

TOWN OF MILTON, VERMONT

AUDIT REPORT

JUNE 30, 2014

TOWN OF MILTON, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2014

	<u>Page #</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-14
Basic Financial Statements:	
Statement of Net Position	Exhibit A 15
Statement of Activities	Exhibit B 16
Governmental Funds:	
Balance Sheet	Exhibit C 17
Statement of Revenues, Expenditures and Changes in Fund Balances	Exhibit D 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit E 19
Proprietary Funds:	
Statement of Net Position	Exhibit F 20
Statement of Revenues, Expenses and Changes in Fund Net Position	Exhibit G 21
Statement of Cash Flows	Exhibit H 22
Fiduciary Funds:	
Statement of Fiduciary Net Position	Exhibit I 23
Statement of Changes in Fiduciary Net Position	Exhibit J 24
Notes to the Financial Statements	25-49

TOWN OF MILTON, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2014

		<u>Page #</u>
Required Supplementary Information:		
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	Schedule 1	50-67
Financial Statements of Individual Funds:		
Combining Balance Sheet - Nonmajor Governmental Funds	Schedule 2	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	Schedule 3	69
Other Information:		
Statement of Revenue and Expenses - Budget (Non GAAP Budgetary Basis) and Actual - Water Fund	Schedule 4	70-72
Statement of Revenue and Expenses - Budget (Non GAAP Budgetary Basis) and Actual - Sewer Fund	Schedule 5	73-75
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"		76-77
Schedule of Findings and Deficiencies in Internal Control		78-79

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

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

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milton, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Milton, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to 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, 2014, 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.

Other Matters

Required Supplementary Information

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

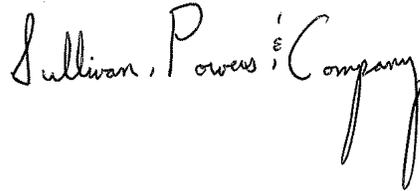
Other Information

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

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated January 2, 2015 on our consideration of the Town of Milton, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Milton, Vermont’s internal control over financial reporting and compliance.

January 2, 2015
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in cursive script that reads "Sullivan, Powers & Company". The signature is written in dark ink and is positioned to the right of the typed text.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

We are pleased to offer readers of the Town's financial statements this analysis and discussion of Milton's financial performance for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the audited report.

FINANCIAL HIGHLIGHTS

Net Position

- The Town reported a net position of \$35,024,326 as of June 30, 2014. Of this amount, \$2,625,338 may be used to meet the Town's ongoing obligations. The balance of net position is made up of \$29,783,149 capital assets and \$2,090,997 restricted for specific purposes.
- The Town's total net position increased by \$268,351 (.7%). Of this amount, net position attributable to governmental activities (taxes, fees, fines, grants, etc.) increased by \$362,636 (2.4%), and net position attributable to business-type activities (Milton's Water/Wastewater Utilities) decreased by \$94,285 (.4%).

Fund Balance

- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,560,777, an increase of \$830,783 over the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$1,109,737, or approximately 19.4% of total general fund expenditures.

Long-term Debt

- The Town's debt outstanding for General and Special Obligation Bonds increased \$650,287 over the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Town of Milton's basic financial statements. The Town of Milton's basic financial statements have three components: 1) government-wide financial statements, 2) fund-financial statements, and 3) notes to the financial statements. This report also contains other supplementary information

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Milton's finances in a manner similar to how 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, the governmental activities are presented separately from the business-type (utilities) activities. The governmental activities reflect the Town's basic services; including general government, public safety, public works, community development, parks and recreation, health and welfare, and public improvements. Property taxes finance the majority of these services supplemented by program fees, grant revenues, and other revenues. The business-type activities

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

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 wastewater operations.

The Statement of Net Position presents information on all of the Town of Milton's assets and liabilities, with the difference between the two 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 of Milton is improving or deteriorating.

The Statement of Activities presents information showing how the government'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 vacation leave). Both of the government-wide financial statements distinguish functions of the Town of Milton that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

The Town of Milton maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the two Tax Increment Financing Funds and the Capital Reserve Fund which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Milton adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with its budget.

Proprietary 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 separate information for the Water Fund and the Sewer Fund, each of which is considered to be a major fund of the Town of Milton.

Fiduciary Funds

Fiduciary funds are used to 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 Town of Milton's own programs. The accounting used for Fiduciary funds is much like that used for Proprietary funds.

Notes to the Financial Statement

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements. In addition, to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide additional financial information not included in the basic financial statements. This supplementary information includes combining statements for various funds and budgetary comparison statement for the General Fund, the Water Fund and the Sewer Fund. The supplementary information can be found immediately following the notes to the financial statements in the report.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

SUMMARY STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Current and Other Assets	\$ 5,977,285	\$ 5,313,685	\$ 410,982	\$ (128,094)	\$ 6,388,267	\$ 5,185,591
Capital Assets	<u>12,975,379</u>	<u>13,358,720</u>	<u>27,287,889</u>	<u>27,511,908</u>	<u>40,263,268</u>	<u>40,870,628</u>
Total Assets	<u>18,952,664</u>	<u>18,672,405</u>	<u>27,698,871</u>	<u>27,383,814</u>	<u>46,651,535</u>	<u>46,056,219</u>
Current Liabilities	795,799	1,093,070	125,477	111,534	921,276	1,204,604
Long-Term Liabilities	<u>2,779,608</u>	<u>2,564,327</u>	<u>7,926,325</u>	<u>7,530,926</u>	<u>10,705,933</u>	<u>10,095,253</u>
Total Liabilities	<u>3,575,407</u>	<u>3,657,397</u>	<u>8,051,802</u>	<u>7,642,460</u>	<u>11,627,209</u>	<u>11,299,857</u>
Deferred Inflows of Resources	<u>0</u>	<u>387</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>387</u>
Net Position						
Net Investment in Capital Assets	10,410,235	11,047,056	19,372,914	19,413,740	29,783,149	30,460,796
Restricted	2,615,839	2,274,335	0	0	2,615,839	2,274,335
Unrestricted	<u>2,351,183</u>	<u>1,693,230</u>	<u>274,155</u>	<u>327,614</u>	<u>2,625,338</u>	<u>2,020,844</u>
Total Net Position	<u>\$ 15,377,257</u>	<u>\$ 15,014,621</u>	<u>\$ 19,647,069</u>	<u>\$ 19,741,354</u>	<u>\$ 35,024,326</u>	<u>\$ 34,755,975</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The financial reports show assets exceeded liabilities and deferred inflows of resources by \$35,024,326 at the close of the fiscal year ending June 30, 2014. By far, the largest portion of the Town of Milton's net assets reflects its investment in capital assets of \$29,783,149 (e.g., land buildings and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of Milton uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town of Milton's investment in its 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.

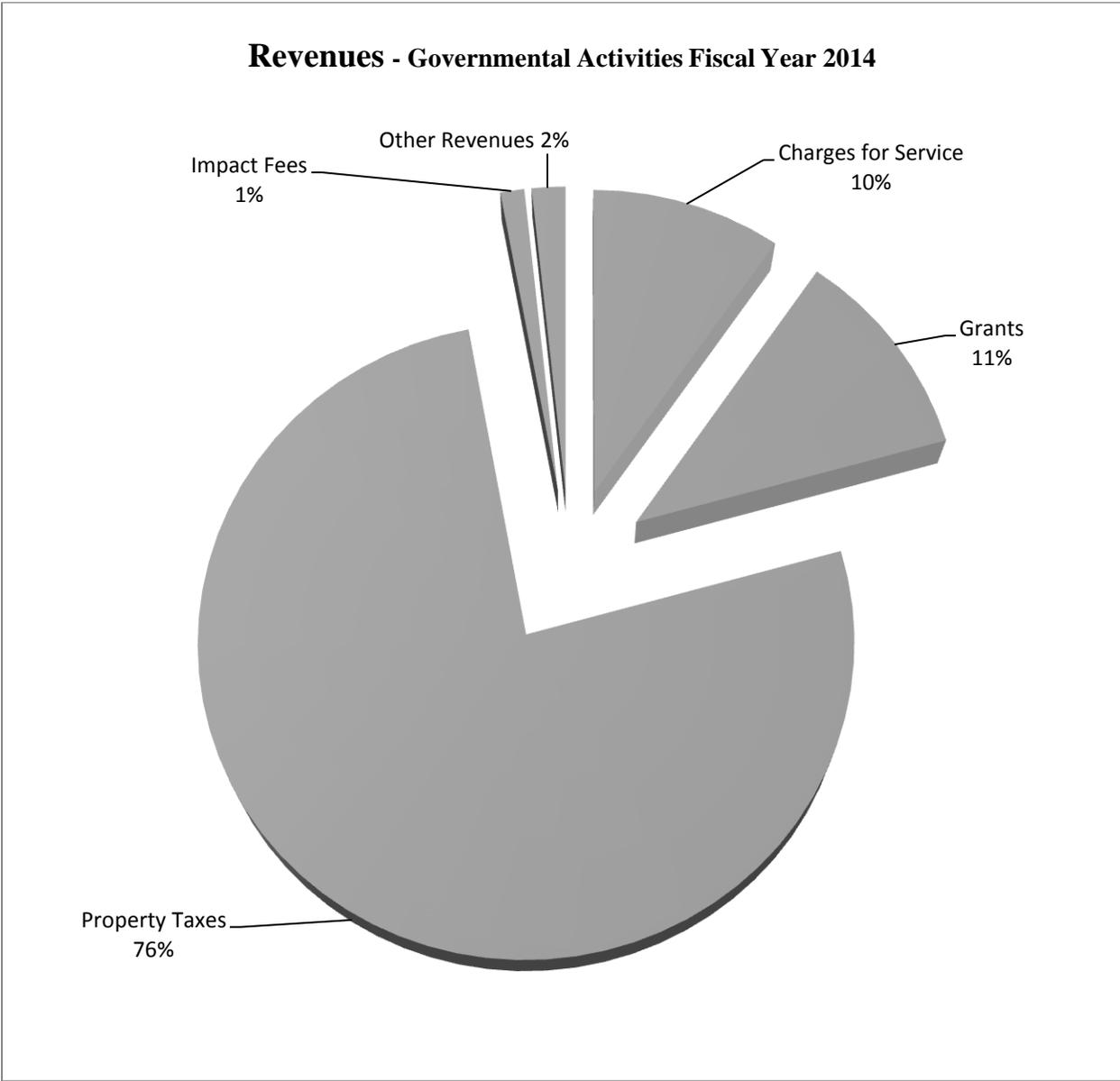
**TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014**

SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
REVENUES						
Charges for Service	\$ 713,548	\$ 725,332	\$ 1,460,256	\$ 1,315,685	\$ 2,173,804	\$ 2,041,017
Operating Grants and Contributions	418,333	425,249	0	0	418,333	425,249
Capital Grants and Contributions	324,266	307,063	0	489,885	324,266	796,948
Property Taxes	5,610,584	5,245,412	0	0	5,610,584	5,245,412
Penalty and Interest on Delinquent Taxes	89,711	66,180	0	0	89,711	66,180
Unrestricted Investment Earnings	25,825	9,352	54	54	25,879	9,406
General State Grants	69,497	66,441	0	0	69,497	66,441
Impact Fees	90,168	82,085	0	0	90,168	82,085
Other Revenues	10,485	24,144	0	0	10,485	24,144
Total Revenues	7,352,417	6,951,258	1,460,310	1,805,624	8,812,727	8,756,882
EXPENDITURES AND TRANSFERS						
General Government	1,474,915	1,139,099	0	0	1,474,915	1,139,099
Public Safety	2,289,554	2,171,963	0	0	2,289,554	2,171,963
Public Works	2,151,012	2,210,097	0	0	2,151,012	2,210,097
Community Development	412,086	267,858	0	0	412,086	267,858
Culture and Recreation	283,380	357,921	0	0	283,380	357,921
Health, Education and Welfare	26,038	28,088	0	0	26,038	28,088
Interest on Long-Term Debt	81,836	74,525	0	0	81,836	74,525
Water	0	0	926,766	899,271	926,766	899,271
Sewer	0	0	899,037	833,182	899,037	833,182
Total Expenditures	6,718,821	6,249,551	1,825,803	1,732,453	8,544,624	7,982,004
Transfer In/(Out)	(270,960)	(301,458)	271,208	301,458	248	0
Changes in Net Position	362,636	400,249	(94,285)	374,629	268,351	774,878
Net Position - Beginning of Year	15,014,621	14,614,372	19,741,354	19,366,725	34,755,975	33,981,097
Net Position - End of Year	\$ 15,377,257	\$ 15,014,621	\$ 19,647,069	\$ 19,741,354	\$ 35,024,326	\$ 34,755,975

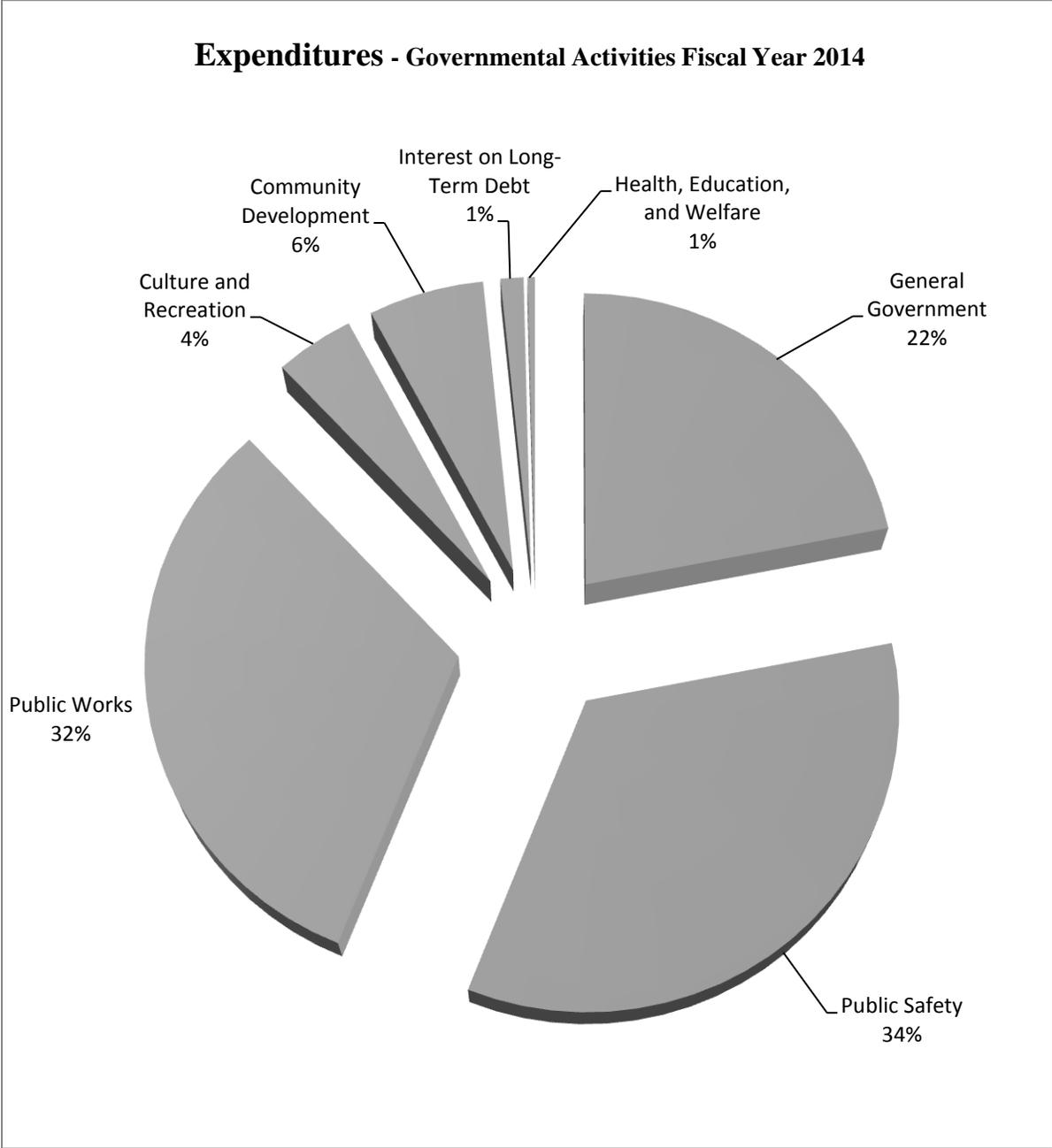
TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

The following graph illustrates the revenues of the Town's governmental activities for Fiscal Year 2014.



TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

The following graph illustrates the percentages of the Town's governmental expenditures for Fiscal Year 2014.



TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

Budgetary FY 2014 Highlights

The General Fund budget plan for FY 2014 included spending \$442,690, of previously accumulated surplus funds, however it was not needed as the General Fund balance at the end of the year included a surplus of \$66,624. The Town under spent in the General Government category largely due having unexpended co-insurance funds, lower than expected insurance costs, and a delay in filling a vacancy for a part time position. The Town was able to under spend in the public safety category due to position vacancies within the police department, lower than anticipated temporary salaries for per diem rescue staff, and lower machinery and equipment costs for the fire department. The Town under spent in public works by saving on salary and health insurance costs, lower than anticipated electricity costs, and money that went unused for contracted services which is typically spent on discretionary work or work that cannot be performed by the public works staff. The Town under spent in library services, planning, and largely due to unused funds for salaries, health insurance, and technological resources. Although the Town was short in general fund revenues by \$125,520 largely due to delinquent taxes, lower than anticipated rescue receipts, and lower than expected recording fees, the Town was still able to generate this surplus through spending control based on the difficult winter ice storm the Town experienced.

Financial Analysis of Major Governmental Funds

The following information about the Town of Milton's governmental funds provides near term inflows and balances of spendable resources. Such information is useful in assessing the Town of Milton's financing requirements. In particular, unreserved 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 the end of the current fiscal year, the Town of Milton's governmental funds reported a combined ending fund balance of \$4,560,777; this is an increase of \$830,783 in comparison to the prior year.

The General Fund ended the year with a \$1,171,635 fund balance, a \$66,624 increase from the prior year. \$588,154 of this amount is assigned for future spending.

The Husky/Catamount Tax Increment Financing Fund ended the year with a \$1,592,356 fund balance, a \$161,458 increase over the prior year. This fund transferred \$334,364 to other funds during the year to pay debt service costs for original debt associated with expanding the wastewater facility.

The Town Core Tax Increment Financing Fund ended the year with a \$524,842 fund balance, a \$168,650 increase over the prior year. This fund transferred \$85,168 to other funds for paving expenses and debt services for Village Core Sewer Improvements (a project included in this TIF's Financing Plan).

The Capital Reserve Fund ended the year with a \$326,119 fund balance, a \$348,765 increase over the prior year. Most of this increase resulted from \$450,000 of bond proceeds reimbursement for a fire truck purchased last year.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

Other notable fund balances for the year are as follows:

Impact Fee Fund - \$314,113, an increase \$22,671 during the year.

Reappraisal Fund - \$308,186, an increase of \$37,592 during the year.

Restoration of Records Fund - \$111,574, a decrease of \$19,111 during the year.

Road/Sidewalk Restoration Reserve Fund - \$180,940 an increase of \$55,696 during the year.

Financial Analysis of Proprietary Funds

The Water Fund ended the year with a \$5,083,949 net position balance, which was a \$133,610 decrease from the prior year. The net position is made up of \$5,167,356 net investment in capital assets and a \$83,407 unrestricted operating deficit, which will be funded in 2015. The Town just completed a water study report and is planning to implement a rate increase for FY 2016 to rebuild a responsible level of fund balance over the next couple of years to cover possible catastrophic events and capital improvements. The rate study found that there needs to be a \$10 increase in the quarterly base charge for water users to maintain a responsible fund balance.

The Sewer Fund ended the year with a \$14,563,120 net position balance, which was a \$39,325 increase over the prior year. The net position is made up of \$14,205,558 net investment in capital assets and an unrestricted balance of \$357,562.

SUMMARY OF CAPITAL ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	938,923	938,923	117,520	117,520	1,056,443	1,056,443
Construction in Progress	30,907	61,388	0	3,454,878	30,907	3,516,266
Land Improvements	130,597	130,597	0	0	130,597	130,597
Buildings and Building Improvements	4,252,622	4,167,199	0	0	4,252,622	4,167,199
Vehicles	3,886,078	3,707,994	0	0	3,886,078	3,707,994
Machinery and Equipment	1,499,450	1,440,694	338,915	338,915	1,838,365	1,779,609
Roads, Bridges and Sidewalks	11,345,125	10,899,338	0	0	11,345,125	10,899,338
Distribution and Collection Systems	0	0	31,594,893	28,000,801	31,594,893	28,000,801
Accumulated Depreciation	<u>(9,108,323)</u>	<u>(7,987,413)</u>	<u>(4,763,439)</u>	<u>(4,400,206)</u>	<u>(13,871,762)</u>	<u>(12,387,619)</u>
Total	<u>12,975,379</u>	<u>13,358,720</u>	<u>27,287,889</u>	<u>27,511,908</u>	<u>40,263,268</u>	<u>40,870,628</u>

Capital assets purchased for Governmental Activities and Business-Type Activities during the year was \$828,576 and \$139,215, respectively.

The major capital asset activity during 2014 was as follows:

- Purchase of a 2014 Freightliner Dump Truck for \$163,685.
- Purchase of a 2015 Silverado for \$46,240.
- Paving roads for \$445,787.
- Purchase and outfitting of two police vehicles for \$59,166.
- Purchase of radio equipment for \$41,408.
- Completion of Wastewater rehab project for \$139,212.

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

The above projects only report current year expenses and may not be complete due to projects crossing fiscal years.

Additional information about the Town's capital assets can be found in Footnote IV. D – Capital Assets.

Debt Administration

The Town began the year with \$9,829,832 in long-term debt outstanding. As of June 30, 2014, this amount had increased by \$650,287 to end the current year with \$10,480,119 in long-term debt outstanding. Long-term debt outstanding increased in governmental activities by \$253,480 and increased in business-type activities by \$396,807.

Summary of Long-Term Debt

	<u>June 30, 2013</u>		<u>Additions</u>		<u>Deletions</u>		<u>June 30, 2014</u>
Governmental Activities	\$ 2,311,664	\$	450,000	\$	196,520	\$	2,565,144
Business-type Activities	<u>7,518,168</u>		<u>741,962</u>		<u>345,155</u>		<u>7,914,975</u>
Total Government	<u>\$ 9,829,832</u>	\$	<u>1,191,962</u>	\$	<u>541,675</u>	\$	<u>10,480,119</u>

Factors contributing to the change include the following:

- The Town's governmental activities debt increased by \$450,000 for the fire truck bond and then decreased by making payments on its four other outstanding pieces of debt.
- New debt for the business-type activities included \$151,962 for the Village core project and \$590,000 for water line improvements.
- Principal payments totaling \$196,520 were made on governmental activities debt and principal payments totaling \$345,155 were made on business-type activities debt.

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

TOWN OF MILTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2014

Outlook

FY 2015 spending was approved at \$7,260,341. This is an increase of \$315,069 or 4.5%, from the FY 2014 original approved budget. A small increase in the grandlist was estimated for FY 2015 of 0.4%, to \$11,086,219. The resulting tax levy for FY 2015 is to be \$5,144,076. This is an increase of 3.5% in the tax rate. Due to greater grandlist growth than originally estimated the tax rate increase was slightly lower than projected for a final rate for FY 2015 of .4800. The most significant budget factor that contributed to an increased budget for FY 2015 were \$73,000 more in capital expenses towards replacing a 14 yard tandem axle dump truck, a 1 ton dump truck, a field tractor, and a server replacement. Salary and wage costs rose by \$93,000 throughout all departments – a bit more than normal primarily due to the addition of a School Resource Officer in the police department. An additional \$15,000 was needed to support the Town's risk management insurance and \$15,000 more to support the co-insurance cost for the health insurance plan the Town offers employees. The Town saved \$20,000 in transit costs due to sharing the cost with another municipality and early retirement payments expired saving the Town another \$66,000. The Town also had to rely on less revenue (\$31,000) for police staffing costs as it used up grant money that has been offsetting the cost of the position.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager's Office at 43 Bombardier Road, Milton VT 05468. This report is available online at www.milton.govoffice2.com.

TOWN OF MILTON, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,950,032	\$ 149,230	\$ 5,099,262
Receivables (Net of Allowance for Uncollectibles)	826,470	392,240	1,218,710
Internal Balances	143,910	(143,910)	0
Due from Others	1,284	0	1,284
Prepaid Expenses	16,881	0	16,881
Inventory	38,708	13,422	52,130
Capital Assets			
Land	938,923	117,520	1,056,443
Construction in Progress	30,907	0	30,907
Other Capital Assets, (Net of Accumulated Depreciation)	12,005,549	27,170,369	39,175,918
Total Assets	<u>18,952,664</u>	<u>27,698,871</u>	<u>46,651,535</u>
<u>LIABILITIES</u>			
Accounts Payable	543,398	94,092	637,490
Accrued Payroll and Benefits Payable	166,697	8,685	175,382
Due To Others	24,076	0	24,076
Due to Employees	7,494	0	7,494
Due to Taxpayers	1,788	0	1,788
Unearned Revenue	46,093	18,600	64,693
Accrued Interest Payable	6,253	4,100	10,353
Noncurrent Liabilities:			
Due within One Year	250,276	488,181	738,457
Due in More than One Year	2,529,332	7,438,144	9,967,476
Total Liabilities	<u>3,575,407</u>	<u>8,051,802</u>	<u>11,627,209</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	10,410,235	19,372,914	29,783,149
Restricted for:			
Husky/Catamount Tax Increment Financing Debt	1,592,356	0	1,592,356
Town Core Tax Increment Financing Debt	524,842	0	524,842
Impact Fees	314,113	0	314,113
Restoration of Records	111,574	0	111,574
Other Purposes	72,954	0	72,954
Unrestricted	2,351,183	274,155	2,625,338
Total Net Position	<u>\$ 15,377,257</u>	<u>\$ 19,647,069</u>	<u>\$ 35,024,326</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, 2014

	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	\$ 1,474,915	\$ 346,472	\$ 59,922	\$ 0	\$ (1,068,521)	\$ 0	\$ (1,068,521)
Public Safety	2,289,554	296,913	115,974	202,452	(1,674,215)	0	(1,674,215)
Public Works	2,151,012	2,802	240,856	103,140	(1,804,214)	0	(1,804,214)
Culture and Recreation	412,086	67,361	1,581	18,674	(324,470)	0	(324,470)
Community Development	283,380	0	0	0	(283,380)	0	(283,380)
Health, Education and Welfare	26,038	0	0	0	(26,038)	0	(26,038)
Interest on Long-term Debt	81,836	0	0	0	(81,836)	0	(81,836)
Total Governmental Activities	6,718,821	713,548	418,333	324,266	(5,262,674)	0	(5,262,674)
Business-Type Activities:							
Water	926,766	790,386	0	0	0	(136,380)	(136,380)
Sewer	899,037	669,870	0	0	0	(229,167)	(229,167)
Total Business-Type Activities	1,825,803	1,460,256	0	0	0	(365,547)	(365,547)
Total Primary Government	\$ 8,544,624	\$ 2,173,804	\$ 418,333	\$ 324,266	(5,262,674)	(365,547)	(5,628,221)
General Revenues:							
Property Taxes					5,610,584	0	5,610,584
Interest and Penalties on Delinquent Taxes					89,711	0	89,711
Unrestricted Investment Earnings					25,825	54	25,879
General State Grants					69,497	0	69,497
Impact Fees					90,168	0	90,168
Other Revenues					10,485	0	10,485
Transfers In/(Out)					(270,960)	271,208	248
Total General Revenues and Transfers In/(Out)					5,625,310	271,262	5,896,572
Change in Net Position					362,636	(94,285)	268,351
Net Position - July 1, 2013					15,014,621	19,741,354	34,755,975
Net Position - June 30, 2014					\$ 15,377,257	\$ 19,647,069	\$ 35,024,326

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

TOWN OF MILTON, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Husky/Catamount Tax Increment Financing Fund	Town Core Tax Increment Financing Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,963,610	\$ 1,304,601	\$ 524,842	\$ 189,295	\$ 967,684	\$ 4,950,032
Receivables (Net of Allowance for Uncollectibles)	618,508	0	0	172,329	35,633	826,470
Due from Other Funds	0	180,754	0	396,184	195,199	772,137
Advances to Other Funds	0	107,001	0	0	0	107,001
Due from Others	0	0	0	0	1,284	1,284
Prepaid Expenses	16,881	0	0	0	0	16,881
Inventory	38,708	0	0	0	0	38,708
Total Assets	\$ 2,637,707	\$ 1,592,356	\$ 524,842	\$ 757,808	\$ 1,199,800	\$ 6,712,513
LIABILITIES						
Accounts Payable	\$ 376,839	\$ 0	\$ 0	\$ 117,759	\$ 48,800	\$ 543,398
Accrued Payroll and Benefits Payable	166,697	0	0	0	0	166,697
Due to Others	24,076	0	0	0	0	24,076
Due to Employees	7,494	0	0	0	0	7,494
Due to Taxpayers	1,788	0	0	0	0	1,788
Due to Other Funds	459,285	0	0	0	168,942	628,227
Advances from Other Funds	0	0	0	107,001	0	107,001
Unearned Revenue	10,893	0	0	34,600	600	46,093
Total Liabilities	1,047,072	0	0	259,360	218,342	1,524,774
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Taxes, Penalties and Interest	350,000	0	0	0	0	350,000
Unavailable Revenue-Ambulance Fees	69,000	0	0	0	0	69,000
Unavailable Revenue-Grants	0	0	0	172,329	35,633	207,962
Total Deferred Inflows of Resources	419,000	0	0	172,329	35,633	626,962
FUND BALANCES/(DEFICIT)						
Nonspendable	55,589	107,001	0	0	4,500	167,090
Restricted	6,309	1,485,355	524,842	0	487,832	2,504,338
Committed	0	0	0	202,864	180,940	383,804
Assigned	588,154	0	0	123,255	308,186	1,019,595
Unassigned/(Deficit)	521,583	0	0	0	(35,633)	485,950
Total Fund Balances/(Deficit)	1,171,635	1,592,356	524,842	326,119	945,825	4,560,777
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,637,707	\$ 1,592,356	\$ 524,842	\$ 757,808	\$ 1,199,800	
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:						
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.						12,975,379
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.						626,962
Long-Term and Accrued Liabilities are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.						(2,785,861)
Net Assets of Governmental Activities						<u>\$ 15,377,257</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, 2014

	General Fund	Husky/Catamount Tax Increment Financing Fund	Town Core Tax Increment Financing Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 4,866,340	\$ 445,152	\$ 253,114	\$ 138,026	\$ 55,210	\$ 5,757,842
Penalties and Interest	89,711	0	0	0	0	89,711
Intergovernmental Revenues	336,179	0	0	6,981	196,252	539,412
Charges for Services	821,117	0	0	26,758	122,368	970,243
Permits, Licenses and Fees	61,381	0	0	0	0	61,381
Fines and Forfeits	22,687	0	0	0	0	22,687
Investment Income	2,954	21,670	704	284	213	25,825
Donations	6,160	0	0	7,500	1,006	14,666
Other Revenue	10,093	0	0	0	0	10,093
Total Revenues	6,216,622	466,822	253,818	179,549	375,049	7,491,860
Expenditures:						
Current:						
General Government	1,690,742	3,000	0	21,337	38,463	1,753,542
Public Safety	2,071,552	0	0	11,288	21,235	2,104,075
Highways and Streets	1,008,895	0	0	160,571	9,635	1,179,101
Culture and Recreation	352,873	0	0	12,321	22,621	387,815
Health, Education and Welfare	26,038	0	0	0	0	26,038
Community Development	283,380	0	0	0	0	283,380
Capital Outlay:						
General Government	0	0	0	0	445,787	445,787
Public Safety	0	0	0	76,514	14,414	90,928
Highways and Streets	0	0	0	240,832	26,994	267,826
Culture and Recreation	0	0	0	0	24,035	24,035
Debt Service:						
Principal	196,520	0	0	0	0	196,520
Interest	81,070	0	0	0	0	81,070
Total Expenditures	5,711,070	3,000	0	522,863	603,184	6,840,117
Excess/(Deficiency) of Revenues Over Expenditures	505,552	463,822	253,818	(343,314)	(228,135)	651,743
Other Financing Sources/(Uses):						
Proceeds of Long Term Debt	0	0	0	450,000	0	450,000
Transfers In	111,374	32,000	0	295,223	398,089	836,686
Transfers Out	(550,302)	(334,364)	(85,168)	(53,144)	(84,668)	(1,107,646)
Total Other Financing Sources/(Uses)	(438,928)	(302,364)	(85,168)	692,079	313,421	179,040
Net Change in Fund Balances	66,624	161,458	168,650	348,765	85,286	830,783
Fund Balances/(Deficit) - July 1, 2013	1,105,011	1,430,898	356,192	(22,646)	860,539	3,729,994
Fund Balances - June 30, 2014	\$ 1,171,635	\$ 1,592,356	\$ 524,842	\$ 326,119	\$ 945,825	\$ 4,560,777

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, 2014

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)	\$	830,783
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$828,576) is allocated over their estimated useful lives and reported as depreciation expense (\$1,206,107). This is the amount by which depreciation exceeded capital outlays in the current period.		(377,531)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, loss on disposal of assets, capital grants and donations) is to decrease net position.		(5,810)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the increase of deferred revenues over last year.		175,727
The issuance of long-term debt (\$450,000) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$196,520) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(253,480)
Inventories were not reported in governmental funds in the prior year. This amount reflects the balance of inventory last year.		(44,486)
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 reflects the decrease in the balances of these expenditures over last year.		<u>37,433</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>362,636</u></u>

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

TOWN OF MILTON, VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 95,332	\$ 53,898	\$ 149,230
Receivables (Net of Allowance for Uncollectible Accounts)	243,118	149,122	392,240
Due from Other Funds	0	166,320	166,320
Inventory	1,224	12,198	13,422
Total Current Assets	339,674	381,538	721,212
Noncurrent Assets:			
Capital Assets			
Land	39,400	78,120	117,520
Vehicles, Machinery and Equipment	123,830	215,085	338,915
Buildings, Distribution and Collection System and Improvements	7,848,338	23,746,555	31,594,893
Less Accumulated Depreciation	(1,976,542)	(2,786,897)	(4,763,439)
Total Noncurrent Assets	6,035,026	21,252,863	27,287,889
Total Assets	\$ 6,374,700	\$ 21,634,401	\$ 28,009,101
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 80,292	\$ 13,800	\$ 94,092
Accrued Payroll	4,184	4,501	8,685
Due to Other Funds	310,230	0	310,230
Unearned Revenue	18,600	0	18,600
Accrued Interest Payable	4,100	0	4,100
Bonds Payable - Current Portion	68,903	419,278	488,181
Total Current Liabilities	486,309	437,579	923,888
Noncurrent Liabilities			
Compensated Absences Payable	5,675	5,675	11,350
Bonds Payable - Noncurrent Portion	798,767	6,628,027	7,426,794
Total Noncurrent Liabilities	804,442	6,633,702	7,438,144
Total Liabilities	1,290,751	7,071,281	8,362,032
<u>NET POSITION</u>			
Net Investment in Capital Assets	5,167,356	14,205,558	19,372,914
Unrestricted/(Deficit)	(83,407)	357,562	274,155
Total Net Position	5,083,949	14,563,120	19,647,069
Total Liabilities and Net Position	\$ 6,374,700	\$ 21,634,401	\$ 28,009,101

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, 2014

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 658,539	\$ 560,976	\$ 1,219,515
Hookup Fees	116,965	103,362	220,327
Penalties & Interest	9,309	5,384	14,693
Other Income	5,573	148	5,721
Total Operating Revenues	<u>790,386</u>	<u>669,870</u>	<u>1,460,256</u>
Operating Expenses:			
CWD Water Purchases	380,499	0	380,499
Salaries and Benefits	152,927	160,879	313,806
Administrative Fees	157,585	157,585	315,170
Utilities	19,477	119,711	139,188
Water Meters	11,570	7,714	19,284
Supplies	5,641	66,531	72,172
Printing and Advertising	2,383	193	2,576
Insurances	4,734	12,991	17,725
Technology	6	6	12
Machinery and Equipment	6,982	3,687	10,669
Telephone and Internet	1,200	2,930	4,130
Professional Development	491	1,588	2,079
Miscellaneous Expenses	384	326	710
Dues and Fees	894	1,056	1,950
Employee Uniforms	836	837	1,673
Repairs and Maintenance	5,754	27,820	33,574
Small Tools	992	237	1,229
Depreciation	114,356	248,877	363,233
Rentals	651	100	751
Construction Services	225	17,150	17,375
Capital Projects	0	3,072	3,072
Technical Services	1,855	65,747	67,602
Total Operating Expenses	<u>869,442</u>	<u>899,037</u>	<u>1,768,479</u>
Operating Income/(Loss)	<u>(79,056)</u>	<u>(229,167)</u>	<u>(308,223)</u>
Nonoperating Revenues (Expenses):			
Investment Income	0	54	54
Interest Expense	(57,324)	0	(57,324)
Total Nonoperating Revenues (Expenses)	<u>(57,324)</u>	<u>54</u>	<u>(57,270)</u>
Net Income/(Loss) Before Capital Contributions and Transfers	<u>(136,380)</u>	<u>(229,113)</u>	<u>(365,493)</u>
Transfers In	3,168	301,458	304,626
Transfers Out	(398)	(33,020)	(33,418)
Total Capital Contributions and Transfers	<u>2,770</u>	<u>268,438</u>	<u>271,208</u>
Change in Net Position	(133,610)	39,325	(94,285)
Net Position - July 1, 2013	<u>5,217,559</u>	<u>14,523,795</u>	<u>19,741,354</u>
Net Position - June 30, 2014	<u>\$ 5,083,949</u>	<u>\$ 14,563,120</u>	<u>\$ 19,647,069</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, 2014

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 776,143	\$ 674,062	\$ 1,450,205
Other Receipts	5,573	148	5,721
Payments to Suppliers	(553,841)	(518,159)	(1,072,000)
Payments for Wages and Benefits	<u>(155,499)</u>	<u>(163,341)</u>	<u>(318,840)</u>
Net Cash Provided/(Used) by Operating Activities	<u>72,376</u>	<u>(7,290)</u>	<u>65,086</u>
Cash Flows From Noncapital Financing Activities:			
(Decrease)/Increase in Due to Other Funds	109,157	0	109,157
Decrease/(Increase) in Due from Other Funds	0	27,562	27,562
Transfers from Other Funds	3,168	301,458	304,626
Transfers to Other Funds	<u>(398)</u>	<u>(33,020)</u>	<u>(33,418)</u>
Net Cash Provided by Noncapital Financing Activities	<u>111,927</u>	<u>296,000</u>	<u>407,927</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	0	(139,214)	(139,214)
Proceeds of Long-Term Debt	590,000	151,962	741,962
Principal Paid on:			
Advances from Other Funds	(580,000)	0	(580,000)
General Obligation Bonds	(43,697)	(301,458)	(345,155)
Interest Paid on:			
Advances from Other Funds	(38,504)	0	(38,504)
General Obligation Bonds	<u>(16,770)</u>	<u>0</u>	<u>(16,770)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(88,971)</u>	<u>(288,710)</u>	<u>(377,681)</u>
Cash Flows From Investing Activities:			
Receipt of Interest & Dividends	<u>0</u>	<u>54</u>	<u>54</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>54</u>	<u>54</u>
Net Increase in Cash	95,332	54	95,386
Cash - July 1, 2013	<u>0</u>	<u>53,844</u>	<u>53,844</u>
Cash - June 30, 2014	<u>\$ 95,332</u>	<u>\$ 53,898</u>	<u>\$ 149,230</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	(79,056)	(229,167)	(308,223)
Depreciation	114,356	248,877	363,233
(Increase)/Decrease in Receivables	(8,670)	4,340	(4,330)
(Increase)/Decrease in Inventory	851	3,070	3,921
Increase/(Decrease) in Accounts Payable	47,467	(31,948)	15,519
Increase/(Decrease) in Accrued Payroll	(1,868)	(1,758)	(3,626)
Increase/(Decrease) in Compensated Absences	<u>(704)</u>	<u>(704)</u>	<u>(1,408)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 72,376</u>	<u>\$ (7,290)</u>	<u>\$ 65,086</u>

Non-Cash/Supplemental Information:

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

TOWN OF MILTON, VERMONT
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2014

	Private Purpose Trust Fund
<u>ASSETS</u>	
Cash	\$ <u>0</u>
Total Assets	<u>0</u>
<u>LIABILITIES</u>	
Total Liabilities	<u>0</u>
<u>NET POSITION</u>	
Held in Trust for:	
Individuals and Organizations	<u>0</u>
Total 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
FOR THE YEAR ENDING JUNE 30, 2014

	Private Purpose Trust Fund
	Henry Beeman Trust Fund
Revenues:	
Investment Income	\$ <u>0</u>
Total Revenues	<u>0</u>
Expenditures:	
Miscellaneous	<u>0</u>
Total Expenditures	<u>0</u>
Other Financing Sources/(Uses):	
Transfers Out	<u>(248)</u>
Total Other Financing Sources/(Uses)	<u>(248)</u>
Change in Net Position	(248)
Net Position - July 1, 2013	<u>248</u>
Net Position - June 30, 2014	\$ <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, 2014

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 financial statements of 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 funds of the Town of Milton, Vermont. The 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 burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. 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 governmental 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 general government except those accounted for in another fund.

Husky/Catamount Tax Increment Financing Fund – This fund accounts for taxes collected within the Husky/Catamount tax increment financing district.

Town Core Tax Increment Financing Fund – This fund accounts for taxes collected within the Town Core tax increment financing district.

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

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

The Town reports on the following major enterprise funds:

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

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

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 on the following fund type:

Private Purpose Trust Fund – This fund is used to report a trust arrangement under which resources are to be used for the benefit of individuals. All investment earnings and, in some cases, the principal of the fund can be spent.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows 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., net total 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 net total position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) 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 assets. 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty 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 and acquisitions under capital leases 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.

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 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

F. Future Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Financial Reporting for Pension Plans” – an amendment of GASB Statement No. 27, effective for fiscal years beginning after June 15, 2014. This new accounting and reporting standard may impact the Town’s measurement and recognition of pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures in government-wide and/or enterprise fund financial statements. The requirements of this statement may require restating of beginning net position and fund balances. The Town is currently not planning to early implement this Statement and has made no estimation of the effect this Statement will have in the financial statements.

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.

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 to/from 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”. Cash balances deposited and invested by the Treasurer in a combined cash account are reported as “Due To/From Other Funds”.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

5. Inventories and Prepaid Expenses

Inventory quantities are determined by a physical count and are valued at the lower of cost or market. Inventories in the General Fund consist of materials and inventories in the Proprietary Funds consists of chemicals and materials.

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources” represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town did not have any items that qualified for reporting in this category.

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. The Town has three types of items which arise under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, “unavailable revenue” is reported in the governmental funds balance sheet. The governmental funds reported unavailable revenues from three sources; unavailable property taxes, penalties and interest, unavailable ambulance fees, and unavailable grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. 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. The Town has not capitalized any interest costs.

TOWN OF MILTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

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:

	<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, Equipment and Furniture	1,000	8-20 Years
Roads, Bridges, and Sidewalks	5,000	30-75 Years
Water and Wastewater 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 acquired.

8. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation. 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 type financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

9. Long-term Liabilities

Long-term liabilities include bonds and notes payable and other obligations such as compensated absences. 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 assets and liabilities on their balance sheets.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

10. Fund Equity

Fund Balances and Retained Earnings are 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 Governmental and Proprietary Fund type financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a contract or other binding agreement.

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

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

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

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report operating expenses (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 another financing source, 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 bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

B. Budgeted Deficit

The Town budgeted a current year's deficit in the General Fund, Water Fund and Sewer Fund of \$442,690, \$40,017 and \$206,825, respectively, in order to utilize a portion of the previous year's surpluses. These are reflected as a budgeted deficiency of revenues over expenditures in Schedule 1, Schedule 4 and Schedule 5.

C. Reclassification of Funds

Prior to 2014, the Town of Milton reported its two tax increment financing districts in one fund. These two districts have been broken out beginning July 1, 2013. The districts are the Husky/Catamount District and the Town Core District.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash

The Town's cash as of June 30, 2014 consisted of the following:

Cash:

Cash on Hand	\$	360
Cash with Financial Institutions		<u>5,098,902</u>
 Total Cash		 <u>\$5,099,262</u>

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 deposits.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 606,157	\$ 606,157
Uninsured, Collateralized by U.S. Government Securities, Federal Agency Issued Mortgage Backed Securities and/or General Obligation Vermont Municipal Notes and Bonds Held by the Bank's Trust Department with a Security Interest Granted to the Town	<u>4,492,745</u>	<u>4,480,304</u>
Total Cash Deposits	<u>\$ 5,098,902</u>	<u>\$ 5,086,461</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, 2014

B. Receivables

Receivables at June 30, 2014, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Delinquent Taxes	\$ 467,354	\$ 0	\$ 467,354
Penalties and Interest	49,730	2,062	51,792
Ambulance Receivables	185,551	0	185,551
Accounts Receivable	3,276	376,578	379,854
Grants Receivable	225,559	0	225,559
Unbilled Receivables	0	17,000	17,000
Allowance for Doubtful Accounts	<u>(105,000)</u>	<u>(3,400)</u>	<u>(108,400)</u>
 Total	 <u>\$ 826,470</u>	 <u>\$ 392,240</u>	 <u>\$ 1,218,710</u>

C. Loans Receivable

Loans Receivable at June 30, 2014 consists of the following:

Loan Receivable, Meadow Lane Housing Associates, LP, 0% Interest, Due June 1, 2035, Secured by Real Estate	\$ <u>296,000</u>
Total	296,000
Less: Allowance for Doubtful Loans Receivable	<u>(296,000)</u>
Reported Value at June 30, 2014	\$ <u>0</u>

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

D. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 938,923	\$ 0	\$ 0	\$ 938,923
Construction in Progress	61,388	30,907	61,388	30,907
Total Capital Assets, Not Being Depreciated	<u>1,000,311</u>	<u>30,907</u>	<u>61,388</u>	<u>969,830</u>
Capital Assets, Being Depreciated:				
Land Improvements	130,597	0	0	130,597
Buildings and Building Improvements	4,167,199	85,423	0	4,252,622
Vehicles	3,707,994	269,091	91,007	3,886,078
Machinery and Equipment	1,440,694	58,756	0	1,499,450
Roads, Bridges and Sidewalks	10,899,338	445,787	0	11,345,125
Totals	<u>20,345,822</u>	<u>859,057</u>	<u>91,007</u>	<u>21,113,872</u>
Less Accumulated Depreciation for:				
Land Improvements	79,008	4,353	0	83,361
Buildings and Building Improvements	757,084	67,239	0	824,323
Vehicles	2,517,585	220,138	85,197	2,652,526
Machinery and Equipment	1,247,441	58,909	0	1,306,350
Roads, Bridges and Sidewalks	3,386,295	855,468	0	4,241,763
Totals	<u>7,987,413</u>	<u>1,206,107</u>	<u>85,197</u>	<u>9,108,323</u>
Total Capital Assets, Being Depreciated	<u>12,358,409</u>	<u>(347,050)</u>	<u>5,810</u>	<u>12,005,549</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,358,720</u>	<u>\$ (316,143)</u>	<u>\$ 67,198</u>	<u>\$ 12,975,379</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 117,520	\$ 0	\$ 0	\$ 117,520
Construction in Progress	3,454,878	0	3,454,878	0
Total Capital Assets, Not Being Depreciated	<u>3,572,398</u>	<u>0</u>	<u>3,454,878</u>	<u>117,520</u>
Capital Assets, Being Depreciated:				
Vehicles, Machinery, Equipment and Furniture	338,915	0	0	338,915
Distribution and Collection Systems	28,000,801	3,594,092	0	31,594,893
Totals	<u>28,339,716</u>	<u>3,594,092</u>	<u>0</u>	<u>31,933,808</u>
Less Accumulated Depreciation for:				
Vehicles, Machinery, Equipment and Furniture	246,287	21,345	0	267,632
Distribution and Collection Systems	4,153,919	341,888	0	4,495,807
Totals	<u>4,400,206</u>	<u>363,233</u>	<u>0</u>	<u>4,763,439</u>
Total Capital Assets, Being Depreciated	<u>23,939,510</u>	<u>3,230,859</u>	<u>0</u>	<u>27,170,369</u>
Business-Type Activities Capital Assets, Net	<u>\$ 27,511,908</u>	<u>\$ 3,230,859</u>	<u>\$ 3,454,878</u>	<u>\$ 27,287,889</u>

TOWN OF MILTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:					
General Government	\$	61,863	Water	\$	114,356		
Public Safety		169,728	Sewer		<u>248,877</u>		
Highways and Streets		950,245					
Culture and Recreation		<u>24,271</u>					
Total Depreciation Expense - Governmental Activities		\$	<u>1,206,107</u>	Total Depreciation Expense - Business-Type Activities		\$	<u>363,233</u>

E. Interfund Balances and Activity

The composition of interfund balances at June 30, 2014 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 459,285
Husky/Catamount Tax Increment Financing Fund	180,754	0
Capital Reserve Fund	396,184	0
Other Governmental Funds	195,199	168,942
Water Fund	0	310,230
Sewer Fund	<u>166,320</u>	<u>0</u>
Total	\$ <u>938,457</u>	\$ <u>938,457</u>

The composition of Advances To/From Other Funds at June 30, 2014 is as follows:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Husky/Catamount Tax Increment Financing Fund	\$ 107,001	\$ 0
Capital Reserve Fund	<u>0</u>	<u>107,001</u>
Total	\$ <u>107,001</u>	\$ <u>107,001</u>

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

The Advances To/From Other Funds will be repaid as follows:

Advance to Capital Reserve Fund for an Ambulance Purchase, Interest at 1.65%, Annual Principal and Interest Payments of \$36,751, Due 2017	\$107,001
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Interfund transfers during the year ended June 30, 2014 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Grant Fund	\$ 5,624	Fund Project Costs
General Fund	Road/Sidewalk Restoration Reserve Fund	257,000	Annual Subsidy
General Fund	Capital Reserve Fund	208,750	Annual Subsidy
General Fund	Capital Reserve Fund	68,928	Fund Interfund Loan
General Fund	Capital Reserve Fund	10,000	Fund New Sign
Husky/Catamount Tax Increment Financing Fund	General Fund	32,906	Fund Debt Service
Husky/Catamount Tax Increment Financing Fund	Sewer Fund	301,458	Fund Debt Service
Town Core Tax Increment Financing Fund	Road/Sidewalk Restoration Reserve Fund	82,000	Fund Paving Project Costs
Town Core Tax Increment Financing Fund	Water Fund	3,168	Fund Debt Service
Capital Reserve Fund	General Fund	20,000	Fund Debt Service from Unspent Proceeds
Capital Reserve Fund	Grant Fund	27,799	Fund Recreation Capital Project Costs
Capital Reserve Fund	Road/Sidewalk Restoration Reserve Fund	5,345	Fund Paving Project Costs
Impact Fees Fund	Capital Reserve Fund	7,545	Fund Project Costs
Impact Fees Fund	General Fund	41,882	Fund Debt Service
Impact Fees Fund	Road/Sidewalk Restoration Reserve Fund	18,655	Fund Paving Project Costs
Restoration of Records Fund	General Fund	16,586	Fund Restoration Expenses
Water Fund	Grant Fund	398	Fund Project Costs
Sewer Fund	Grant Fund	1,020	Fund Project Costs
Sewer Fund	Tax Increment Financing Fund	32,000	Return Disallowed Project Costs
Henry Beeman Trust Fund	West Milton Cemetery Fund	248	Close Fund
Total		\$ 1,141,312	

F. Unearned Revenue

Unearned Revenue in the General Fund consists of \$10,893 of recreation fees collected in advance. The revenue will be recognized as recreation programs are conducted. Total Unearned Revenue in the General Fund is \$10,893.

Unearned Revenue in the Capital Reserve Fund consists of \$34,600 of monies advanced to the Town to assist in various projects. This money will be earned when the projects are completed.

Unearned Revenue in the Other Governmental Funds consists of \$600 of grant revenue received in advance. This money will be earned when the grant expenditures are incurred. Total Unearned Revenue in the Other Governmental Funds is \$600.

Unearned Revenue in the Water Fund of \$18,600 represents hook-on fees received in advance. This revenue will be earned as customers hook onto the system.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

G. Deferred Inflows of Resources

Deferred inflows of resources in the General Fund consists of \$350,000 of delinquent property taxes, penalties and interest on those taxes and \$69,000 of ambulance receivables that were 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 \$419,000.

Deferred inflows of resources in the Capital Reserve Fund consists of \$172,329 of grant receivables 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 Other Governmental Funds consists of \$35,633 of grant receivables not collected within sixty (60) days after year end as these would not be available to liquidate current liabilities.

H. Long-term Liabilities

General Obligation Bonds - 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 general governmental and business-type 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.

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

Compensated Absences - It is the policy of the Town of Milton to permit employees to accumulate earned but unused vacation benefits up to one hundred and sixty (160) hours unless more hours approved by the Town Manager. Accrued compensatory time is also a vested benefit to employees of the Town. No liability is reported for unpaid accumulated sick leave because it is not a vested benefit. Compensated Absences are paid by the applicable fund where the employee is charged.

Landfill Post Closure Liability - 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 has mandated the Town continue to perform maintenance and monitoring. The Town has estimated that they will continue for another ten (10) years. The Town's estimated liability is \$77,000. 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
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Severance Payments - During 2012, the Town agreed to offer an early retirement incentive package to eligible employees. A total of 5 employees took advantage of the offer. The total amount of severance payments was \$56,324. Each employee will receive 36 monthly payments. The balances due are as follows:

2015 \$286
\$286

Changes in all 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	\$ 2,311,664	\$ 450,000	\$ 196,520	\$ 2,565,144	\$ 241,750
Compensated Absences	111,053	26,125	0	137,178	0
Severance Payable	56,610	0	56,324	286	286
Landfill Post-Closure	<u>85,000</u>	<u>0</u>	<u>8,000</u>	<u>77,000</u>	<u>8,240</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,564,327</u>	<u>\$ 476,125</u>	<u>\$ 260,844</u>	<u>\$ 2,779,608</u>	<u>\$ 250,276</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 7,518,168	\$ 741,962	\$ 345,155	\$ 7,914,975	\$ 488,181
Compensated Absences	<u>12,758</u>	<u>0</u>	<u>1,408</u>	<u>11,350</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 7,530,926</u>	<u>\$ 741,962</u>	<u>\$ 346,563</u>	<u>\$ 7,926,325</u>	<u>\$ 488,181</u>

Long-term liabilities outstanding as of June 30, 2014 were as follows:

Bonds and Notes Payable:

Governmental Activities:

	<u>Beginning Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2014</u>
Bond Payable – Vermont Municipal Bond Bank, Municipal Building, Landfill Closure and Fire Truck, \$60,000 Principal Due Annually through 2015, then \$40,000 Annually through 2016, 5.32% Interest Payable Semi-Annually on June 1 and December 1, Due December 1, 2015	\$ 160,000	\$ 0	\$ 60,000	\$ 100,000

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

<p>Bond Payable – State of Vermont Special Environmental Revolving Fund, Storm Water Collection System on Main Street, Total Loan Amount Available was \$500,000 with a \$230,970 ARRA Subsidy, Term of Loan is Twenty (20) Years, Annual Payments of \$16,453, 0% Interest and a 2% Administrative Fee, Due June 1, 2031</p>	\$ 246,664	\$ 0	\$ 11,520	\$ 235,144
<p>Bond Payable – Vermont Municipal Bond Bank, Recovery Zone Economic Development Bond, Library Expenses and West Milton Road Construction, \$85,000 Principal Due Annually through 2020, then \$80,000 Annually through 2030, Various Interest Rates Ranging from .777% to 3.564% Payable Semi- Annually on June 1 and December 1, Due December 1, 2030</p>	1,480,000	0	85,000	1,395,000
<p>Bond Payable – Vermont Municipal Bond Bank, Fire Station, \$40,000 Principal Due Annually through 2024, Various Interest Rates Ranging from .804% to 3.844% Payable Semi-Annually on May 15 and November 15, Due May 15, 2024</p>	425,000	0	40,000	385,000
<p>Bond Payable – Vermont Municipal Bond Bank, Tower Truck, \$45,000 Of Principal Payments due Annually On November 15 through 2044, Various Interest Rates Ranging From .444% to 3.634%, Interest Payable Semi-Annually on November 15 and May 15, Beginning May 15, 2014</p>	0	450,000	0	450,000
<p>Total Governmental Activities</p>	\$2,311,664	\$ 450,000	\$ 196,520	\$2,565,144

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Business-Type Activities

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Bond Payable – Vermont Municipal Bond Bank, Water Improvements, Annual Principal Payments Ranging From \$12,511 to \$64,503 on December 1 through 2018, 7.62%, Interest Payable Semi-Annually on June 1 and December 1, Due December 1, 2018	\$321,367	\$ 0	\$43,697	\$277,670
Bond Payable – Vermont Municipal Bond Bank, Water Line Improvements, \$15,667 of Principal Payments due Annually on November 15 through 2044, Various Interest Rates Ranging from .444% to 4.954%, Interest Payable Semi-Annually on November 15 and May 15, Beginning May 15, 2014	0	470,000	0	470,000
Bond Payable – Vermont Municipal Bond Bank, Bombardier Water Line Improvements, \$6,000 of Principal Payments due Annually on November 15 through 2034, Various Interest Rates Ranging From .444% To 4.644%, Interest Payable Semi-Annually on November 15 and May 15, Beginning May 15, 2014	0	120,000	0	120,000
Bond Payable – State of Vermont Special Environmental Revolving Fund, Sewer Upgrade, 0% Interest, Annual Payments of \$43,250 through October, 2020, Due October 1, 2020	346,000	0	43,250	302,750

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Bond Payable – State of Vermont Special Environmental Revolving Fund for Sewer Upgrade, 0% Interest, Annual Payments of \$258,208 through April 1, 2028, Due April 1, 2028	\$4,131,333	\$ 0	\$ 258,208	\$3,873,125
Bond Payable – State of Vermont Special Environmental Revolving Fund, Village Core Sewer Improvements, 0% Interest and a 2% Administrative Fee, Authorized Borrowing up to \$3,352,600 However the Bond Amount is \$3,092,000 With a \$489,885 Grant Subsidy, \$175,074 Due Annually Beginning on October 1, 2014 through 2033	2,710,753	151,962	0	2,862,715
Bond Payable – State of Vermont Special Environmental Revolving Fund, Wastewater System Rehabilitation, \$16,900 Authorized, 0% Interest, Annual Payments of \$3,380 Beginning 2015 Through 2019	<u>8,715</u>	<u>0</u>	<u>0</u>	<u>8,715</u>
Total Business-Type Activities	<u>\$7,518,168</u>	<u>\$ 741,962</u>	<u>\$ 345,155</u>	<u>\$7,914,975</u>

Maturities of bonds payable are as follows:

Year Ending <u>June 30</u>	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 241,750	\$ 72,574	\$ 488,181	\$ 95,758
2016	221,985	67,216	494,364	88,686
2017	182,225	63,204	500,904	81,699
2018	182,469	59,861	511,206	74,190
2019	182,719	56,015	518,540	66,132
2020-2024	887,512	206,579	2,164,786	266,435
2025-2029	474,539	71,149	2,146,789	202,411
2030-2034	191,945	6,636	933,539	101,038
2035-2039	0	0	78,333	28,909
2040-2044	<u>0</u>	<u>0</u>	<u>78,333</u>	<u>9,702</u>
Total	<u>\$ 2,565,144</u>	<u>\$ 603,234</u>	<u>\$ 7,914,975</u>	<u>\$ 1,014,960</u>

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

I. Fund Balances/Net Assets

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

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

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

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

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town has established a policy to maintain a minimum unassigned fund balance of approximately ten percent (10%) of the budget. The Town did not maintain the minimum unassigned fund balance as of June 30, 2014.

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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Restricted Net Assets – Governmental Activities:

The restricted net position of the Town as of June 30, 2014 consisted of the following:

Governmental Activities:

Restricted for Husky/Catamount Tax Increment Financing Debt/Expenses By Statute	\$1,592,356
Restricted for Town Core Tax Increment Financing Debt/Expenses By Statute	524,842
Restricted for Impact Fees by Statute/Ordinance	314,113
Restricted for Restoration of Records by Ordinance	111,574
Restricted for Drug Forfeiture by Agreement	48,063
Restricted for Milton Public Library for Grant Agreement	11,177
Restricted for West Milton Cemetery by Donations	7,405
Restricted for Milton Village Fire Department Equipment by Donations	5,783
Restricted for Riley Fund Expenses by Donation	<u>526</u>
Total Restricted Net Position	<u>\$2,615,839</u>

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

Major Funds:

General Fund:	
Prepaid Expenses	\$ 16,881
Inventory	<u>38,708</u>
Total General Fund	55,589
Husky/Catamount Tax Increment Financing Fund Advances to Other Funds	107,001

Non-Major Funds:

West Milton Cemetery Fund – Non-Spendable Portion (Estimated)	<u>4,500</u>
Total Nonspendable Fund Balances	<u>\$ 167,090</u>

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

Major Funds:

General Fund:	
Restricted for Milton Village Fire Department Equipment by Donations	\$ 5,783
Restricted for Riley Fund Expenses by Donation	<u>526</u>
Total General Fund	<u>6,309</u>

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Other Major Funds:

Restricted for Husky/Catamount Tax Increment Financing Debt/Expenses by Statute	\$1,485,355
Restricted for Town Core Tax Increment Financing Debt/Expenses By Statute	<u>524,842</u>
Total Other Major Funds	<u>2,010,197</u>

Non-Major Funds:

Restricted Impact Fees by Ordinance	314,113
Restricted for Restoration of Records by Statute/Ordinance	111,574
Restricted for Drug Forfeiture Expenses by Agreement	48,063
Restricted for Milton Public Library by Grant Agreement	11,177
Restricted for West Milton Cemetery by Donations	<u>2,905</u>
Total Non-Major Funds	<u>487,832</u>
Total Restricted Fund Balances	<u>\$2,504,338</u>

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

Major Funds:

Committed for Fire/EMS Capital Reserve Expenses by Voters	\$ 147,654
Committed for Recreation Capital Reserve Expenses by Voters	55,210

Non-Major Funds:

Committed for Road/Sidewalk Restoration Expenses by Voters	<u>180,940</u>
Total Committed Fund Balances	<u>\$ 383,804</u>

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

Major Funds:

General Fund:

Assigned to Reduce Taxes Raised in Fiscal Year 2015	\$ 324,300
Assigned for Future Health Insurance Costs	192,380
Assigned for Emergency Medical Services	<u>71,474</u>
Total General Fund	<u>588,154</u>

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Capital Reserve Fund:

Assigned for Library Bond Debt Service	\$ 157,952
Amounts Assigned in Excess of Available Fund Balance	<u>(34,697)</u>
Total Capital Reserve Fund	<u>123,255</u>

Non-Major Funds:

Special Revenue Fund:

Assigned for Reappraisal	<u>308,186</u>
Total Assigned Fund Balances	<u>\$1,019,595</u>

The unrestricted fund deficit of \$35,633 in the Grant Fund was funded by the collection of receivables subsequent to year-end.

The unrestricted deficit of \$83,407 in the Water Fund will be funded by future rate increases and operational surpluses.

V. OTHER INFORMATION

A. BENEFIT PLANS

All employees of the Town of Milton are covered under the State of Vermont Municipal Employees' Retirement Plan. The system requires that both the Town and employees contribute to the Plan which provides retirement, disability and death benefits. The Town has elected to participate in four (4) plans; Plan B, Plan C, Plan D and Plan DC which requires all eligible employees to contribute, 4.5%, 9.25%, 11% and 5%, respectively, of gross wages while the Town contributes 5%, 6.5%, 9.5% and 5.125%, respectively.

The Town of Milton pays all costs accrued each year for the plan. The premise of plans B, C and D is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. The net position available for benefits as well as the present value of vested and non-vested plan benefits by municipality are not available.

The premise of Plan DC is to allow the employees to have a choice in investing their retirement assets. Each employee will receive the value of their account upon retirement.

Total payroll for the year was \$2,966,448 while covered payroll was \$2,229,198. Pension expense for the year ending June 30, 2014, 2013, and 2012 was \$159,611, \$142,521 and \$148,638, respectively.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Additional information regarding the State of Vermont Municipal Employees' Retirement Plan is available upon request from the State of Vermont.

The Town also offers its employees two (2) deferred compensation plans through the International City/County Management's Association's "ICMA" Retirement Corporation and Allmerica Financial in accordance with Internal Revenue Code Section 457. The plans permit 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. The Town contributed \$4,094 for the Town Manager during the year ended June 30, 2014.

B. PROPERTY TAXES

Property taxes are levied by August 15 and are due in equal payments on September 15, February 15 and May 15. All unpaid taxes become delinquent on May 16. Interest is assessed at 1% per month and an 8% penalty is assessed when the taxes become delinquent. The Town bills and collects its own property taxes as well as education taxes for the State. Town property tax revenues are recognized when levied. For the year ended June 30, 2014, the tax rate is as follows:

	<u>Homestead</u>	<u>Non-Residential</u>
Municipal	\$.4631	\$.4631
Local Agreement	.0016	.0016
Education	<u>1.2609</u>	<u>1.3547</u>
Total	<u>\$1.7256</u>	<u>\$ 1.8194</u>

C. RISK MANAGEMENT

The Town of Milton 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 of Milton 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 of Milton. 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 \$606 in unemployment claims during fiscal year 2014.

D. TAX INCREMENT FINANCING DISTRICTS

The Town established two Tax Increment Financing (TIF) Districts on March 30, 1998, the Husky TIF District and the Catamount TIF District which were approved by the Vermont Economic Progress Council (VEPC) on November 19, 1998. In 2012, these two TIF Districts were allowed to be treated as a single District, the North/South TIF District (A/K/A Husky/Catamount) by the legislature. In April, 2008, the Town created another TIF District, 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 North/South TIF District. There is \$4,175,875 of outstanding debt that is included in the Sewer Fund that will be paid with TIF District incremental taxes. The Milton Town Core TIF District has a debt ceiling of \$4,500,000 that has been approved by the voters. \$2,862,715 of outstanding debt is included in the Sewer Fund that will be paid with TIF District incremental taxes. Another \$345,000 of authorized projects was started in fiscal year 2014. Future debt for improvements to the Railroad/Middle/Route 7 intersection are eligible as well.

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 up to 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.

TOWN OF MILTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

F. COMMITMENTS

The Town has several commitments for construction projects that have been approved by the voters.

G. CONCENTRATION OF EXPENSES

The Town purchased all of their water from Champlain Water district “CWD” for the year ended June 30, 2014. The Town purchased \$380,499 of water from CWD.

H. SUBSEQUENT EVENTS

Subsequent to year end, the Town issued two interfund loans from the Reappraisal Fund and Impact Fee Fund for \$200,000 and \$205,000, respectively, to the Capital Reserve Fund to finance the purchase of capital equipment. Each note bears interest at 2% and has annual payments for five (5) years.

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Property Taxes:				
Taxes	\$ 4,820,129	\$ 4,820,129	\$ 4,774,082	\$ (46,047)
Allowance for Uncollectible Accounts	22,416	22,416	0	(22,416)
Railroad Taxes	1,315	1,315	1,940	625
State Land Taxes	16,339	16,339	16,399	60
Use Value Hold Harmless	41,600	41,600	47,952	6,352
Penalty on Late HS-122	500	500	0	(500)
School Tax Collection Fee	23,592	23,592	25,967	2,375
Total Property Taxes	<u>4,925,891</u>	<u>4,925,891</u>	<u>4,866,340</u>	<u>(59,551)</u>
Interest/Penalty Delinquent Tax:				
Interest on Delinquent Tax	35,000	35,000	34,549	(451)
Penalties on Delinquent Taxes	57,000	57,000	55,162	(1,838)
Total Interest/Penalty Delinquent Tax	<u>92,000</u>	<u>92,000</u>	<u>89,711</u>	<u>(2,289)</u>
Miscellaneous Revenue:				
State Land PILOT	3,200	3,200	2,956	(244)
VLCT PACIF Leadership	3,000	3,000	0	(3,000)
Total Miscellaneous Revenue	<u>6,200</u>	<u>6,200</u>	<u>2,956</u>	<u>(3,244)</u>
License Revenue:				
Fish and Wildlife License Fees	600	600	0	(600)
Motor Vehicle Renewal	3,500	3,500	1,908	(1,592)
Dog Licenses	4,500	4,500	4,056	(444)
Total License Revenue	<u>8,600</u>	<u>8,600</u>	<u>5,964</u>	<u>(2,636)</u>
Reimbursement Revenue:				
School's Share Finance	154,500	154,500	132,875	(21,625)
Water/Sewer Administration Reimbursement	315,170	315,170	315,170	0
School Share Elections	1,500	1,500	5,449	3,949
Total Reimbursement Revenue	<u>471,170</u>	<u>471,170</u>	<u>453,494</u>	<u>(17,676)</u>
Library Fees:	500	500	1,365	865

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue/(Cont'd):				
Recording Fees:				
Recording Fees	\$ 100,000	\$ 100,000	\$ 63,913	\$ (36,087)
Clerk's Fees	0	0	15,842	15,842
Operating Transfer In - Restoration of Records	22,000	22,000	16,586	(5,414)
Total Recording Fees	<u>122,000</u>	<u>122,000</u>	<u>96,341</u>	<u>(25,659)</u>
Listers Fees:				
Listers Fees	100	100	42	(58)
Appraisal Fees	1,076	1,076	0	(1,076)
Lister's Education	600	600	427	(173)
Total Listers Fees	<u>1,776</u>	<u>1,776</u>	<u>469</u>	<u>(1,307)</u>
Interest:				
Interest on Investments	12,000	12,000	2,935	(9,065)
Interest on Impact Fees	4,000	4,000	0	(4,000)
Total Interest	<u>16,000</u>	<u>16,000</u>	<u>2,935</u>	<u>(13,065)</u>
Miscellaneous Income:				
Other Revenue	0	0	8,833	8,833
Total Miscellaneous Income	<u>0</u>	<u>0</u>	<u>8,833</u>	<u>8,833</u>
Operating Transfers In:				
Impact Fee Fund	30,000	30,000	41,882	11,882
Tax Increment Financing Fund	16,231	16,231	32,906	16,675
Total Operating Transfers In	<u>46,231</u>	<u>46,231</u>	<u>74,788</u>	<u>28,557</u>
Police Fees:				
Police Fines and Costs	35,000	35,000	20,492	(14,508)
Police Fees	2,600	2,600	2,195	(405)
Police Contracts	30,000	30,000	36,864	6,864
Ballistic Vests Grant	1,500	1,500	1,233	(267)
CDIP Grant	3,000	3,000	0	(3,000)
COPS Grant	66,988	66,988	79,605	12,617
Total Police Fees	<u>139,088</u>	<u>139,088</u>	<u>140,389</u>	<u>1,301</u>

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue/(Cont'd):				
Rescue Fees:				
Fire Department Fees	\$ 7,000	\$ 7,000	\$ 257	\$ (6,743)
Fire Department Insurance - Reimbursement	1,900	1,900	98	(1,802)
Rescue Fees	225,000	225,000	192,953	(32,047)
Rescue Donations	3,500	3,500	5,685	2,185
Total Rescue Fees	<u>237,400</u>	<u>237,400</u>	<u>198,993</u>	<u>(38,407)</u>
Animal Control Fees:				
Pound Fees	6,000	6,000	5,054	(946)
Total Animal Control Fees	<u>6,000</u>	<u>6,000</u>	<u>5,054</u>	<u>(946)</u>
Interest on Rescue Donations:	10	10	19	9
Intergovernmental:				
FEMA Aid	0	0	10,751	10,751
House Grant	0	0	250	250
State Aid to Highways	232,017	232,017	240,856	8,839
Total Intergovernmental	<u>232,017</u>	<u>232,017</u>	<u>251,857</u>	<u>19,840</u>
Public Works Fees:				
Public Works Fees	2,500	2,500	2,802	302
Engineer Fees	1,000	1,000	0	(1,000)
Total Public Works Fees	<u>3,500</u>	<u>3,500</u>	<u>2,802</u>	<u>(698)</u>
Concession Vendor Fees:	100	100	0	(100)
Insurance Claim:	0	0	1,234	1,234
Recreation:				
Recreation Fees	46,000	46,000	50,696	4,696
Recreation Scholarship	0	0	10	10
Reimbursement for Equipment Rental	0	0	3,385	3,385
Recreation Donations	0	0	475	475
Great Escape Sales	13,500	13,500	9,800	(3,700)
Recreation Field Use	3,500	3,500	2,115	(1,385)
After School	500	500	0	(500)
Total Recreation	<u>63,500</u>	<u>63,500</u>	<u>66,481</u>	<u>2,981</u>
Library:				
Insurance Reimbursement	409	409	409	0
Library Grant	0	0	100	100
Total Library	<u>409</u>	<u>409</u>	<u>509</u>	<u>100</u>

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue/(Cont'd):				
Planning Zoning Fees:				
Building Permit Fees	\$ 26,000	\$ 26,000	\$ 26,582	\$ 582
Planning Fees	13,890	13,890	10,880	(3,010)
Total Planning Zoning Fees	39,890	39,890	37,462	(2,428)
Reduction in Debt Service Fund:	40,000	40,000	20,000	(20,000)
Total Revenue	6,452,282	6,452,282	6,327,996	(124,286)
Expenditures:				
General Government:				
Selectboard:				
Regular Salaries	8,500	8,500	8,048	452
Part-Time Salaries	1,545	1,545	0	1,545
Social Security	768	768	616	152
Other Professional Services	27,000	27,000	29,202	(2,202)
Advertising	2,500	2,500	3,616	(1,116)
Printing and Binding	2,025	2,025	1,689	336
Travel	110	110	0	110
Citizen Recognition	500	500	400	100
Office Supplies	300	300	216	84
Other Supplies	230	230	310	(80)
Books and Periodicals	200	200	0	200
Dues and Fees	11,334	11,334	11,334	0
Tax Abatements	5,000	9,000	20,456	(11,456)
Professional Development	500	500	535	(35)
Total Selectboard	60,512	64,512	76,422	(11,910)
Election:				
Part Time Salaries	2,500	2,500	4,623	(2,123)
Social Security	191	191	349	(158)
Technical	1,450	1,450	309	1,141
Advertising	100	100	238	(138)
Printing and Binding	1,000	1,000	764	236
Postage	600	600	141	459
Office Supplies	300	300	0	300
General Supplies	150	150	0	150
Professional Development	100	100	0	100
Total Election	6,391	6,391	6,424	(33)

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Insurance/Risk Management:				
Worker's Compensation	\$ 96,800	\$ 96,800	\$ 71,092	\$ 25,708
General Liability Insurance	50,700	50,700	47,790	2,910
Vehicle Insurance	21,839	21,839	23,278	(1,439)
Property Insurance	35,351	35,351	28,685	6,666
Employment Practices	10,127	10,127	7,766	2,361
Public Officials Liability	11,008	11,008	11,512	(504)
Long Term Disability	8,014	7,914	6,408	1,506
Short Term Disability	4,395	4,495	4,879	(384)
Vision Service Plan	9,500	9,500	8,337	1,163
Total Insurance/Risk Management	247,734	247,734	209,747	37,987
Legal:				
General Government	25,000	35,000	23,255	11,745
Planning	3,500	3,500	9,134	(5,634)
Health	5,500	5,500	381	5,119
Appeals	5,500	5,500	195	5,305
Total Legal	39,500	49,500	32,965	16,535
Property, Taxes and Assessments:				
County Taxes	47,000	47,000	44,919	2,081
Town of Westford	3,200	3,200	2,396	804
CCTA Assessment	51,750	51,750	50,137	1,613
Total Property, Taxes and Assessments	101,950	101,950	97,452	4,498
Town Manager:				
Regular Salaries	143,633	139,633	146,331	(6,698)
Retirement Buyout	11,913	11,913	10,920	993
Part Time Salaries	27,000	34,400	19,970	14,430
Insurance Buyout	0	0	375	(375)
Travel Allowance	4,800	4,800	4,800	0
Group Health Insurance	26,804	22,928	21,401	1,527
Group Dental Insurance	2,330	2,330	2,307	23
Group Life Insurance and AD&D	642	642	613	29
Social Security	13,969	13,969	13,843	126
Retirement	14,739	14,739	15,070	(331)
Other Professional Service	1,000	4,500	4,348	152
Communications - Telephone	630	680	662	18
Communication - Other	625	675	660	15
Advertising	150	150	119	31
Travel	1,750	3,600	3,448	152

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Town Manager/(Cont'd):				
Postage	\$ 1,150	\$ 1,150	\$ 298	\$ 852
Employee Recognition	110	260	215	45
Office Supplies	800	950	909	41
Technology	600	1,476	889	587
Gasoline	35	185	118	67
Machinery and Equipment	300	300	0	300
Dues and Fees	925	925	742	183
Professional Development	2,190	4,090	4,025	65
	<u>256,095</u>	<u>264,295</u>	<u>252,063</u>	<u>12,232</u>
Town Clerk/Treasurer:				
Regular Salaries	178,524	178,524	171,908	6,616
Retirement Buyout	12,706	12,706	12,706	0
Part Time Salaries	30,316	30,316	30,261	55
Group Health Insurance	34,355	34,355	33,256	1,099
Group Dental Insurance	2,421	2,421	2,396	25
Group Life Insurance & AD&D	728	728	587	141
Social Security	16,948	16,948	16,008	940
Retirement Contribution	9,373	9,373	8,931	442
Technical	250	250	0	250
Technical/ACS	22,000	22,000	16,586	5,414
Shredding	200	200	104	96
Photo Copier Maintenance	1,400	1,400	468	932
Communications - Telephone	675	675	288	387
Advertising	100	100	102	(2)
Printing and Binding	200	200	150	50
Travel	300	300	117	183
Postage	2,500	2,500	1,439	1,061
Office Supplies	2,100	2,100	2,019	81
General Supplies	200	200	15	185
Technology	200	200	0	200
Books and Periodicals	100	100	27	73
Machinery and Equipment	900	900	1,145	(245)
Dues and Fees	155	155	337	(182)
Professional Development	1,500	1,500	120	1,380
	<u>318,151</u>	<u>318,151</u>	<u>298,970</u>	<u>19,181</u>

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Finance Office:				
Regular Salaries	\$ 132,476	\$ 136,476	\$ 135,687	\$ 789
Part-Time Salaries	18,782	18,782	4,661	14,121
Insurance Buyout	0	0	4,600	(4,600)
Group Health Insurance	32,064	24,414	12,099	12,315
Group Dental Insurance	2,753	2,753	2,017	736
Group Life Insurance and AD&D	414	514	484	30
Social Security	11,571	11,571	10,789	782
Retirement Contribution	7,003	8,203	8,155	48
Other Professional Services	0	700	618	82
Technical	300	300	31	269
Communications-Telephone	840	840	241	599
Printing and Binding	3,200	3,200	2,809	391
Travel	150	150	131	19
Postage	8,500	9,500	9,450	50
Office Supplies	1,700	1,700	1,696	4
General Supplies	400	400	112	288
Technology	500	950	940	10
Machinery and Equipment	900	900	736	164
Furniture and Fixtures	250	250	0	250
Professional Development	455	655	612	43
Total Finance Office	222,258	222,258	195,868	26,390
Listers:				
Regular Salaries	360	360	0	360
Part Time Salaries	36,783	34,218	31,846	2,372
Social Security	2,841	2,841	2,436	405
Official/Administrative	22,500	22,500	21,350	1,150
Technical	3,000	5,200	5,178	22
Communications-Telephone	700	700	240	460
Travel	220	220	63	157
Postage	450	450	256	194
Office Supplies	500	650	643	7
Books and Periodicals	60	60	0	60
Machinery and Equipment	900	960	955	5
Professional Development	250	405	402	3
Total Listers	68,564	68,564	63,369	5,195
Contingency:				
Contingency	81,332	28,532	14,954	13,578
Transfer to Capital Reserve	0	0	10,000	(10,000)
Total Contingency	81,332	28,532	24,954	3,578

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Administrative Services:				
Health Insurance - Choice	\$ 5,624	\$ 5,624	\$ 2,206	\$ 3,418
HRA Contribution	171,510	116,510	77,522	38,988
Tuition Reimbursement	1,200	1,200	0	1,200
Health & Safety Vaccination	500	500	0	500
Other Professional	835	915	912	3
Technical	450	450	234	216
Vehicle/Equipment Maintenance	2,500	2,500	241	2,259
Photo Copier Maintenance	2,400	2,700	2,617	83
Advertising	1,850	1,850	1,493	357
Postage	200	1,100	1,031	69
Postage Machine Rental	800	800	768	32
Postage Machine Maintenance	690	690	0	690
Office Supplies	3,995	2,507	2,787	(280)
General Supplies	0	208	208	0
Dues and Fees	160	160	500	(340)
Professional Services	0	4,300	5,898	(1,598)
	<u>192,714</u>	<u>142,014</u>	<u>96,417</u>	<u>45,597</u>
Total Administrative Services				
Information Technology:				
Technical	39,215	39,215	36,354	2,861
Communications - Other	8,150	8,150	4,026	4,124
Technology	750	750	0	750
Machinery and Equipment	1,710	1,710	280	1,430
Professional Development	285	285	0	285
	<u>50,110</u>	<u>50,110</u>	<u>40,660</u>	<u>9,450</u>
Total Information Technology				
Total General Government				
	<u>1,645,311</u>	<u>1,564,011</u>	<u>1,395,311</u>	<u>168,700</u>
Public Safety:				
Police Department:				
Regular Salaries	918,518	866,368	882,950	(16,582)
Shift Differential	15,500	17,100	17,091	9
Instructor Salaries	500	1,300	1,256	44
Temporary Salaries	20,000	20,000	16,078	3,922
Overtime	63,000	91,000	90,672	328
Contract Salaries	30,000	30,000	25,708	4,292
Insurance Buyout	3,800	7,300	7,275	25
Travel Allowance	900	900	900	0
Physical Fitness	5,000	5,000	1,525	3,475
Group Health Insurance	155,852	155,852	136,468	19,384
Group Dental Insurance	15,709	15,709	13,351	2,358
Group Life Insurance and AD&D	2,954	2,954	2,657	297

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Police Department/(Cont'd):				
Social Security	\$ 90,273	\$ 90,273	\$ 77,388	\$ 12,885
Retirement Contribution	97,336	97,336	94,092	3,244
Other Professional	3,420	3,420	2,710	710
Technical	108,550	108,550	98,466	10,084
Vehicle Maintenance	18,266	18,266	12,303	5,963
Photo Copier Maintenance	1,600	2,450	2,425	25
Rental of Equipment & Vehicles	400	400	0	400
Communications - Telephone	5,000	5,000	4,076	924
Communications - Other	6,430	6,430	5,544	886
Advertising	540	540	386	154
Printing and Binding	1,064	1,064	889	175
Chittenden County Special Investigations	8,070	8,070	8,070	0
Travel	3,788	3,788	966	2,822
Postage	500	500	227	273
Office Supplies	4,000	4,000	2,183	1,817
General Supplies	10,000	13,200	13,166	34
Technology	400	400	0	400
Gasoline	49,875	49,875	46,325	3,550
Books and Periodicals	850	850	0	850
Uniforms	13,600	15,000	14,918	82
Machinery and Equipment	2,785	5,985	5,970	15
Furniture and Fixtures	300	300	0	300
Dues and Fees	540	540	480	60
Professional Development	6,500	6,800	6,781	19
Gym Membership	0	0	1,431	(1,431)
Youth Program	1,200	1,200	524	676
Ballistic Vests Grant	3,840	5,140	5,075	65
Canine Unit	0	0	1,315	(1,315)
	<u>1,670,860</u>	<u>1,662,860</u>	<u>1,601,641</u>	<u>61,219</u>
Total Police Department				

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Fire Department:				
Regular Salaries	\$ 15,750	\$ 15,750	\$ 15,088	\$ 662
Temporary Salaries	89,140	82,714	76,917	5,797
Group Health Insurance	4,728	4,728	4,189	539
Group Dental Insurance	472	472	468	4
Group Life Insurance and AD&D	70	70	69	1
Social Security	8,024	8,024	6,955	1,069
Retirement Contribution	827	1,040	1,040	0
Other Professional	5,765	5,765	735	5,030
CAG Commission	400	400	0	400
Technical	41,762	41,762	41,762	0
Vehicle/Equipment Maintenance	24,682	25,318	25,317	1
Photo Copier Maintenance	825	825	257	568
Insurance Deductible	0	500	500	0
Communications Telephone	800	800	514	286
Communications - Other	1,095	1,095	835	260
Advertising	100	100	0	100
Printing and Binding	150	150	0	150
Travel	350	350	0	350
Postage	125	125	7	118
Office Supplies	1,000	1,000	356	644
General Supplies	6,050	6,050	2,092	3,958
Technology	821	821	0	821
Diesel Fuel	5,985	6,291	6,291	0
Books and Periodicals	200	200	142	58
Uniforms	1,800	1,800	1,047	753
Machinery/Equipment	41,625	41,625	30,768	10,857
Furniture and Fixtures	250	250	0	250
Dues and Fees	1,740	1,740	746	994
Professional Development	3,150	3,150	450	2,700
Fire Prevention	4,000	4,000	3,087	913
Total Fire Department	261,686	256,915	219,632	37,283

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Rescue:				
Regular Salaries	\$ 35,056	\$ 35,056	\$ 34,546	\$ 510
Temporary Salaries	89,742	84,525	66,357	18,168
Group Health Insurance	10,011	10,011	9,281	730
Group Dental Insurance	0	1,041	1,041	0
Group Life Insurance and AD&D	156	156	153	3
Social Security	9,547	9,547	7,558	1,989
Retirement Contributions	1,840	2,314	2,314	0
Other Professional	2,400	2,400	1,895	505
Technical	43,912	43,912	41,762	2,150
Contracted Services	10,500	10,679	10,679	0
Vehicle/Equipment Maintenance	8,350	8,350	7,705	645
Photo Copier Maintenance	375	375	0	375
Communications - Telephone	600	600	510	90
Communications - Other	2,000	2,000	1,688	312
Advertising	500	500	250	250
Printing and Binding	250	250	0	250
Travel	200	200	189	11
Postage	125	125	5	120
Office Supplies	500	510	510	0
General Supplies	16,020	23,306	23,306	0
Technology	350	350	0	350
Diesel Fuel	9,032	9,032	8,636	396
Books and Periodicals	175	450	450	0
Uniforms	1,750	1,750	208	1,542
Machinery/Equipment	12,325	12,325	11,923	402
Dues and Fees	600	600	200	400
Professional Development	9,675	9,675	8,376	1,299
Donation Expense	3,500	4,223	4,223	0
Total Rescue	269,491	274,262	243,765	30,497

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Animal Control:				
Part Time Salaries	\$ 3,500	\$ 3,500	\$ 1,130	\$ 2,370
Social Security	268	268	86	182
Professional Services	965	945	430	515
Other Professional	900	900	0	900
Care & Keep Dogs and Cats	5,020	5,020	4,278	742
Dog Damage	300	300	0	300
Advertising	50	70	68	2
Printing and Binding	175	175	0	175
Travel	605	605	286	319
Postage	10	10	0	10
General Supplies	425	425	236	189
Professional Development	300	300	0	300
	<u>12,518</u>	<u>12,518</u>	<u>6,514</u>	<u>6,004</u>
Total Animal Control	<u>12,518</u>	<u>12,518</u>	<u>6,514</u>	<u>6,004</u>
Total Public Safety	<u>2,214,555</u>	<u>2,206,555</u>	<u>2,071,552</u>	<u>135,003</u>
Public Works:				
Public Works Director:				
Regular Salaries	92,589	92,589	92,646	(57)
Group Health Insurance	16,323	16,323	15,175	1,148
Group Dental Insurance	1,949	1,949	1,411	538
Group Life Insurance and AD&D	362	362	374	(12)
Social Security	7,083	7,083	6,959	124
Retirement	4,861	4,861	4,749	112
Land Fill Closure	4,000	4,000	7,371	(3,371)
Contracted Services	6,800	6,800	3,504	3,296
Engineering Services	8,000	8,000	826	7,174
Communications - Telephone	2,400	2,400	97	2,303
Communications - Other	1,866	1,866	3,015	(1,149)
Advertising	900	900	455	445
Travel	1,950	1,950	2,385	(435)
Postage	460	460	195	265
Office Supplies	1,000	1,000	453	547
General Supplies	500	500	0	500
Technology	450	450	707	(257)
Gasoline	1,420	1,420	593	827
Books and Periodicals	400	400	0	400
Machinery and Equipment	1,400	1,400	0	1,400
Dues and Fees	7,927	7,927	7,154	773
Professional Development	4,700	4,700	2,147	2,553
	<u>167,340</u>	<u>167,340</u>	<u>150,216</u>	<u>17,124</u>
Total Public Works Director	<u>167,340</u>	<u>167,340</u>	<u>150,216</u>	<u>17,124</u>

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Highways:				
Regular Salaries	\$ 290,018	\$ 290,018	\$ 278,219	\$ 11,799
Retirement Buyout	22,255	22,255	22,255	0
Part Time Salaries	11,403	11,403	2,735	8,668
Overtime Salaries	29,000	29,000	27,276	1,724
Insurance Buyout	0	0	8,217	(8,217)
Group Health Insurance	88,634	88,634	63,003	25,631
Group Dental Insurance	8,441	8,441	8,142	299
Group Life Insurance and AD&D	965	965	988	(23)
Social Security	26,980	26,980	25,763	1,217
Retirement	15,421	15,421	16,309	(888)
Other Employee Benefits	1,440	1,440	1,125	315
Technical	500	500	0	500
Contracted Services	27,000	27,000	11,871	15,129
Erosion Control	3,000	3,000	2,806	194
Repairs Maintenance	1,500	1,500	2,588	(1,088)
Vehicle Maintenance	83,000	83,000	77,547	5,453
Storm Water Maintenance	0	0	436	(436)
Rental of Equipment/Vehicle	2,000	2,000	1,203	797
Paving	257,000	257,000	257,000	0
Asphalt	10,000	10,000	12,880	(2,880)
Communications - Telephone	1,200	1,200	496	704
Communications - Other	1,020	1,020	0	1,020
Winter Salt	117,000	150,000	135,319	14,681
Winter Sand	21,000	21,000	4,020	16,980
Chloride	14,000	14,000	15,658	(1,658)
Plant Mix/Gravel	40,000	40,000	42,881	(2,881)
General Supplies	8,000	8,000	899	7,101
Plow Supplies	10,000	10,000	11,947	(1,947)
Technology	1,250	1,250	1,349	(99)
Culverts	10,000	10,000	2,617	7,383
Traffic Signs	3,500	3,500	3,382	118
Diesel Fuel	67,013	67,013	72,134	(5,121)
Gasoline	2,334	2,334	1,614	720
Employee Uniforms	4,275	4,275	2,101	2,174
Guardrails	1,500	1,500	0	1,500
Machinery and Equipment	6,000	6,000	0	6,000
Small Tools	1,000	1,000	899	101
Transfer Out - Grant Fund	0	0	5,202	(5,202)
	<u>1,187,649</u>	<u>1,220,649</u>	<u>1,120,881</u>	<u>99,768</u>
Total Highways	1,187,649	1,220,649	1,120,881	99,768

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Building and Grounds:				
Regular Salaries	\$ 85,924	\$ 85,924	\$ 80,111	\$ 5,813
Part Time Employees	13,750	13,750	14,302	(552)
Overtime	3,000	3,000	5,422	(2,422)
Insurance Buyout	3,200	3,200	6,450	(3,250)
Group Health Insurance	25,556	25,556	10,278	15,278
Group Dental Insurance	2,820	2,820	2,317	503
Group Life Insurance and AD&D	296	296	246	50
Social Security	8,099	8,099	8,002	97
Retirement Contributions	4,680	4,680	4,720	(40)
Other Employee Benefits	740	740	414	326
Other Professional Service	1,500	1,500	0	1,500
Technical Cemeteries	9,300	9,300	635	8,665
Contracted Services	1,800	1,800	4,424	(2,624)
Water/Sewer	2,500	2,500	3,163	(663)
Disposal & Refuse	5,000	5,000	5,305	(305)
Repair and Maintenance Facilities	25,000	25,000	20,696	4,304
Repair and Maintenance Equipment	5,400	5,400	3,307	2,093
Rental of Land and Building	2	2	0	2
Rental of Equipment and Vehicle	500	500	269	231
Building Mat Rentals	1,600	1,600	484	1,116
Communications - Telephone	1,400	1,400	423	977
Communications - Other	1,200	1,200	0	1,200
General Supplies	5,000	5,000	7,305	(2,305)
Playing Surface Supplies	4,000	4,000	285	3,715
Building Structure Fence	300	300	0	300
Technology	1,250	1,250	1,958	(708)
Natural Gas	20,000	20,000	18,185	1,815
Electricity	50,000	50,000	59,064	(9,064)
Electricity - Street Lights	47,500	47,500	34,365	13,135
Propane	4,500	4,500	3,271	1,229
Heating Oil	3,000	3,000	3,339	(339)
Gasoline	5,057	5,057	4,722	335
Diesel Fuel	1,145	1,145	0	1,145
Employee Uniforms	2,500	2,500	854	1,646
Machinery & Equipment	650	650	500	150
Dues & Fees	0	0	528	(528)
Small Tools	300	300	87	213
Transfer Out - Grant Fund	0	0	422	(422)
Total Buildings and Grounds	348,469	348,469	305,853	42,616
Total Public Works	1,703,458	1,736,458	1,576,950	159,508

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Health Education Welfare:				
Health Officer:				
Regular Salaries	\$ 7,278	\$ 7,203	\$ 5,320	\$ 1,883
Part Time Salaries	1,363	1,363	707	656
Group Health Insurance	748	748	0	748
Group Dental Insurance	58	58	0	58
Group Life & AD&D	32	32	0	32
Social Security	661	661	447	214
Employee Retirement	382	382	257	125
Technical	150	150	0	150
Postage	75	75	1	74
Office Supplies	100	100	49	51
Professional Development	0	0	60	(60)
Total Health Officer	10,847	10,772	6,841	3,931
Appropriations:				
Women Helping Women	500	500	0	500
Howard Center for Human Services	200	200	200	0
Visiting Nurse Appropriations	500	500	500	0
Green up Vermont	300	300	297	3
Milton Facility Community Center	5,375	5,450	5,450	0
Arrowhead Senior Citizens	7,000	7,000	7,000	0
Champlain Valley Agency	5,000	5,000	5,000	0
Association for the Blind	250	250	250	0
Women's Rape Crisis Center	350	350	0	350
Milton Grange	500	500	500	0
Total Appropriations	19,975	20,050	19,197	853
Total Health Education Welfare	30,822	30,822	26,038	4,784
Culture and Recreation:				
Library:				
Regular Salaries	90,288	86,288	85,025	1,263
Part Time Salaries	31,317	35,317	31,977	3,340
Part Time Salaries - Bookmobile	3,538	3,538	3,135	403
Group Health Insurance	25,531	25,531	23,103	2,428
Group Dental Insurance	3,046	3,046	2,307	739
Group Life Insurance and AD&D	401	401	327	74
Social Security	9,574	9,574	9,081	493
Employee Retirement	5,579	5,579	5,517	62
Official/Administrative	11,564	10,435	5,744	4,691
Other Professional Services	275	275	0	275
Professional Programs	1,200	1,594	1,569	25
Communications - Telephone	165	165	49	116
Communications - Other	417	417	386	31
Advertising	350	350	200	150

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Library/(Cont'd):				
Printing and Binding	\$ 500	\$ 500	\$ 393	\$ 107
Travel	1,000	1,003	1,003	0
Postage	2,600	2,600	2,328	272
Office Supplies	6,000	6,000	5,619	381
General Supplies	1,000	1,000	696	304
Books - Adults	9,500	9,648	9,492	156
Audios	6,000	6,000	5,432	568
Books - Childrens	7,290	7,290	6,568	722
Books - Juvenile	6,635	6,635	6,479	156
Books - Large - Print	4,000	4,000	3,261	739
Periodicals	1,500	1,500	1,487	13
Books - Reference	1,000	1,000	216	784
Videos	3,100	3,100	3,035	65
Machinery and Equipment	1,214	1,836	1,836	0
Furniture and Fixtures	1,000	1,308	1,302	6
Dues and Fees	800	606	369	237
Professional Development	1,200	1,048	390	658
	<u>237,584</u>	<u>237,584</u>	<u>218,326</u>	<u>19,258</u>
Total Library				
Recreation:				
Regular Salaries	41,652	41,652	39,924	1,728
Temporary Employees	10,500	10,500	9,658	842
Group Health Insurance	0	6,000	6,355	(355)
Social Security	3,989	3,989	3,647	342
Retirement	1,435	1,435	1,691	(256)
Rental of Equipment	6,000	6,000	2,715	3,285
Communications - Telephone	225	225	49	176
Advertising	300	300	252	48
Printing and Binding	5,000	5,010	5,011	(1)
Travel	300	300	257	43
Postage	200	200	97	103
Office Supplies	400	400	269	131
General Supplies	600	600	409	191
Technology	1,464	1,464	1,464	0
Uniforms	100	304	304	0
Machinery and Equipment	1,200	1,593	1,593	0
Dues and Fees	650	650	582	68
Professional Development	500	500	172	328
Babe Ruth	500	500	500	0
LL Baseball and Softball	500	500	500	0
Youth Soccer	500	500	500	0
Downhill Ski Club	300	300	300	0
Swimming	1,000	393	344	49
Music in Park	1,000	1,000	1,000	0

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Recreation: (Cont'd)				
Olde Fashion Fourth	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
Milton Youth Lacrosse	500	500	500	0
Town Events	6,200	6,200	6,037	163
Revenue Programs	34,000	34,000	36,659	(2,659)
Scholarships from Rec Donations	0	0	475	(475)
Scholarships from Revenue Programs	2,000	2,000	598	1,402
Great Escape Program	13,500	13,500	9,135	4,365
Town Band	550	550	550	0
	<u>138,065</u>	<u>144,065</u>	<u>134,547</u>	<u>9,518</u>
Total Recreation				
	<u>375,649</u>	<u>381,649</u>	<u>352,873</u>	<u>28,776</u>
Total Culture and Recreation				
Economic:				
Planning:				
Regular Salaries	177,480	181,565	182,316	(751)
Retirement Buyout	11,392	11,392	10,442	950
Group Health Insurance	38,376	34,019	34,622	(603)
Group Dental Insurance	3,502	3,502	3,490	12
Group Life Insurance and AD&D	685	685	672	13
Social Security	14,449	14,449	14,337	112
Retirement Contribution	9,369	9,641	9,641	0
Other Professional	1,000	1,000	1,000	0
Recording Fees	250	250	210	40
Communications - Telephone	700	700	288	412
Advertising	4,500	4,090	1,624	2,466
Printing and Binding	800	800	116	684
Travel	300	300	161	139
Postage	2,200	2,200	1,041	1,159
Office Supplies	625	625	526	99
Gasoline	762	762	487	275
Books and Periodicals	300	206	171	35
Machinery/Equipment	1,100	1,194	1,194	0
Furniture & Fixtures	350	350	0	350
Conservation Commission	600	1,490	1,490	0
Dues and Fees	7,400	7,400	7,098	302
Professional Development	1,440	960	960	0
	<u>277,580</u>	<u>277,580</u>	<u>271,886</u>	<u>5,694</u>
Total Planning				

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Economic Development Comm:				
Advertising	\$ 50	\$ 50	\$ 0	\$ 50
Printing and Binding	300	475	475	0
Travel	370	370	188	182
Postage	75	75	0	75
Office Supplies	110	110	41	69
Books and Periodicals	100	100	0	100
Dues and Fees	10,620	10,620	10,290	330
Professional Development	1,040	865	0	865
Milton Artists Guild	500	500	500	0
	13,165	13,165	11,494	1,671
Total Economic Development Comm	13,165	13,165	11,494	1,671
	290,745	290,745	283,380	7,365
Debt Service:				
Municipal Building	60,000	60,000	60,000	0
Library Expansion - Principal	85,000	85,000	85,000	0
Main Street Stormwater - Principal	11,072	11,072	11,520	(448)
Fire Station	40,000	40,000	40,000	0
Highway Mid-Size Truck	37,071	37,071	34,413	2,658
Rescue Ambulance	31,597	31,597	34,515	(2,918)
Municipal Building	7,605	7,605	7,605	0
Library Expansion - Interest	40,140	40,140	43,077	(2,937)
Main Street Stormwater - Interest	4,933	4,933	4,933	0
Fire Station	10,660	10,660	10,660	0
Tower Truck Interest	0	0	11,882	(11,882)
Highway Truck - Interest	2,224	2,224	578	1,646
Ambulance Interest	7,130	7,130	2,335	4,795
	337,432	337,432	346,518	(9,086)
Total Debt Service	337,432	337,432	346,518	(9,086)
Capital Improvements:	347,300	347,300	208,750	138,550
Total Expenditures	6,945,272	6,894,972	6,261,372	633,600
Excess/(Deficiency) of Revenue Over Expenditures	\$ (492,990)	\$ (442,690)	66,624	\$ 509,314
Fund Balance - July 1, 2013			1,105,011	
Fund Balance - June 30, 2014			\$ 1,171,635	

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TOWN OF MILTON, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

Special Revenue Funds

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund
<u>ASSETS</u>				
Cash	\$ 349,122	\$ 335,901	\$ 209,031	\$ 56,732
Receivables	0	0	0	0
Due from Other Funds	0	0	0	0
Due from Others	<u>1,284</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 350,406</u>	<u>\$ 335,901</u>	<u>\$ 209,031</u>	<u>\$ 56,732</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 1,192	\$ 0
Due to Other Funds	36,293	27,715	96,265	8,669
Unearned Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>36,293</u>	<u>27,715</u>	<u>97,457</u>	<u>8,669</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	314,113	0	111,574	48,063
Committed	0	0	0	0
Assigned	0	308,186	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>314,113</u>	<u>308,186</u>	<u>111,574</u>	<u>48,063</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 350,406</u>	<u>\$ 335,901</u>	<u>\$ 209,031</u>	<u>\$ 56,732</u>

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Milton Public Library Fund	Grant Fund	Capital Project Fund Road/Sidewalk Restoration Reserve Fund	Permanent Fund West Milton Cemetery Fund	Total
\$ 11,177	\$ 0	\$ 0	\$ 5,721	\$ 967,684
0	35,633	0	0	35,633
0	12,575	180,940	1,684	195,199
0	0	0	0	1,284
\$ 11,177	\$ 48,208	\$ 180,940	\$ 7,405	\$ 1,199,800
\$ 0	\$ 47,608	\$ 0	\$ 0	\$ 48,800
0	0	0	0	168,942
0	600	0	0	600
0	48,208	0	0	218,342
0	35,633	0	0	35,633
0	35,633	0	0	35,633
0	0	0	4,500	4,500
11,177	0	0	2,905	487,832
0	0	180,940	0	180,940
0	0	0	0	308,186
0	(35,633)	0	0	(35,633)
11,177	(35,633)	180,940	7,405	945,825
\$ 11,177	\$ 48,208	\$ 180,940	\$ 7,405	\$ 1,199,800

TOWN OF MILTON, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

Special Revenue Funds

	Impact Fees Fund	Reappraisal Fund	Restoration of Records Fund	Drug Forfeiture Fund
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	41,762	0	17,215
Charges for Services	90,168	0	32,200	0
Investment Income	585	450	(882)	52
Donations	0	0	0	0
Total Revenues	90,753	42,212	31,318	17,267
Expenditures:				
Current:				
General Government	0	4,620	33,843	0
Public Safety	0	0	0	10,510
Highways and Streets	0	0	0	0
Culture and Recreation	0	0	0	0
Capital Outlay:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Highways and Streets	0	0	0	0
Culture and Recreation	0	0	0	0
Total Expenditures	0	4,620	33,843	10,510
Excess/(Deficiency) of Revenues Over Expenditures	90,753	37,592	(2,525)	6,757
Other Financing Sources/(Uses):				
Transfers In	0	0	0	0
Transfers Out	(68,082)	0	(16,586)	0
Total Other Financing Sources/(Uses)	(68,082)	0	(16,586)	0
Net Change in Fund Balances	22,671	37,592	(19,111)	6,757
Fund Balances/(Deficit) - July 1, 2013	291,442	270,594	130,685	41,306
Fund Balances/(Deficit) - June 30, 2014	\$ 314,113	\$ 308,186	\$ 111,574	\$ 48,063

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Milton Public Library Fund	Grant Fund	Capital Project Fund Road/Sidewalk Restoration Reserve Fund	Permanent Fund West Milton Cemetery Fund	Total
\$ 0	\$ 0	\$ 55,210	\$ 0	\$ 55,210
0	47,547	89,728	0	196,252
0	0	0	0	122,368
8	0	0	0	213
1,006	0	0	0	1,006
<u>1,014</u>	<u>47,547</u>	<u>144,938</u>	<u>0</u>	<u>375,049</u>
0	0	0	0	38,463
0	10,725	0	0	21,235
0	3,180	6,455	0	9,635
183	22,438	0	0	22,621
0	0	445,787	0	445,787
0	14,414	0	0	14,414
0	26,994	0	0	26,994
0	24,035	0	0	24,035
<u>183</u>	<u>101,786</u>	<u>452,242</u>	<u>0</u>	<u>603,184</u>
<u>831</u>	<u>(54,239)</u>	<u>(307,304)</u>	<u>0</u>	<u>(228,135)</u>
0	34,841	363,000	248	398,089
0	0	0	0	(84,668)
<u>0</u>	<u>34,841</u>	<u>363,000</u>	<u>248</u>	<u>313,421</u>
831	(19,398)	55,696	248	85,286
<u>10,346</u>	<u>(16,235)</u>	<u>125,244</u>	<u>7,157</u>	<u>860,539</u>
<u>\$ 11,177</u>	<u>\$ (35,633)</u>	<u>\$ 180,940</u>	<u>\$ 7,405</u>	<u>\$ 945,825</u>

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Water Rents	\$ 724,527	\$ 658,539	\$ (65,988)
Penalties and Interest	12,766	9,309	(3,457)
Hook - Ups	79,663	116,965	37,302
Other Financing Sources	1,700	2,701	1,001
Water Hauler Receipts	3,000	2,872	(128)
Transfer In	3,000	3,168	168
Total Revenue	824,656	793,554	(31,102)
Expenses:			
Regular Salaries	128,432	106,651	21,781
Overtime Salaries	3,500	4,167	(667)
Insurance Buyout	1,900	5,083	(3,183)
Group Health Insurance	20,367	9,069	11,298
HRA Contribution	12,751	3,019	9,732
Group Dental Insurance	3,088	1,693	1,395
Group LTD/STD/Vision Insurance	1,738	923	815
Group Life Insurance	355	278	77
Social Security	10,430	8,758	1,672
Retirement Contribution	6,856	6,207	649
Workers Compensation	4,510	6,519	(2,009)
Other Employee Benefits	735	560	175
Official/Administrative	157,585	157,585	0
Technical Services	3,125	1,855	1,270
Water/Sewer	187	174	13
Water Purchase - CWD	331,512	380,499	(48,987)

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Actual	Variance Favorable (Unfavorable)
Expenses/(Cont'd):			
Disposal and Refuse	\$ 420	\$ 384	\$ 36
Repair and Maintenance Facility	1,500	0	1,500
Vehicle Repair and Maintenance	1,975	1,865	110
Equipment Repair and Maintenance	1,500	3,889	(2,389)
Rental of Land and Buildings	0	650	(650)
Rental of Equipment and Vehicle	300	0	300
Construction Services	2,000	225	1,775
Insurance Deductible	500	0	500
General Liability Insurance	1,050	1,142	(92)
Vehicle Insurance	1,300	1,959	(659)
Property Insurance	1,330	1,632	(302)
Communications - Telephone	450	391	59
Communications - Other	650	810	(160)
Advertising	275	217	58
Printing and Binding	3,300	2,166	1,134
Travel	278	0	278
Postage	375	14	361
Office Supplies	433	68	365
General Supplies	9,445	5,560	3,885
Water Meters	15,251	11,570	3,681
Technology	1,850	6	1,844
Natural Gas	4,750	4,029	721
Electricity	11,400	11,876	(476)
Bottled Gas	100	0	100
Diesel Fuel	535	0	535
Gasoline	2,709	3,398	(689)
Books and Periodicals	200	0	200
Employee Uniforms	1,352	837	515

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenses/(Cont'd):			
Machinery and Equipment	\$ 11,800	\$ 6,983	\$ 4,817
Furniture and Fixtures	150	0	150
Dues and Fees	895	894	1
Professionals Development	1,000	490	510
Small Tools	907	991	(84)
Capital Projects	13,000	0	13,000
Plant Line and Construction Debt	43,697	0	43,697
Rugg Avenue/Keinle Waterline Debt	15,000	18,820	(3,820)
Interest	25,925	38,504	(12,579)
	<u>864,673</u>	<u>812,410</u>	<u>52,263</u>
Total Expenses			
Net Income/(Loss)	<u>\$ (40,017)</u>	(18,856)	<u>\$ 21,161</u>
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation		(114,356)	
Transfer Out		<u>(398)</u>	
Change in Net Position - Exhibit G		<u>\$ (133,610)</u>	

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Rents	\$ 509,819	\$ 456,988	\$ (52,831)
Penalties on Rents	7,107	5,384	(1,723)
Hookups	110,000	103,362	(6,638)
Interest Earnings	0	54	54
Miscellaneous Income	1,500	148	(1,352)
Septage Receipts	52,000	103,988	51,988
Maintenance Agreement Receivable	400	0	(400)
Transfer - TIF Fund	301,458	301,458	0
	<u>982,284</u>	<u>971,382</u>	<u>(10,902)</u>
Expenses:			
Regular Salaries	146,778	107,002	39,776
Overtime Salaries	6,000	11,241	(5,241)
Insurance Buyout	1,900	5,083	(3,183)
Group Health Insurance	27,098	9,069	18,029
HRA Contribution	12,776	3,019	9,757
Group Dental Insurance	3,849	1,693	2,156
LTD/STD Group Vision Insurance	2,092	923	1,169
Group Life Insurance and AD&D	402	278	124
Social Security	11,830	9,279	2,551
Retirement	7,773	6,213	1,560
Worker's Compensation	5,128	6,519	(1,391)
Other Employee Benefits	735	560	175
Official/Administrative	157,585	157,585	0
Technical Services	3,125	65,748	(62,623)
Water/Sewer	3,200	4,184	(984)
Disposal and Refuse	4,500	5,581	(1,081)

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TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Expenses/(Cont'd):			
Repair and Maintenance Facility	\$ 8,000	\$ 4,906	\$ 3,094
Vehicle Repair and Maintenance	1,975	1,865	110
Equipment Repair and Maintenance	3,000	11,284	(8,284)
Rental of Land and Buildings	100	100	0
Rental of Equipment and Vehicle	300	0	300
Construction Services	24,000	17,151	6,849
Insurance Deductible	500	0	500
General Liability Insurance	2,616	2,195	421
Vehicle Insurance	700	0	700
Property Insurance	6,843	10,793	(3,950)
Communications - Telephone	2,200	2,401	(201)
Communications - Other	650	529	121
Advertising	300	0	300
Printing and Binding	500	193	307
Travel	278	0	278
Postage and Mailing	700	110	590
Office Supplies	433	68	365
General Supplies	76,018	66,354	9,664
Water Meter Purchases	10,167	7,714	2,453
Technology	1,250	6	1,244
Natural Gas	12,300	13,393	(1,093)
Electricity	86,650	102,920	(16,270)
Bottled Gas	75	0	75
Diesel Fuel	2,674	0	2,674
Gasoline	2,709	3,398	(689)
Books and Periodicals	200	324	(124)
Employee Uniforms	1,352	837	515
Machinery and Equipment	1,750	3,686	(1,936)
Furniture and Fixtures	150	0	150

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF MILTON, VERMONT
STATEMENT OF REVENUE AND EXPENSES
BUDGET (NON GAAP BUDGETARY BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Amended Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Expenses/(Cont'd):			
Dues and Fees	\$ 1,990	\$ 1,057	\$ 933
Professional Development	1,800	1,588	212
Small Tools	700	237	463
Capital Projects	240,000	142,288	97,712
SRF Sewer Bond	43,250	43,250	0
Sewer Upgrade Bond	<u>258,208</u>	<u>258,208</u>	<u>0</u>
Total Expenses	<u>1,189,109</u>	<u>1,090,832</u>	<u>98,277</u>
Net Income/(Loss)	<u>\$ (206,825)</u>	(119,450)	<u>\$ 87,375</u>
Adjustments to Reconcile to GAAP Basis Statements:			
Principal Payments on Debt		301,458	
Depreciation		(248,877)	
Purchase of Capital Assets		139,214	
Transfer Out		<u>(33,020)</u>	
Change in Net Position - Exhibit G		<u>\$ 39,325</u>	

See Disclaimer in Accompanying Independent Auditor's Report.

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milton, Vermont, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Milton, Vermont's basic financial statements and have issued our report thereon dated January 2, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Milton, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 14-1, to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 14-2 to be a significant deficiency.

Compliance and Other Matters

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

We also noted certain other matters that we reported to the management of the Town of Milton, Vermont in a separate letter dated January 2, 2015.

Town of Milton, Vermont's Response to Findings

The Town of Milton, Vermont's responses to the findings identified in our audit are included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Milton, Vermont's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

January 2, 2015
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF MILTON, VERMONT
SCHEDULE OF FINDINGS AND
DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2014

Deficiencies in Internal Control:

Material Weaknesses:

14-1 Reconciliation of Balance Sheet Accounts

Criteria:

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

Condition:

A number of balance sheet accounts such as cash, ambulance and grants receivable, accounts payable, compensated absences, notes and loans payable, deferred revenue, accrued interest payable and certain liabilities were not reconciled to the actual balances at year end which resulted in various adjustments to revenue and expenses.

Cause:

Unknown.

Effect:

The Town's account balances were incorrect.

Recommendation:

We recommend that all balance sheet accounts be reconciled to supporting documentation at least monthly in order to detect and correct errors.

Response:

The Town has implemented additional controls for reconciling balance sheet accounts, especially in the area of ambulance billing. In addition, the Town has consolidated its cash accounts to reduce the complexity and time required for reconciling multiple funds with multiple cash accounts.

Significant Deficiencies:

14-2 Controls Over Journal Entries

Criteria:

Internal controls should be in place that requires appropriate officials to authorize all adjustments to the books of original entry and to ensure proper recording of journal entries.

TOWN OF MILTON, VERMONT
SCHEDULE OF FINDINGS AND
DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2014

Condition:

Internal controls over recording of journal entries are inadequately designed. The Town does not consistently document and/or approve journal entries.

Cause:

Unknown.

Effect:

This one deficiency in internal control structure could allow other working control policies to be circumvented.

Recommendation:

We recommend that the Town implement procedures to ensure that all journal entries are properly supported with documentation as to how and where the amount was derived and that all journal entries be reviewed by an appropriate official so as not to circumvent the original approval process.

Response:

Journal entries are now being reviewed on a monthly basis by the Town Manager's Office instead of the Treasurer's Office. The Town Manager brings any outstanding issues to the Finance's Office attention for follow up or correction as needed.