

TOWN OF MILTON, VERMONT

AUDIT REPORT

JUNE 30, 2023

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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Milton, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2023, the Town implemented GASB Statement No. 96, "Subscription-Based Information Technology Arrangements".

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Milton, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Milton, Vermont's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Milton, Vermont's basic financial statements. The combining fund financial statements and the budgetary comparison schedules for the Water and Sewer Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated January 25, 2024 on our consideration of the Town of Milton, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Milton, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Milton, Vermont's internal control over financial reporting and compliance.

Sullivan, Powers & Co.

January 25, 2024
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

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, 2023. 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 \$45,266,833 (we own more than we owe). Of this amount, \$5,173,941 (unrestricted) may be used to meet the Town's ongoing obligations. The balance of net position is made up of \$34,552,958 invested in capital assets net of related debt and \$5,539,934 restricted for specific purposes.
- The Town's total net position increased by \$2,630,661 (6.17%). Of this amount, net position of the governmental activities increased by \$2,134,904 (12.17%), and net position attributable to business-type activities increased by \$495,757 (1.98%).
- 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 \$2,821,945, or approximately 31.13% of total general fund expenditures.
- The Town's total outstanding long-term debt decreased by \$1,176,369 (-9.42%) during the current fiscal year. Additions to long-term debt totaled \$184,129 offset by principal payments of \$1,360,498. The additions are the initial costs for the Public Works Highway Project.
- During FY2023, the town, as well as the school moved their operational banking from People's United Bank to TD Bank. This resulted in better service as well as higher earned interest for cash in the bank.

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.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

- 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.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

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.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

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	
	2023	2022	2023	2022	2023	2022
Assets:						
Cash and Investments	\$ 17,287,079	\$ 13,746,342	\$ -	\$ -	\$ 17,287,079	\$ 13,746,342
Receivables, Net	700,379	608,899	605,258	576,152	1,305,637	1,185,051
Other Assets	(1,936,242)	(962,680)	2,472,160	1,998,952	535,918	1,036,272
Capital Assets	18,242,286	18,159,716	25,498,545	25,618,893	43,740,831	43,778,609
Total Assets	34,293,502	31,552,277	28,575,963	28,193,997	62,869,465	59,746,274
Deferred Outflows of Resources	1,084,311	702,359	62,855	38,759	1,147,166	741,118
Liabilities:						
Other Liabilities	4,012,637	2,634,255	190,728	140,548	4,203,365	2,774,803
Noncurrent Liabilities	11,635,780	11,181,224	2,853,633	2,947,225	14,489,413	14,128,449
Total Liabilities	15,648,417	13,815,479	3,044,361	3,087,773	18,692,778	16,903,252
Deferred Inflows of Resources	53,895	898,560	3,125	49,408	57,020	947,968
Net Position:						
Net Investment in Capital Assets	11,733,187	11,098,616	22,819,771	22,763,022	34,552,958	33,861,638
Restricted	5,539,934	4,088,856	0	0	5,539,934	4,088,856
Unrestricted	2,402,380	2,353,125	2,771,561	2,332,553	5,173,941	4,685,678
Total Net Position	\$ 19,675,501	\$ 17,540,597	\$ 25,591,332	\$ 25,095,575	\$ 45,266,833	\$ 42,636,172

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 \$45,266,833. The Town's total net position is split between governmental activities net position of \$19,675,501 and business-type activities net position of \$25,591,332.

The largest portion of the Town's total net position \$34,552,958 (76.33%) 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.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

The Town's total net position includes \$5,539,934 (12.24%) of restricted net position. Restricted net position represents assets whose use is subject to external restrictions. The remaining balance of \$5,173,941 (11.43%) 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 842,269	\$ 814,173	\$ 2,366,112	\$ 2,214,988	\$ 3,208,381	\$ 3,029,161
Operating Grants & Contributions	522,759	682,135	0	0	522,759	682,135
Capital Grants & Contributions	173,970	136,542		146,905	173,970	283,447
General Revenues:						
Property Taxes	8,802,172	8,091,849		0	8,802,172	8,091,849
Other	1,336,676	367,759	47,597	1,885	1,384,273	369,644
Total Revenues	11,677,846	10,092,458	2,413,709	2,363,778	14,091,555	12,456,236
Expenses:						
General Government	1,676,876	1,745,890	0	0	1,676,876	1,745,890
Public Safety	3,624,984	3,116,025	0	0	3,624,984	3,116,025
Highways and Streets (including Cemetery)	3,083,633	3,051,670	0	0	3,083,633	3,051,670
Culture and Recreation	601,449	582,463	0	0	601,449	582,463
Interest on Long-Term Debt	268,486	296,616	0	0	268,486	296,616
Water	0	0	1,097,255	1,070,268	1,097,255	1,070,268
Wastewater	0	0	1,108,211	1,089,859	1,108,211	1,089,859
Total Expenses	9,255,428	8,792,664	2,205,466	2,160,127	11,460,894	10,952,791
Increase (Decrease) in Net Position						
Before Transfers	2,422,418	1,299,794	208,243	203,651	2,630,661	1,503,445
Transfers	(287,514)	(187,725)	287,514	187,725	0	0
Increase (Decrease) in Net Position	2,134,904	1,112,069	495,757	391,376	2,630,661	1,503,445
Beginning Net Position	17,540,597	16,428,528	25,095,575	24,704,199	42,636,172	41,132,727
Ending Net Position	\$ 19,675,501	\$ 17,540,597	\$ 25,591,332	\$ 25,095,575	\$ 45,266,833	\$ 42,636,172

Governmental Activities

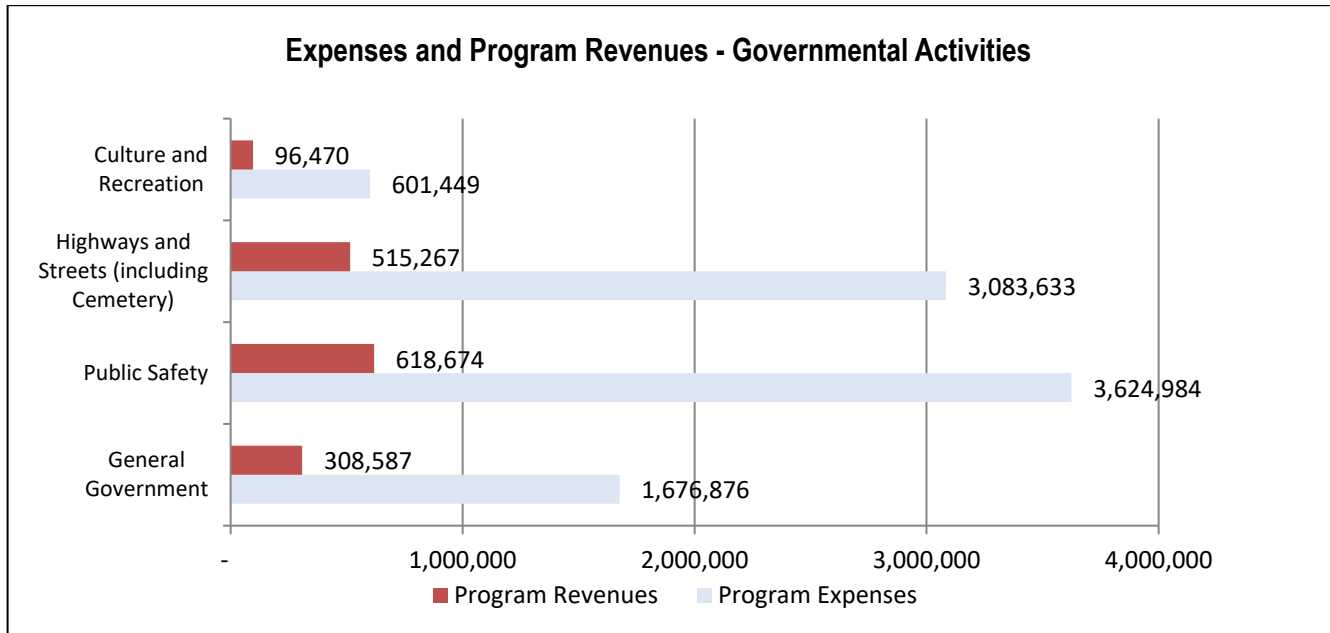
Governmental activities increased the Town's net position by \$2,134,904 for the year ended June 30, 2023. Key elements of the change are as follows.

- Total governmental activities' revenues increased by 15.7% (\$1,585,388) from 2022 to 2023. The "Other" category and in the grand list to 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 \$968,917, which is an increase of 263.5%.
- Property tax revenues increased by 8.8% or \$710,323 from the previous year because of the amount to be raised by taxes and other revenue.
- Total governmental activities' expenses increased by 5.26% (\$462,764) from 2022 to 2023. Public safety expenses end the year at 16.3% (\$508,959) of total governmental activities' expenses. You can see that Public Safety accounted for more than the total increase, which means that in total other areas reduced in expenses.

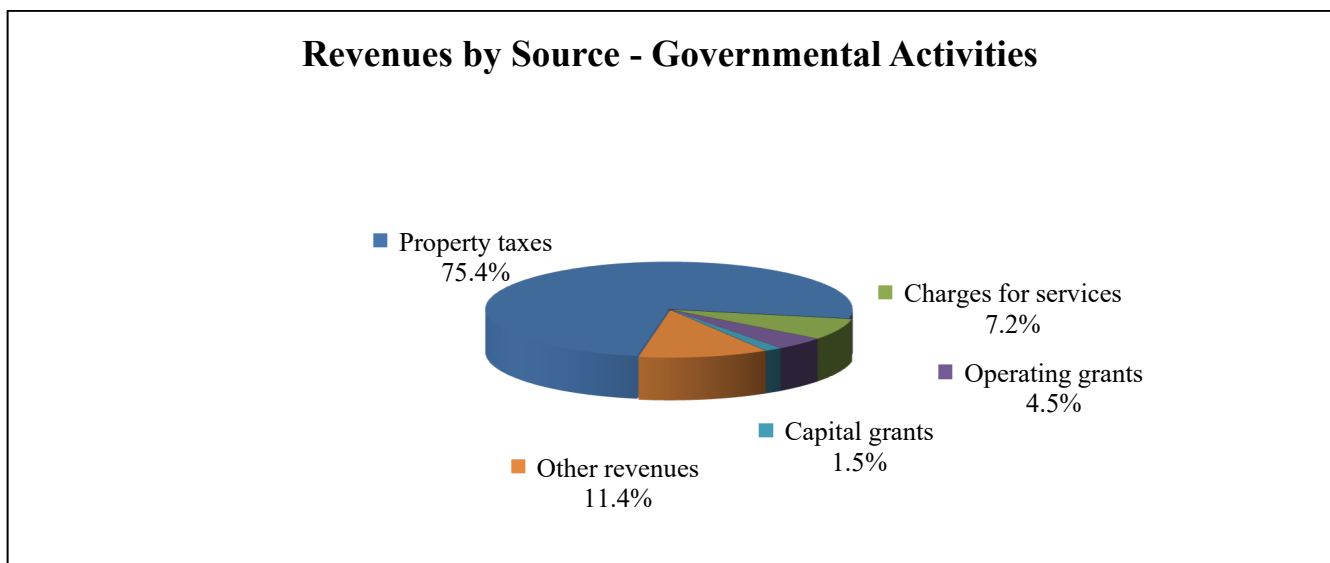
**TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023**

- General Government expenses **decreased** by 4% or \$69,014 from the previous year.

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



The vast majority of revenue for governmental activities comes from property taxes: 75.4% of total revenue or \$8,802,172. The second largest category of revenue is other coming in at 11.4% or \$1,336,676 of total revenue. 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, 2023.



**TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023**

Business-type Activities

Business-type activities increased the Town's net position by \$495,757 during the current fiscal year. Key elements of this increase are as follows.

- Charges for services increased by \$151,124 or 6.8% from \$2,214,988 to \$2,366,112. 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 \$2,205,466 reflect an increase of \$45,339 (2.1%) as compared to the prior year.

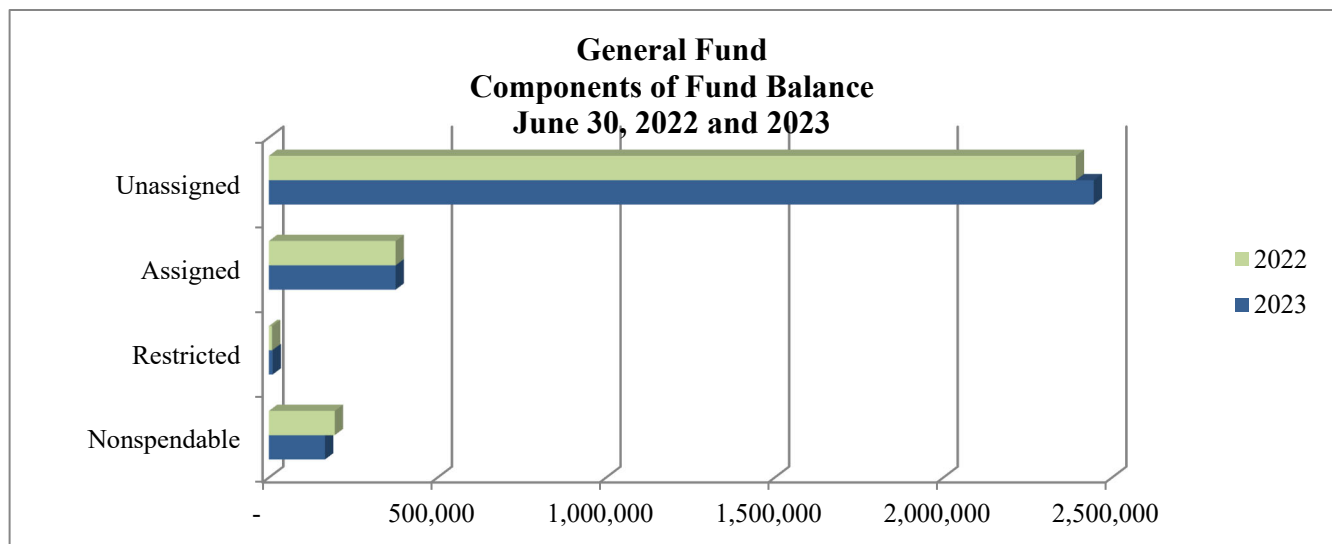
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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.

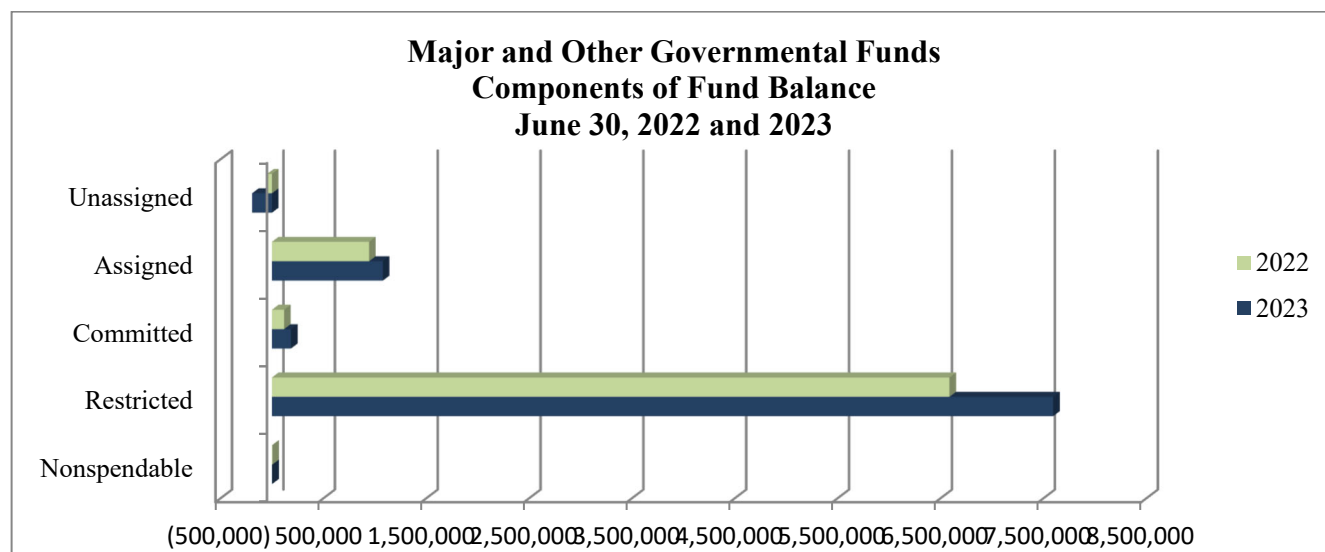
At June 30, 2023, the Town's governmental funds reported combined fund balances of \$11,670,569 an increase of \$1,088,392 in comparison with the prior year. 19.30% of this amount (\$2,252,647) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$171,213), restricted for particular purposes (\$7,606,630), committed for particular purposes (\$185,743), or assigned by the Town for particular purposes (\$1,454,336). The components of each category of fund balance are detailed in Footnote IV.K. Fund Balances.



TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

The general fund is the chief operating fund of the Town. At the end of the year, total fund balance in the general fund was \$2,999,797, an increase of \$26,044 from the previous year. Of this amount, \$166,713 is in non-spendable form (prepaid expenses and inventories). Of the remaining amount, \$375,928 is assigned for purposes detailed in Footnote IV IVK. and \$2,446,017 is unassigned.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total general fund expenditures. Total fund balance represents approximately 36.32% of total general fund expenditures; however, this amount includes nonspendable balances, which would not be available to finance general fund expenditures if necessary. The remaining categories of fund balance (committed, assigned, and unassigned) are referred to as unrestricted fund balance and are resources that could be liquidated to support general fund expenditures if necessary. Unrestricted fund balance represents 29.61% of total general fund expenditures.



In the governmental funds other than the general fund the most noteworthy change to fund balance are decreased in restricted and assigned fund balances of \$1,007,867 and \$133,477, respectively. The Town's Capital Reserve Funds reports an increase in restricted, assigned and fund balances related to the receipt of debt proceeds expended in a prior period, and unspent debt proceeds on deposit for budgeted capital projects that will be fully complete in 2024 or 2025.

General Fund Budgetary Highlights

The Town's budget for the year ended June 30, 2023 passed on the first vote in March of 2022 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 \$26,044. Expenditures came in under budget by \$376,044 See schedule 1, page 58.

Proprietary Funds

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

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

Total net position in the water fund is \$6,800,001, an increase of \$338,054 or 5.23% from the previous year. The water fund has \$5,429,637 of net position invested in capital assets net of related debt. This leaves an unrestricted balance in the fund of \$1,370,364. In the sewer fund, total net position is \$18,791,331, an increase of \$157,703 or 0.84% 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 (\$17,390,134), leaving an unrestricted balance of \$1,401,197. 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, 2023 were \$61,025,830 (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 \$987,366 from June 30, 2022 to June 30, 2023, or 1.64%. Combined accumulated depreciation at the end of the year is \$17,284,999. The increase in combined investment in new capital assets of \$987,366 resulted in a total combined investment in capital assets, which exceeded the depreciation of \$1,935,931 causing a net increase in capital assets net of accumulated depreciation.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital Assets:						
Land	\$ 1,836,590	\$ 1,786,590	\$ 117,520	\$ 117,520	\$ 1,954,110	\$ 1,904,110
Construction in Progress	310,810	2,677,249	50,110	282,526	360,920	2,959,775
Land Improvements	1,689,378	316,254	0	0	1,689,378	316,254
Buildings and Improvements	4,971,044	4,633,674	0	0	4,971,044	4,633,674
Vehicles, Machinery and Equipment	5,653,616	5,542,542	596,867	291,754	6,250,483	5,834,296
Infrastructure	<u>13,367,987</u>	<u>12,198,748</u>	<u>32,431,908</u>	<u>32,191,607</u>	<u>45,799,895</u>	<u>44,390,355</u>
	27,829,425	27,155,057	33,196,405	32,883,407	61,025,830	60,038,464
Less: Accumulated Depreciation	<u>(9,587,139)</u>	<u>(8,995,341)</u>	<u>(7,697,860)</u>	<u>(7,264,514)</u>	<u>(17,284,999)</u>	<u>(16,259,855)</u>
Total Assets, Net	<u>\$ 18,242,286</u>	<u>\$ 18,159,716</u>	<u>\$ 25,498,545</u>	<u>\$ 25,618,893</u>	<u>\$ 43,740,831</u>	<u>\$ 43,778,609</u>

Major capital asset activity for the year ended June 30, 2023 included the following:

- Paving projects totaling \$839,823 were completed during the year contributing to the increase in governmental activities infrastructure.
- Major construction projects to include road restoration of Andrea Lane, Winter Lane, Duck Court, Whisper Lane, Brady Lane, Arrowhead Avenue, Lamoille Terrace, Ellison Street, Haydenberry Drive, Mears Road and Westford Road. A large waterline project was completed in the Catamount Industrial Park and on Cherry Street. In addition, several culverts on Mears Road and Westford Road were replaced as well as the guardrails on Lamoille Terrace.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

- Vehicle and equipment purchases during the year included a tandem dump truck, a used squad truck, a sander/salter and plow for the building and grounds truck, refurbishing on the 2006 backhoe, a new buildings and grounds trailer, and paramedic equipment.
- Other capital purchases include 8 library computers, 4 sets of bunker gear, a SBCA fill station, Little League field improvements, fire department lighting upgrades, police department carpet upgrades and a roof replacement on McGrath Road.

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

Long-Term Debt

The Town began the year with \$12,485,596 in long-term debt outstanding. As of June 30, 2023, this amount had decreased by \$1,176,369 or 9.42% to end the current year with \$11,309,227 in long-term debt outstanding.

Summary of Long Term Debt				
	June 30, 2022	Additions	Deletions	June 30, 2023
Governmental Activities	\$ 9,629,725	\$ 182,226	\$ 1,181,498	\$ 8,630,453
Business-type Activities	2,855,871	1,903	179,000	2,678,774
Total Government	<u>\$ 12,485,596</u>	<u>\$ 184,129</u>	<u>\$ 1,360,498</u>	<u>\$ 11,309,227</u>

Factors contributing to the change include the following:

- Principal payments totaling \$1,181,498 were made on governmental activities debt and principal payments totaling \$179,000 were made on business-type activities debt.
- New debt in the amount of \$184,129 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.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's FY24 approved expenditure budget of \$9,784,978 was an increase of \$497,439 from the FY23 budget. The resulting change in the tax rate for the Municipal taxes increased from \$0.4888 to \$0.5036.

The FY24 budget includes a \$350,000 reduction in fund balance (a budgeted deficit), the same as in the prior year.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

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 or 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, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 17,261,351	\$ 0	\$ 17,261,351
Investments	25,728	0	25,728
Deposits held by Escrow Agent	345,690	0	345,690
Receivables (Net of Allowance for Uncollectibles)	700,379	605,258	1,305,637
Internal Balances	(2,448,645)	2,448,645	0
Prepaid Expenses	108,462	6,222	114,684
Inventory	58,251	17,293	75,544
Capital Assets:			
Land	1,836,590	117,520	1,954,110
Construction in Progress	310,810	50,110	360,920
Other Capital Assets, (Net of Accumulated Depreciation)	16,094,886	25,330,915	41,425,801
Total Assets	<u>34,293,502</u>	<u>28,575,963</u>	<u>62,869,465</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>1,084,311</u>	<u>62,855</u>	<u>1,147,166</u>
Total Deferred Outflows of Resources	<u>1,084,311</u>	<u>62,855</u>	<u>1,147,166</u>
<u>LIABILITIES</u>			
Accounts Payable	974,121	137,006	1,111,127
Accrued Payroll and Benefits Payable	205,355	10,768	216,123
Unearned Revenue	2,610,890	2,794	2,613,684
Due to Others	141,078	0	141,078
Accrued Interest Payable	81,193	40,160	121,353
Noncurrent Liabilities:			
Due within One Year	1,163,971	188,540	1,352,511
Due in More than One Year	<u>10,471,809</u>	<u>2,665,093</u>	<u>13,136,902</u>
Total Liabilities	<u>15,648,417</u>	<u>3,044,361</u>	<u>18,692,778</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>53,895</u>	<u>3,125</u>	<u>57,020</u>
Total Deferred Inflows of Resources	<u>53,895</u>	<u>3,125</u>	<u>57,020</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	11,733,187	22,819,771	34,552,958
Restricted for:			
Town Core TIF	4,801,261	0	4,801,261
Impact Fee Eligible Expenses	393,412	0	393,412
Restoration of Records	179,452	0	179,452
Other Purposes	165,809	0	165,809
Unrestricted	<u>2,402,380</u>	<u>2,771,561</u>	<u>5,173,941</u>
Total Net Position	<u>\$ 19,675,501</u>	<u>\$ 25,591,332</u>	<u>\$ 45,266,833</u>

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

TOWN OF MILTON, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	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	\$ 1,676,876	\$ 256,755	\$ 44,332	\$ 7,500	\$ (1,368,289)	\$ 0	\$ (1,368,289)
Public Safety	3,624,984	476,699	141,975	0	(3,006,310)	0	(3,006,310)
Highways and Streets	3,045,425	16,126	313,471	166,470	(2,549,358)	0	(2,549,358)
Culture and Recreation	601,449	73,489	22,981	0	(504,979)	0	(504,979)
Cemetery	38,208	19,200	0	0	(19,008)	0	(19,008)
Interest on Long-term Debt	268,486	0	0	0	(268,486)	0	(268,486)
Total Governmental Activities	9,255,428	842,269	522,759	173,970	(7,716,430)	0	(7,716,430)
Business-type Activities:							
Water	1,097,255	1,302,688	0	0	0	205,433	205,433
Sewer	1,108,211	1,063,424	0	0	0	(44,787)	(44,787)
Total Business-type Activities	2,205,466	2,366,112	0	0	0	160,646	160,646
Total Primary Government	<u>\$ 11,460,894</u>	<u>\$ 3,208,381</u>	<u>\$ 522,759</u>	<u>\$ 173,970</u>	<u>(7,716,430)</u>	<u>160,646</u>	<u>(7,555,784)</u>
General Revenues:							
Property Taxes					8,802,172	0	8,802,172
Penalties and Interest on Delinquent Taxes					61,864	0	61,864
General State Grants					99,887	0	99,887
Impact Fees					173,484	0	173,484
ARPA Funds					697,495	0	697,495
Unrestricted Investment Earnings					290,102	34,527	324,629
Gain on Sale of Vehicles					12,600	13,070	25,670
Other Revenues					1,244	0	1,244
Transfers:					(287,514)	287,514	0
Total General Revenues and Transfers					9,851,334	335,111	10,186,445
Change in Net Position					2,134,904	495,757	2,630,661
Net Position - July 1, 2022					17,540,597	25,095,575	42,636,172
Net Position - June 30, 2023					<u>\$ 19,675,501</u>	<u>\$ 25,591,332</u>	<u>\$ 45,266,833</u>

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

TOWN OF MILTON, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Town Core TIF Fund	Capital Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 10,374,037	\$ 6,819,614	\$ 0	\$ 0	\$ 67,700	\$ 17,261,351
Investments	25,728	0	0	0	0	25,728
Deposits held by Escrow Agent	0	0	345,690	0	0	345,690
Receivables (Net of Allowance for Uncollectibles)	496,025	0	0	3,221	201,133	700,379
Due from Other Funds	0	0	496,198	2,581,880	1,128,162	4,206,240
Prepaid Items	108,462	0	0	0	0	108,462
Inventory	58,251	0	0	0	0	58,251
Total Assets	<u>\$ 11,062,503</u>	<u>\$ 6,819,614</u>	<u>\$ 841,888</u>	<u>\$ 2,585,101</u>	<u>\$ 1,396,995</u>	<u>\$ 22,706,101</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 763,796	\$ 700	\$ 9,222	\$ 15,097	\$ 185,306	\$ 974,121
Accrued Payroll and Benefits Payable	205,355	0	0	0	0	205,355
Due to Other Funds	6,652,428	2,457	0	0	0	6,654,885
Unearned Revenue	44,216	0	20,000	2,523,783	22,891	2,610,890
Due to Others	141,078	0	0	0	0	141,078
Total Liabilities	<u>7,806,873</u>	<u>3,157</u>	<u>29,222</u>	<u>2,538,880</u>	<u>208,197</u>	<u>10,586,329</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable Property Taxes, Penalties and Interest	224,800	0	0	0	0	224,800
Unavailable Ambulance Fees	30,612	0	0	0	0	30,612
Unavailable Grants	421	0	0	0	193,370	193,791
Total Deferred Inflows of Resources	<u>255,833</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,370</u>	<u>449,203</u>
<u>FUND BALANCES</u>						
Nonspendable	166,713	0	0	0	4,500	171,213
Restricted	11,139	6,816,457	56,000	0	723,034	7,606,630
Committed	0	0	0	0	185,743	185,743
Assigned	375,928	0	756,666	46,221	275,521	1,454,336
Unassigned/(Deficit)	2,446,017	0	0	0	(193,370)	2,252,647
Total Fund Balances	<u>2,999,797</u>	<u>6,816,457</u>	<u>812,666</u>	<u>46,221</u>	<u>995,428</u>	<u>11,670,569</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,062,503</u>	<u>\$ 6,819,614</u>	<u>\$ 841,888</u>	<u>\$ 2,585,101</u>	<u>\$ 1,396,995</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:						
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.						18,242,286
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.						449,203
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.						(11,716,973)
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.						1,030,416
Net Position of Governmental Activities						<u>\$ 19,675,501</u>

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, 2023

	General Fund	Town Core TIF Fund	Capital Reserve Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 7,203,036	\$ 1,426,291	\$ 0	\$ 0	\$ 119,845	\$ 8,749,172
Penalties and Interest on Delinquent Taxes	61,864	0	0	0	0	61,864
Intergovernmental	458,395	0	0	697,495	172,624	1,328,514
Charges for Services	985,481	0	0	0	19,200	1,004,681
Permits, Licenses and Fees	174,603	0	0	0	201,117	375,720
Fines and Forfeits	36,432	0	0	0	0	36,432
Investment Income	86,199	135,406	6,631	44,770	17,096	290,102
Donations	17,838	0	0	0	550	18,388
Other	1,244	0	0	0	0	1,244
Total Revenues	<u>9,025,092</u>	<u>1,561,697</u>	<u>6,631</u>	<u>742,265</u>	<u>530,432</u>	<u>11,866,117</u>
Expenditures:						
General Government	1,864,361	0	0	27,415	13,481	1,905,257
Public Safety	3,201,041	0	2,988	1,840	33,328	3,239,197
Highways and Streets	1,770,314	0	0	0	69,269	1,839,583
Culture and Recreation	557,905	0	0	3,485	7,044	568,434
Cemetery	38,208	0	0	0	0	38,208
Capital Outlay:						
General Government	894	0	32,816	311,335	7,500	352,545
Public Safety	41,463	0	24,825	127,244	0	193,532
Highways and Streets	678,345	21,573	158,751	0	208,088	1,066,757
Culture and Recreation	15,209	0	6,300	0	0	21,509
Debt Service:						
Principal	761,498	420,000	0	0	0	1,181,498
Interest	135,192	143,325	0	0	0	278,517
Total Expenditures	<u>9,064,430</u>	<u>584,898</u>	<u>225,680</u>	<u>471,319</u>	<u>338,710</u>	<u>10,685,037</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(39,338)</u>	<u>976,799</u>	<u>(219,049)</u>	<u>270,946</u>	<u>191,722</u>	<u>1,181,080</u>
Other Financing Sources/(Uses):						
Issuance of Long-term Debt	0	0	182,226	0	0	182,226
Proceeds from Sale of Vehicles	0	0	12,600	0	0	12,600
Transfers In	219,421	0	79,760	0	82,311	381,492
Transfers Out	(154,039)	(187,514)	(3,272)	(226,176)	(98,005)	(669,006)
Total Other Financing Sources/(Uses)	<u>65,382</u>	<u>(187,514)</u>	<u>271,314</u>	<u>(226,176)</u>	<u>(15,694)</u>	<u>(92,688)</u>
Net Change in Fund Balances	26,044	789,285	52,265	44,770	176,028	1,088,392
Fund Balances - July 1, 2022	<u>2,973,753</u>	<u>6,027,172</u>	<u>760,401</u>	<u>1,451</u>	<u>819,400</u>	<u>10,582,177</u>
Fund Balances - June 30, 2023	<u>\$ 2,999,797</u>	<u>\$ 6,816,457</u>	<u>\$ 812,666</u>	<u>\$ 46,221</u>	<u>\$ 995,428</u>	<u>\$ 11,670,569</u>

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, 2023

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)	\$ 1,088,392
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,634,343) is allocated over their estimated useful lives and reported as depreciation expense (\$1,502,585). This is the amount by which capital outlays exceeded depreciation in the current period.	131,758
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.	(49,188)
The issuance of long-term debt (\$182,226) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$1,181,498) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	999,272
Governmental funds report employer pension contributions as expenditures (\$276,716). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$484,675) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.	(207,959)
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.	185,113
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.	<u>(12,484)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 2,134,904</u>

The General Fund charges the Water Fund and Sewer Fund for administrative expenses. These charges totaling \$385,984 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, 2023

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Receivables (Net of Allowance for Uncollectibles)	\$ 352,689	\$ 252,569	\$ 605,258
Due from Other Funds	1,185,638	1,263,007	2,448,645
Prepaid Expenses	2,166	4,056	6,222
Inventory	6,334	10,959	17,293
Total Current Assets	1,546,827	1,530,591	3,077,418
Noncurrent Assets:			
Land	39,400	78,120	117,520
Construction in Progress	29,440	20,670	50,110
Vehicles, Machinery and Equipment	346,331	250,536	596,867
Buildings, Distribution and Collection Systems	8,627,093	23,804,815	32,431,908
Less: Accumulated Depreciation	(2,790,487)	(4,907,373)	(7,697,860)
Total Noncurrent Assets	6,251,777	19,246,768	25,498,545
Total Assets	7,798,604	20,777,359	28,575,963
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	37,632	25,223	62,855
Total Deferred Outflows of Resources	37,632	25,223	62,855
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	90,753	46,253	137,006
Accrued Payroll and Benefits Payable	5,177	5,591	10,768
Unearned Revenue	2,794	0	2,794
Accrued Interest Payable	10,083	30,077	40,160
General Obligation Bonds Payable - Current Portion	34,835	153,705	188,540
Total Current Liabilities	143,642	235,626	379,268
Noncurrent Liabilities:			
Compensated Absences Payable	6,303	6,303	12,606
Net Pension Liability	97,115	65,138	162,253
General Obligation Bonds Payable - Noncurrent Portion	787,305	1,702,929	2,490,234
Total Noncurrent Liabilities	890,723	1,774,370	2,665,093
Total Liabilities	1,034,365	2,009,996	3,044,361
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	1,870	1,255	3,125
Total Deferred Inflows of Resources	1,870	1,255	3,125
<u>NET POSITION</u>			
Net Investment in Capital Assets	5,429,637	17,390,134	22,819,771
Unrestricted	1,370,364	1,401,197	2,771,561
Total Net Position	\$ 6,800,001	\$ 18,791,331	\$ 25,591,332

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

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,147,988	\$ 902,577	\$ 2,050,565
Penalties	17,890	11,300	29,190
Hookup Fees	136,535	149,297	285,832
Other Income	275	250	525
	<u>1,302,688</u>	<u>1,063,424</u>	<u>2,366,112</u>
Total Operating Revenues			
Operating Expenses:			
CWD Water Purchases	423,551	0	423,551
Salaries and Benefits	213,327	225,366	438,693
Administrative Fees	192,992	192,992	385,984
Utilities	14,043	123,367	137,410
Water Meters	10,931	4,073	15,004
Supplies	20,231	58,603	78,834
Printing and Advertising	3,498	205	3,703
Insurances	1,783	7,532	9,315
Technology	8,167	2,036	10,203
Vehicles, Machinery and Equipment	182	2,184	2,366
Telephone and Internet	2,717	5,467	8,184
Professional Development	2,030	1,944	3,974
Miscellaneous Expenses	242	470	712
Dues and Fees	560	6,931	7,491
Employee Uniforms	3,713	2,439	6,152
Repairs and Maintenance	25,928	47,394	73,322
Depreciation	129,930	303,416	433,346
Rentals	1,363	314	1,677
Professional Services	16,036	388	16,424
Technical Services	3,314	83,209	86,523
	<u>1,074,538</u>	<u>1,068,330</u>	<u>2,142,868</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>228,150</u>	<u>(4,906)</u>	<u>223,244</u>
Non-Operating Revenues/(Expenses):			
Investment Income	17,731	16,796	34,527
Gain on Sale of Vehicles	6,535	6,535	13,070
Interest Expense	(22,717)	(39,881)	(62,598)
	<u>1,549</u>	<u>(16,550)</u>	<u>(15,001)</u>
Total Non-Operating Revenues/(Expenses)			
Net Income/(Loss) Before Capital Contributions and Transfers	<u>229,699</u>	<u>(21,456)</u>	<u>208,243</u>
Transfers:			
Transfers In	<u>108,355</u>	<u>179,159</u>	<u>287,514</u>
Total Transfers	<u>108,355</u>	<u>179,159</u>	<u>287,514</u>
Change in Net Position	338,054	157,703	495,757
Net Position - July 1, 2022	<u>6,461,947</u>	<u>18,633,628</u>	<u>25,095,575</u>
Net Position - June 30, 2023	<u>\$ 6,800,001</u>	<u>\$ 18,791,331</u>	<u>\$ 25,591,332</u>

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, 2023

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 1,286,220	\$ 1,051,192	\$ 2,337,412
Payments for Goods and Services	(523,987)	(356,161)	(880,148)
Payments for Interfund Services	(192,992)	(192,992)	(385,984)
Payments for Wages and Benefits	(206,515)	(219,997)	(426,512)
	<u>362,726</u>	<u>282,042</u>	<u>644,768</u>
Net Cash Provided by Operating Activities			
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(216,780)	(255,097)	(471,877)
	<u>(216,780)</u>	<u>(255,097)</u>	<u>(471,877)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities			
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Long-term Debt	1,903	0	1,903
Proceeds from Sale of Vehicles	6,535	6,535	13,070
Acquisition and Construction of Capital Assets	(226,793)	(41,514)	(268,307)
Transfers Received from Other Funds	108,355	179,159	287,514
Principal Paid on General Obligation Bonds Payable	(30,960)	(148,040)	(179,000)
Interest Paid on General Obligation Bonds Payable	(22,717)	(39,881)	(62,598)
	<u>(163,677)</u>	<u>(43,741)</u>	<u>(207,418)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities			
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	17,731	16,796	34,527
	<u>17,731</u>	<u>16,796</u>	<u>34,527</u>
Net Cash Provided by Investing Activities			
Net Increase in Cash	0	0	0
Cash - July 1, 2022	0	0	0
Cash - June 30, 2023	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	228,150	(4,906)	223,244
Depreciation	129,930	303,416	433,346
(Increase)/Decrease in Receivables	(16,874)	(12,232)	(29,106)
(Increase)/Decrease in Prepaid Expenses	205	(700)	(495)
(Increase)/Decrease in Inventory	1,192	(2,028)	(836)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	(13,852)	(10,244)	(24,096)
Increase/(Decrease) in Accounts Payable	12,905	(6,877)	6,028
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(38)	(907)	(945)
Increase/(Decrease) in Unearned Revenue	406	0	406
Increase/(Decrease) in Compensated Absences Payable	(1,647)	(1,647)	(3,294)
Increase/(Decrease) in Net Pension Liability	50,804	35,995	86,799
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	(28,455)	(17,828)	(46,283)
	<u>(28,455)</u>	<u>(17,828)</u>	<u>(46,283)</u>
Net Cash Provided by Operating Activities	<u>\$ 362,726</u>	<u>\$ 282,042</u>	<u>\$ 644,768</u>

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

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

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

TOWN OF MILTON, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	Custodial Fund Education Tax Fund
<u>ASSETS</u>	
Assets:	\$ <u>0</u>
<u>LIABILITIES</u>	
Liabilities:	<u>0</u>
<u>NET POSITION</u>	
Net Position:	\$ <u><u>0</u></u>

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

TOWN OF MILTON, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Fund</u> <u>Education Tax</u> <u>Fund</u>
<u>ADDITIONS</u>	
Education Taxes Collected for Other Governments	\$ <u>14,943,888</u>
Total Additions	<u>14,943,888</u>
<u>DEDUCTIONS</u>	
Education Taxes Distributed to Other Governments	<u>14,943,888</u>
Total Deductions	<u>14,943,888</u>
Change in Net Position	0
Net Position - July 1, 2022	<u>0</u>
Net Position - June 30, 2023	\$ <u><u>0</u></u>

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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 – Subscription-Based Information Technology Arrangements

Effective June 30, 2023, the Town implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, “Leases”, as amended. The Town currently has no subscription-based information technology arrangements applicable to this Statement that are material to the financial statements.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

6. Pensions

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

7. Deferred Outflows/Inflows of Resources

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

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

8. Capital Assets

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

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

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

9. Compensated Absences

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

10. Long-term Liabilities

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

11. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and proprietary 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

**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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2023 consisted of the following:

Cash:	
Deposits with Financial Institutions	\$17,256,311
Cash on Hand	<u>5,040</u>
Total Cash	17,261,351
Investments:	
Certificates of Deposit	<u>25,728</u>
Total Cash and Investments	<u>\$17,287,079</u>

The Town has five (5) certificates of deposit at various banks ranging from \$909 to \$10,000 with interest rates ranging from 0.05% to 3.44%. 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.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 297,680	\$ 297,680
Insured by Letter of Credit Issued by Federal Home Loan Bank	<u>16,984,359</u>	<u>17,060,345</u>
Total	<u>\$17,282,039</u>	<u>\$17,358,025</u>

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$17,256,311
Investments – Certificates of Deposit	<u>25,728</u>
Total	<u>\$17,282,039</u>

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, 2023 is \$10,630.

In 2022, the Town entered into lease agreements with Municipal Leasing Consultants, LLC in the amounts of \$52,272 and \$281,915 for the financing of capital equipment and vehicles. 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 spent and drawn down as of June 30, 2023 is \$335,060.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

C. Receivables

Receivables as of June 30, 2023, 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	\$ 319,532	\$ 0	\$ 319,532
Penalties and Interest Receivable	26,786	0	26,786
Ambulance Receivable	194,681	0	194,681
Grants Receivable	221,273	0	221,273
Accounts Receivable	47,131	0	47,131
Billed Services	11,005	70,041	81,046
Unbilled Services	0	538,617	538,617
Allowance for Doubtful Accounts - Taxes	(1,400)	0	(1,400)
Allowance for Doubtful Accounts - Ambulance	(118,629)	0	(118,629)
Allowance for Doubtful Accounts - Water/Sewer	0	(3,400)	(3,400)
Total	\$ <u>700,379</u>	\$ <u>605,258</u>	\$ <u>1,305,637</u>

D. Loans Receivable

Loans receivable as of June 30, 2023 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	<u>555,843</u>
Total	851,843
Less: Allowance for Doubtful Loans Receivable	<u>(851,843)</u>
Reported Value as of June 30, 2023	\$ <u>0</u>

TOWN OF MILTON, VERMONT
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E. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,786,590	\$ 50,000	\$ 0	\$ 1,836,590
Construction in Progress	2,677,249	156,563	2,523,002	310,810
Total Capital Assets, Not Being Depreciated	<u>4,463,839</u>	<u>206,563</u>	<u>2,523,002</u>	<u>2,147,400</u>
Capital Assets, Being Depreciated:				
Land Improvements	316,254	1,373,124	0	1,689,378
Buildings and Building Improvements	4,633,674	337,370	0	4,971,044
Vehicles	4,844,266	114,960	107,478	4,851,748
Machinery and Equipment	698,276	104,020	428	801,868
Roads, Bridges and Sidewalks	12,198,748	2,021,308	852,069	13,367,987
Totals	<u>22,691,218</u>	<u>3,950,782</u>	<u>959,975</u>	<u>25,682,025</u>
Less Accumulated Depreciation for:				
Land Improvements	122,989	10,139	0	133,128
Buildings and Building Improvements	1,369,010	104,815	0	1,473,825
Vehicles	2,328,073	466,488	101,040	2,693,521
Machinery and Equipment	518,722	52,558	428	570,852
Roads, Bridges and Sidewalks	4,656,547	868,585	809,319	4,715,813
Totals	<u>8,995,341</u>	<u>1,502,585</u>	<u>910,787</u>	<u>9,587,139</u>
Total Capital Assets, Being Depreciated	<u>13,695,877</u>	<u>2,448,197</u>	<u>49,188</u>	<u>16,094,886</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,159,716</u>	<u>\$ 2,654,760</u>	<u>\$ 2,572,190</u>	<u>\$ 18,242,286</u>

Certain amounts in the beginning balance column for the governmental activities have been restated.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 117,520	\$ 0	\$ 0	\$ 117,520
Construction in Progress	282,526	6,720	239,136	50,110
Total Capital Assets, Not Being Depreciated	<u>400,046</u>	<u>6,720</u>	<u>239,136</u>	<u>167,630</u>
Capital Assets, Being Depreciated:				
Vehicles, Machinery and Equipment	291,754	305,113	0	596,867
Buildings, Distribution and Collection Systems	32,191,607	240,301	0	32,431,908
Totals	<u>32,483,361</u>	<u>545,414</u>	<u>0</u>	<u>33,028,775</u>
Less Accumulated Depreciation for:				
Vehicles, Machinery and Equipment	131,030	34,464	0	165,494
Buildings, Distribution and Collection Systems	7,133,484	398,882	0	7,532,366
Totals	<u>7,264,514</u>	<u>433,346</u>	<u>0</u>	<u>7,697,860</u>
Total Capital Assets, Being Depreciated	<u>25,218,847</u>	<u>112,068</u>	<u>0</u>	<u>25,330,915</u>
Business-type Activities Capital Assets, Net	<u>\$ 25,618,893</u>	<u>\$ 118,788</u>	<u>\$ 239,136</u>	<u>\$ 25,498,545</u>

TOWN OF MILTON, VERMONT
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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 116,018	Water	\$ 129,930
Public Safety	238,898	Sewer	<u>303,416</u>
Highways and Streets	1,128,127		
Culture and Recreation	<u>19,542</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 1,502,585</u>	Total Depreciation Expense - Business-type Activities	<u>\$ 433,346</u>

F. Interfund Balances and Activity

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

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 6,652,428
Town Core TIF Fund	0	2,457
Capital Reserve Fund	496,198	0
ARPA Fund	2,581,880	0
Non-Major Governmental Funds	1,128,162	0
Water Fund	1,185,638	0
Sewer Fund	<u>1,263,007</u>	<u>0</u>
Total	<u>\$ 6,654,885</u>	<u>\$ 6,654,885</u>

Interfund transfers during the year ended June 30, 2023 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Reserve Fund	\$ 75,000	Fund Future Paving Projects
General Fund	Grant Fund	79,039	Fund Local Match
Town Core TIF Fund	Water Fund	8,355	Fund Debt Service
Town Core TIF Fund	Sewer Fund	179,159	Fund Debt Service
Capital Reserve Fund	Grant Fund	3,272	Fund Local Match
ARPA Fund	General Fund	126,176	Fund Police Department Expenses
ARPA Fund	Water Fund	100,000	Additional Funding for Catamount Waterline Project
Impact Fees Fund	General Fund	26,962	Fund Debt Service
Impact Fees Fund	Capital Reserve Fund	3,000	Fund Capital Expenditures
Restoration of Records Fund	General Fund	12,646	Fund Restoration Expenses
Fire/EMS Capital Reserve Fund	General Fund	53,637	Fund Debt Service
Fire/EMS Capital Reserve Fund	Capital Reserve Fund	<u>1,760</u>	Fund Capital Expenditures
Total		<u>\$ 669,006</u>	

TOWN OF MILTON, VERMONT
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G. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$210,173 from the difference between the expected and actual experience, \$454,347 from the net difference between the projected and actual investment earnings on pension plan investments and \$143,075 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$276,716 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$1,084,311.

Deferred outflows of resources in the business-type activities consists of \$12,185 from the difference between the expected and actual experience, \$26,342 from the net difference between the projected and actual investment earnings on pension plan investments and \$8,295 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$16,033 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is \$62,855.

Deferred outflows of resources in the Water Fund consists of \$7,293 from the difference between the expected and actual experience, \$15,767 from the net difference between the projected and actual investment earnings on pension plan investments and \$4,965 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$9,607 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is \$37,632.

Deferred outflows of resources in the Sewer Fund consists of \$4,892 from the difference between the expected and actual experience, \$10,575 from the net difference between the projected and actual investment earnings on pension plan investments and \$3,330 from changes in assumptions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$6,426 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$25,223.

H. Unearned Revenue

Unearned revenue in the governmental activities consists of \$42,018 of recreation fees, \$20,000 of space rental fees and \$2,548,872 of grant revenue received in advance. Total unearned revenue in the governmental activities is \$2,610,890.

Unearned revenue in the business-type activities and Water Fund consists of \$2,794 of user fees received in advance.

Unearned revenue in the General Fund consists of \$42,018 of recreation fees and \$2,198 of grant revenue received in advance. Total unearned revenue in the General Fund is \$44,216.

Unearned revenue in the Capital Reserve Fund consists of \$20,000 of space rental fees received in advance.

TOWN OF MILTON, VERMONT
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Unearned revenue in the ARPA Fund consists of \$2,523,783 of grant revenue received in advance.

Unearned revenue in the Non-Major Governmental Funds consists of \$22,891 of grant revenue received in advance.

I. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$53,895 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 \$3,125 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 \$224,800 of delinquent property taxes, penalties and interest on those taxes, \$30,612 of ambulance fees and \$421 of grant revenue 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 \$255,833.

Deferred inflows of resources in the Non-Major Governmental Funds consists of \$193,370 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 \$1,870 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 \$1,255 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.

TOWN OF MILTON, VERMONT
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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, 2023 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 720,000	\$ 0	\$ 80,000	\$ 640,000
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	65,000	0	40,000	25,000

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 90,000	\$ 0	\$ 45,000	\$ 45,000
Bond Payable, Vermont Municipal Bond Bank, Bombardier Property Purchase, Principal Payments of \$26,000 Payable on November 1 Annually, Interest Ranging from 1.78% to 3.49% Payable on May 1 and November 1, Due November, 2032	286,000	0	26,000	260,000
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	4,550,000	0	420,000	4,130,000
Note Payable, Capital One Public Funding, LLC, Bridge Improvements, Principal Payments of \$85,877 Plus Interest Payable on February 4 Annually, Interest at 2.89%, Due February, 2041	1,631,654	0	85,877	1,545,777
Note Payable, Capital One Public Funding, LLC, Paving, Principal Payments of \$201,114 Plus Interest Payable on February 4 Annually, Interest at 1.89%, Due February, 2026	804,455	0	201,114	603,341
Bond Anticipation Note, Union Bank, Highway Garage, Authorized to \$5,500,000, Interest at 2.09%, Due December, 2024	0	182,226	0	182,226
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	948,145	0	109,341	838,804

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Financed Purchase, Capital One Public Funding, LLC, Miscellaneous Capital Equipment/Vehicles, Principal and Interest Payments of \$17,751 Payable on January 27 Annually, Interest at 1.89%, Due and Paid January, 2023	\$ 17,422	\$ 0	\$ 17,422	\$ 0
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	258,867	0	85,101	173,766
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	34,555	0	17,133	17,422
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	<u>223,627</u>	<u>0</u>	<u>54,510</u>	<u>169,117</u>
Total Governmental Activities	<u>\$9,629,725</u>	<u>\$182,226</u>	<u>\$1,181,498</u>	<u>\$8,630,453</u>
Business-type Activities:				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 344,666	\$ 0	\$ 15,667	\$ 328,999

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 72,000	\$ 0	\$ 6,000	\$ 66,000
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Authorized to \$37,400, Principal Payments of \$7,480 Payable on March 1 Annually Beginning March, 2024, 0% Interest, Due March, 2028	24,822	0	0	24,822
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Principal, Interest and Administrative Fee Payment of \$18,202 Payable on September 1 Annually, 1% Interest, 2% Administrative Fee, Due September, 2049	341,549	0	7,955	333,594
Bond Payable, State of Vermont Special Environmental Revolving Fund, Water Upgrade, Authorized to \$18,050, Principal Payments of \$3,610 Payable on February 1 Annually Beginning February, 2024, 0% Interest, Due February, 2028	13,908	1,903	0	15,811
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	54,252	0	1,338	52,914
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	1,894,667	0	141,266	1,753,401

TOWN OF MILTON, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	\$ 99,434	\$ 0	\$ 6,774	\$ 92,660
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer Upgrade, Authorized to \$27,050 but Eligible for \$13,525 Subsidy, Principal Payments of \$2,705 Payable on February 1 Annually Beginning February, 2024, 0% Interest, Due February, 2028	<u>10,573</u>	<u>0</u>	<u>0</u>	<u>10,573</u>
Total Business-type Activities	<u>\$2,855,871</u>	<u>\$1,903</u>	<u>\$179,000</u>	<u>\$2,678,774</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds Payable	\$ 5,711,000	\$ 0	\$ 611,000	\$ 5,100,000	\$ 596,000
Notes Payable	2,436,109	182,226	286,991	2,331,344	286,991
Financed Purchases	1,482,616	0	283,507	1,199,109	270,980
Compensated Absences Payable	164,254	27,515	0	191,769	0
Landfill Post-Closure	20,000	0	5,000	15,000	10,000
Net Pension Liability	1,367,245	1,431,313	0	2,798,558	0
Total Governmental Activities					
Long-term Liabilities	<u>\$ 11,181,224</u>	<u>\$ 1,641,054</u>	<u>\$ 1,186,498</u>	<u>\$ 11,635,780</u>	<u>\$ 1,163,971</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 2,855,871	\$ 1,903	\$ 179,000	\$ 2,678,774	\$ 188,540
Compensated Absences Payable	15,900	0	3,294	12,606	0
Net Pension Liability	75,454	86,799	0	162,253	0
Total Business-type Activities					
Long-term Liabilities	<u>\$ 2,947,225</u>	<u>\$ 88,702</u>	<u>\$ 182,294</u>	<u>\$ 2,853,633</u>	<u>\$ 188,540</u>

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 \$15,000. 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.

TOWN OF MILTON, VERMONT
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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		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,153,971	\$ 243,891	\$ 188,540	\$ 62,035
2025	1,071,248	211,504	199,313	61,331
2026	987,336	183,891	202,675	57,126
2027	731,583	157,251	207,230	52,818
2028	734,325	135,185	198,195	48,415
2029-2033	3,082,756	356,477	1,034,203	172,634
2034-2038	429,380	74,455	344,112	72,859
2039-2043	257,628	14,891	155,665	39,358
2044-2048	0	0	104,789	14,385
2049-2052	0	0	44,052	2,039
Unknown Maturities - Bond Anticipation Note	<u>182,226</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 8,630,453</u>	<u>\$ 1,377,545</u>	<u>\$ 2,678,774</u>	<u>\$ 583,000</u>

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.

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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 \$2,446,017 which is 25.0% 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	\$108,462
Nonspendable Inventories	<u>58,251</u>
Total General Fund	<u>166,713</u>

Non-Major Funds

Permanent Fund:

Nonspendable West Milton Cemetery Fund Principal	<u>4,500</u>
Total Nonspendable Fund Balances	<u>\$171,213</u>

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

Major Funds

General Fund:

Restricted for July 4 th Celebration Expenses by Donations (Source of Revenue is Donations)	\$ <u>11,139</u>
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Town Core TIF Fund:

Restricted for Town Core TIF Fund Debt/Expenditures by Statute (Source of Revenue is Property Taxes and Unspent Bond Proceeds)	<u>6,816,457</u>
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Capital Reserve Fund:

Restricted for Capital Equipment Expenditures by Unspent Lease Proceeds	<u>56,000</u>
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TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Non-Major Funds

Special Revenue Funds:

Restricted Impact Fees Fund Expenses by Impact Fees (Source of Revenue is Impact Fees)	\$ 393,412
Restricted for Restoration of Records Fund Expenses by Statute (Source of Revenue is Restoration Fees)	179,452
Restricted for Drug Forfeiture Expenses by Agreement (Source of Revenue is Grant Revenue)	57,259
Restricted for Milton Public Library Expenses by Donations (Source of Revenue is Donations)	<u>4,934</u>
Total Special Revenue Funds	<u>635,057</u>

Permanent Fund:

Restricted for West Milton Cemetery Expenses by Trust Agreements and Sale of Lots	<u>87,977</u>
Total Non-Major Funds	<u>723,034</u>

Total Restricted Fund Balances \$7,606,630

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

Non-Major Funds

Capital Projects Funds:

Committed for Road/Sidewalk Restoration Expenditures by Voters	\$ 8,952
Committed for Fire/EMS Capital Expenditures by Voters	<u>176,791</u>
Total Committed Fund Balances	<u>\$185,743</u>

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

Major Funds

General Fund:

Assigned to Reduce Property Taxes in Fiscal Year 2024	\$ 350,000
Assigned for Emergency Management Expenditures	<u>25,928</u>
Total General Fund	<u>375,928</u>

Capital Reserve Fund:

Assigned for Capital Expenditures	<u>756,666</u>
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ARPA Fund:

Assigned for Eligible ARPA Expenditures	<u>46,221</u>
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TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Non-Major Funds

Special Revenue Funds:

Assigned for Reappraisal Expenses	\$ <u>275,521</u>
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Total Assigned Fund Balances	<u>\$1,454,336</u>
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The unassigned deficit of \$193,370 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, 2023 consisted of the following:

Governmental Activities:

Restricted for July 4 th Celebration expenses by Donations	\$ 11,139
Restricted for Town Core TIF Fund by Statute	4,801,261
Restricted for Impact Fees Fund Expenses by Impact Fees	393,412
Restricted for Restoration of Records Expenses by Statute	179,452
Restricted for Drug Forfeiture Expenses by Agreement	57,259
Restricted for Milton Public Library Expenses by Donations	4,934
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	<u>87,977</u>

Total Governmental Activities	<u>\$5,539,934</u>
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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, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 participating employers.

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.9760% resulting in a net pension liability of \$2,960,811. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.9760% was a decrease of 0.0042 from its proportion measured as of the prior year.

For the year ended June 30, 2023, the Town recognized pension expense of \$517,128.

As of June 30, 2023, 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	\$ 222,358	\$ 0
Net difference between projected and actual investment earnings on pension plan investments	480,689	0
Changes in assumptions	151,370	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	57,020
Town's required employer contributions made subsequent to the measurement date	292,749	0
	\$ 1,147,166	\$ 57,020

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$292,749 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2024	\$237,593
2025	193,357
2026	66,423
2027	<u>300,024</u>
Total	<u>\$797,397</u>

Summary of System Provisions

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

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Early Retirement Allowance:

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

Amount – Normal 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, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

Significant Actuarial Assumptions and Methods

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

Inflation: 2.30% per year.

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

Mortality:

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

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

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

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

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

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	4.30%
Active Global Equities	5%	4.30%
Large Cap US Equities	4%	3.25%
Small/Mid Cap US Equities	3%	3.75%
Non-US Developed Market Equities	7%	5.00%
Private Equity	10%	6.50%
Emerging Market Debt	4%	3.50%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	6.00%
Core Fixed Income	19%	0.00%
Core Real Estate	3%	3.50%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	4%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. 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, 2022. 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$4,436,645	\$2,960,811	\$1,746,876

Additional Information

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

Defined Contribution Plan

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

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

Total covered payroll for Group DC was \$467,134. Pension expense for the years ended June 30, 2023, 2022 and 2021 was \$23,941, \$30,756 and \$31,780, respectively.

Deferred Compensation Plan

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

B. Property Taxes

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are collected three (3) times per year. During the tax year ended June 30, 2023, taxes became due and payable on September 15, 2022, February 15, 2023 and May 15, 2023. 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 2023 were as follows:

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.4856	.4856
Local Agreement	.0032	.0032
Education	<u>1.1857</u>	<u>1.3236</u>
Total	<u>1.6745</u>	<u>1.8124</u>

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 \$-0- in unemployment claims during fiscal year 2023.

D. Tax Increment Financing Districts

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

TIF Districts allow the Town to undertake and pay for infrastructure improvements that will allow for increased economic and community development. The Town cannot begin any TIF projects unless a debt ceiling is in place. The Town may adjust its debt ceiling through debt related ballot items for TIF projects. Milton specific legislation allows Milton to approve debt ceilings incrementally. All TIF District debt will be secured by the TIF District revenues and the general obligation of the Town. The Town can no longer borrow on the Town Core TIF District. The Town was required to incur all approved debt by March 31, 2018 which was completed. The Town previously incurred \$3,250,000 for Phases I and II of the Village Core Sewer Expansion System and to extend a waterline along Bombardier Road to Route 7. These projects were finished during fiscal years 2015 and 2016. The Town borrowed \$6,230,000 in 2018 to fund approved projects including \$2,800,000 for the Hourglass Intersection Improvement, \$2,500,000 for Streetscape Improvements along Route 7 and \$1,000,000 for the Southern Gateway Intersection. \$1,753,401 of outstanding debt is included in the Sewer Fund and \$66,000 in the Water Fund that will be paid with TIF District incremental taxes.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

E. Contingent Liabilities

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

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

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

F. Concentration of Expenses

The Town purchased all of their water from Champlain Water district "CWD" for the year ended June 30, 2023. The Town purchased \$423,551 of water from CWD.

G. Subsequent Events

Subsequent to year end, the Town approved a loan with the State of Vermont Special Environmental Revolving Fund for a \$45,000 interest free loan for up to five years to develop 90% engineering plans for the gravity collection system connecting on at Ritchie Avenue.

In October, 2023, the Town entered into a \$4,732,714 construction contract for the new public works facility to be funded primarily with bond proceeds and ARPA funds.

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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes	\$ 7,247,019	\$ 7,203,036	\$ (43,983)
Interest on Delinquent Taxes	25,000	13,081	(11,919)
Penalties on Delinquent Taxes	45,000	48,783	3,783
Railroad Taxes	4,000	6,092	2,092
State Land Taxes	12,500	12,699	199
Current Use Taxes	56,000	73,336	17,336
Land Use Change Tax/Penalty	0	1,093	1,093
State Land PILOT	5,800	7,760	1,960
Penalty on Late HS-122	5,500	13,184	7,684
School Tax Collection Fee	32,000	35,127	3,127
Interest on Investments	5,000	86,199	81,199
Miscellaneous	6,000	4,244	(1,756)
Administrative Contribution - Water and Sewer	384,000	385,984	1,984
Clerk and Treasurer	111,914	137,555	25,641
Library	2,000	1,488	(512)
Recreation	68,500	88,573	20,073
Planning and Zoning	42,200	49,159	6,959
Public Works	249,500	301,020	51,520
Buildings and Grounds	5,000	2,650	(2,350)
Police	170,843	248,150	77,307
Animal Control	1,500	762	(738)
Fire	375	683	308
Rescue	377,000	443,256	66,256
Transfers In - Debt Service	80,888	80,599	(289)
Total Revenues	8,937,539	9,244,513	306,974
Expenditures:			
Administrative Services	146,371	137,941	8,430
Selectboard	71,835	71,634	201
Insurance/Risk Management	163,000	160,880	2,120
Legal	57,000	67,439	(10,439)
County and Regional Functions	138,904	145,120	(6,216)
Information Technology	120,985	116,984	4,001
Contingency	40,000	0	40,000
Debt Service, Principal and Interest	922,307	896,690	25,617
Manager	248,613	248,055	558
Clerk and Treasurer	249,238	233,485	15,753
Elections	21,818	14,321	7,497
Finance	353,833	346,403	7,430
Listers	95,491	76,591	18,900
Library	307,525	307,181	344
Recreation	268,997	265,933	3,064

See Disclaimer in Accompanying Independent Auditor's Report.

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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures/(Cont'd):			
Planning and Zoning	\$ 275,681	\$ 245,508	\$ 30,173
Public Works Administration	280,024	232,933	47,091
Highways	2,004,292	2,012,784	(8,492)
Buildings and Grounds	398,604	399,882	(1,278)
Public Safety Administration	87,356	93,172	(5,816)
Police	2,161,010	2,204,403	(43,393)
Animal Control	10,241	3,662	6,579
Fire	237,612	237,943	(331)
Rescue	<u>626,802</u>	<u>699,525</u>	<u>(72,723)</u>
Total Expenditures	<u>9,287,539</u>	<u>9,218,469</u>	<u>69,070</u>
Excess/(Deficiency) of Revenues Over Expenditures	\$ <u><u>(350,000)</u></u>	26,044	\$ <u><u>376,044</u></u>
Fund Balance - July 1, 2022		<u>2,973,753</u>	
Fund Balance - June 30, 2023		\$ <u><u>2,999,797</u></u>	

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
VMERS DEFINED BENEFIT PLAN
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 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	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	\$ 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	\$ 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	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	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: None.

Changes in Plan Provisions: At the November 17, 2020 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.50% each year for a period of four years, beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022.

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

TOWN OF MILTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 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	<u>292,749</u>	<u>244,185</u>	<u>217,902</u>	<u>206,035</u>	<u>199,606</u>	<u>192,798</u>	<u>194,767</u>	<u>173,914</u>	<u>177,348</u>
Contribution Excess/(Deficiency)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
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
Contributions as a Percentage of Town's Covered Employee Payroll	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, 2022

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

TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
<u>ASSETS</u>				
Cash	\$ 61,978	\$ 0	\$ 5,722	\$ 67,700
Receivables	201,133	0	0	201,133
Due from Other Funds	<u>855,664</u>	<u>185,743</u>	<u>86,755</u>	<u>1,128,162</u>
Total Assets	\$ <u>1,118,775</u>	\$ <u>185,743</u>	\$ <u>92,477</u>	\$ <u>1,396,995</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 185,306	\$ 0	\$ 0	\$ 185,306
Unearned Revenue	<u>22,891</u>	<u>0</u>	<u>0</u>	<u>22,891</u>
Total Liabilities	<u>208,197</u>	<u>0</u>	<u>0</u>	<u>208,197</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Grants	<u>193,370</u>	<u>0</u>	<u>0</u>	<u>193,370</u>
Total Deferred Inflows of Resources	<u>193,370</u>	<u>0</u>	<u>0</u>	<u>193,370</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	4,500	4,500
Restricted	635,057	0	87,977	723,034
Committed	0	185,743	0	185,743
Assigned	275,521	0	0	275,521
Unassigned/(Deficit)	<u>(193,370)</u>	<u>0</u>	<u>0</u>	<u>(193,370)</u>
Total Fund Balances	<u>717,208</u>	<u>185,743</u>	<u>92,477</u>	<u>995,428</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>1,118,775</u>	\$ <u>185,743</u>	\$ <u>92,477</u>	\$ <u>1,396,995</u>

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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, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund West Milton Cemetery Fund	Total
Revenues:				
Property Taxes	\$ 0	\$ 119,845	\$ 0	\$ 119,845
Intergovernmental	172,624	0	0	172,624
Charges for Services	0	0	19,200	19,200
Permits, Licenses and Fees	201,117	0	0	201,117
Investment Income	12,473	3,344	1,279	17,096
Donations	550	0	0	550
Total Revenues	386,764	123,189	20,479	530,432
Expenditures:				
General Government	13,481	0	0	13,481
Public Safety	33,328	0	0	33,328
Highways and Streets	69,269	0	0	69,269
Culture and Recreation	7,044	0	0	7,044
Capital Outlay:				
General Government	7,500	0	0	7,500
Highways and Streets	208,088	0	0	208,088
Total Expenditures	338,710	0	0	338,710
Excess of Revenues Over Expenditures	48,054	123,189	20,479	191,722
Other Financing Sources/(Uses):				
Transfers In	82,311	0	0	82,311
Transfers Out	(42,608)	(55,397)	0	(98,005)
Total Other Financing Sources/(Uses)	39,703	(55,397)	0	(15,694)
Net Change in Fund Balances	87,757	67,792	20,479	176,028
Fund Balances - July 1, 2022	629,451	117,951	71,998	819,400
Fund Balances - June 30, 2023	\$ 717,208	\$ 185,743	\$ 92,477	\$ 995,428

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TOWN OF MILTON, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 57,259	\$ 4,719	\$ 0	\$ 61,978
Receivables	0	0	0	0	0	201,133	201,133
Due from Other Funds	<u>393,412</u>	<u>275,521</u>	<u>180,767</u>	<u>0</u>	<u>215</u>	<u>5,749</u>	<u>855,664</u>
Total Assets	\$ <u>393,412</u>	\$ <u>275,521</u>	\$ <u>180,767</u>	\$ <u>57,259</u>	\$ <u>4,934</u>	\$ <u>206,882</u>	\$ <u>1,118,775</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 1,315	\$ 0	\$ 0	\$ 183,991	\$ 185,306
Unearned Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,891</u>	<u>22,891</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,315</u>	<u>0</u>	<u>0</u>	<u>206,882</u>	<u>208,197</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,370</u>	<u>193,370</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,370</u>	<u>193,370</u>
<u>FUND BALANCES/(DEFICIT)</u>							
Restricted	393,412	0	179,452	57,259	4,934	0	635,057
Assigned	0	275,521	0	0	0	0	275,521
Unassigned/(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(193,370)</u>	<u>(193,370)</u>
Total Fund Balances/(Deficit)	<u>393,412</u>	<u>275,521</u>	<u>179,452</u>	<u>57,259</u>	<u>4,934</u>	<u>(193,370)</u>	<u>717,208</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>393,412</u>	\$ <u>275,521</u>	\$ <u>180,767</u>	\$ <u>57,259</u>	\$ <u>4,934</u>	\$ <u>206,882</u>	\$ <u>1,118,775</u>

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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, 2023

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund	Milton Public Library Fund	Grant Fund	Total
Revenues:							
Intergovernmental	\$ 0	\$ 42,398	\$ 0	\$ 33,847	\$ 571	\$ 95,808	\$ 172,624
Permits, Licenses and Fees	173,484	0	27,633	0	0	0	201,117
Investment Income	5,245	4,044	2,932	215	37	0	12,473
Donations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>550</u>	<u>0</u>	<u>550</u>
Total Revenues	<u>178,729</u>	<u>46,442</u>	<u>30,565</u>	<u>34,062</u>	<u>1,158</u>	<u>95,808</u>	<u>386,764</u>
Expenditures:							
General Government	0	10,000	1,547	0	0	1,934	13,481
Public Safety	0	0	0	500	0	32,828	33,328
Highways and Streets	0	0	0	0	0	69,269	69,269
Culture and Recreation	0	0	0	0	1,756	5,288	7,044
Capital Outlay:							
General Government	0	0	0	0	0	7,500	7,500
Highways and Streets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>208,088</u>	<u>208,088</u>
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>1,547</u>	<u>500</u>	<u>1,756</u>	<u>324,907</u>	<u>338,710</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>178,729</u>	<u>36,442</u>	<u>29,018</u>	<u>33,562</u>	<u>(598)</u>	<u>(229,099)</u>	<u>48,054</u>
Other Financing Sources/(Uses):							
Transfers In	0	0	0	0	0	82,311	82,311
Transfers Out	<u>(29,962)</u>	<u>0</u>	<u>(12,646)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(42,608)</u>
Total Other Financing Sources/(Uses)	<u>(29,962)</u>	<u>0</u>	<u>(12,646)</u>	<u>0</u>	<u>0</u>	<u>82,311</u>	<u>39,703</u>
Net Change in Fund Balances	148,767	36,442	16,372	33,562	(598)	(146,788)	87,757
Fund Balances/(Deficit) - July 1, 2022	<u>244,645</u>	<u>239,079</u>	<u>163,080</u>	<u>23,697</u>	<u>5,532</u>	<u>(46,582)</u>	<u>629,451</u>
Fund Balances/(Deficit) - June 30, 2023	<u>\$ 393,412</u>	<u>\$ 275,521</u>	<u>\$ 179,452</u>	<u>\$ 57,259</u>	<u>\$ 4,934</u>	<u>\$ (193,370)</u>	<u>\$ 717,208</u>

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TOWN OF MILTON, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
<u>ASSETS</u>			
Due from Other Funds	\$ <u>8,952</u>	\$ <u>176,791</u>	\$ <u>185,743</u>
Total Assets	\$ <u><u>8,952</u></u>	\$ <u><u>176,791</u></u>	\$ <u><u>185,743</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:			
Committed	<u>8,952</u>	<u>176,791</u>	<u>185,743</u>
Total Fund Balances	<u>8,952</u>	<u>176,791</u>	<u>185,743</u>
Total Liabilities and Fund Balances	\$ <u><u>8,952</u></u>	\$ <u><u>176,791</u></u>	\$ <u><u>185,743</u></u>

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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, 2023

	Road/Sidewalk Restoration Reserve Fund	Fire/EMS Capital Reserve Fund	Total
Revenues:			
Property Taxes	\$ 0	\$ 119,845	\$ 119,845
Investment Income	<u>141</u>	<u>3,203</u>	<u>3,344</u>
Total Revenues	<u>141</u>	<u>123,048</u>	<u>123,189</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>141</u>	<u>123,048</u>	<u>123,189</u>
Other Financing Sources/(Uses):			
Transfers Out	<u>0</u>	<u>(55,397)</u>	<u>(55,397)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(55,397)</u>	<u>(55,397)</u>
Net Change in Fund Balances	141	67,651	67,792
Fund Balances - July 1, 2022	<u>8,811</u>	<u>109,140</u>	<u>117,951</u>
Fund Balances - June 30, 2023	\$ <u><u>8,952</u></u>	\$ <u><u>176,791</u></u>	\$ <u><u>185,743</u></u>

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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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Water Rents	\$ 1,241,669	\$ 1,128,408	\$ (113,261)
Penalties	16,000	17,890	1,890
Hookup Fees	40,000	136,535	96,535
Water Hauler Receipts	12,000	16,680	4,680
Maintenance Agreement Receipts	3,600	2,900	(700)
Interest Earnings	0	17,731	17,731
Sale of Vehicles	0	6,535	6,535
Other Income	1,500	275	(1,225)
Transfer In - Town Core TIF Fund	8,380	8,355	(25)
Transfer In - ARPA Fund	100,000	100,000	0
Total Revenues	1,423,149	1,435,309	12,160
Expenses:			
Regular Salaries	170,935	142,245	28,690
Overtime Salaries	6,500	8,028	(1,528)
Insurance Buyout	7,750	4,663	3,087
Group Health Insurance	27,035	18,205	8,830
Group Dental Insurance	1,772	1,556	216
Group LTD/STD/Vision Insurance	371	411	(40)
Group Life Insurance	2,166	1,684	482
Social Security	14,260	11,919	2,341
Retirement Contribution	11,698	11,653	45
Workers Compensation	10,714	6,113	4,601
Other Employee Benefits	1,225	0	1,225
Official/Administrative	192,000	192,992	(992)
Other Professional	1,500	731	769
Technical Services	2,300	3,314	(1,014)
Recording Fees	500	30	470
Consulting Services	10,000	14,584	(4,584)
Laundry Services	150	212	(62)
Water/Sewer	200	197	3
Water Purchase - CWD	435,563	423,551	12,012
Disposal and Refuse	425	532	(107)
Repair and Maintenance Facility	12,150	9,660	2,490
Vehicle Repair and Maintenance	1,530	1,566	(36)
Equipment Repair and Maintenance	3,500	6,133	(2,633)
Rental of Equipment and Vehicle	450	1,363	(913)
Construction Services	10,000	721	9,279
Operating Transfer Out - Capital Reserve	45,000	45,000	0
General Liability Insurance	5,053	1,783	3,270
Communications - Telephone	800	795	5
Communications - Other	2,000	1,922	78
Advertising	200	0	200
Printing and Binding	1,600	3,498	(1,898)
Travel	100	0	100
Postage	3,000	3,495	(495)
Office Supplies	600	258	342

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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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
General Supplies	\$ 12,700	\$ 16,457	\$ (3,757)
Water Meters	15,000	17,735	(2,735)
Technology	3,000	8,167	(5,167)
Natural Gas	2,600	373	2,227
Electricity	13,000	8,451	4,549
Bottled Gas	75	620	(545)
Diesel Fuel	250	0	250
Gasoline	4,000	3,870	130
Books and Periodicals	200	0	200
Employee Uniforms	2,500	3,713	(1,213)
Capital Projects	293,000	251,813	41,187
Machinery and Equipment	2,000	0	2,000
Vehicles	19,000	0	19,000
Dues and Fees	1,000	560	440
Professional Development	1,000	2,030	(1,030)
Small Tools	1,000	182	818
Safety Supplies/Equipment	2,000	21	1,979
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	12,550	7,955	4,595
River Street Water Line Improvements Debt	1,547	1,338	209
Interest	29,120	22,717	6,403
Total Expenses	<u>1,420,256</u>	<u>1,286,483</u>	<u>133,773</u>
Net Income	\$ <u>2,893</u>	148,826	\$ <u>145,933</u>
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(129,930)	
Principal Payments on Long-term Debt		30,960	
Capital Outlay		250,048	
Transfer In - Capital Reserve		45,000	
Change in Compensated Absences Payable		1,647	
Change in Net Pension Liability - GASB 68		<u>(8,497)</u>	
Change in Net Position - Exhibit G		\$ <u>338,054</u>	

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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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Sewer Rents	\$ 839,543	\$ 774,580	\$ (64,963)
Penalties	10,000	11,300	1,300
Hookup Fees	30,000	149,297	119,297
Septage Receipts	20,000	127,997	107,997
Maintenance Agreement Receipts	350	0	(350)
Interest Earnings	0	16,796	16,796
Sale of Vehicles	1,000	6,535	5,535
Other Income	100	250	150
Transfer In - Town Core TIF Fund	179,159	179,159	0
Total Revenues	1,080,152	1,265,914	185,762
Expenses:			
Regular Salaries	178,913	147,221	31,692
Overtime Salaries	13,500	15,039	(1,539)
Insurance Buyout	11,250	7,673	3,577
Group Health Insurance	24,243	18,197	6,046
Group Dental Insurance	1,629	1,556	73
LTD/STD Group Vision Insurance	320	411	(91)
Group Life Insurance and AD&D	2,330	1,685	645
Social Security	15,674	12,776	2,898
Retirement	12,112	8,419	3,693
Worker's Compensation	714	6,113	(5,399)
Other Employee Benefits	1,225	0	1,225
Official/Administrative	192,000	192,992	(992)
Other Professional	5,000	388	4,612
Technical Services	65,000	83,209	(18,209)
Recording Fees	500	30	470
Consulting Services	10,000	0	10,000
Laundry Services	200	269	(69)
Water/Sewer	4,000	3,874	126
Disposal and Refuse	6,300	8,335	(2,035)
Repair and Maintenance Facility	25,000	10,773	14,227
Vehicle Repair and Maintenance	2,000	1,833	167
Equipment Repair and Maintenance	34,000	34,788	(788)
Rental of Land and Buildings	100	100	0
Rental of Equipment and Vehicle	500	214	286
Construction Services	2,500	17,600	(15,100)
Operating Transfer Out - Capital Reserve	55,000	55,000	0
General Liability Insurance	5,053	7,532	(2,479)
Communications - Telephone	3,400	3,545	(145)
Communications - Other	2,000	1,922	78
Advertising	300	0	300
Printing and Binding	0	205	(205)
Travel	275	171	104
Postage and Mailing	2,700	3,234	(534)
Office Supplies	258	55	203
General Supplies	18,000	21,451	(3,451)

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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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenses/(Cont'd):			
Chemical Supplies	\$ 25,000	\$ 31,677	\$ (6,677)
Water Meter Purchases	15,000	27,987	(12,987)
Technology	1,800	2,036	(236)
Natural Gas	10,000	6,068	3,932
Electricity	85,000	99,880	(14,880)
Bottled Gas	75	0	75
Diesel Fuel	1,000	1,340	(340)
Gasoline	2,000	3,870	(1,870)
Books and Periodicals	400	0	400
Employee Uniforms	2,200	2,439	(239)
Capital Projects	20,000	20,359	(359)
Machinery and Equipment	2,000	3,261	(1,261)
Vehicles	19,000	0	19,000
Furniture and Fixtures	1,500	0	1,500
Dues and Fees	5,000	6,931	(1,931)
Professional Development	1,000	1,944	(944)
Small Tools	800	0	800
Safety Supplies/Equipment	4,000	2,186	1,814
2013-1 Sewer Principal	141,266	141,266	0
Village Core Sewer Improvements Bond	6,774	6,774	0
Interest	39,881	39,881	0
Total Expenses	1,079,692	1,064,509	15,183
Net Income	\$ <u>460</u>	201,405	\$ <u>200,945</u>
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(303,416)	
Principal Payments on Long-term Debt		148,040	
Capital Outlay		62,950	
Transfer In - Capital Reserve		55,000	
Change in Compensated Absences Payable		1,647	
Change in Net Pension Liability - GASB 68		(7,923)	
Change in Net Position - Exhibit G		\$ <u>157,703</u>	

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