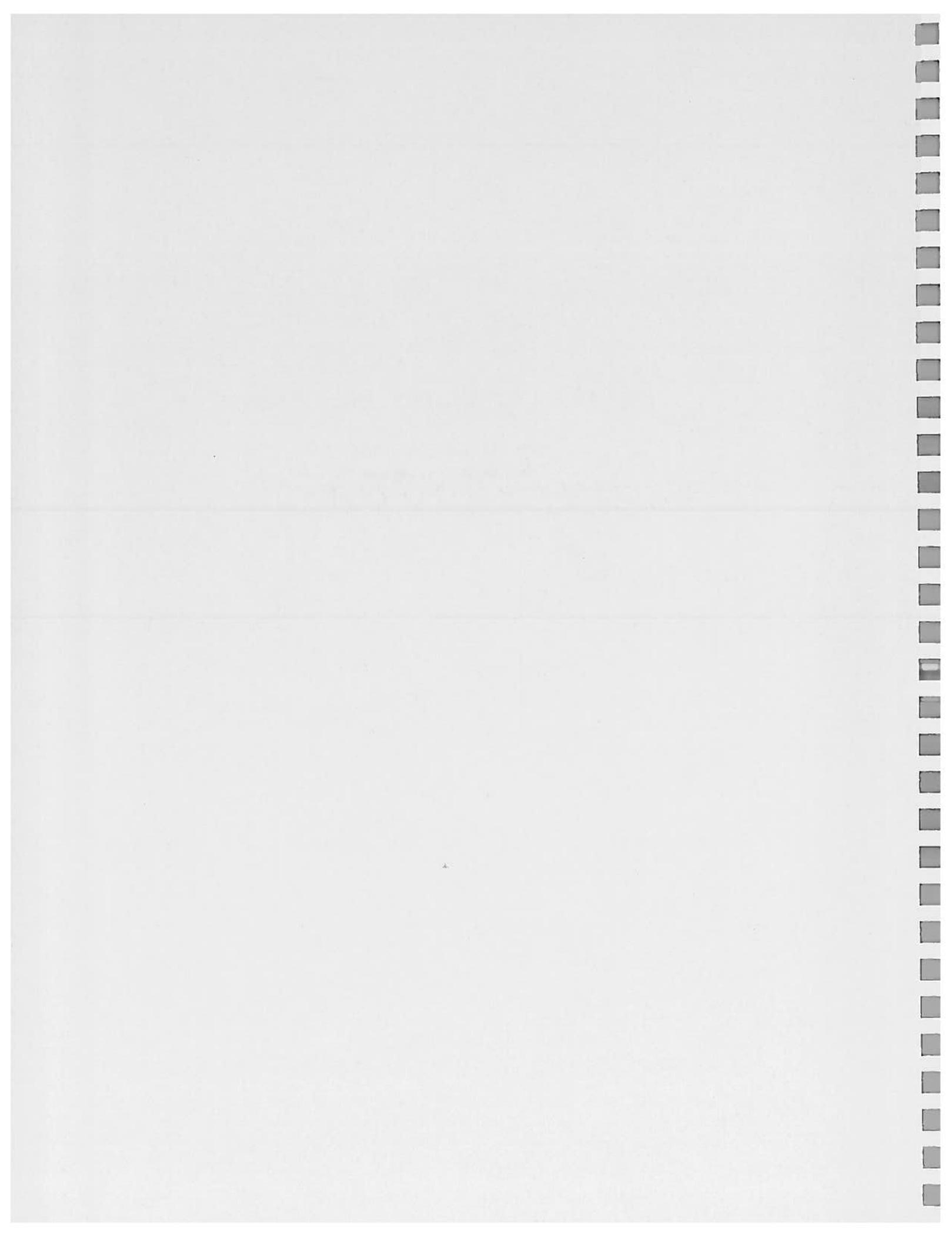


THE TOWN OF MILTON, DELAWARE

Audited Financial Statements
And Supplemental Information
For Fiscal Year Ended September 30, 2009
(With Comparative Year Analyses 2008, 2007, 2006)



TOWN OF MILTON, DELAWARE
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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FISCAL YEAR ENDED SEPTEMBER 30, 2009

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor And Members Of Council
Town of Milton
Milton, Delaware

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, Delaware as of and for the year ended September 30, 2009, with comparative totals for 2008, 2007 and 2006, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 12, 2010. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milton, Delaware as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

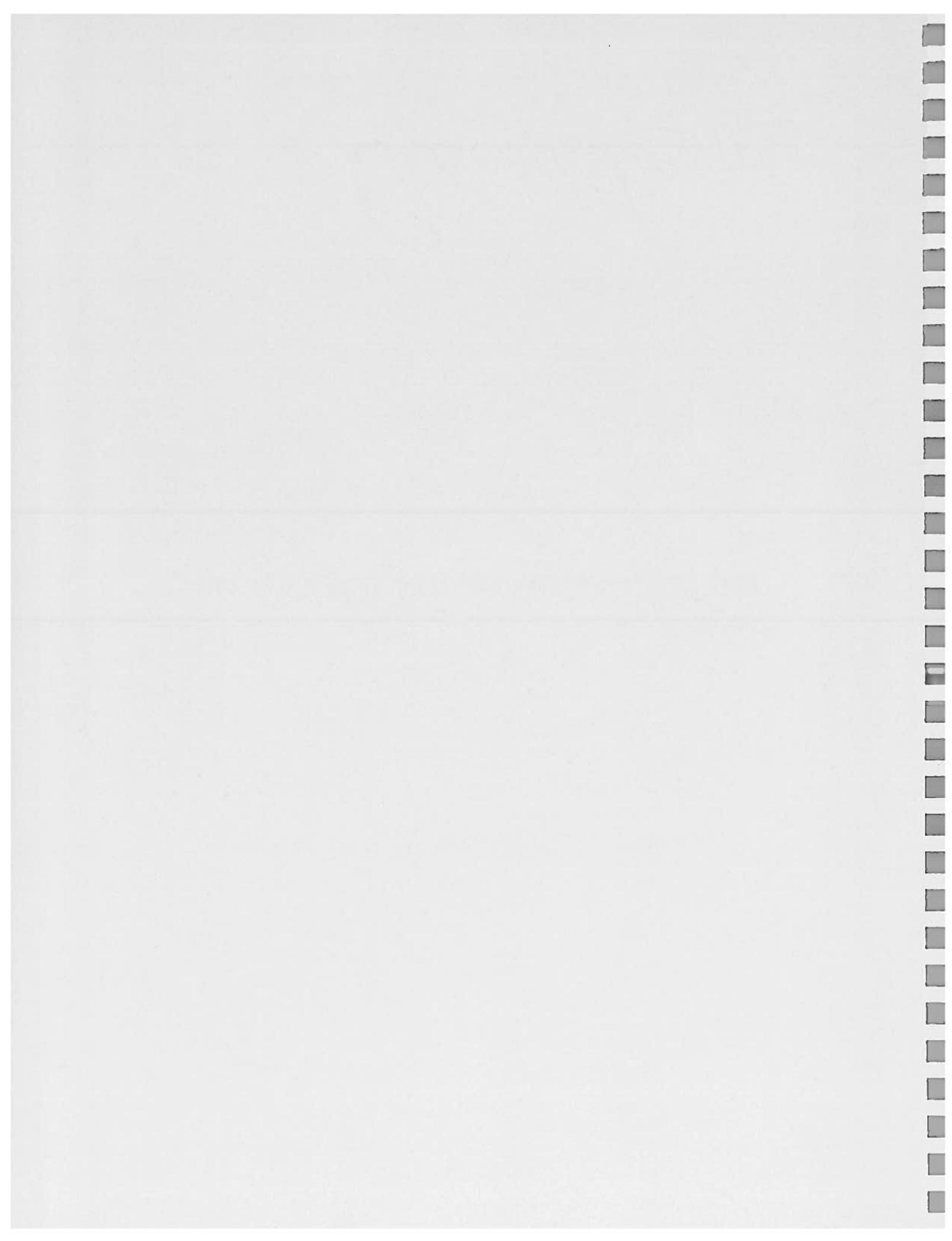
The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted on the United States of America. We have performed certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Milton, Delaware basic financial statements. The supplementary information are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sambar & Company, CPAs, P.A.
Certified Public Accountants

January 12, 2010
Georgetown, Delaware

MANAGEMENT DISCUSSION AND ANALYSIS



TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

As management of The Town of Milton, Delaware, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2009. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements (beginning on page 14).

FINANCIAL HIGHLIGHTS

- The assets of The Town of Milton exceeded its liabilities at the close of the most recent fiscal year by \$ 5,385,086 (Net assets). Of this amount, \$ 2,186,325 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.
- As of the close of the current fiscal year, The Town of Milton's governmental funds reported combined ending fund balances of \$ 1,762,788. Of this total amount, \$ 1,685,903 is unreserved and available for use within the Town's designation and policies while the remaining \$ 76,885 is allocated for police and street projects.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 1,685,903 or 63 % of the total general fund expenditure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of 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 in addition to the basic financial statements themselves.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the Town's net assets changed during the fiscal year. All changes in net assets are reported when 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 the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Both the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government and administration, public safety, and streets. The business-type activities of the Town are Water and Trash operations. Sewer operations ended on June 30, 2007.

The government-wide financial statements can be found on pages 14 – 16 of this report.

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, 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 can be divided into two categories – governmental funds and proprietary 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 financial statements focus on current sources and uses 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 funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains five governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Municipal Street Aid, all of which are considered to be major funds. Data from the other three 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 basic governmental fund financial statements can be found on pages 17 – 20 of this report.

Proprietary Funds – The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water operations and for trash services.

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 and Trash funds. The Water fund is considered to be a major fund of the Town, while Trash activity is limited to the collection of Trash fees.

The basic proprietary fund financial statements can be found on pages 22 – 25 of this report.

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Notes to the Financial Statements – 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 to the financial statements can be found on pages 26 – 36 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary activity. Required supplementary information can be found on page 38 – 44 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 45 – 56 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Town of Milton, assets exceeded liabilities by \$ 5,385,086 as of September 30, 2009.

A large portion of the Town's net assets (59 %) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the Town'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'S NET ASSETS

	Governmental	Governmental	Business-Type	Business-Type	Totals		Amount Change	Percentage Change
	Activities September 30, 2009	Activities September 30, 2008	Activities September 30, 2009	Activities September 30, 2008	September 30, 2009	September 30, 2008		
Current and other assets	\$ 2,302,517	\$ 2,901,484	\$ 645,797	\$ 936,142	\$ 2,948,314	\$ 3,837,626	\$ (889,312)	-23.17%
Capital Assets	2,035,216	2,089,034	1,673,166	1,739,058	3,708,382	3,828,092	(119,710)	-3.13%
Total Assets	4,337,733	4,990,518	2,318,963	2,675,200	6,656,696	7,665,718	(1,009,022)	
Long term liabilities	154,891	412,544	546,581	546,580	701,472	959,124	(257,652)	-26.86%
Other liabilities	503,550	374,257	66,588	377,202	570,138	751,459	(181,321)	-24.13%
Total Liabilities	658,441	786,801	613,169	923,782	1,271,610	1,710,583	(438,973)	
Net Assets:								
Invested in capital assets, net								
of related debt	2,035,216	1,672,307	1,126,585	1,161,862	3,161,801	2,834,169	327,632	11.56%
Restricted	28,693	38,433	8,267	9,841	36,960	48,274	(11,314)	
Unrestricted	1,615,383	2,492,977	570,942	579,715	2,186,325	3,072,692	(886,367)	-28.85%
Total Net Assets	\$ 3,679,292	\$ 4,203,717	\$ 1,705,794	\$ 1,751,418	\$ 5,385,086	\$ 5,955,135	\$ (570,049)	

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The balance of governmental unrestricted net assets \$ 1,615,383 may be used to meet the government's ongoing obligation to citizens and creditors.

As of September 30, 2009, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate categories – governmental and business-type activities.

Analysis of the Town's Operations – The following table provides a summary of the Town's operations for the year ended September 30, 2009. Governmental activities decreased the Town of Milton's net assets by \$ 524,425. Business-type activities decreased the Town's net assets by \$ 45,624. The overall net effect is a decrease in net assets of \$ 570,049.

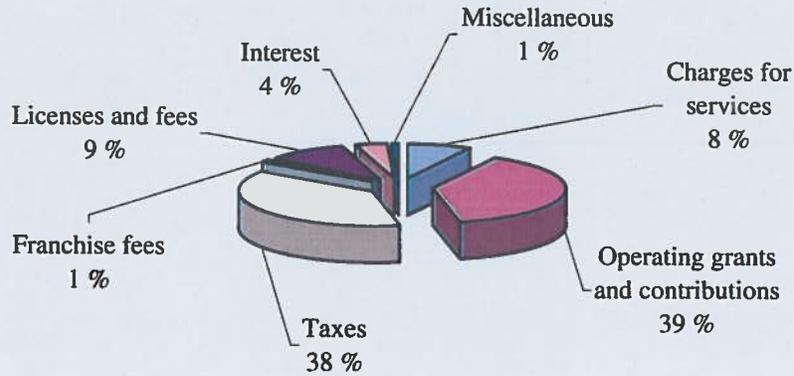
TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

TOWN OF MILTON'S CHANGES IN NET ASSETS

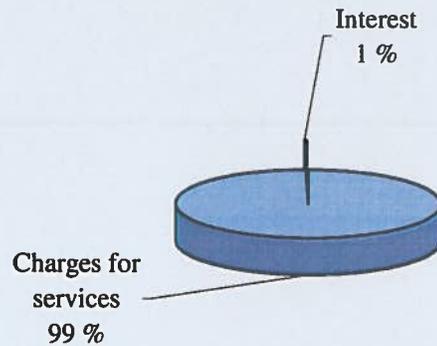
	Governmental	Governmental	Business-Type	Business-Type	Totals		Amount Change	Percentage Change
	Activities	Activities	Activities	Activities	September 30, 2009	September 30, 2008		
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008		
Revenues:								
Program Revenues:								
Charges for services	\$ 169,916	\$ 265,023	\$ 742,624	\$ 570,995	\$ 912,540	\$ 836,018	\$ 76,522	9.15%
Operating grants and contributions	848,062	319,575	-	9,000	848,062	328,575	519,487	158.10%
General Revenues:								
Taxes	819,413	1,149,536	-	-	819,413	1,149,536	(330,123)	-28.72%
Franchise fees	24,853	19,744	-	-	24,853	19,744	5,109	25.88%
Licenses and fees	214,856	284,064	-	-	214,856	284,064	(69,208)	-24.36%
Interest	80,605	97,498	2,341	4,521	82,946	102,019	(19,073)	-18.70%
Miscellaneous	20,247	19,979	-	4,373	20,247	24,352	(4,105)	-16.86%
Total Revenues	2,177,952	2,155,419	744,965	588,889	2,922,917	2,744,308	178,609	
Expenses:								
Sanitation Department	-	169,662	-	-	-	169,662	(169,662)	-100.00%
Street Department	117,175	208,126	-	-	117,175	208,126	(90,951)	-43.70%
Police Department	873,853	974,134	-	-	873,853	974,134	(100,281)	-10.29%
Fire Company	5,000	5,000	-	-	5,000	5,000	-	0.00%
Administrative Department	490,193	588,466	-	-	490,193	588,466	(98,273)	-16.70%
Code Enforcement	241,437	263,906	-	-	241,437	263,906	(22,469)	-8.51%
Park & Recreation	746,985	49,407	-	-	746,985	49,407	697,578	1411.90%
General Government	340,166	362,316	-	-	340,166	362,316	(22,150)	-6.11%
SWAT	4,217	31,255	-	-	4,217	31,255	(27,038)	-86.51%
Trash Department	-	-	181,780	-	181,780	-	181,780	0.00%
Water Department	-	-	492,160	531,733	492,160	531,733	(39,573)	-7.44%
Sewer Department	-	-	-	25	-	25	(25)	-100.00%
Total Expenses	2,819,026	2,652,272	673,940	531,758	3,492,966	3,184,030	308,936	
Increase / (Decrease) in net assets								
before prior period adjustment,								
and transfers	(641,074)	(496,853)	71,025	57,131	(570,049)	(439,722)	(130,327)	
Prior period adjustment	-	(53,264)	-	(13,929)	-	(67,193)	67,193	
Transfers	116,649	(608,834)	(116,649)	608,834	-	-	-	
Increase / (Decrease) in net assets	(524,425)	(1,158,951)	(45,624)	652,036	(570,049)	(506,915)	(63,134)	
Net assets - October 1st	4,203,717	5,362,668	1,751,418	1,099,382	5,955,135	6,462,050		
Net assets - September 30th	\$ 3,679,292	\$ 4,203,717	\$ 1,705,794	\$ 1,751,418	\$ 5,385,086	\$ 5,955,135		

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

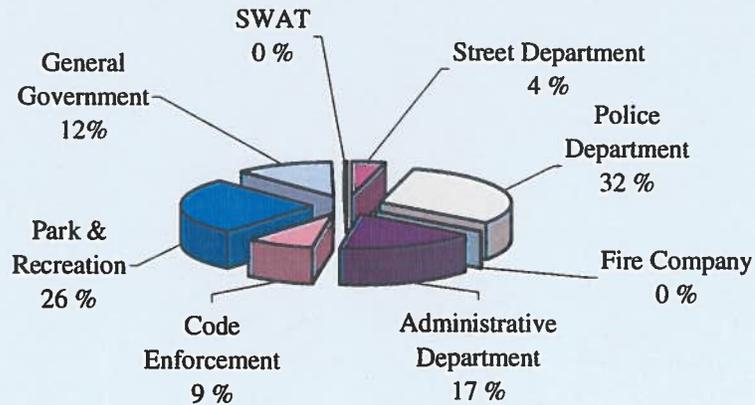
Governmental Activities 2009 Revenues



Business-Types Activities 2009 Revenues

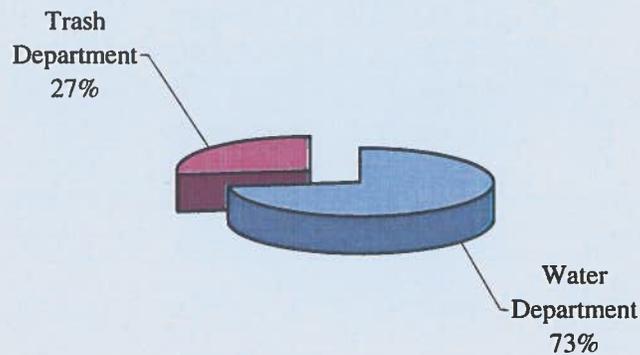


Governmental Activities 2009 Expenditures



TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Business-Type Activities 2009 Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

Governmental funds – The focus of the Town of Milton’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’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 combined ending fund balances of \$ 1,762,788. Approximately 96 % of this total amount constitutes unreserved fund balance.

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

Unrestricted net assets of the respective proprietary funds are Water \$ 523,887 and Trash \$ 55,322 . The funds had net assets decrease in 2009 as follows: Water \$ 15,955 and Trash \$ 29,669.

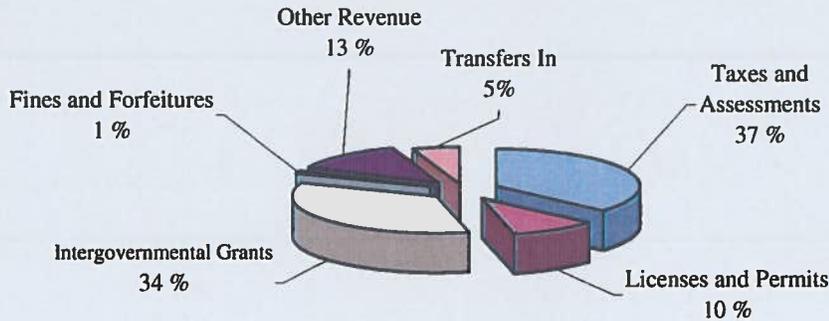
General Fund Budgetary Highlights – In the General Fund revenues were higher than budgetary expectations by \$ 418,945 due to higher grant receipts. Departmental expenditures were higher than original budgeted expenditures by \$ 713,752, due to rails to trails expenditures and legal fees.

The following schedule presents a summary of General Fund revenues and transfers in for the fiscal year ended September 30, 2009, including the amount and the percentage of total revenues for the prior year.

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Revenues	September 30, 2009 Totals	Percentage of Total	September 30, 2008 Totals	Percentage of Total
Taxes and Assessments	\$ 802,679	37%	\$ 1,130,091	47%
Licenses and Permits	214,856	10%	284,064	12%
Intergovernmental Grants	755,744	34%	206,289	9%
Fines and Forfeitures	28,680	1%	31,266	1%
Other Revenue	278,491	13%	379,677	16%
Transfers In	116,649	5%	364,601	15%
	<u>\$ 2,197,099</u>		<u>\$ 2,395,988</u>	

General Fund 2009 Revenues



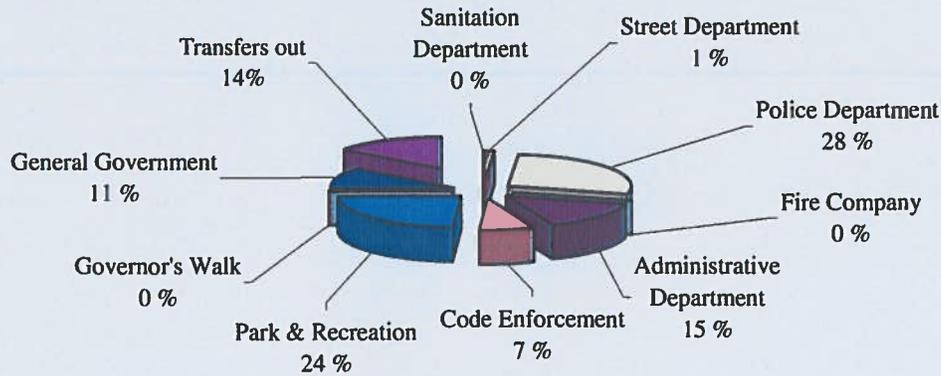
Taxes and assessments represent the largest revenue source, with \$ 802,679 or 37 % of all General Fund revenues.

The following schedule represents a summary of General Fund expenditures and transfers out for the fiscal year ended September 30, 2009, including the amount and the percentage of total expenditures for the prior year.

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Expenditures	September 30, 2009 Totals	Percentage of Total	September 30, 2008 Totals	Percentage of Total
Sanitation Department	\$ -	0%	\$ 169,662	5%
Street Department	41,451	1%	111,080	3%
Police Department	842,097	28%	967,978	30%
Fire Company	5,000	0%	5,000	0%
Administrative Department	460,996	15%	600,219	18%
Code Enforcement	226,981	7%	259,492	8%
Park & Recreation	746,985	24%	217,948	7%
Governor's Walk	6,300	0%	-	0%
General Government	333,866	11%	362,316	11%
Transfers out	451,534	14%	608,834	18%
	<u>\$ 3,115,210</u>		<u>\$ 3,302,529</u>	

General Fund 2009 Expenditures



The Town had a decrease in expenditures of \$ 187,319 or 6 % from the prior year to the current year. The major reason for the decrease was due to the movement of Trash expenses to the proprietary funds. Current year expenditures compared to budget, is an unfavorable variance of \$ 713,752. The primary reason for this variance was due to rails to trails expenditures.

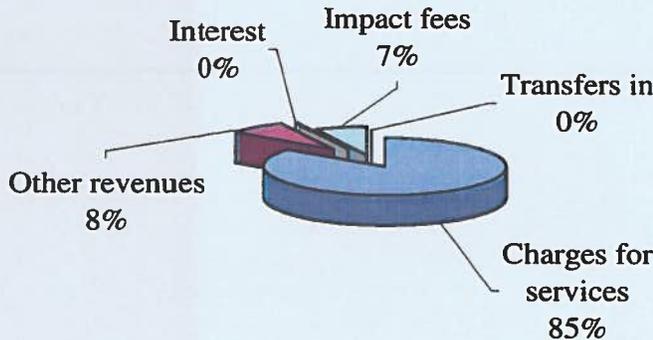
Proprietary Fund Budgetary Highlights – Revenues for the Proprietary Fund operations were below budgetary estimates by \$ 20,376 or 3 %, primarily due to lower water and trash fees. Departmental expenditures were higher than the original budgeted expenditures by \$ 49,996 or 8 %. The reason for this was due to supplies, utilities and depreciation being higher than anticipated.

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The following schedule presents a summary of Proprietary Fund revenues and transfers in for the fiscal year ended September 30, 2009, including the amount and the percentage of total revenues for the prior year.

Revenues	September 30, 2009 Totals	Percentage of Total	September 30, 2008 Totals	Percentage of Total
Charges for services	\$ 632,199	85%	\$ 423,635	35%
Other revenues	58,225	8%	9,000	1%
Interest	2,341	0%	4,521	0%
Impact fees	52,200	7%	151,733	13%
Transfers in	-	0%	608,834	51%
	<u>\$ 744,965</u>		<u>\$ 1,197,723</u>	

Proprietary Fund 2009 Revenues



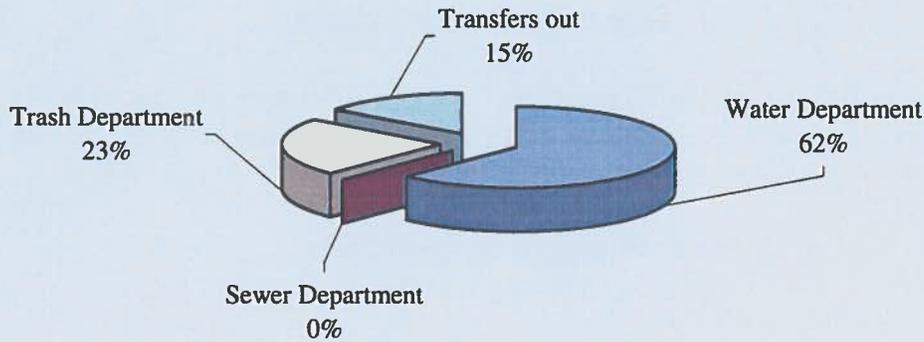
Charges for services represents the largest revenue source with \$ 632,199 or 85 %. The most significant decreases in revenue were transfers in and impact fees.

The following schedule represents a summary of Proprietary Fund expenditures and transfers out for the fiscal year ended September 30, 2009, and the percentage of the total expenditure.

Expenses	September 30, 2009 Totals	Percentage of Total	September 30, 2008 Totals	Percentage of Total
Water Department	\$ 492,160	62%	\$ 531,733	100%
Sewer Department	-	0%	25	0%
Trash Department	181,780	23%	-	0%
Transfers out	116,649	15%	-	0%
	<u>\$ 790,589</u>		<u>\$ 531,758</u>	

**TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Proprietary Fund 2009 Expenses



The main reason for the increase in expenses of \$ 258,831 or 49 % from the prior year to the current year was due to no transfers out in 2008. There was an unfavorable budgetary expenditure balance of \$ 49,996 which was due to higher use of supplies, utilities and depreciation.

CAPITAL ASSETS

The Town of Milton's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$ 3,708,382 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements and infrastructure.

**Capital Assets at Year-End
Net of Accumulated Depreciation**

	Governmental Activities		Business-Type Activities		Totals		Amount Change
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	
Land	\$ 30,721	\$ 30,721	\$ -	\$ -	\$ 30,721	\$ 30,721	-
Buildings	834,052	821,940	2,993	2,993	837,045	824,933	12,112
Improvements other than building	1,509,397	1,411,455	2,397,569	2,397,569	3,906,966	3,809,024	97,942
Machinery & equipment	846,227	760,584	872,918	812,965	1,719,145	1,573,549	145,596
Vehicle	448,657	448,657	168,067	168,067	616,724	616,724	-
Less: Accumulated Depreciation	(1,633,838)	(1,384,323)	(1,768,381)	(1,642,536)	(3,402,219)	(3,026,859)	(375,360)
Total	\$ 2,035,216	\$ 2,089,034	\$ 1,673,166	\$ 1,739,058	\$ 3,708,382	\$ 3,828,092	(119,710)

TOWN OF MILTON, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

New assets this year amounted to \$ 195,697 in the governmental activities fund and \$ 59,953 in the business-type activities fund. There was approximately \$ 97,942 worth of infrastructure improvements during the year, \$ 145,597 in new equipment and \$ 12,112 in building renovations.

DEBT ADMINISTRATION

At the end of the current fiscal year, the Town of Milton had a total loan payable of \$ 546,581. All of this is backed by the full faith and credit of the government. This loan payable is due to the State of Delaware Revolving Fund and pertains to improvements to the Town's water distribution facilities.

Outstanding Debt at Year End
Bonds and Notes Payable

	<u>September 30, 2009</u>	<u>September 30, 2008</u>	<u>Amount Change</u>
SRF 2001 - Water Improvements	\$ 546,581	\$ 577,196	\$ (30,615)
SRF 2001 - Sewer Improvements	-	416,727	(416,727)
<u>Total</u>	<u>\$ 546,581</u>	<u>\$ 993,923</u>	<u>\$ (447,342)</u>

Additional information on the Town of Milton's long term debt can be found in note #9 on pages 32 - 33 of this report.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens with general overview of the Town's finances. If you have questions about this report or need any additional information, contact the Town Hall, Attn: Finance Director, at 115 Federal Street, Milton, Delaware 19968, call 302/684-4110.

BASIC FINANCIAL STATEMENTS

TOWN OF MILTON, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	<u>Primary Government</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 2,228,173	\$ 378,689	\$ 2,606,862
Accounts receivable	47,451	212,765	260,216
Inventories	-	46,076	46,076
Unexpired insurance premiums	26,893	3,667	30,560
Prepaid maintenance	-	4,600	4,600
Capital assets:			
Land	30,721	-	30,721
Buildings	834,052	2,993	837,045
Improvements other than buildings	1,509,397	2,397,569	3,906,966
Machinery and equipment	846,227	872,918	1,719,145
Vehicles	448,657	168,067	616,724
Accumulated depreciation	<u>(1,633,838)</u>	<u>(1,768,381)</u>	<u>(3,402,219)</u>
<u>Total Assets</u>	<u>\$ 4,337,733</u>	<u>\$ 2,318,963</u>	<u>\$ 6,656,696</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Primary Government		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts payable	\$ 96,887	\$ 26,766	\$ 123,653
Accrued wages and payroll taxes	30,925	6,217	37,142
Accrued leave pay	13,666	29,536	43,202
Accrued interest payable	-	4,069	4,069
Due to Tidewater	350,225	-	350,225
Long-term liabilities			
Due within one year	18,311	31,590	49,901
Due in more than one year	136,580	514,991	651,571
Deferred revenue	11,847	-	11,847
	<u>658,441</u>	<u>613,169</u>	<u>1,271,610</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,035,216	1,126,585	3,161,801
Restricted	28,693	8,267	36,960
Unrestricted	1,615,383	570,942	2,186,325
	<u>3,679,292</u>	<u>1,705,794</u>	<u>5,385,086</u>
	<u>3,679,292</u>	<u>1,705,794</u>	<u>5,385,086</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 4,337,733</u>	<u>\$ 2,318,963</u>	<u>\$ 6,656,696</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
Street Department	\$ 117,175	\$ -	\$ 65,564	\$ -
Police Department	873,853	28,680	103,787	-
Fire Company	5,000	-	-	-
Administrative Department	490,193	23,701	-	-
Code Enforcement	241,437	-	-	-
Park & Recreation	746,985	-	-	635,326
Governor's Walk	6,300	-	-	-
General Government	333,866	117,535	43,385	-
SWAT	4,217	-	-	-
<u>Total Governmental Activities</u>	<u>2,819,026</u>	<u>169,916</u>	<u>212,736</u>	<u>635,326</u>
Business-type Activities:				
Water Department	492,160	551,374	-	-
Trash Department	181,780	191,250	-	-
Sewer Department	-	-	-	-
<u>Total Business-type Activities</u>	<u>673,940</u>	<u>742,624</u>	<u>-</u>	<u>-</u>
<u>Total Government</u>	<u>\$ 3,492,966</u>	<u>\$ 912,540</u>	<u>\$ 212,736</u>	<u>\$ 635,326</u>

General revenues:

- Taxes
- Franchise fees
- Licenses and fees
- Interest
- Miscellaneous
- Transfers

Total General revenues and transfers

Change in net assets

Net assets - October 1

Prior period adjustment

Net assets - September 30

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues
and Changes in Net Assets

Governmental Activities	Business-type Activities	Totals	
		2009	2008
\$ (51,611)	\$ -	\$ (51,611)	\$ (47,038)
(741,386)	-	(741,386)	(853,247)
(5,000)	-	(5,000)	(5,000)
(466,492)	-	(466,492)	(588,466)
(241,437)	-	(241,437)	(204,465)
(111,659)	-	(111,659)	(22,837)
(6,300)	-	(6,300)	-
(172,946)	-	(172,946)	(352,887)
(4,217)	-	(4,217)	1,612
<u>(1,801,048)</u>	<u>-</u>	<u>(1,801,048)</u>	<u>(2,072,328)</u>
-	59,214	59,214	(27,321)
-	9,470	9,470	4,654
-	-	-	75,558
<u>-</u>	<u>68,684</u>	<u>68,684</u>	<u>52,891</u>
<u>\$ (1,801,048)</u>	<u>\$ 68,684</u>	<u>\$ (1,732,364)</u>	<u>\$ (2,019,437)</u>
819,413	-	819,413	1,149,536
24,853	-	24,853	19,744
214,856	-	214,856	284,064
80,605	2,341	82,946	102,019
20,247	-	20,247	24,352
116,649	(116,649)	-	-
<u>1,276,623</u>	<u>(114,308)</u>	<u>1,162,315</u>	<u>1,579,715</u>
(524,425)	(45,624)	(570,049)	(439,722)
4,203,717	1,751,418	5,955,135	6,462,050
-	-	-	(67,193)
<u>\$ 3,679,292</u>	<u>\$ 1,705,794</u>	<u>\$ 5,385,086</u>	<u>\$ 5,955,135</u>

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TOWN OF MILTON, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	<u>General</u>	<u>Municipal Street Aid</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 2,162,963	\$ 54,548	\$ 10,662	\$ 2,228,173
Accounts receivable	47,451	-	-	47,451
Unexpired insurance premiums	26,893	-	-	26,893
	<u>2,237,307</u>	<u>54,548</u>	<u>10,662</u>	<u>2,302,517</u>
LIABILITIES AND FUND BALANCES				
<u>Liabilities:</u>				
Due to Tidewater	350,225	-	-	350,225
Accounts payable	92,269	4,618	-	96,887
Accrued wages and payroll taxes	30,925	-	-	30,925
Accrued leave pay	13,666	-	-	13,666
Deferred revenue	37,426	-	10,600	48,026
	<u>524,511</u>	<u>4,618</u>	<u>10,600</u>	<u>539,729</u>
<u>Fund Balances:</u>				
Unreserved	1,685,903	-	-	1,685,903
Reserved	26,893	49,930	62	76,885
	<u>1,712,796</u>	<u>49,930</u>	<u>62</u>	<u>1,762,788</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 2,237,307</u>	<u>\$ 54,548</u>	<u>\$ 10,662</u>	<u>\$ 2,302,517</u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND BALANCES TO
GOVERNMENTAL ACTIVITIES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The Total Net Assets reported for governmental activities in the Statement of Net Assets is different because:

Total Fund Balances for Government Funds **\$ 1,762,788**

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Capital assets net of accumulated depreciation are included in the Statement of Net Assets

Total Capital Assets	3,669,054	
Accumulated Depreciation	<u>(1,633,838)</u>	2,035,216

Revenue received after 60 days is not included in governmental funds.

Deferred property tax revenue		36,179
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Long-term liabilities applicable to the governmental activities are not due and payable in the current year and, accordingly, are not reported as fund liabilities.

Compensated absences	(136,580)	
Capital lease payables	<u>(18,311)</u>	<u>(154,891)</u>

Total Net Assets of Governmental Activities **\$ 3,679,292**

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Municipal Street Aid	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes and Assessments	\$ 802,679	\$ -	\$ -	\$ 802,679
Licenses and Permits	214,856	-	-	214,856
Intergovernmental Grants	755,744	65,564	14,410	835,718
Fines and Forfeitures	28,680	-	-	28,680
Other Revenue	278,491	794	-	279,285
	<u>Total Revenues</u>	<u>66,358</u>	<u>14,410</u>	<u>2,161,218</u>
<u>Expenditures:</u>				
Street Department	41,451	61,185	-	102,636
Police Department	842,097	-	14,410	856,507
Fire Company	5,000	-	-	5,000
Administrative Department	460,996	-	-	460,996
Code Enforcement	226,981	-	-	226,981
Park & Recreation	746,985	-	-	746,985
General Government	340,166	-	-	340,166
SWAT	-	-	4,217	4,217
	<u>Total Expenditures</u>	<u>61,185</u>	<u>18,627</u>	<u>2,743,488</u>
<u>Excess Of Revenues Over</u>				
<u>(Under) Expenditures</u>	(583,226)	5,173	(4,217)	(582,270)
<u>Other Financing Sources (Uses):</u>				
Transfers to	(451,534)	-	-	(451,534)
Transfers from	116,649	-	-	116,649
	<u>Total Other Financing</u>	<u>Sources (Uses)</u>	<u>\$ (334,885)</u>	<u>\$ -</u>
	<u>\$ (334,885)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (334,885)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>General</u>	<u>Municipal Street Aid</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Net Change in Fund Balances</u>	\$ <u>(918,111)</u>	\$ <u>5,173</u>	\$ <u>(4,217)</u>	<u>(917,155)</u>
<u>Fund balance - October 1, 2008</u>	<u>2,630,907</u>	<u>44,757</u>	<u>4,279</u>	<u>2,679,943</u>
<u>Fund balance - September 30, 2009</u>	\$ <u><u>1,712,796</u></u>	\$ <u><u>49,930</u></u>	\$ <u><u>62</u></u>	<u><u>1,762,788</u></u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES TO FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$	(917,155)
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Governmental Fund Reports Capital Outlay as Expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay exceeded the depreciation expense:

Assets acquired:	195,696	
Depreciation charges:	<u>(249,515)</u>	(53,819)

Transfer of principal and new debt acquired to the General Long-Term Debt Account Group include:

New Capital Lease:	34,808	
Note payable	416,727	
Compensated Absences:	<u>(25,833)</u>	425,702

Interest not expensed in governmental funds		4,113
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Property tax revenue not recognized in governmental funds because it is received 60 days after the year end.		<u>16,734</u>
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Change in net assets of governmental activities	\$	<u><u>(524,425)</u></u>
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The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds		
	Water	Trash	Total
ASSETS			
Current Assets:			
Cash - restricted	\$ 378,689	\$ -	\$ 378,689
Accounts receivable	157,443	55,322	212,765
Inventories	46,076	-	46,076
Unexpired insurance premiums	3,667	-	3,667
Prepaid maintenance	4,600	-	4,600
Total Current Assets	590,475	55,322	645,797
Noncurrent Assets:			
Capital assets:			
Buildings	2,993	-	2,993
Improvements other than buildings	2,397,569	-	2,397,569
Machinery and equipment	872,918	-	872,918
Vehicles	168,067	-	168,067
Accumulated depreciation	(1,768,381)	-	(1,768,381)
Total Noncurrent Assets	1,673,166	-	1,673,166
TOTAL ASSETS	2,263,641	55,322	2,318,963
LIABILITIES			
Current Liabilities:			
Accounts payable	26,766	-	26,766
Accrued interest payable	4,069	-	4,069
Accrued wages and payroll taxes	6,217	-	6,217
Total Current Liabilities	37,052	-	37,052
Noncurrent liabilities:			
Accrued leave pay	29,536	-	29,536
Notes payable	546,581	-	546,581
Total Noncurrent Liabilities	576,117	-	576,117
Total Liabilities	613,169	-	613,169
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,126,585	-	1,126,585
Unrestricted	523,887	55,322	579,209
Total Net Assets	1,650,472	55,322	1,705,794
Total Liabilities and Net Assets	\$ 2,263,641	\$ 55,322	\$ 2,318,963

The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities - Enterprise Funds		
	Water	Trash	Total
<u>Operating revenues:</u>			
Other income	\$ 13,150	\$ -	\$ 13,150
Penalties	6,614	-	6,614
Sale of meters	23,661	-	23,661
Service charges	440,949	191,250	632,199
Tapping fees	14,800	-	14,800
	499,174	191,250	690,424
<u>Operating expenses:</u>			
Advertising	100	-	100
Depreciation	125,845	-	125,845
Employee benefits	40,287	-	40,287
Engineering	6,750	-	6,750
Gas and oil	9,041	-	9,041
Interest expense	18,372	-	18,372
Contract services	-	181,780	181,780
Miscellaneous	3,514	-	3,514
Payroll taxes	11,574	-	11,574
Pension	12,342	-	12,342
Postage	3,337	-	3,337
Repairs and maintenance	41,377	-	41,377
Salaries and labor	136,955	-	136,955
Supplies	32,323	-	32,323
Telephone	5,413	-	5,413
Tests	793	-	793
Training	365	-	365
Uniforms	9,087	-	9,087
Utilities	34,685	-	34,685
	492,160	181,780	673,940
<u>Operating Income (Loss)</u>	\$ 7,014	\$ 9,470	\$ 16,484

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Trash</u>	<u>Total</u>
<u>Nonoperating revenues (expenses):</u>			
Impact fees	\$ 52,200	\$ -	\$ 52,200
Interest income	2,341	-	2,341
<u>Total Non-Operating Revenues (Expenses)</u>	<u>54,541</u>	<u>-</u>	<u>54,541</u>
<u>Income (Loss) before Transfers</u>	61,555	9,470	71,025
<u>Transfer (to) \ from proprietary fund</u>	39,139	(39,139)	-
<u>Operating Transfers In (Out)</u>	<u>(116,649)</u>	<u>-</u>	<u>(116,649)</u>
<u>Change in Net Assets</u>	(15,955)	(29,669)	(45,624)
<u>Net Assets - October 1, 2008</u>	<u>1,666,427</u>	<u>84,991</u>	<u>1,751,418</u>
<u>Net Assets - September 30, 2009</u>	<u>\$ 1,650,472</u>	<u>\$ 55,322</u>	<u>\$ 1,705,794</u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Trash</u>	<u>Total</u>
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ 7,014	\$ 9,470	\$ 16,484
Adjustments to reconcile operating income to net cash provided:			
Depreciation	125,845	-	125,845
(Increase) decrease in accounts receivable	(7,757)	(58,521)	(66,278)
(Increase) decrease in inventories	(14,137)	-	(14,137)
(Increase) decrease in prepaid insurance	1,574	-	1,574
Increase (decrease) in accounts payable	23,760	-	23,760
Increase (decrease) in interest payable	(229)	-	(229)
Increase (decrease) in capital lease payable	(8,605)	-	(8,605)
Increase (decrease) in accrued compensated absences and wages	1,381	-	1,381
<u>Net Cash Provided (Used)</u> <u>by Operating Activities</u>	<u>128,846</u>	<u>(49,051)</u>	<u>79,795</u>
<u>Cash flows from noncapital financing activities:</u>			
Operating transfers in / (out)	<u>210,925</u>	<u>(327,574)</u>	<u>(116,649)</u>
<u>Cash flows from capital and related financing activities:</u>			
New capital assets acquired	(59,953)	-	(59,953)
Reduction in notes payable	(30,615)	-	(30,615)
Impact fees	52,200	-	52,200
Decrease in payable to Tidewater Inc.	(296,305)	-	(296,305)
<u>Net Cash Provided by Capital and</u> <u>Related Financing Activities</u>	<u>(334,673)</u>	<u>-</u>	<u>(334,673)</u>
<u>Cash flow from investing activities:</u>			
Interest on investments	<u>2,341</u>	<u>-</u>	<u>2,341</u>
<u>Net Increase (Decrease) in Cash and</u> <u>Cash Investments</u>	7,439	(376,625)	(369,186)
<u>Cash at October 1, 2008</u>	<u>371,250</u>	<u>376,625</u>	<u>747,875</u>
<u>Cash at September 30, 2009</u>	<u>\$ 378,689</u>	<u>\$ -</u>	<u>\$ 378,689</u>

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS



TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies

A. General Statement

The Town of Milton (the "Town") was incorporated in 1807 under the provisions of the State of Delaware. The Town operates under a Town Council form of government and provides the following services as authorized by its charter: public safety (police), streets, sanitation, water, recreation, public improvements, planning and zoning, general administrative services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the Town has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989. The more significant accounting policies of the Town are described below.

B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Milton has no component units.

C. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Town. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items are not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is the current financial resources. The Town has presented the following major governmental funds:

General Fund – This is the main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in net assets, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The Town has presented the following major proprietary funds:

Water Department – This is used to account for the provision of water services to the residents of the Town. Activities of the fund include administration, operations and maintenance, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principle and interest for water debt.

Trash Department – This is used to account for the provision of trash services to the residents of the Town. This service is subcontracted out to a local trash company.

All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, charges for service, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

D. Measurement / Basis of Accounting (Continued)

The Town reports the following major governmental funds:

The General Fund is used to account for all financial transactions not accounted for in another fund. Revenues are derived principally from property taxes, municipal user taxes, and other intergovernmental revenues. This fund accounts for the general administrative services of the Town not recorded elsewhere, including the activities of the various departments, public safety, street maintenance, code enforcement, general administrative, and mayor and council.

The Municipal Street Aid Fund is used to account for financial transactions pertaining to specific resources. Revenues are derived from State of Delaware Transportation Trust Fund grant monies. Expenditures of these monies are allowable for improvements to water and sewer systems, street improvements, public safety and public works.

The Town reports the following major enterprise fund:

Water & Trash Funds report Town operations that provide services financed primarily by use charges, or activities where the periodic measurement of net income is appropriate for capital maintenance, public policy and management control.

E. Implementation of New Accounting Principles

For fiscal year 2004, the Town has implemented GASB Statement No. 33 (GASB 33), "Accounting and Financial Reporting for Non-exchange Transactions", GASB Statement No. 34 (GASB 34), "Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments", GASB Statement No. 37 (GASB 37), "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus" and GASB Statement No. 38 (GASB 38), "Certain Financial Statement Disclosures". At July 1, 2003, there was no effect on fund balance as a result of implementing GASB 33, GASB 37, and GASB 38.

Under GASB Statement 33, property taxes are imposed non-exchange revenue. Assets (accounts receivable) from imposed non-exchange transactions are recorded when the Town has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date.

In prior years, capital contributions were recorded as a direct addition to the contributed capital equity account. Beginning in fiscal year 2004, GASB 33 required contributions of capital assets to be recorded as revenue in the Statement of Revenues, Expenses and Changes in Fund Net Assets.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

E. Implementation of New Accounting Principles (Continued)

GASB 34 creates new basic financial statements for reporting on the Town’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

GASB 34 also includes certain transition treatments in regards to infrastructure. The Town has elected to not retroactively implement those treatments.

F. Budgetary Control

The Town charter established the fiscal year as the twelve-month period beginning October 1st. The Town Council adopts a budget annually. The budget can be revised as deemed necessary by the Council. A single fixed budget covers the general fund and enterprise fund, and is employed during the year as a management control device. The budgetary amounts are comprised of the normal operating budget and supplemental budget allocations, if applicable.

(2) Investments

In January 2001, the Town entered into the Delaware Local Government Investment Pool (DELGIP) with an initial deposit of \$ 80,000. DELGIP operates in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. DELGIP was created by the State of Delaware, and funds are under the control of the State Treasurer or other administrative bodies as determined by Delaware’s Cash Management Policy Board. Funds may be combined with funds of the State of Delaware while invested in the pool. The investment is recorded at \$ 282 at September 30, 2009, based on the pool’s share price, which DELGIP is required to maintain at \$1 per share. Pooled investments represent those investments in units of a pool rather than specific securities. As a result, such investments are not categorized as to risk. Information is not available concerning the indirect use of derivatives through the investment pool.

		<u>Proprietary Fund</u>
Ending Balance 9/30/08	\$	<u>280</u>
Add: Current Year Deposits		-
Current Year Interest		2
Less: Withdrawals		<u>-</u>
Ending Balance 9/30/09	\$	<u><u>282</u></u>
Accrued Interest at 9/30/09	\$	<u><u>1</u></u>

The interest rate for DELGIP fund fluctuated during the current fiscal year. The rate of interest at September 30, 2009 was .100 %.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(3) **Prepaid Items**

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

(4) **Inventory**

Inventory consist of supplies used in water improvements and are recorded at cost using the first-in, first-out method.

(5) **Interfund Receivables and Payables**

The interfund receivables and payables reflected as "Other Financing Sources (Uses)" (due from or to other funds) are current assets and liabilities between the individual funds.

(6) **Operating Transfers**

Funds have been received and disbursed between the General Fund and the Enterprise Fund to finance operations during the year.

(7) **Total Columns On General Purpose Financial Statements**

Total columns captioned "Memorandum Only" indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Each fund should be considered separately as to its financial position and operating results.

(8) **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(8) Capital Assets (Continued)

	General Fixed Assets	(Enterprise) Proprietary Fund	Total
Land	\$ 30,721	\$ -	\$ 30,721
Buildings	834,052	2,993	837,045
Other improvements	1,509,397	2,397,569	3,906,966
Machinery and equipment	846,227	872,918	1,719,145
Vehicles	448,657	168,067	616,724
	<u>3,669,054</u>	<u>3,441,547</u>	<u>7,110,601</u>
Total	3,669,054	3,441,547	7,110,601
Less: Accumulated depreciation	<u>(1,633,838)</u>	<u>(1,768,381)</u>	<u>(3,402,219)</u>
Capital Assets (Net of Accumulated Depreciation)	<u>\$ 2,035,216</u>	<u>\$ 1,673,166</u>	<u>\$ 3,708,382</u>

(9) Long-Term Debt

A. General Fund

On January 5, 2007, the Town entered into a lease purchase agreement with Ford Motor Credit to acquire a 2007 Ford Crown Victoria. The annual lease payment is \$ 9,551.31. The term of the lease is for three years at an annual percentage rate of 6.60 %. This was paid off in January 2009.

On February 23, 2007, the Town entered into a lease purchase agreement with Ford Motor Credit to acquire a 2008 Ford F250. The annual lease payment is \$ 9,206.40. The term of the lease is for three years at an annual percentage of 6.80%. This was paid off in February 2009.

On December 14, 2007, the Town entered into a lease purchase agreement with Ford Motor Credit to acquire a 2008 Ford Explorer. The annual lease payment is \$ 9,424.51. The term of the lease is for three years at an annual percentage of 6.25%.

On May 5, 2008, the Town entered into a lease purchase agreement with Ford Motor Credit to acquire a 2008 Ford Crown Victoria. The annual lease payment is \$ 10,002.91. The term of the lease is for three year at an annual percentage of 5.95%.

During the current fiscal year, the Town paid off the SRF note payable for sewer improvements using cash reserves from the General Fund.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(9) Long-Term Debt (Continued)

B. Proprietary Fund

State Revolving Fund Loan Monies (SRF): On June 8, 2001 the Town entered into a loan agreement between the Delaware Drinking Water State Revolving Fund, offered through the Delaware Department of Health & Social Services, Division of Public Health, to fund upgrades to the Town's drinking water treatment and delivery system as well as improvements to the Town's water treatment plant. The Town is eligible to receive loan proceeds totaling \$ 643,370 for water improvements and \$ 474,700 for sewer improvements. Semi-annual interest payments only will be due during the construction phase. The entire loan is required to be repaid within 20 years upon the expected completion date of construction at prevailing interest rates.

On February 23, 2007, the Town entered into a lease purchase agreement with Ford Motor Credit to acquire a 2008 Ford F250. The annual lease payment is \$ 9,206.40. The term of the lease is for three years at an annual percentage of 6.80%. This was paid off in February 2009.

As of the fiscal year ending September 30, 2009, the Town has received SRF loan proceeds of \$ 1,096,353 with \$ 104,469 in interest payments being made as of this date.

The following is a summary of note and lease transactions for the year ended September 30, 2009:

	Beginning Balance <u>10/01/08</u>	New Debt	Amounts Retired	Ending Balance <u>09/30/09</u>
<u>General Fund:</u>				
SRF loan - sewer	\$ 416,727	\$ -	\$ 416,727	\$ -
Capital leases	<u>53,119</u>	<u>-</u>	<u>34,808</u>	<u>18,311</u>
<u>Total General Fund</u>	<u>469,846</u>	<u>-</u>	<u>451,535</u>	<u>18,311</u>
<u>Proprietary Fund:</u>				
SRF loan - water	577,196	-	30,615	546,581
Capital lease	<u>8,605</u>	<u>-</u>	<u>8,605</u>	<u>-</u>
<u>Total Proprietary Fund</u>	<u>585,801</u>	<u>-</u>	<u>39,220</u>	<u>546,581</u>
<u>Total All Debt</u>	<u>\$ 1,055,647</u>	<u>\$ -</u>	<u>\$ 490,755</u>	<u>\$ 564,892</u>

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(10) Compensated Absences

The Town has accrued a liability for vacation, sick and compensatory pay which has been earned but not taken by Town employees. The liability for the Water Department is reported in the Proprietary Fund. For departments included in the General Fund, the current liability is reported in the General Fund and the long-term portion is recorded in General Long-Term Debt.

The liability recorded in the financial statements at September 30, 2009 is as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 5,104	\$ 19,223	\$ 24,327
Code Enforcement	1,052	19,040	20,092
Police Department	7,510	98,317	105,827
Public Works Department	1,044	28,491	29,535
Total	\$ <u>14,710</u>	\$ <u>165,071</u>	\$ <u>179,781</u>

(11) Employee Pension Plan

Effective October 1, 2003, the Town became a member of the State of Delaware County and Municipal Police Pension Plan, a cost-sharing multiple-employer defined benefit plan administered by the Board of Pension Trustees of the State of Delaware. The Town's cost of participating in this plan is set by the State's Legislative body annually. Municipal employees and municipal police officers must contribute 3% and 7%, respectively.

The Police Department does receive grant monies from the State of Delaware through a special tax on gross premiums for the benefit of police. During the fiscal year the Town received \$ 44,229.

(12) Cash

At September 30, 2009, the Town had \$ 2,520,838 on deposit with Wilmington Trust Company, and \$ 85,724 on deposit with Citizens Bank. Town funds on deposit with financial institutions in excess of amounts covered by federal deposit insurance would vary throughout any given time frame, but at September 30, 2009, the excess was approximately \$ 1,948,250. Wilmington Trust Company has pledged securities for the benefit of the Town in the amount of \$ 1,948,250. As of September 30, 2009, deposits with Citizens Bank do not exceed the current FDIC limit of \$250,000, and therefore, there are no pledged securities.

13) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Town 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 revenue and expenses during the reported period. Actual results could differ from those estimates.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(14) Commitments

In fiscal year ended September 30, 2002, a ten year management agreement with Corrosion Control Corporation was created whereby Corrosion Control will provide maintenance services to the Town's water tower. The Town will be responsible for making one annual payment of \$ 37,000, two annual payments of \$ 29,000, and seven annual payments of \$ 13,800.

<u>Year Ended</u>	<u>Amount</u>
9/30/2010	\$ 13,800
9/30/2011	13,800
9/30/2012	<u>13,800</u>
 <u>Total Minimum Future</u>	
<u>Maintenance Payments</u> \$ <u>41,400</u>	

(15) Property Taxes

Property taxes are levied on January 15th and are due and payable at that time. Taxes unpaid by March 31st of the same year become delinquent. Property taxes attach as an enforceable lien on property as of March 31st after being two years delinquent.

Property tax revenues are recognized when they become available and this includes those property tax receivables expected to be collected within 60 days after year end. Delinquent taxes are considered fully collectible and therefore allowance for uncollectible taxes is not provided.

(16) Accounts Receivable

This balance represents individual balances due the Town at September 30, 2009. The balance is comprised of the following:

Real estate taxes (including penalties)	\$ 47,352
Water service charges	154,997
Sewer service charges	748
Trash	54,775
Other	<u>1,149</u>
<u>Total</u>	<u>\$ 259,021</u>

(17) Inventories

Inventories are valued at cost using the first-in, first-out method.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(18) **Budget Process**

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Each year and not later than sixty (60) days prior to the beginning of the next year, the Administrative Assistant shall prepare a rough draft of the Town budget. From this rough draft, the Town Council, shall no later than the next regular meeting following the presentation of the rough draft, prepare the Town Budget, containing the financial plan for conducting the affairs of the Town for the ensuing fiscal year.
- B. The budget shall contain the following information:
 - 1. A detailed estimate showing the expense of conducting each department and office of the Town for the ensuing fiscal year;
 - 2. The amount of the debt the Town, together with the schedule of maturities of bond issues;
 - 3. An itemized statement of all other estimated expenses to be incurred in the affairs of the Town for the ensuing fiscal year;
 - 4. An estimate of the amount of money to be received from taxes, water rents, trash fees, front footage assessments, license fees and all other anticipated income of the Town from any source or sources whatsoever.
- C. The Town Council shall, so far as possible, adhere to the budget adopted in the making of appropriations. All annual appropriations unused and unencumbered lapse at year end.
- D. The budget must be enacted by September 30 of the year preceding the next fiscal year.

(19) **Contingent Liabilities**

Due to the nature of activities in which Town employees are involved, from time to time legal matters may arise. The Town relies on its insurance coverage for such potential liabilities. Insurance deductibles are \$ 2,500 for general liabilities and \$ 10,000 for police liabilities.

(20) **Privatization of the Wastewater Treatment Plant**

On July 1, 2007, the Town sold the wastewater treatment plant and the sewer infrastructure to Tidewater Environmental Services, Inc. (TESI). As part of this transaction, for every new sewer impact fee of \$ 5,500, the Town receives \$ 1,500, while TESI receives \$ 4,000. The Town holds all money collected for these sewer impact fees in an escrow account. As of September 30, 2009, the Town owes a balance of \$ 350,225 to TESI, and this amount is recorded as a liability in the financial statements at September 30, 2009.

TOWN OF MILTON, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(21) **Restatement of Trash Activity**

The Trash Fund was moved from the General Fund to the Proprietary Fund at the start of the September 30, 2009 fiscal year. Prior year amounts relating to the Trash Fund were restated in both the General Fund and the Proprietary Fund, so that a more understandable comparison can be made in regards to the Trash Fund amounts.

(22) **Subsequent Events**

In November 2009, the Town paid the escrow balance of sewer impact fees collected and due to Tidewater Environmental Services, Inc. (TESI), as stated in Note (20). The amount paid to TESI was \$ 358,225 which includes additional impact fees of \$ 8,000 that were collected in October 2009. The total amount paid also includes \$ 3,225 in interest earned on the monies while held in a bank account.

In November 2009, the Town Solicitor resigned. The Town is in the process of hiring a new Town Solicitor.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
Revenues:				
<u>Taxes And Assessments:</u>				
Real estate	\$ 585,000	\$ 610,000	\$ 584,312	\$ (25,688)
Transfer tax	397,500	287,116	218,367	(68,749)
<u>Total Taxes And Assessments</u>	982,500	897,116	802,679	(94,437)
<u>Licenses And Permits:</u>				
Building permits	275,000	178,691	135,406	(43,285)
Licenses	45,000	75,000	78,050	3,050
Zoning variances	2,500	2,500	1,400	(1,100)
<u>Total Licenses And Permits</u>	322,500	256,191	214,856	(41,335)
<u>Intergovernmental Grants:</u>				
Sussex county police grant	25,000	25,000	25,000	-
Miscellaneous police grants	-	-	20,148	20,148
Rails to trails grant	85,000	17,000	485,326	468,326
Park and recreation grant	-	150,000	150,000	-
Miscellaneous grants	-	1,958	31,041	29,083
Police pension grant	45,000	45,000	44,229	(771)
<u>Total Intergovernmental Grants</u>	155,000	238,958	755,744	516,786
<u>Fines And Forfeits:</u>				
Fine and court costs	30,000	30,000	28,680	(1,320)
<u>Other Revenue:</u>				
Dock rental	3,600	3,600	3,100	(500)
Donations	7,000	7,000	12,344	5,344
Franchise fee - cable television	19,500	24,840	24,853	13
Interest	50,000	80,000	80,605	605
Other receipts	3,500	1,800	13,853	12,053
Payment in lieu of taxes	2,500	2,500	2,500	-
Penalties	\$ 2,000	\$ 12,000	\$ 23,701	\$ 11,701

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
Revenues: (Continued)				
Other Revenue: (Continued)				
Professional fees collected	\$ 70,000	\$ 86,000	\$ 90,685	\$ 4,685
Sewer permit\impact fees	-	21,500	26,850	5,350
Total Other Revenue	158,100	239,240	278,491	39,251
Total Revenue	1,648,100	1,661,505	2,080,450	418,945
Expenditures:				
Street Department:				
Capital expenditures	9,206	9,206	-	9,206
Street repairs	5,000	5,000	-	5,000
Miscellaneous	1,500	1,200	1,094	106
Repairs and maintenance	750	750	864	(114)
Payroll taxes	1,989	1,989	2,012	(23)
Salaries and labor	26,005	26,005	26,691	(686)
Interest	-	-	1,677	(1,677)
Website	-	-	4,345	(4,345)
Supplies	5,000	5,000	4,768	232
Total Street Department	49,450	49,150	41,451	7,699
Police Department:				
Advertising	500	500	-	500
Capital expenditures	19,551	19,551	-	19,551
Dry cleaning	1,000	1,000	775	225
Employee benefits and insurance	136,539	125,563	127,172	(1,609)
Gas & oil	29,795	27,000	20,893	6,107
Legal fees	-	18,000	102,668	(84,668)
Membership dues	1,000	1,000	285	715
Miscellaneous	1,800	1,500	4,127	(2,627)
Payroll taxes	37,532	37,485	36,508	977
Repairs and maintenance	17,500	21,500	24,445	(2,945)
Salaries and labor	490,617	490,000	481,918	8,082
Printing and postage	1,500	500	-	500
Supplies	\$ 5,000	\$ 5,000	\$ 7,899	\$ (2,899)

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Expenditures: (Continued)</u>				
<u>Police Department: (Continued)</u>				
Telephone/Utilities	\$ 14,500	\$ 22,000	\$ 23,663	\$ (1,663)
Interest expense	-	-	1,700	(1,700)
Training	7,000	7,000	5,443	1,557
Uniforms	5,000	5,000	4,601	399
<u>Total Police Department</u>	<u>768,834</u>	<u>782,599</u>	<u>842,097</u>	<u>(59,498)</u>
<u>Fire Company:</u>				
Allotment	5,000	5,000	5,000	-
<u>Total Fire Company</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<u>Administrative Department:</u>				
Advertising	5,000	4,000	1,251	2,749
Building maintenance	5,000	7,000	7,938	(938)
Capital expenditures	10,100	19,330	12,956	6,374
Employee benefits and insurance	61,188	71,679	70,365	1,314
Equipment maintenance	30,000	30,000	30,636	(636)
Mileage	750	750	968	(218)
Miscellaneous	7,400	7,400	-	7,400
Payroll processing	5,000	5,000	5,186	(186)
Payroll taxes	19,763	20,107	19,580	527
Printing and postage	6,000	10,000	11,207	(1,207)
Salaries and labor	258,333	262,833	267,523	(4,690)
Supplies	15,000	12,000	12,351	(351)
Telephone	9,800	9,000	8,645	355
Code book	3,700	3,700	2,803	897
Training and meetings	3,600	3,900	1,774	2,126
Utilities	6,500	7,500	7,813	(313)
<u>Total Administrative Department</u>	<u>\$ 447,134</u>	<u>\$ 474,199</u>	<u>\$ 460,996</u>	<u>\$ 13,203</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
<u>Expenditures: (Continued)</u>				
<u>Code Enforcement Department:</u>				
Advertising	\$ 1,500	\$ 2,000	\$ 1,920	\$ 80
Inspection/Plan review fees	36,000	44,000	32,537	11,463
Consultant fees	95,000	67,500	78,100	(10,600)
Employee benefits and insurance	24,053	25,242	22,061	3,181
Gas & oil	1,300	1,200	786	414
Payroll taxes	6,227	6,227	5,800	427
Postage	900	1,500	1,371	129
Salaries and labor	82,899	82,899	75,382	7,517
Supplies	1,500	500	3,955	(3,455)
Telephone/Utilities	3,450	2,650	2,053	597
Capital expenditures	9,425	9,425	-	9,425
Training	1,500	3,700	2,904	796
Uniforms	300	300	112	188
	<u>264,054</u>	<u>247,143</u>	<u>226,981</u>	<u>20,162</u>
<u>Total Code Enforcement</u>				
<u>Park & Recreation:</u>				
Concert in the Park expenses	7,000	7,000	9,880	(2,880)
Operating expenses	1,000	700	87	613
Payroll taxes	2,416	2,416	2,549	(133)
Rails to trails expenses	7,500	7,500	522,907	(515,407)
Repairs and maintenance	1,500	1,500	1,490	10
Salaries	31,578	31,578	33,314	(1,736)
Supplies	5,000	5,000	2,428	2,572
Capital expenditures	88,500	88,500	174,122	(85,622)
Utilities	-	-	208	(208)
	<u>\$ 144,494</u>	<u>\$ 144,194</u>	<u>\$ 746,985</u>	<u>\$ (602,791)</u>
<u>Total Park & Recreation</u>				

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
<u>Expenditures: (Continued)</u>				
<u>General Expenditures:</u>				
Governor's walk	\$ -	\$ -	\$ 6,300	\$ (6,300)
Holiday expenses	4,400	5,000	5,123	(123)
Council salaries and expense	8,139	4,306	4,150	156
Donations	4,500	4,500	4,500	-
Gas & Oil	1,300	1,000	1,593	(593)
Website/Computer expense	500	200	100	100
Dues and subscriptions	1,000	1,000	1,944	(944)
Engineering fees	5,000	7,500	-	7,500
Election expense	1,875	1,300	1,127	173
Insurance	140,000	105,000	106,015	(1,015)
Bank fees transfer tax	4,650	3,000	4,548	(1,548)
Professional fees	49,850	48,153	63,794	(15,641)
Property assessment	20,000	20,000	107,004	(87,004)
SRF interest expense	36,048	18,024	9,479	8,545
Capital expenditure	4,000	12,956	8,774	4,182
Utilities - Wagamons	-	11,200	10,194	1,006
Temporary labor	8,000	4,500	5,521	(1,021)
	<u>289,262</u>	<u>247,639</u>	<u>340,166</u>	<u>(92,527)</u>
<u>Total General Expenditures</u>				
	<u>1,968,228</u>	<u>1,949,924</u>	<u>2,663,676</u>	<u>(713,752)</u>
<u>Total Expenditures</u>				
<u>Excess Of Revenues Over (Under) Expenditures</u>	<u>(320,128)</u>	<u>(288,419)</u>	<u>(583,226)</u>	<u>(294,807)</u>
<u>Other Financing Sources (Uses):</u>				
Transfer (to)/from reserves	67,030	67,030	-	(67,030)
Transfer (to)/from other funds	-	-	(451,534)	(451,534)
Transfer (to)/from Enterprise Fund	253,098	221,389	116,649	(104,740)
	<u>320,128</u>	<u>288,419</u>	<u>(334,885)</u>	<u>(623,304)</u>
<u>Total Other Financing Sources (Uses)</u>				
<u>Excess Of Revenues And Over Financing Sources Over (Under) Expenditures And Other Financing Uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(918,111)</u>	<u>\$ (918,111)</u>
<u>Fund Balance - October 1, 2008</u>			<u>2,630,907</u>	
<u>Fund Balance - September 30, 2009</u>			<u>\$ 1,712,796</u>	

The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
- BUDGET AND ACTUAL -
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
<u>Operating Revenue:</u>				
Service charges	\$ 432,470	\$ 450,000	\$ 440,949	\$ (9,051)
Tapping fees	24,000	15,000	14,800	(200)
Sale of meters	50,000	32,000	23,661	(8,339)
Trash service	205,744	200,000	191,250	(8,750)
Other income	10,000	13,800	19,764	5,964
	<u>722,214</u>	<u>710,800</u>	<u>690,424</u>	<u>(20,376)</u>
<u>Operating Expenses:</u>				
<u>Water Department:</u>				
Advertising	100	150	100	50
Capital expenditures	112,821	112,821	-	112,821
Equipment rental	300	300	-	300
Uniforms	9,000	9,000	9,087	(87)
Depreciation	-	-	125,845	(125,845)
Employee benefits	38,348	36,100	40,287	(4,187)
Engineering fees	5,000	5,000	6,750	(1,750)
Gas and oil	15,000	12,000	9,041	2,959
Interest	-	-	18,372	(18,372)
Payroll taxes	10,188	10,379	11,574	(1,195)
Pension	12,284	12,284	12,342	(58)
Repairs and maintenance	46,000	47,000	41,377	5,623
Salaries and labor	133,170	135,670	136,955	(1,285)
Supplies	22,000	23,040	32,323	(9,283)
Telephone	5,550	5,550	5,413	137
Tests	500	1,000	793	207
Miscellaneous	16,900	7,450	7,216	234
Utilities	21,200	21,200	34,685	(13,485)
	<u>448,361</u>	<u>438,944</u>	<u>492,160</u>	<u>(53,216)</u>
<u>Trash Department:</u>				
Contract services	197,655	185,000	181,780	3,220
	<u>197,655</u>	<u>185,000</u>	<u>181,780</u>	<u>3,220</u>
	<u>646,016</u>	<u>623,944</u>	<u>673,940</u>	<u>(49,996)</u>
Operating Income (Loss)	\$ 76,198	\$ 86,856	\$ 16,484	\$ (70,372)

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
- BUDGET AND ACTUAL -
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
<u>Non-Operating Revenue (Expenses):</u>				
Transfer from reserve	\$ 55,000	\$ 55,000	\$ -	\$ (55,000)
Impact fees	116,000	66,000	52,200	(13,800)
Interest income	1,400	200	2,341	2,141
<u>Total Non-Operating Revenue (Expenses)</u>	172,400	121,200	54,541	(66,659)
<u>Income Before Operating Transfers</u>	248,598	208,056	71,025	(137,031)
<u>Operating Transfers (Out) to General Fund</u>	(248,598)	(208,056)	(116,649)	91,407
<u>Net Income</u>	\$ -	\$ -	\$ (45,624)	\$ (45,624)
 <u>Net Assets - October 1, 2008</u>			1,751,418	
 <u>Net Assets - September 30, 2009</u>			\$ 1,705,794	

The accompanying notes are an integral part of these financial statements.

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SUPPLEMENTAL INFORMATION

TOWN OF MILTON, DELAWARE
COMBINING BALANCE SHEET - GENERAL FUND
AS OF SEPTEMBER 30, 2009

(With Comparative Amounts As Of September 30, 2008, 2007, 2006)

ASSETS

	<u>2009</u>	<u>2008</u>
Cash	\$ 2,162,963	\$ 2,713,328
Accounts Receivable	47,451	84,111
Unexpired insurance premiums	<u>26,893</u>	<u>38,433</u>
<u>TOTAL ASSETS</u>	<u>2,237,307</u>	<u>2,835,872</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Due to Tidewater	350,225	-
Accounts payable	92,269	143,158
Accrued wages and payroll taxes	30,925	29,545
Accrued vac/sick/comp pay	13,666	11,570
Due to other funds	-	-
Deferred revenue	<u>37,426</u>	<u>20,692</u>
<u>Total Liabilities</u>	<u>524,511</u>	<u>204,965</u>
Fund Balance - Reserved	26,893	38,433
Fund Balance - Unreserved	<u>1,685,903</u>	<u>2,592,474</u>
<u>Total Fund Equity</u>	<u>1,712,796</u>	<u>2,630,907</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 2,237,307</u>	<u>\$ 2,835,872</u>

The accompanying notes are an integral part of these financial statements.

<u>2007</u>	<u>2006</u>
\$ 3,509,408	\$ 1,481,419
120,300	91,640
<u>24,608</u>	<u>9,323</u>
<u>3,654,316</u>	<u>1,582,382</u>
-	-
83,175	75,612
1,348	573
31,097	15,555
-	41,772
<u>1,247</u>	<u>1,247</u>
<u>116,867</u>	<u>134,759</u>
24,608	9,323
<u>3,512,841</u>	<u>1,438,300</u>
<u>3,537,449</u>	<u>1,447,623</u>
\$ <u>3,654,316</u>	\$ <u>1,582,382</u>

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	2009	2008	2007	2006
<u>Revenues:</u>				
<u>Taxes And Assessments:</u>				
Real estate tax	\$ 584,312	\$ 539,281	\$ 473,513	\$ 428,113
Transfer tax	218,367	590,810	810,924	1,098,163
	802,679	1,130,091	1,284,437	1,526,276
<u>Licenses And Permits:</u>				
Building permits	135,406	208,143	388,817	172,477
Licenses	78,050	73,395	55,801	39,460
Zoning variances	1,400	2,526	3,750	2,300
	214,856	284,064	448,368	214,237
<u>Intergovernmental Grants:</u>				
Local Law Enforcement grant	25,000	25,000	9,911	-
Highway special grant	-	100,000	-	-
DEMA grant	-	-	18,000	-
Rails to Trails	485,326	25,000	-	25,000
Highway Safety Police grant	-	5,230	18,855	4,955
Miscellaneous police grants	20,148	-	73,271	33,582
Miscellaneous grant	31,041	3,900	-	3,434
Park & Recreation grant	150,000	1,570	83,377	82,500
Police Pension grant	44,229	45,589	49,117	25,555
Sidewalk grant	-	-	-	31,466
	755,744	206,289	252,531	206,492
<u>Fines and Forfeits:</u>				
Fines and court costs	28,680	31,266	39,349	25,961
<u>Other Revenues:</u>				
Dock rental	3,100	4,325	3,100	1,850
Donations	12,344	9,429	14,009	14,851
Franchise fee - cable television	24,853	19,744	18,010	15,171
Interest	80,605	96,768	11,060	18,100
Other receipts	13,853	10,390	36,992	26,935
Payment in lieu of taxes	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	2009	2008	2007	2006
Revenue: (Continued)				
Other Revenue: (Continued)				
Penalties	\$ 23,701	\$ 7,418	\$ 2,561	\$ 7,045
Professional fees collected	90,685	59,441	17,669	39,478
Insurance reimbursements	-	-	10,504	-
Sewer permit / impact fees	26,850	-	-	-
200th Anniversary	-	-	65,877	-
Total Other Revenue	278,491	210,015	182,282	125,930
Total Revenue	2,080,450	1,861,725	2,206,967	2,098,896
Expenditures:				
Street Department:				
Capital expenditures	-	71,316	48,822	16,789
Street repairs	-	6,800	143,236	-
Miscellaneous	1,094	943	1,684	1,223
Interest expense	1,677	1,168	-	-
Payroll taxes	2,012	1,738	1,126	1,085
Repairs and maintenance	864	250	603	51
Website	4,345	-	-	-
Salaries and labor	26,691	23,083	16,259	14,413
Supplies	4,768	5,782	7,136	936
Total Street Department	41,451	111,080	218,866	34,497
Police Department:				
Advertising	-	1,950	1,000	598
Legal expense	102,668	-	83,750	-
Capital expenditures	-	83,226	167,988	42,385
Dry cleaning	775	946	729	974
Employee benefits and insurance	127,172	148,453	143,154	111,863
Gas and oil	20,893	37,409	28,358	20,536
Membership dues	285	1,085	275	485
Miscellaneous	4,127	9,404	4,229	3,648
Payroll taxes	36,508	41,904	39,754	29,475
Repairs and maintenance	24,445	26,508	20,720	35,652
Interest expense	\$ 1,700	\$ 2,277	\$ 2,005	\$ -

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	2009	2008	2007	2006
<u>Expenditures: (Continued)</u>				
<u>Police Department: (Continued)</u>				
Salaries and labor	\$ 481,918	\$ 548,056	\$ 513,956	\$ 383,260
Supplies	7,899	13,932	9,813	11,501
Telephone and utilities	23,663	19,530	29,460	26,287
Training	5,443	20,671	6,294	4,031
Uniforms	4,601	12,627	8,485	10,054
	<u>842,097</u>	<u>967,978</u>	<u>1,059,970</u>	<u>680,749</u>
 <u>Fire Company:</u>				
Allotment	5,000	5,000	5,000	6,750
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>6,750</u>
 <u>Administrative Department:</u>				
Advertising	1,251	7,193	5,285	10,993
Building maintenance	7,938	7,940	15,458	2,487
Capital expenditure	12,956	94,908	815,202	26,678
Employee benefits and insurance	70,365	56,660	45,868	46,638
Equipment maintenance	30,636	31,377	25,323	3,105
Mileage	968	1,886	481	306
Miscellaneous	-	11,464	5,727	5,893
Payroll processing	5,186	4,856	4,413	3,613
Payroll taxes	19,580	19,967	15,886	9,916
Printing and postage	11,207	18,531	8,630	2,756
Salaries and labor	267,523	260,225	236,393	129,611
Supplies	12,351	34,267	23,238	13,416
Telephone	8,645	9,846	9,241	4,514
Training	1,774	5,912	2,982	1,062
Code book	2,803	22,270	-	-
Utilities	7,813	12,917	7,106	5,068
	<u>7,813</u>	<u>12,917</u>	<u>7,106</u>	<u>5,068</u>
<u>Total Administrative Department</u>	<u>\$ 460,996</u>	<u>\$ 600,219</u>	<u>\$ 1,221,233</u>	<u>\$ 266,056</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	2009	2008	2007	2006
<u>Expenditures: (Continued)</u>				
<u>Code Enforcer:</u>				
Advertising	\$ 1,920	\$ 900	\$ 1,894	\$ 1,483
Auto expense	786	2,807	425	365
Consultant/engineering/legal fees	78,100	78,346	75,116	101,870
Employee benefits and insurance	22,061	31,641	22,075	11,609
Telephone/Utilities	2,053	2,333	3,116	-
Payroll taxes	5,800	6,212	4,896	2,334
Postage	1,371	649	503	271
Salaries	75,382	82,560	63,332	30,514
Supplies	3,955	1,276	4,245	717
Training	2,904	3,237	2,251	2,869
Inspections/Plan review fees	32,537	49,153	39,525	1,365
Uniforms	112	378	690	147
<u>Total Code Enforcer</u>	226,981	259,492	218,068	153,544
<u>Park & Recreation:</u>				
Capital expenditures	174,122	171,520	122,563	25,964
Concert in the Park expenses	9,880	9,423	9,662	8,117
Operating expenses	87	334	942	486
Payroll taxes	2,549	1,789	1,305	625
Rails to Trails expenses	522,907	1,488	60,433	3,337
Repairs and maintenance	1,490	1,495	5,989	4,376
Salaries	33,314	23,519	17,061	8,166
Supplies	2,428	7,978	222	29,139
Utilities	208	402	135	202
<u>Total Park & Recreation</u>	746,985	217,948	218,312	80,412
<u>Governor's Walk:</u>				
Supplies	6,300	-	8,850	-
<u>200th Anniversary:</u>				
Supplies	\$ -	\$ -	\$ 59,431	\$ 500

The accompanying notes are an integral part of these financial statements.

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	2009	2008	2007	2006
<u>Expenditures: (Continued)</u>				
<u>General Government:</u>				
Christmas lighting	\$ 5,123	\$ 5,550	\$ 4,683	\$ 1,247
Council salaries and expense	4,150	3,751	6,647	2,903
Donations	4,500	26,290	49,920	-
Dues and subscriptions	1,944	3,431	1,817	2,095
Engineering fees	-	10,325	45,952	3,357
Election expense	1,127	2,438	2,168	558
Gas	1,593	1,021	889	596
Insurance	106,015	132,984	125,286	106,745
Bank fees transfer tax	4,548	5,437	13,817	18,789
Professional fees	63,794	94,434	61,233	36,283
Property assessment	107,004	19,444	13,542	31,147
SRF interest expense	9,479	13,700	-	-
Computer software	8,774	8,355	8,077	6,868
Temporary labor	5,521	34,019	-	-
Utilities - Wagamons	10,194	-	-	-
Website/Computer expense	100	1,137	2,080	1,904
	<u>333,866</u>	<u>362,316</u>	<u>336,111</u>	<u>212,492</u>
<u>Total General Government</u>				
	<u>2,663,676</u>	<u>2,524,033</u>	<u>3,345,841</u>	<u>1,435,000</u>
<u>Total Expenditures</u>				
<u>Excess Of Revenues Over (Under) Expenditures</u>	<u>(583,226)</u>	<u>(662,308)</u>	<u>(1,138,874)</u>	<u>663,896</u>
<u>Other Financing Sources:</u>				
Transfer to other funds	(451,534)	(608,834)	(24,807)	-
Transfer from other funds	116,649	364,601	3,253,505	115,542
	<u>(334,885)</u>	<u>(244,233)</u>	<u>3,228,698</u>	<u>115,542</u>
<u>Total Other Financing Sources</u>				
<u>Excess Of Revenues And Other Financing Sources Over (Under) Expenditures</u>	<u>(918,111)</u>	<u>(906,541)</u>	<u>2,089,824</u>	<u>779,438</u>
<u>Fund Balance - October 1st</u>	<u>2,630,907</u>	<u>3,537,448</u>	<u>1,447,624</u>	<u>668,186</u>
<u>Fund Balance - September 30th</u>	<u>\$ 1,712,796</u>	<u>\$ 2,630,907</u>	<u>\$ 3,537,448</u>	<u>\$ 1,447,624</u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF MILTON, DELAWARE
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2009

(With Comparative Amounts As Of September 30, 2008, 2007, 2006)

	<u>Municipal Street Aid</u>	<u>State Aid To Local Law Enforcement</u>	<u>Emergency Illegal Drug Enforcement</u>
<u>ASSETS</u>			
Cash - restricted	\$ 54,548	\$ 6,477	\$ 4,123
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>54,548</u>	<u>6,477</u>	<u>4,123</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Accounts payable	4,618	-	-
Deferred revenue	-	6,477	4,123
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities</u>	<u>4,618</u>	<u>6,477</u>	<u>4,123</u>
<u>Fund Balance - Reserved</u>	<u>49,930</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 54,548</u>	<u>\$ 6,477</u>	<u>\$ 4,123</u>

The accompanying notes are an integral part of these financial statements.

SWAT	Totals (Memorandum Only)			
	2009	2008	2007	2006
\$ 62	\$ 65,210	\$ 65,612	\$ 70,198	\$ 93,840
-	-	-	-	41,772
<u>62</u>	<u>65,210</u>	<u>65,612</u>	<u>70,198</u>	<u>135,612</u>
-	4,618	1,018	881	5,744
-	<u>10,600</u>	<u>15,558</u>	<u>11,682</u>	<u>19,479</u>
-	<u>15,218</u>	<u>16,576</u>	<u>12,563</u>	<u>25,223</u>
<u>62</u>	<u>49,992</u>	<u>49,036</u>	<u>57,635</u>	<u>110,389</u>
<u>\$ 62</u>	<u>\$ 65,210</u>	<u>\$ 65,612</u>	<u>\$ 70,198</u>	<u>\$ 135,612</u>

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	<u>Municipal</u> <u>Street</u> <u>Aid</u>	<u>State Aid</u> <u>To Local Law</u> <u>Enforcement</u>	<u>Emergency</u> <u>Illegal Drug</u> <u>Enforcement</u>	<u>SWAT</u>
<u>Revenues:</u>				
Intergovernmental grants	\$ 65,564	\$ 2,454	\$ 11,956	\$ -
Interest	794	-	-	-
	<u>66,358</u>	<u>2,454</u>	<u>11,956</u>	<u>-</u>
<u>Total Revenues</u>				
<u>Expenditures:</u>				
<u>Street Department:</u>				
Snow Removal	-	-	-	-
Paving and signage	181	-	-	-
Repairs & maintenance	237	-	-	-
Street lighting	58,472	-	-	-
Supplies	2,295	-	-	-
	<u>61,185</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Street</u>				
<u>Department</u>				
<u>Police Department:</u>				
Capital expenditures	-	-	-	-
Drug informants	-	-	-	-
Equipment	-	-	-	-
Repairs & Maint.	-	-	-	-
Uniforms	-	-	-	-
Salaries	-	-	4,090	-
Supplies	-	2,454	7,866	-
	<u>-</u>	<u>2,454</u>	<u>7,866</u>	<u>-</u>
<u>Total Police</u>				
<u>Department</u>				
	<u>\$ -</u>	<u>\$ 2,454</u>	<u>\$ 11,956</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Totals

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	79,974	\$ 103,857	\$ 107,017	\$ 98,566
	<u>794</u>	<u>729</u>	<u>1,228</u>	<u>832</u>
	<u>80,768</u>	<u>104,586</u>	<u>108,245</u>	<u>99,398</u>
	-	-	-	1,400
	181	1,297	2,774	12,784
	237	612	218	-
	58,472	62,607	56,247	33,888
	<u>2,295</u>	<u>7,512</u>	<u>4,773</u>	<u>5,978</u>
	<u>61,185</u>	<u>72,028</u>	<u>64,012</u>	<u>54,050</u>
	-	-	-	2,699
	-	-	500	-
	-	-	5,345	850
	-	1,259	1,150	-
	-	-	942	-
	4,090	-	-	992
	<u>10,320</u>	<u>8,643</u>	<u>14,565</u>	<u>5,661</u>
\$	<u>14,410</u>	\$ <u>9,902</u>	\$ <u>22,502</u>	\$ <u>10,202</u>

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	<u>Municipal</u> <u>Street</u> <u>Aid</u>	<u>State Aid</u> <u>To Local Law</u> <u>Enforcement</u>	<u>Emergency</u> <u>Illegal Drug</u> <u>Enforcement</u>	<u>SWAT</u>
<u>Expenditures: (Continued)</u>				
<u>SWAT:</u>				
Entertainment	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	-	1,013
Supplies	-	-	-	3,204
Transportation	-	-	-	-
<u>Total SWAT</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,217</u>
<u>Total Expenditures</u>	<u>61,185</u>	<u>2,454</u>	<u>11,956</u>	<u>4,217</u>
<u>Excess Of Revenues Over</u> <u>(Under) Expenditures</u>	<u>5,173</u>	<u>-</u>	<u>-</u>	<u>(4,217)</u>
<u>Operating Transfers In (Out)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Of Revenues Over (Under)</u> <u>Expenditures And Operating</u> <u>Transfers In (Out)</u>	<u>5,173</u>	<u>-</u>	<u>-</u>	<u>(4,217)</u>
<u>Fund Balance - October 1st</u>	<u>44,757</u>	<u>-</u>	<u>-</u>	<u>4,279</u>
<u>Fund Balance - September 30th</u>	<u>\$ 49,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62</u>

The accompanying notes are an integral part of these financial statements.

Totals

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ -	\$ 3,385	\$ 2,092	\$ 1,621
1,013	17,524	16,938	19,165
3,204	4,346	10,629	4,849
<u>-</u>	<u>6,000</u>	<u>3,130</u>	<u>4,380</u>
<u>4,217</u>	<u>31,255</u>	<u>32,789</u>	<u>30,015</u>
<u>79,812</u>	<u>113,185</u>	<u>119,303</u>	<u>94,267</u>
956	(8,599)	(11,058)	5,131
<u>-</u>	<u>-</u>	<u>(41,696)</u>	<u>-</u>
956	(8,599)	(52,754)	5,131
<u>49,036</u>	<u>57,635</u>	<u>110,389</u>	<u>105,258</u>
<u>\$ 49,992</u>	<u>\$ 49,036</u>	<u>\$ 57,635</u>	<u>\$ 110,389</u>

TOWN OF MILTON, DELAWARE
COMBINING BALANCE SHEET - ALL PROPRIETARY FUND TYPES
AS OF SEPTEMBER 30, 2009

(With Comparative Amounts As Of September 30, 2008, 2007, 2006)

<u>ASSETS</u>	<u>Water</u>	<u>Trash</u>	<u>2009</u>
Cash - restricted	\$ 378,689	\$ -	\$ 378,689
Accounts receivable	157,442	55,322	212,764
Inventories	46,076	-	46,076
Unexpired insurance premiums	3,667	-	3,667
Prepaid maintenance	4,600	-	4,600
Interest receivable	1	-	1
Buildings	2,993	-	2,993
Improvements other than buildings	2,397,569	-	2,397,569
Machinery and equipment	872,918	-	872,918
Vehicles	168,067	-	168,067
Accumulated depreciation	(1,768,381)	-	(1,768,381)
Construction in process	-	-	-
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>2,263,641</u>	<u>55,322</u>	<u>2,318,963</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Accounts payable	26,766	-	26,766
Accrued wages and payroll taxes	6,217	-	6,217
Accrued leave pay	29,536	-	29,536
Accrued interest	4,069	-	4,069
Due to Tidewater Inc.	-	-	-
Capital lease payable	-	-	-
Notes payable	546,581	-	546,581
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities</u>	<u>613,169</u>	<u>-</u>	<u>613,169</u>
<u>Fund Equity:</u>			
Retained earnings - restricted	1,126,585	-	1,126,585
Retained earnings - unrestricted	523,887	55,322	579,209
	<hr/>	<hr/>	<hr/>
<u>Total Fund Equity</u>	<u>1,650,472</u>	<u>55,322</u>	<u>1,705,794</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>			
	<u>\$ 2,263,641</u>	<u>\$ 55,322</u>	<u>\$ 2,318,963</u>

The accompany notes are an integral part of these financial statements.

Totals
(Memorandum Only)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	747,875	\$ 419,527	\$ 3,033,719
	146,487	178,448	222,804
	31,939	33,117	32,538
	5,241	13,250	5,020
	4,600	4,600	5,250
	-	119	4,439
	2,993	2,993	2,739,194
	2,397,569	2,302,524	3,442,097
	812,965	749,412	646,107
	168,067	151,423	151,423
	(1,642,536)	(1,524,322)	(3,146,096)
	-	-	70,962
	<u>2,675,200</u>	<u>2,331,091</u>	<u>7,207,457</u>
	3,006	83,131	52,567
	5,298	281	151
	29,074	14,282	12,610
	4,298	-	-
	296,305	88,074	-
	8,605	-	-
	<u>577,196</u>	<u>1,045,941</u>	<u>1,096,354</u>
	<u>923,782</u>	<u>1,231,709</u>	<u>1,161,682</u>
	7,250	17,850	123,656
	<u>1,744,168</u>	<u>1,081,532</u>	<u>5,922,119</u>
	<u>1,751,418</u>	<u>1,099,382</u>	<u>6,045,775</u>
\$	<u>2,675,200</u>	\$ <u>2,331,091</u>	\$ <u>7,207,457</u>

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	<u>Water</u>	<u>Trash</u>	<u>Totals</u> <u>2009</u>
<u>Operating Revenue:</u>			
Other income	\$ 13,150	\$ -	\$ 13,150
Penalties	6,614	-	6,614
Sale of meters	23,661	-	23,661
Service charges	440,949	191,250	632,199
Tapping fees	14,800	-	14,800
Tower rent	-	-	-
	<hr/>	<hr/>	<hr/>
<u>Total Operating Revenue</u>	499,174	191,250	690,424
<u>Operating Expenses:</u>			
Website	100	-	100
Bond issuance	-	-	-
Capital expenditure	-	-	-
Depreciation	125,845	-	125,845
Employee benefits	40,287	-	40,287
Legal Fees	-	-	-
Engineering	6,750	-	6,750
Equipment rental	-	-	-
Gas and oil	9,041	-	9,041
Insurance	-	-	-
Interest expense	18,372	-	18,372
Contract services	-	181,780	181,780
Miscellaneous	3,514	-	3,514
Payroll taxes	11,574	-	11,574
Pension	12,342	-	12,342
Postage	3,337	-	3,337
Repairs and maintenance	41,377	-	41,377
Salaries and labor	136,955	-	136,955
Supplies	32,323	-	32,323
Telephone	5,413	-	5,413
Tests	793	-	793
Training	365	-	365
Uniforms	9,087	-	9,087
Utilities	34,685	-	34,685
	<hr/>	<hr/>	<hr/>
<u>Total Operating Expenses</u>	\$ 492,160	\$ 181,780	\$ 673,940

The accompanying notes are an integral part of these financial statements.

Totals		
2008	2007	2006
\$ 2,825	\$ 7,761	\$ 12,238
1,548	9,711	10,584
13,222	20,507	46,826
558,502	782,527	831,918
17,200	72,000	30,900
-	-	71,400
593,297	892,506	1,003,866
543	456	1,100
-	-	5,686
-	23,317	-
118,214	179,440	179,398
56,181	46,707	59,972
-	88,708	-
19,757	23,586	4,505
-	19,438	2,754
15,497	8,286	8,395
-	500	-
24,538	44,348	14,205
169,662	166,089	160,904
1,662	4,209	980
10,112	12,408	12,520
10,985	9,960	9,577
187	362	1,837
42,770	65,632	72,808
138,874	177,246	163,014
45,854	66,849	89,136
7,774	8,473	5,095
1,163	8,139	12,369
775	765	688
8,839	6,859	2,021
28,033	49,985	44,877
\$ 701,420	\$ 1,011,762	\$ 851,841

TOWN OF MILTON, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Amounts For The Years Ended September 30, 2008, 2007, 2006)

	Water	Trash	Totals 2009
<u>Operating Income (Loss)</u>	\$ 7,014	\$ 9,470	\$ 16,484
<u>Non-Operating Revenue (Expenses):</u>			
Grant revenue	-	-	-
Impact fees	52,200	-	52,200
Interest income	2,341	-	2,341
EDU income	-	-	-
<u>Total Non-Operating Revenue (Expenses)</u>	54,541	-	54,541
<u>Income (Loss) Before Extraordinary Loss and Operating Transfers</u>	61,555	9,470	71,025
<u>Extraordinary Loss</u>	-	-	-
<u>Transfer (to)\ from enterprise fund</u>	39,139	(39,139)	-
<u>Operating Transfers In (Out)</u>	(116,649)	-	(116,649)
<u>Net Income (Loss)</u>	(15,955)	(29,669)	(45,624)
<u>Net Assets</u>			
<u>October 1</u>	1,666,427	84,991	1,751,418
<u>Prior Period Adjustment</u>	-	-	-
<u>Net Assets</u>			
<u>September 30</u>	\$ 1,650,472	\$ 55,322	\$ 1,705,794

The accompanying notes are an integral part of these financial statements.

Totals		
2008	2007	2006
\$ (108,123)	\$ (119,256)	\$ 152,025
9,000	-	5,300
151,733	384,800	401,807
4,521	100,093	48,492
-	-	429,000
<u>165,254</u>	<u>484,893</u>	<u>884,599</u>
57,131	365,637	1,036,624
-	(2,100,220)	-
<u>608,834</u>	<u>(3,211,810)</u>	<u>(115,542)</u>
665,965	(4,946,393)	921,082
1,099,382	6,045,775	5,124,693
<u>(13,929)</u>	<u>-</u>	<u>-</u>
<u>\$ 1,751,418</u>	<u>\$ 1,099,382</u>	<u>\$ 6,045,775</u>

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