipment and Vehicle	500	6,749	(6,249)
Construction Services	10,000	14,920	(4,920)
General Liability Insurance	6,775	8,209	(1,434)
Communications - Telephone	3,400	3,588	(188)
Communications - Other	2,000	1,758	242
Advertising	300	0	300
Printing and Binding	0	804	(804)
Travel	275	0	275

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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, 2024

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Postage and Mailing	$ 3,000	$ 3,427	$ (427)
Office Supplies	250	191	59
General Supplies	25,000	8,849	16,151
Chemical Supplies	45,000	65,353	(20,353)
Water Meter Purchases	30,000	39,048	(9,048)
Technology	3,400	4,607	(1,207)
Natural Gas	10,000	9,193	807
Electricity	84,000	108,273	(24,273)
Bottled Gas	75	0	75
Gasoline	2,500	3,356	(856)
Books and Periodicals	200	0	200
Employee Uniforms	4,000	3,866	134
Capital Projects	214,000	35,800	178,200
Machinery and Equipment	2,000	3,015	(1,015)
Vehicles	40,500	43,395	(2,895)
Furniture and Fixtures	1,500	0	1,500
Dues and Fees	5,000	1,898	3,102
Professional Development	2,000	753	1,247
Small Tools	800	544	256
Safety Supplies/Equipment	4,000	1,374	2,626
2013-1 Sewer Principal	144,091	144,091	0
Village Core Sewer Improvements Bond	6,909	6,909	0
Flanders Project Debt	2,705	2,115	590
Interest	36,923	36,921	2
Total Expenses	1,317,774	1,165,954	151,820
Net Income/(Loss)	$ (54,265)	467,857	$ 522,122
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(226,903)	
Principal Payments on Long-term Debt		153,115	
Capital Outlay		122,850	
Transfer Out - Capital Reserve		(150,000)	
Change in Accrued Interest Payable		4,508	
Change in Compensated Absences Payable		(817)	
Change in Net Pension Liability - GASB 68		5,193	
Change in Net Position - Exhibit G		$ 375,803	

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grant Title Federal Grantor/ Pass-Through Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture				
Passed through State of Vermont Department of Forests, Parks & Recreation				
Cooperative Forestry Assistance	10.664	06130 UCF-CFC-23-04	$ 0	$ 3,432
Total U.S. Department of Agriculture			0	3,432
U.S. Department of Housing and Urban Development				
Passed through State of Vermont Department of Commerce and Community Development				
Community Development Block Grants	14.228	07110-IG-2018-MILTON-25	41,366	41,366
Total U.S. Department of Housing and Urban Development			41,366	41,366
U.S. Department of Homeland Security				
Passed through State of Vermont Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84720-093	0	8,414
Total U.S. Department of Homeland Security			0	8,414
National Endowment for the Humanities (NEH)				
Passed through State of Vermont Department of Libraries				
Grants to States	45.310	01130.LSTA.COURIER.FY24	0	636
Total National Endowment for the Humanities			0	636
U.S. Department of the Treasury				
Direct:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	2,048,451
Passed through State of Vermont Department of Environmental Conservation				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	06140-ARPA-CWF-MS4-06	0	28,478
Total U.S. Department of the Treasury			0	2,076,929
U.S. Environmental Protection Agency				
Passed through State of Vermont Department of Environmental Conservation				
Drinking Water State Revolving Fund	66.468	06140-RF3-505	0	161,381
Drinking Water State Revolving Fund	66.468	06140-RF3542-1.0	0	68,509
Total U.S.Environmental Proection Agency			0	229,890

See Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grant Title Federal Grantor/ Pass-Through Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed-through to Subrecipients	Expenditures
U.S. Department of Transportation				
Passed through State of Vermont Department of Forests, Parks & Recreation				
Recreational Trails Program	20.219	06130-RTP23-04	$ 0	$ 30,000
Total Passed Through State of VT Department of Forests, Parks & Recreation			0	30,000
Passed through Chittenden County Sheriff's Office				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	GR1695	0	2,196
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	GR1794	0	2,644
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			0	4,840
Passed through State of Vermont Agency of Transportation				
Highway Planning and Construction	20.205	18100-ER0161	0	153,144
Highway Safety Cluster				
State and Community Highway Safety	20.600	08100-GR1736	0	7,054
State and Community Highway Safety	20.600	08100-GR1819	0	12,418
State and Community Highway Safety	20.600	08100-GR1695	0	2,182
State and Community Highway Safety (2024 OP Enforcement)	20.600	N/A	0	5,086
State and Community Highway Safety (Support Equipment)	20.600	N/A	0	1,217
Total State and Community Highway Safety			0	27,957
Passed through Chittenden County Sheriff's Office				
National Priority Safety Program	20.616	GR1694	0	736
National Priority Safety Program	20.616	N/A	0	2,113
National Priority Safety Program	20.616	GR1695	0	1,087
National Priority Safety Program	20.616	N/A	0	1,517
Total National Priority Safety Program			0	5,453
Total Highway Safety Cluster			0	33,410
Total U.S.Depatment of Transportation			0	221,394
Total Federal Awards			$ 41,366	$ 2,582,061

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the Town of Milton, Vermont under programs of the federal government for the year ended June, 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a select portion of operation of the Town of Milton, Vermont it is not intended to and does not present the financial position, changes in net position, or cash flow of the Town of Milton, Vermont.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting and was prepared using significant accounting policies outlined in Note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Town of Milton, Vermont has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"

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

We have audited, in accordance with the 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, the 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, 2024, and the related notes to the financial statements, which collectively comprise the Town of Milton, Vermont's basic financial statements, and have issued our report thereon dated January 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Milton, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Milton, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Milton, Vermont's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Items 2024-001 and 2024-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Milton, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

Town of Milton, Vermont's Response to Findings

"Government Auditing Standards" requires the auditor to perform limited procedures on the Town of Milton, Vermont's response to the findings identified in our audit and included with the accompanying Schedule of Findings and Questioned Costs. The Town of Milton, Vermont's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

January 27, 2025
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Co., P.C.

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Milton, Vermont's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) "Compliance Supplement" that could have a direct and material effect on each of the Town of Milton, Vermont major federal programs for the year ended June 30, 2024. The Town of Milton, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town of Milton, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Milton, Vermont's compliance with the compliance requirements referred to previously.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to previously and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Milton, Vermont's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to previously occurred, whether due to fraud or error, and express an opinion on the Town of Milton, Vermont's compliance based on our audit. 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, "Government Auditing Standards", and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to previously is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Town of Milton, Vermont's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Milton, Vermont's compliance with the compliance requirements referred to previously and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Milton, Vermont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Milton, Vermont's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined previously. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sullivan, Powers & Co.

January 27, 2025
Montpelier, Vermont
VT Lic. #92-000180

There was no single audit required in the prior year.

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:
Unmodified.

Internal Control over Financial Reporting:
Material Weaknesses identified:
None noted.
Significant Deficiencies identified not considered to be material weaknesses:
Yes.

Noncompliance material to financial statements:
None noted.

Federal Awards

Internal Control over Major Programs:
Material Weaknesses identified:
None noted.
Significant Deficiencies identified not considered to be material weaknesses:
None noted.

Type of auditor's report issued on compliance for major programs:
Unmodified.

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

Major Programs:

CFDA #	Program	Federal Agency
21.027	Coronavirus State and Local Fiscal Recovery Funds	U.S. Department of Treasury

The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

The auditee did not qualify as a low risk auditee.

Financial Statement Findings:

Deficiencies in Internal Control:

Material Weaknesses:

None noted.

Significant Deficiencies:

2024-001 Administration of TIF District

Criteria:

Internal controls should be in place to ensure that the administration of its TIF District complies with statutory and TIF Rule requirements.

Condition:

The Town omitted parcels from the TIF parcel listing which resulted in the omission of the current value of those properties from the calculation of municipal and education tax increments. In addition, exemptions for certain parcels were handled incorrectly which resulted in an overpayment to the State Education Fund. Furthermore, the Town used tax increment to pay for related costs that had not been approved by the voters.

Cause:

Unknown.

Effect:

This resulted in an understatement of the General Fund's due to other funds, an understatement of the Town Core TIF Fund's due from other funds and an understatement of due from the State of Vermont.

Recommendation:

We recommend that the Town implement controls to ensure that the administration of its TIF District complies with statutory and TIF Rule requirements.

2024-002 Retainage on Construction Contracts

Criteria:

Internal controls should be in place to ensure that expenditures are recorded in the proper fiscal year. Expenditures should be recorded based on the timing of services provided or when goods are received.

Condition:

The Town did not have controls in place to ensure all retainage payable was recorded in the proper fiscal year. The Town did not record the retainage payable for work completed on the new public works facility during the fiscal year.

Cause:

Unknown.

Effect:

This resulted in an understatement of capital assets, accounts payable and expenditures.

Recommendation:

We recommend that the Town implement controls that provide for a review of contractor's invoices for unpaid retainage to ensure that the Town's capital assets and accounts payable account balances are accurately reported.

TOWN OF MILTON, VERMONT 05468-3205

Finance Department • 43 Bombardier Road • 802-893-6033 • Fax: 802-893-1005

January 27, 2025

Response to FY24 audit finding – material weakness in Administration of TIF District

The Assessor's office was not aware that parcels were omitted from the TIF parcel listing. This was brought to our attention because of the State of Vermont audit for the TIF district. The Assessor's office as well as the Finance office is working to make sustainable changes with the assistance of Vermont Economic Progress Council (VEPC) and Vermont Property Valuation & Review (VPR) to get prior years corrected. Also, as a yearly process there is a comparison report from the prior year grand list to the current grant list with FoxPro filter expression to only look at the changes made to the TIF district parcels. This is a new procedure to ensure accuracy in the grand list.

Response to FY24 audit finding – material weakness in Retainage on Construction Contracts

A procedure for booking retainage for all construction contracts in place.

Amber Baker, Finance Director