MILTON

GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

PREPARED BY:
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Finance Director

SUBMITTED BY:
Steven Krokoff
City Manager

Introductory Section

Table of Contents

Introductory Section

TABLE OF CONTENTS 4
LETTER OF TRANSMITTAL 6
GFOA CERTIFICATE OF ACHIEVEMENT 11
LISTING OF ELECTED OFFICIALS 12
LISTING OF PRINCIPAL OFFICIALS 13
ORGANIZATIONAL CHART 14
CITY MEETINGS 15

Financial Section

INDEPENDENT AUDITOR'S REPORT 17
MANAGEMENT'S DISCUSSION AND ANALYSIS 20
BASIC FINANCIAL STATEMENTS:
Government-wide Financial Statements:
Statement of Net Position 32
Statement of Activities 33
Fund Financial Statements:
Balance Sheet – Governmental Funds 34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 37
Statement of Fiduciary Assets and Liabilities – Agency Fund 38
Notes to Financial Statements 39
REQUIRED SUPPLEMENTARY INFORMATION:
Schedule of Changes in the City's Net Pension Liability and Related Ratios 64
Schedule of City Contributions 65
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 66
Notes to Required Supplementary Information 68
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:
Balance Sheet – Nonmajor Governmental Funds 71
Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 72
Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 73
Emergency 911 Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 74
Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 75
Schedule of Projects Constructed with Proceeds from Transportation Special Purpose Local Option Sales Tax (TSPLOST) 76
Statement of Changes in Assets and Liabilities – Agency Fund 78

Table of Contents

Statistical Section

FINANCIAL TRENDS:

Net Position by Component 82
Changes in Net Position 84
Governmental Activities Tax Revenues by Source 86
Fund Balances of Governmental Funds 87
Changes in Fund Balances of Governmental Funds 89

REVENUE CAPACITY:

General Governmental Tax Revenues by Source 92
Assessed Value and Estimated Actual Value of Taxable Property 93
Property Tax Rates – Direct and Overlapping Governments 95
Principal Property Taxpayers 96
Property Tax Levies and Collections 97

DEBT CAPACITY:

Ratios of Outstanding Debt by Type 99
Direct and Overlapping Governmental Activities Debt 100
Legal Debt Margin Information 101

DEMOGRAPHIC AND ECONOMIC INFORMATION:

Demographic and Economic Statistics 103
Principal Employers 104

OPERATING INFORMATION:

Full-Time Equivalent City Government Employees by Function 106
Operating Indicators by Function 107
Capital Asset Statistics by Function 109

Compliance Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 111

MILTON
ESTABLISHED 2006

February 22, 2021

To the Honorable Mayor, Members of City Council, Citizens, Businesses, and Stakeholders of the City of Milton:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Milton, Georgia, for the fiscal year ended September 30, 2020. This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all information presented in this report, which is based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, this report's objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In compliance with state laws, the City's financial statements have been audited by Mauldin & Jenkins, LLC. The goal of this independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the City's financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors have concluded, based upon their audit, that there is reasonable basis for rendering an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2020. The independent auditor's report is presented as the first component of this report's financial section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and features a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Our History

In the early 1800s, the area that now includes the City of Milton was inhabited mostly by members of the Cherokee tribe. Through the 1832 land lottery, settlers in search of good farmland and gold made this their home.

In 1857, Milton County was formed from parts of Cobb, Cherokee, and Forsyth Counties to create a more accessible county seat. It was named for John Milton, Georgia's first Secretary of State and a Revolutionary War hero. This was an agricultural-based community with cotton as its main crop. The boll weevil infestation caused devastation in the 1910s and 1920s, as did the Great Depression in the 1930s. Small, struggling Georgia counties, such as Milton, were encouraged to consolidate with larger counties in the "Bigger and Better Counties" movement. In 1932, Milton voters decided to merge with Fulton County.

For 74 years, what's now Milton was unincorporated within Fulton County. At that point, however, citizens decided they wanted more local control over community decisions and services provided. In an overwhelming show of support, 85% of voters approved the referendum to create a new City of Milton on July 18, 2006. On December 1, 2006, the City of Milton was incorporated. Located at the northernmost tip of Fulton County, it occupies 39.12 square miles and serves an estimated population of 40,000, according to the City's Community Profile prepared by Esri. The City has been recognized nationally for its high quality of life with rankings in numerous surveys as one of Georgia's safest and most livable cities. Milton is a premier city where we strive to promote a high quality of life, create a strong sense of community and place, respect our rural heritage while guiding our future, and be the best place to call home.

Government Profile

Policy-making and legislative authority in Milton are vested in a governing City Council consisting of a Mayor and six Council members, all elected on a non-partisan basis. Each serves a four-year staggered term, with one-half of the Council seats up for election every two years. The Mayor, who can live anywhere in the city, is elected at large. Council members must live within the districts in which they are elected, though they serve all citizens of the city.

The City of Milton operates under a Council-Manager form of government, whereby the City Manager is appointed by the Mayor and Council. The City Manager has the authority and responsibility to carry out the policies set forth by the Council, provide for the effective and efficient delivery of municipal services, and direct and supervise the administration of all departments.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; and parks and recreational programs. Sanitation services are provided through relationships with private operators. The City created a legally separate entity, the Public Building and Facilities Authority (PBFA), to assist with, among other things, capital funding. Financial information for the PBFA has been included within this document and additional information can be found in the Notes to the Financial Statements in Note 1A.

Budget Basis and Structure

An annual budget serves as the foundation for the City's financial plan and assists in control of the government's financial stability and health. The Mayor and Council are legally required to adopt a balanced budget no later than the close of the fiscal year. The City's fiscal year runs from October 1 through September 30.

The budget is prepared by fund, function, and department. The official level of control (i.e. the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative transfers of appropriations within a department may be authorized by the City Manager. Transfers between departments or funds must be approved by the Mayor and Council.

In fiscal year 2020, the City maintained ten governmental funds. The budgets for the General Fund, Confiscated Assets Fund, Emergency 911 Fund, and Hotel/Motel Tax Fund are all appropriated annually. While the Capital Projects Fund, Greenspace Bond Fund, TSPLOST Fund, Capital Grants Fund, Impact Fee Fund, and Revenue Bond Fund utilize project length budgets.

Economic Condition

The City is part of the metropolitan area of Atlanta. However, it is unique as a municipality. While largely rural and suburban in character, a portion of the City lies within the major future-growth corridor along GA 400. Approximately 84.5% of the land area within the city can be developed for residential or agricultural/equestrian purposes. Only 2.5% of the land area is planned for commercial development. The remaining 13% is comprised of right of way, wetlands, schools, cemeteries, and parkland.

The City wishes to maintain its position as a distinct community with a rural equestrian character in the Atlanta region. In order to do so, Milton has geographically identified its future development areas where economic growth will occur to create a sufficient tax base for government operations. These development areas include Downtown Milton/Crabapple, Deerfield/SR 9, Birmingham Crossroads, and potentially the Arnold Mill Road corridor. Preservation areas reflective of Milton's character have also been identified. Several methods are used to conserve our rural areas such as transfer of development rights, impact fees, conservation tax incentives, rural viewshed zoning, as well as the 2016 citizen-approved greenspace bond.

While commercial properties comprise approximately 14% of the net tax digest, Milton is fortunate to have a stable list of large employers such as Verizon Wireless, the Fulton County Board of Education, Philips North America LLC, InFor (US) Inc, Integrated Systems, Excide Technologies, and Wal-Mart. Milton has a median age of 38.5 years, a per capita income of $62,345 with a median household income of $138,504, and a median home value of $511,307.

Milton has one of the most educated populations of any city its size in Georgia. Approximately 97% of residents over the age of 25 hold at least a high school degree and 70% have a bachelor's degree or higher. More than 60% of the workforce is in the professional/management field. Milton has experienced some negative impacts from the COVID-19 pandemic, one of which is an increase to the City's unemployment rate to 3.3% as of the fiscal year end (September 30, 2020).

Strategic Financial Planning

Although many economic factors are largely outside local government control, the Mayor, Council, City Manager and department heads have displayed impressive financial stewardship over the years through an established philosophy of budgetary evaluation. This philosophy entails reviewing the City's needs relative to a standard that the services and associated costs should not be appropriated unless they are justified by organizational strategic goals and serve to accomplish our guiding principles. These values and controls have aided the City throughout this past year.

Upon incorporation, the City also adopted a budgetary policy that requires the establishment of a fund balance reserve for working capital. The purpose of working capital is to address the cost of expenditures caused by unforeseen emergencies, to cover shortfalls due to revenue declines, and to eliminate any short-term borrowing for cash flow purposes. This reserve shall accumulate and then be maintained at an amount that represents no less than 25% of the subsequent year's budgeted revenues. Excess fund balances over reserve requirements can be used in subsequent periods as a funding source for that fund's budget in any given year. The utilization of fund balance shall be deemed a use of one-time revenues for budgeting purposes.

The City of Milton maintains a flexible yet thorough seven-year capital improvement plan, whereby capital needs are identified several years before funding and implementation to allow for adequate time for planning. This plan also provides for the orderly replacement of facilities and equipment.

The City's current seven-year Capital Improvement Plan (CIP) identified over $54 million in projected funding through fiscal year 2027 (excluding potential bond funding). Approximately $4.5 million of this is budgeted for the 2021 fiscal year through the City's pay-as-you-go funding program (setting aside incremental appropriations in order to pay for projects with money on hand rather than borrowing funds/incurring additional debt). Close to $3 million of this is designated for public works projects such as pavement management, bridge replacement, sidewalk repairs, trail expansion, and intersection improvements. The remaining FY 2021 budget is slated for future replacement of public safety vehicles, an upgrade to the Fire department's self-contained breathing apparatus equipment, park land acquisition and improvements, and the continuation of the Milton gateway/wayfinding signage program. FY 2021's CIP also includes funding for all Transportation Local Option Sales Tax (TSPLOST) projects, greenspace bond related land purchases, grant funded projects, and the City's current revenue bond funded projects. (The latter includes the reconstruction of Fire Station 42 on Thompson Road and final expenses related to the completion of the Public Safety Complex on Highway 9.)

The City's sustainability relies on a diversification of revenue sources. Property taxes are the largest single source of revenue, with local option sales tax being a close second. Existing revenue sources are evaluated on an annual basis to ensure the underlying rate is reasonable and justifiable. Examples of revenue sources that are reevaluated annually include all user fee-based revenue sources (i.e. permits, licenses, recreation fees, etc.). The City continues to collect impact fees on new development projects in order to offset the costs of providing City services to those new projects, as well as the residents and businesses they bring to the City. These revenues, along with those generated through the voter approved TSPLOST initiative, have allowed for an accelerated timeline for project completion. As a result, intersection improvements, park improvements, and other capital projects are achieved sooner than would be possible under the City's traditional pay-as-you-go program.

Major Initiatives

During fiscal year 2020, the City of Milton planned and implemented several major initiatives designed to meet citizens' and business owners' needs for services, improve the quality of life, and adhere to the Mayor and Council's vision for the City.

For example, voter-approved greenspace bond funds were utilized to acquire another 27.8 acres of passive greenspace. These preserved parcels are located on Freemanville Road and Providence Road. The Council adopted the master plan for the former Milton County Club property on Dinsmore Road last fiscal year. Funding to continue phase one of the passive and active improvements has been included in the FY 2021 capital budget mentioned earlier.

The Parks & Recreation Department continues to make progress on three projects at Providence Park that were awarded grant funding in FY 2019. The Georgia Department of Natural Resources authorized these three grants. The first, issued under the Georgia Recreational Trails Program, will pay for 80% of the project total to install a new ADA-compliant trail in the park. The second and third were authorized

under the Land and Water Conservation Fund. Both grants will reimburse up to 50% of the project totals for the installation of new bathrooms, a fishing pier, and a pavilion at Providence Park. The bathroom project will include eco-friendly components that will eliminate the need for a septic tank and include a vegetative roof system, solar powered lighting along the pathway to the building, bioswales to recycle the gray water runoff, and an education component/informational station. The fishing pier and pavilion project will restore access to the lake on the property and provide some shade.

In addition, the department acquired over 8 acres of land on Cox Road that includes two full-sized grass fields and one half-sized artificial turf field. These additional fields have allowed the City to increase capacity for its lacrosse programs as well as begin to offer soccer programming. The Parks & Recreation Department also renewed its partnership with Birmingham United Methodist Church and started a new partnership with Mill Springs Academy, which will house indoor basketball and Milton's beloved Camp Joyful Soles for the developmentally disabled.

At year's end, the Community Development Department wrapped up work on the Walking School Bus smart phone application. This project was made possible through grant funding received from the Atlanta Regional Commission, through their Livable Centers Initiative (LCI) program and is being funded as part of the Georgia Smart Communities Challenge Program. This program now provides real-time communication to parents of children who walk to school in a group with other children as it went live in December 2020. The goal is to encourage safe walking and/or bike riding, thereby reducing the number of cars dropping off students.

Throughout the year, Public Works continued to make progress on several TSPLOST-funded projects. This includes the creation of a new road in downtown Milton, initially referred to as NE Crabapple Connector and now as an extension of Heritage Walk. This road serves as an alternative route connecting SR 372/ Birmingham Highway to a new roundabout at Mayfield Road and Charlotte Road by the Milton Library. Design and right-of-way services continue, meanwhile, for intersection improvements at Freemanville Road at Birmingham Road, Hopewell Road at Thompson Road, Hopewell Road at Bethany Road/ Bethany Bend, and Hopewell Road at Hamby Road projects. Timelines currently call for these projects to be completed by the end of calendar year 2022.

Public Works teamed with the City's Community Development and Parks & Recreation departments on the Milton Community Trail Prioritization Plan. This Plan identifies "golden opportunities" to improve pedestrian connectivity and alternatives throughout the city. Council voted in favor of this Plan in August 2020 and funding has been identified in the seven-year CIP to begin work on implementing it.

In October 2020, Milton staff completed work on the property adjacent to Fire Station 43 -- including a new storage building for the Fire Department and a maintenance building for the Public Works Department. These new buildings will aid in the protection of valuable City property and have been designed to fit Milton's character. With the onset of the pandemic this past spring, the construction schedule for the Public Safety Complex was evaluated very closely. Despite such an unforeseen challenge, the new Public Safety Complex on Highway 9 officially opened in the summer of 2020 on time and on budget. This complex is the permanent home of Milton's Police department, Municipal Court, and Fire Station 44. The subsequent end of the City's lease on its Deerfield Parkway location now means all Milton departments are based out of City-owned properties.

The pandemic has impacted Milton, just as it has almost every municipality across the country. With that said, staff have worked hard to implement safety protocols and IT infrastructure improvements to remain open throughout this unprecedented time. City Hall was closed to the public for a period, but inventive solutions -- including a drop-off/pick-up option for paperwork, online payment options, revamped communication platforms, and a new City website packed with up-to-date information and a designated COVID-19 page -- allowed staff to continue conducting business without any major delays or interruptions. The lobby is now open with reduced hours and business continues as usual. Our communications team has worked throughout this time to ensure residents and business owners are informed and connected. These efforts have included the aforementioned City website and the adored #MakingLemonadeinMilton social media campaign that aimed to connect residents and keep them positive while people adjusted to their new work-from-home and learn-from-home schedules.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Milton for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2019. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare CAFRs that represent the spirit of transparency and full disclosure. This was the twelfth year the City has received this prestigious award. This award is valid for a period of one year only. We believe that our current CAFR continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

The preparation of this report would not have been possible without the efficient and dedicated services of all City departments. Their willingness to work together has enabled Milton to go beyond the ordinary, to be unique, and to strive to exceed expectations in financial reporting by producing a quality report that is readable, informative, and beneficial to our citizens. We also extend our appreciation and gratitude to our independent auditors, Mauldin & Jenkins, for their professional guidance and assistance in producing this technically sound document. Most importantly, we express our appreciation to our citizens as well as our Mayor and City Council for their dedication, leadership, vision, and support in planning and conducting the City's affairs in a responsible and progressive manner, thus ensuring that Milton is a well-rounded, vibrant community to call home.

Respectfully submitted,



Steven Krokoff
City Manager



Stacey R. Inglis
Assistant City Manager/
City Treasurer



Bernadette Harvill
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Milton
Georgia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

Elected Officials



MAYOR

Joe Lockwood



DISTRICT 1/POST 1

Peyton Jamison



DISTRICT 2/POST 1

Laura Bentley



DISTRICT 3/POST 1

Joe Longoria



DISTRICT 1/POST 2

Carol Cookerly



DISTRICT 2/POST 2

Paul Moore



DISTRICT 3/POST 2

Rick Mohrig

Listing of Principal Officials at September 30, 2020



City Manager
Steven Krokoff



Assistant City Manager and City Treasurer
Stacey Inglis



Chief of Police
G. Rich Austin



Fire Chief
Robert Edgar



Public Works Director
Robert Drewry



Community Development Director
Parag Agrawal



Finance Director
Bernadette Harvill



Human Resources Director
Sam Trager



Communications Director
Greg Botelho



Economic Development Manager
Sarah LaDart



Parks and Recreation Interim Manager
Tom McKlveen



City Clerk
Sudie Gordon



Court Clerk
Brooke Lappin



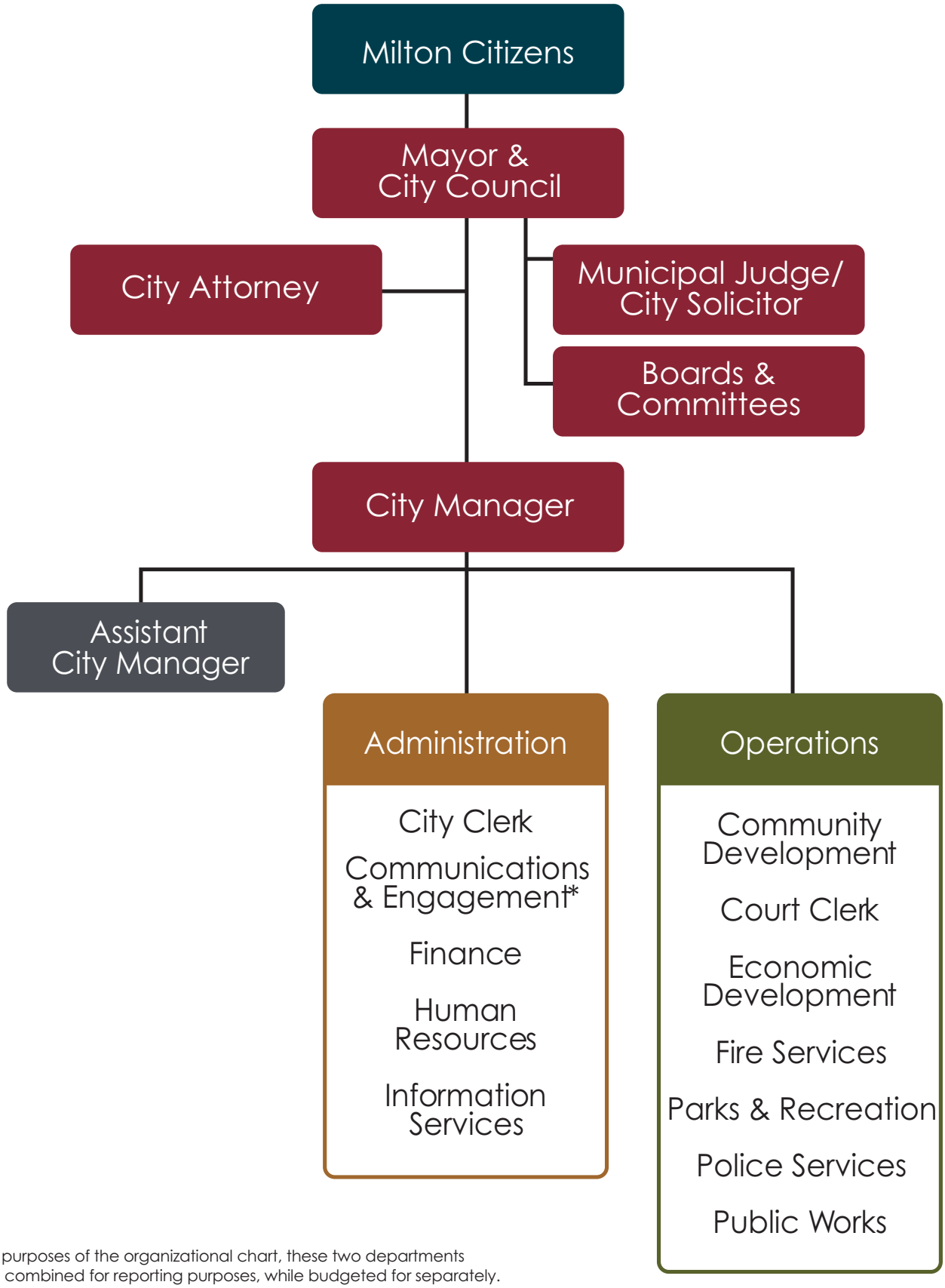
Virtual CIO
Ashley Smith

City Attorney
Ken E. Jarrard, Esq.

City Auditors
Mauldin & Jenkins, LLC

MILTON

2020 Organizational Chart



* For purposes of the organizational chart, these two departments are combined for reporting purposes, while budgeted for separately.

City Meetings

The City of Milton employs official citizen-comprised boards and committees that meet regularly in public sessions. Each committee has a unique role and focus on matters important to the community. The Mayor and Council members are elected by Milton voters, while members of other boards are appointed with the Council's assent. Here are the City's committees, including when and where they physically meet each month. Meeting dates occasionally change due to holidays and other factors. Meanwhile, committees also began meeting virtually over Zoom during the COVID-19 pandemic, a practice that will likely continue in some form.

City Council

Regularly scheduled meetings
First and third Mondays
Work Sessions
Second Monday
6 p.m. in Council Chambers

Planning Commission

Regularly scheduled meeting
Fourth Wednesday
6 p.m. in Council Chambers

Design Review Board

Regularly scheduled meeting
First Tuesday
6 p.m. in Council Chambers

Board of Zoning Appeals

Regularly scheduled meeting
Third Tuesday
6 p.m. in Council Chambers

Greenspace Advisory Committee

Regularly scheduled meeting
Fourth Monday Quarterly (starting in March)
6:30 p.m. in Community Place

Equestrian Committee

Regularly scheduled meeting
Third Wednesday
7 p.m. in Community Place

Disability Awareness Committee

Regularly scheduled meeting
Second Friday
2 p.m. in Community Place

Parks and Recreation Advisory Board

Regularly scheduled meeting
Third Thursday
6:30 p.m. in Council Chambers

Additional meeting details are available on the city website. **www.cityofmiltonga.us/calendar**

Financial Section

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Milton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Milton, Georgia** (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Milton, Georgia, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Schedule of Changes in the City's Net Pension Liability and Related Ratios, and Schedule of City Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules as well as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (continued)

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 22, 2021

Management's Discussion and Analysis

As management of the City of Milton (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found at the beginning of this report, as well as the financial statements and notes to the financial statements that follow. All amounts within this document, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $129,041,282 (total net position). Of this amount, $24,838,051 (unrestricted net position) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by $14,056,147.
- As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of $55,513,923 -- an increase of $12,523,983 over the prior year. The key elements of this increase are attributable to the City's issuance of a revenue bond in October 2019. The fund balance in this account will be utilized to complete the reconstruction of Fire Station 42 on Thompson Road. Additionally, there was an increase of $3,826,231 in the TSPLOST Fund as well as an increase of $3,506,267 in the Capital Projects Fund, both of which are restricted to road and intersection improvements and assigned to capital projects, respectively. These also contributed to the net increase outlined above.
- The unassigned fund balance in the general fund at the end of the fiscal year was $11,017,622. This represents approximately 37.3% of the fiscal year 2021 budgeted revenues. Milton's Fund Balance Policy requires current year unassigned fund balance to represent no less than 25% of the subsequent year's budgeted revenues. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Any surplus after such emergency reserve will allow the City to utilize excess fund balance as a funding source. Such utilization shall be deemed a use of one-time revenues for budgeting purposes. The City opted to utilize $1,628,677 of the excess fund balance to fund fiscal year 2021 operations via a transfer out to the Capital Projects Fund as part of Milton's pay-as-you-go funding strategy for capital projects.
- The City's total long-term debt as of September 30, 2020, consists of a revenue bond to fund the construction of the Public Safety Complex on Highway 9, the reconstruction of Fire Station 42 on Thompson Road, and a station-wide alerting system for the Fire Department. It also includes the refunding of the debt due on the Series 2014 revenue bond that was utilized for the construction of Bell Memorial Park, as well as a general obligation bond to fund the purchase of greenspace properties. As of the close of fiscal year 2020, the balance of the long-term debt was $49,943,809.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Milton's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances. Financial reporting at this level uses a perspective similar to that found in the private sector, with its basis in accrual accounting and elimination or reclassification of activities between funds. These statements provide both long-term and short-term information about the City's overall financial status.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors, such as diversification of the taxpayer base or the condition of the City's infrastructure, in addition to the financial information provided in this report.

The *statement of activities* reports how the City's net position changed during the current fiscal year. All variations in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off). An important purpose of the design of this statement is to show the financial reliance of the City's distinct activities, or functions, on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish functions of the City principally supported by taxes and intergovernmental revenues *(governmental activities)*. The City of Milton's governmental activities include general government, judicial, public safety, public works, culture and recreation, and housing and development. The City currently does not have any business-type activities.

The government-wide financial statements can be found on pages 32 and 33 of this report.

Fund financial statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund *statement of revenues, expenditures, and changes in fund balance* have reconciliations that provide a detailed breakdown of the changes between governmental funds and governmental activities.

In fiscal year 2020, the City maintained five major and five non-major governmental funds. The City's major governmental funds were the General Fund, Capital Projects Fund, Greenspace Bond Fund, TSPLOST Fund, and Revenue Bond Fund. The non-major governmental funds included: the Confiscated Assets Fund, Emergency 911 Fund, Hotel/Motel Tax Fund, Capital Grant Fund, and Impact Fees Fund.

The basic governmental fund financial statements can be found on pages 34 through 36 of this report.

Fiduciary fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City uses an Agency Fund for the collection and remittance of cash appearance bond-related activity for municipal court.

The basic fiduciary fund financial statement can be found on page 38 of this report.

Notes to the basic 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 39 to 62 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, such as budgetary comparison schedules and the schedule of funding progress for the City's pension plan. The budgetary comparison schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 64 to 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Following is a summary of the City's net position as found on page 32 of this report.

CITY OF MILTON'S NET POSITION

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	$ 62,608,737	$ 48,192,176
Capital assets	125,083,822	105,956,320
Total assets	187,692,559	154,148,496
Deferred outflow of resources	2,403,578	1,127,146
Total deferred outflow of resources	2,403,578	1,127,146
Liabilities		
Current liabilities	9,633,905	7,984,312
Non-current liabilities outstanding	51,283,575	31,770,733
Total liabilities	60,917,480	39,755,045
Deferred inflows of resources	137,375	535,462
Total deferred inflows of resources	137,375	535,462
Net position		
Net investment in capital assets	84,118,811	80,745,558
Restricted for law enforcement	99,835	155,178
Restricted for fire facilities	314,357	253,633
Restricted for road and intersection improvements	17,784,583	14,163,212
Restricted for park & trail expansion	1,836,522	2,492,082
Restricted for general administration	49,123	33,331
Unrestricted	24,838,051	17,142,141
Total net position	$ 129,041,282	$ 114,985,135

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City of Milton reported a net position of $129,041,282 at the close of the fiscal year. The largest portion of the net position (65.2%) reflects its net investment in capital assets (e.g., land, land improvements, buildings, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

An additional portion of the City's net position (15.6%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2020, the City's restricted net position was $20,084,420 representing:

- $2,208,117 for impact fee funded projects across administration ($49,123), law enforcement ($597), fire ($314,357), public works ($7,518), and culture and recreation ($1,836,522).

- An additional $99,238 in confiscated funds for law enforcement and $17,777,065 in TSPLOST funding for public works road and intersection improvements.

The remaining portion of the City's net position represents unrestricted net position. The statement reveals a surplus of $24,838,051 (19.2%) at the end of this fiscal year. The evidence of a surplus does not mean that the City has resources available beyond its long-term commitments. Rather, it is the result of having currently available resources that are greater than long-term commitments.

At the end of fiscal year 2020, the City is able to report positive balances in all three categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

The following condensed financial information was derived from the government-wide statement of activities (page 33) and reflects how the City's net position changed during the fiscal period.

CITY OF MILTON'S CHANGES IN NET POSITION

	Governmental Activities	
	2020	**2019**
Revenues		
Program revenues:		
Charges for services	$ 3,737,866	$ 4,041,617
Operating grants and contributions	38,632	41,479
Capital grants and contributions	8,306,030	7,423,743
General revenues:		
Property taxes	16,159,692	15,004,421
Sales taxes	9,221,508	10,041,779
Other taxes	5,882,679	5,799,663
Interest	479,474	956,696
Gain on sale of assets	-	52,103
Miscellaneous revenues	176,551	212,228
Total revenues	44,002,432	43,573,729
Expenses		
General Government	3,194,222	3,894,038
Judicial	467,942	420,623
Public Safety	14,304,063	12,318,540
Public Works	5,019,146	6,621,990
Culture and Recreation	3,781,670	2,104,060
Housing and Development	1,812,726	1,498,236
Interest on long-term debt	1,366,516	941,731
Total expenses	29,946,285	27,799,218
Increase in net position	14,056,147	15,774,511
Net position - beginning	114,985,135	99,210,624
Net position - ending	$ 129,041,282	$ 114,985,135

There was an overall increase in net position of $14,056,147 in fiscal year 2020. Although increases in revenues did not outpace increases in expenses year-over-year (primarily due to the impacts of COVID-19 on certain revenue streams including sales taxes, charges for services, and interest revenues), those increases in revenue streams (including property taxes, other taxes, and capital grants and contributions as well as conservative spending) were the key elements of the overall increase in net position.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Milton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of fiscal year 2020, the City reported governmental funds combined ending fund balance of $55,513,923, an increase of $12,523,983 from the prior year. Of this balance, $12,834,539 is assigned for capital projects and $1,628,677 is assigned for fiscal year 2021 operations (assigned fund balances include amounts intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed); $414,192 is restricted for public safety; $17,784,583 is restricted for public works road and intersection improvements; $1,836,522 is restricted for future park and trail enhancements; $49,123 is restricted for general administration; $8,824,451 is restricted for capital projects including greenspace bond funded land purchases and revenue bond funded construction projects; $1,124,214 is nonspendable for prepaids; and $11,017,622 is considered unassigned and can be used to meet the near-term operating needs of the City.

General Fund

The General Fund is the primary operating fund. It accounts for many of the City's core services, such as law enforcement, fire protection, planning, roads and streets, and administration. At the end of the current fiscal year, the total fund balance was $13,182,045 -- an increase of $2,615,461. As a measure of the liquidity, total fund balance represents 44.6% of fiscal year 2021 budgeted revenues.

Approximately 4.1% of the total fund balance, or $535,746, constitutes nonspendable fund balance for prepaids. Another 12.4%, or $1,628,677, is assigned for fiscal year 2021 operations. And the remaining 83.6% of total fund balance, or $11,017,622, constitutes unassigned fund balance. This unassigned balance represents approximately 37.3% of fiscal year 2021 budgeted revenues. By ordinance, the City has mandated that such balance not be less than 25% of budgeted revenues. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. The City Code of ordinances allows for utilization of surplus fund balance in excess of the 25% of the subsequent year's budgeted revenues as a funding source for that fund's budget in any given year. The utilization of fund balance is considered a use of one-time revenues for budgeting purposes.

Revenues Classified by Source - General Fund

	FY 2020		FY 2019		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 29,365,900	94.8%	$ 28,759,387	92.9%	$ 606,513	2.1%
Licenses and permits	567,765	1.8%	700,580	2.3%	(132,815)	-19.0%
Charges for service	409,669	1.3%	506,501	1.5%	(96,832)	-19.1%
Fines and Forfeitures	284,382	0.9%	432,196	1.4%	(147,814)	-34.2%
Other	362,850	1.2%	548,278	1.9%	(185,428)	-33.8%
Total	$ 30,990,566	100.0%	$ 30,946,942	100.0%	$ 43,624	0.1%

The following provides an explanation of the changes in revenues by source from 2019 to 2020:

- **Taxes.** An increase of approximately $1,291,087 was recognized in the property taxes category related to increasing property values within the City as well as newly constructed residential and commercial properties. The passage of House Bill 710 in 2018 created a floating homestead exemption based on the Consumer Price Index for properties that qualify for a basic homestead exemption. This exemption was applied to bills beginning in tax year 2019 (fiscal year 2020) and grants an exemption for any growth in assessed value, for the property's primary residence (excluding improvements) and five contiguous acres of land. The exemption value equals the difference between the new assessed value and the property's adjusted base year value plus 3% or the inflation rate, whichever is less. The goal of the new exemption is to reduce the rate by which property values have been increasing for those eligible for the exemption. This has had a big impact on the value of exempt property within the city, more than doubling exemption values. Within the taxes category, the City also recognized growth in insurance premium tax that increased by $137,303. Meanwhile, COVID-19's impact was felt through a reduction in consumer spending and confidence in the economy resulting in an $820,271 decrease in local option sales taxes year-over-year.
- **Licenses and permits.** The pandemic also affected the license and permits issued by the City with year-over-year decreases seen in alcohol beverage licensing (8,340), land disturbance permits (50,661) and building permits (73,508). The decreases in land disturbance permits and building permits are also partially attributable to the building cycle. Overall, the licenses and permits category recognized a decrease of $132,815.
- **Charges for service.** The charges for service category has been directly impacted by the ongoing pandemic, with program closures and other administrative fee related decreases resulting in a combined decrease of $96,832. State mandated court closures contributed to a decrease of $25,470 to court administrative fees, while a delay to the City's fingerprinting program resulted in a $7,715 decrease to that revenue stream. Decreases in revenues related to Parks & Recreation program closures were offset by the collection of prior year revenues for baseball programming as well as the City's ability to keep its pool open over the summer with heightened safety protocols, including limiting attendance and ensuring social distancing for attendees. The end result was an overall decrease in activity and commission revenues of $14,865.
- **Fines and forfeitures.** This category has recognized a decrease of $147,814. This decrease is primarily attributable to the mandatory court closures resulting from the COVID-19 pandemic.
- **Other.** The decrease in other revenues is attributable to a decrease in investment earnings of approximately $236,829. The drastic drop in interest rates has driven this decrease.

Expenditures by Function - General Fund

	FY 2020		FY 2019		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	$ 3,904,864	17.3%	$ 3,781,995	17.1%	$ 122,869	3.2%
Judicial	458,499	2.0%	428,571	1.9%	29,928	7.0%
Public Safety	12,172,740	53.9%	11,341,329	51.4%	831,411	7.3%
Public Works	2,413,037	10.7%	2,375,986	10.8%	37,051	1.6%
Culture and Recreation	1,545,850	6.8%	1,460,281	6.6%	85,569	5.9%
Housing and Development	1,742,620	7.7%	1,466,583	6.6%	276,037	18.8%
Debt Service	360,396	1.6%	1,213,047	5.5%	(852,651)	-70.3%
Total	$ 22,598,006	100.0%	$ 22,067,792	100.0%	$ 530,214	2.4%

The following provides highlights explaining the significant changes from the prior period in expenditures by function:

- General government expenses increased by $122,869. A large portion of this increase (approximately $162,929) is attributable to enhancements made through the managed services contract in the Information Services Department. These changes included continued efforts towards bringing the City's infrastructure in-house and upgrading hardware and software components, as well as providing dedicated staff and technical support through the agreement. The Citywide market adjustment to salaries was partially offset by vacancies as well as the removal of one full-time position in the Information Services Department.
- There was an increase of $831,411 in public safety. A large portion of this is attributable to personnel costs, specifically an increase of approximately $403,418 to salaries due to the market adjustment to salaries and the addition of two full-time officer positions in the Police Department and two full-time firefighter positions in the Fire Department. There was also a $172,655 increase to the communications related line-items as department specific costs that were previously accounted for in the Information Services Department were transferred to the end-user departments beginning in fiscal year 2020.
- Increases in Culture and Recreation have been driven by the acquisition of the Cox Road facility in January 2020. Costs to maintain the newly purchased properties accounted for approximately $117,739. Additionally, grounds repairs and maintenance as well as lawn care for other facilities increased by about $39,713, including annual inflationary increases. These expenses along with one-time improvements for resurfacing and other enhancements to the City Pool located at the former Milton Country Club property on Dinsmore Road in the amount of approximately $69,000 were offset by a savings of $135,511 resulting from the termination of the active parks IGA between the City of Milton and the City of Alpharetta.
- Housing and development had an overall increase of $276,037. The Community Development Department was granted a new full-time position, Development Review Coordinator, attributing to part of the increase. Additionally, Community Development's professional fees including contractual services increased by approximately $180,509 -- including expenses related to temporary plan review services as well as soil and erosion control inspection services that were brought in-house in fiscal year 2021. Lastly, the Economic Development Department's professional services expenses decreased by approximately $91,801 as the Strategy and Marketing plan for the Deerfield Corridor was completed in fiscal year 2019.

Capital Projects Fund

Annually, the City Council approves a seven-year capital program as part of the budget process. Funding for these projects comes primarily from available fund balance of the General Fund. The Capital Projects Fund accounts for these activities. During the year, $5,370,390 was transferred to this fund from the General Fund, which denotes a decrease from the transfer of $8,296,559 in fiscal year 2019. This decrease is a result of the return to the City's traditional pay-as-you-go program after a catch-up period used to recover the required fund balance that was utilized when the City changed its accounting principal for property taxes. This decision allowed the City to strengthen budgeting capabilities with only a short-term delay to the Capital Improvement Plan (CIP). The operating transfers, together with additional revenues of approximately $175,890, resulted in an increase in fund balance of $3,506,267, yielding a fund balance at year-end of $12,039,015 as compared to $8,532,748 at the end of the prior year.

Greenspace Bond Fund

During fiscal year 2017, the City issued City of Milton General Obligation Bonds, Series 2017 to be used for the purpose of acquiring and establishing greenspace throughout the City. Expenses in the amount of $2,452,036 are attributable to land acquisition and related legal and professional fees. Additionally, $855,000 in bond principal and $860,181 in bond interest payments were made. At year end, the City reported a fund balance of $5,247,817, a decrease of $2,288,791 from fiscal year 2019. The Milton Greenspace Advisory Committee is evaluating properties to propose as potential purchases to be made with the remaining funds.

TSPLOST Fund

In November 2016, voters approved a five-year program for transportation related projects. Transportation Local Option Sales Tax (TSPLOST) related transactions are kept in a separate fund and qualified as a major fund in fiscal year 2020. Some $2,693,496 in expenditures are attributable to design, preconstruction services, and construction on seven intersection and pedestrian improvement projects. The increase in fund balance accounted for in the TSLPOST Fund is a result of the revenue collection timeline versus the project construction timelines. Each intersection project goes through several phases including design and engineering, right of way acquisition, and construction of which the latter two tend to be the more costly stages. The majority of the current TSPLOST funded projects were in the design and engineering phase throughout fiscal year 2020 with some in the beginning of right of way acquisition. As a result, revenue received has been invested until it will be needed to fund the other phases of these projects. All TSPLOST funding received has been earmarked to a particular TSPLOST approved project in the City's seven-year Capital Improvement Plan. At year end, the City reported a fund balance of $17,777,065, which is all restricted for approved TSPLOST projects.

Revenue Bond Fund

In fiscal year 2020, the Revenue Bond Fund accounted for $13,173,622 in expenditures related to the design, construction, and outfitting of the Public Safety Complex on Highway 9, architectural design services related to the reconstruction of Fire Station 42, and the station-wide alerting system for the Fire Department. Additionally, $528,509 in bond principal and $502,903 in bond interest payments were made, including the refunding of the remaining debt service on Bond Series 2014 that will save the City approximately $443,059 over the next 10 years. The fund balance of $3,984,697 is restricted to the capital projects approved in the bond issuance, including final expenses related to the Public Safety Complex and the fire station alerting system and the design, construction, and outfitting of Fire Station 42.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City employs a budget adjustment process consisting of, at a minimum, a mid-year and end-of-year amendment in order to realign appropriations made during the annual budget process with significant unexpected trends. This ensures adjustments facilitating appropriations are in alignment with expected resources. Differences between the original budget and final amended budget are summarized as follows:

- Total revenue appropriations increased by $503,457.
  - The appropriation for other financing sources increased by approximately $586,391. The majority of this increase is attributable to a one-time reimbursement from the revenue bond fund in the amount of $520,868 for bond-related expenses made prior to the issuance of Bond Series 2019 in October 2020.
  - The taxes category also saw an increase in appropriations in the amount of $245,455. Primary contributions to this increase include title ad valorem taxes in the amount of $378,785, real property tax-current year $230,000, intangible tax $222,099, and real property tax-prior year $100,000. These increases along with other minor increases were offset by a substantial decrease to the appropriations for local option sales tax in the amount of $808,077 resulting from the anticipated impact of decreased spending resulting from the pandemic.
- Total expenditure appropriations decreased by $2,073,802.
  - The refunding of debt related to Bond Series 2014 resulted in the decrease in debt service appropriations in the amount of $1,177,201.
- Operating transfers out had a net increase of $1,369,933. This included an increase of $1,158,509 to the Revenue Bond Fund to account for the debt service that will now be accounted for in that fund as opposed to the General Fund.

During the year, General Fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $1,154,895 higher than estimates, whereas expenditures and operating transfers out were $1,893,670 lower than the final budgetary appropriations. Listed below are the major variances between actuals and appropriations.

- The variance of $1,154,895 in revenues can be directly attributed to taxes coming in higher than anticipated. The variance in property taxes was approximately $650,759. Sales taxes also saw a variance of $312,231, with the category not as seriously impacted by COVID-19 as staff originally predicted.
- The expenditures were $1,893,670 less than final budgeted total expenditures primarily due to conservative budget estimates, the continued concerted effort by departments to minimize expenditures as a precautionary measure due to the uncertain economic environment, and some project delays resulting from the pandemic. Among the departments with larger favorable variances in expenditures were Public Safety, which expended $552,630 less than final budget, Public Works which expended $518,145 less than final budget, and General Government which expended $415,972 less than final budget.

	Budget			Variance
	Original	Final	Actual	with Final
Revenues and transfers in:				
Taxes	$ 27,972,125	$ 28,217,580	$ 29,365,900	$ 1,148,320
Licenses and permits	614,650	537,546	567,765	30,219
Charges for services	517,420	413,013	409,669	(3,344)
Fines and forfeitures	380,000	250,000	284,382	34,382
Intergovernmental	-	41,260	6,230	(35,030)
Contributions	17,000	32,003	32,402	399
Interest earned	301,000	211,000	185,017	(25,983)
Miscellaneous	108,726	125,585	139,201	13,616
Other financing sources	173,093	759,484	751,800	(7,684)
Total	$ 30,084,014	$ 30,587,471	$ 31,742,366	$ 1,154,895
Expenditures and transfers out:				
Expenditures	26,565,478	24,491,676	22,598,006	1,893,670
Transfers out	5,158,966	6,528,899	6,528,899	-
Total	31,724,444	31,020,575	29,126,905	1,893,670
Change in fund balance	$ (1,640,430)	$ (433,104)	$ 2,615,461	$ 3,048,565

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

As of September 30, 2020, the City's investment in capital assets for its governmental activities totaled $125,083,822 (net of accumulated depreciation). This investment in capital assets includes land, improvements to land, buildings, vehicles, equipment, construction in progress, and infrastructure. Larger additions to the capital assets in Fiscal Year 2020 include:

- The Public Safety Complex on Highway 9 (Fire Station 44 $5,227,481 and the Police Department/ Municipal Court Building $9,171,394);
- NE Crabapple Connector (Heritage Walk Extension) ($4,161,067);
- Greenspace acquisitions (2,418,317);
- Cox Road facility (land and improvements) ($1,509,760);

Additional information on the City's capital assets can be found in Note 5 on page 51 of this report.

City of Milton, Georgia
Capital Assets (net of accumulated depreciation)
Fiscal Years 2019 and 2020

	2020	2019
Land	$ 30,753,583	$ 27,005,506
Land Improvements	8,124,199	8,525,134
Buildings	28,286,745	13,727,206
Vehicles, Equipment & Other	3,336,264	2,631,213
Construction In Progress	3,836,639	6,690,491
Infrastructure	50,746,392	47,376,770
Total	**$125,083,822**	**$105,956,320**

Long-term debt

At the end of fiscal year 2020, the City's total outstanding debt was $49,943,809. Total outstanding debt consists of $24,210,000 of direct placement revenue bond debt and $21,830,000 of greenspace bond debt, including premiums related to each of the bonds.

Further information on the City's long-term debt can be found in Note 6 on pages 52 and 53 of this report

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

- **Sustainability of Existing Services.** The City has adhered to a philosophy of budgetary evaluation which reviews the needs of the citizens to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data necessary for informed decision-making.
- **Cost of Government.** The operating millage rate of 4.731 mills is statutorily set and cannot be increased without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes to facilitate the provision of City services. Mayor and Council adopted a millage rate of 4.731 mills for maintenance & operating (M&O) for fiscal year 2021.
- **Infrastructure Improvements.** The City provided substantial capital funding to continue the work started in prior years to begin addressing a significant backlog of existing infrastructure deficiencies. Funding was allocated for repaving program, intersection improvements, parks, buildings, machinery and equipment, sidewalks, culverts, equipment, and signage.

- **Economy Impact.** The City's revenues and expenditures were appropriated with a conservative approach to reflect the economic conditions that are expected to continue through 2021.
- **COVID-19.** Milton was fortunate to not be as negatively impacted by COVID-19 as many other municipalities. With that said, the City did experience an adverse effect on certain revenue streams as mentioned throughout this discussion. As staff prepared the fiscal year 2021 budget, over the summer of 2020, these impacts were at the forefront of decision-making. Revenue categories including sales taxes, business taxes, interest earnings, charges for services, and others were reviewed carefully and projected conservatively with this in mind. Additionally, expenditure appropriations were made to ensure continuation of current service level expectations while consideration of certain new initiative requests were put on hold to be considered when economic conditions are more stable.
- The City restricts the use of one-time revenues to capital and other non-recurring projects.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Milton's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Department
City of Milton
2006 Heritage Walk
Milton, GA 30004

or by calling **678-242-2500.**

Basic Financial Statements

CITY OF MILTON, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 43,731,736
Accounts receivable	3,120,044
Taxes receivable, net	1,641,941
Due from other governments	669,633
Restricted cash and cash equivalents	12,321,169
Prepaids	1,124,214
Capital assets:	
Nondepreciable	34,590,222
Depreciable, net of accumulated depreciation	90,493,600
Total assets	187,692,559
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	2,403,578
LIABILITIES	
Accounts payable	3,711,483
Retainage payable	656,822
Accrued liabilities	1,427,266
Deposits payable	1,486,635
Compensated absences, due within one year	686,699
Bonds payable, due within one year	1,665,000
Bonds payable, due in more than one year	48,278,809
Net pension liability, due in more than one year	3,004,766
Total liabilities	60,917,480
DEFERRED INFLOWS OF RESOURCES	
Pension related items	137,375
NET POSITION	
Net investment in capital assets	84,118,811
Restricted for law enforcement	99,835
Restricted for fire facilities	314,357
Restricted for road and intersection improvements	17,784,583
Restricted for park and trail enhancements	1,836,522
Restricted for general administration	49,123
Unrestricted	24,838,051
Total net position	$ 129,041,282

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

CITY OF MILTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Expenses and Changes in Net Position: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 3,194,222	$ 471,818	$ 6,230	$ -	$ (2,716,174)
Judicial	467,942	284,382	-	-	(183,560)
Public safety	14,304,063	2,149,075	1,688	-	(12,153,300)
Public works	5,019,146	205,205	-	7,054,439	2,240,498
Culture and recreation	3,781,670	231,781	30,714	1,251,591	(2,267,584)
Housing and development	1,812,726	395,605	-	-	(1,417,121)
Interest on long-term debt	1,366,516	-	-	-	(1,366,516)
Total governmental activities	29,946,285	3,737,866	38,632	8,306,030	(17,863,757)
Total primary government	$ 29,946,285	$ 3,737,866	$ 38,632	$ 8,306,030	(17,863,757)
General revenues:					
Property taxes					16,159,692
Sales taxes					9,221,508
Hotel/Motel taxes					39,624
Franchise taxes					2,320,090
Business taxes					3,522,965
Unrestricted investment earnings					479,474
Miscellaneous revenues					176,551
Total general revenues					31,919,904
Change in net position					14,056,147
Net position, beginning of year					114,985,135
Net position, end of year					$ 129,041,282

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

CITY OF MILTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

ASSETS	General Fund	Capital Projects Fund	Greenspace Bond Fund	TSPLOST Fund	Revenue Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 14,586,584	$ 8,400,574	$ -	$ 17,370,842	$ -	$ 3,373,736	$ 43,731,736
Accounts receivable	2,713,009	236,987	1,466	-	60	168,522	3,120,044
Taxes receivable, net	1,632,320	-	8,449	-	-	1,172	1,641,941
Intergovernmental receivable	1,122	-	-	558,673	-	109,838	669,633
Restricted cash and cash equivalents	-	-	4,994,161	-	7,327,008	-	12,321,169
Due from other funds	2,478	3,498,714	41,782	-	-	-	3,542,974
Prepaids	535,746	180,405	408,063	-	-	-	1,124,214
Total assets	$ 19,471,259	$ 12,316,680	$ 5,453,921	$ 17,929,515	$ 7,327,068	$ 3,653,268	$ 66,151,711
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 830,204	$ 79,033	$ 6,257	$ 132,297	$ 2,404,718	$ 258,974	$ 3,711,483
Retainage payable	-	-	-	-	656,822	-	656,822
Accrued liabilities	720,047	-	-	-	-	-	720,047
Due to other funds	3,046,360	-	194,458	20,153	280,831	1,172	3,542,974
Deposits payable	1,486,635	-	-	-	-	-	1,486,635
Total liabilities	6,083,246	79,033	200,715	152,450	3,342,371	260,146	10,117,961
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - property taxes	46,633	-	5,389	-	-	-	52,022
Unavailable revenues - other	159,335	198,632	-	-	-	109,838	467,805
Total deferred inflows of resources	205,968	198,632	5,389	-	-	109,838	519,827
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaids	535,746	180,405	408,063	-	-	-	1,124,214
Restricted:							
Law enforcement	-	-	-	-	-	99,835	99,835
Fire facilities	-	-	-	-	-	314,357	314,357
Road and intersection improvements	-	-	-	17,777,065	-	7,518	17,784,583
Park and trail enhancements	-	-	-	-	-	1,836,522	1,836,522
General administration	-	-	-	-	-	49,123	49,123
Capital projects	-	-	4,839,754	-	3,984,697	-	8,824,451
Assigned:							
Fiscal year 2021 operations	1,628,677	-	-	-	-	-	1,628,677
Capital projects	-	11,858,610	-	-	-	975,929	12,834,539
Unassigned	11,017,622	-	-	-	-	-	11,017,622
Total fund balances	13,182,045	12,039,015	5,247,817	17,777,065	3,984,697	3,283,284	55,513,923
Total liabilities, deferred inflows of resources, and fund balances	$ 19,471,259	$ 12,316,680	$ 5,453,921	$ 17,929,515	$ 7,327,068	$ 3,653,268	$ 66,151,711

The accompanying notes are an integral part of these statements.

CITY OF MILTON, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances		$ 55,513,923
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost	$ 146,531,527	
Less accumulated depreciation	(21,447,705)	125,083,822
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.		
Compensated absences (i.e. paid time off)	(686,699)	
Accrued interest	(707,219)	
Bonds payable, net of premium	(49,943,809)	(51,337,727)
Some revenues are not available in the current period and, therefore, are deferred in the funds.		
Property taxes	52,022	
Other revenues	467,805	519,827
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with available financial resources and, therefore, are not reported in the funds.		
Net pension liability	(3,004,766)	
Pension related deferred outflows of resources	2,403,578	
Pension related deferred inflows of resources	(137,375)	(738,563)
Net position - governmental activities		$ 129,041,282

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

CITY OF MILTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Capital Projects Fund	Greenspace Bond Fund	TSPLOST Fund	Revenue Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	$ 14,427,791	$ -	$ 1,790,531	$ -	$ -	$ -	$ 16,218,322
Sales taxes	9,221,508	-	-	-	-	-	9,221,508
Hotel/Motel taxes	-	-	-	-	-	39,624	39,624
Franchise taxes	2,193,636	126,454	-	-	-	-	2,320,090
Business taxes	3,522,965	-	-	-	-	-	3,522,965
Licenses and permits	567,765	-	-	-	-	-	567,765
Charges for services	409,669	47,166	-	-	-	2,087,072	2,543,907
Fines and forfeitures	284,382	-	-	-	-	25,732	310,114
Intergovernmental	6,230	-	-	6,397,653	-	549,830	6,953,713
Contributions	32,402	-	-	-	-	-	32,402
Interest earned	185,017	2,278	50,545	122,074	116,706	2,854	479,474
Miscellaneous	139,201	-	37,350	-	-	-	176,551
Total revenues	30,990,566	175,898	1,878,426	6,519,727	116,706	2,705,112	42,386,435
Expenditures:							
Current:							
General government	3,904,864	650	-	-	-	-	3,905,514
Judicial	458,499	-	-	-	-	-	458,499
Public safety	12,172,740	12,400	-	-	-	1,278,280	13,463,420
Public works	2,413,037	441,384	-	2,693,496	-	53,452	5,601,369
Culture and recreation	1,545,850	2,966	-	-	-	72,848	1,621,664
Housing and development	1,742,620	40,856	-	-	-	61,070	1,844,546
Capital outlay	-	1,853,681	2,452,036	-	13,173,622	1,385,840	18,865,179
Debt service:							
Principal	351,760	-	855,000	-	-	-	1,206,760
Interest	8,636	-	860,181	-	528,509	-	1,397,326
Issuance costs	-	-	-	-	502,903	-	502,903
Total expenditures	22,598,006	2,351,937	4,167,217	2,693,496	14,205,034	2,851,490	48,867,180
Excess (deficiency) of revenues over expenditures	8,392,560	(2,176,039)	(2,288,791)	3,826,231	(14,088,328)	(146,378)	(6,480,745)
Other financing sources (uses):							
Proceeds from sale of capital assets	22,692	-	-	-	-	-	22,692
Bond issuance	-	-	-	-	24,210,000	-	24,210,000
Premium from bond issuance	-	-	-	-	2,653,663	-	2,653,663
Payment to escrow	-	-	-	-	(7,251,627)	-	(7,251,627)
Advance refunding payment with existing resources	-	-	-	-	(630,000)	-	(630,000)
Transfers in	729,108	5,774,463	-	-	1,158,509	9,064	7,671,144
Transfers out	(6,528,899)	(92,157)	-	-	(520,868)	(529,220)	(7,671,144)
Total other financing sources (uses)	(5,777,099)	5,682,306	-	-	19,619,677	(520,156)	19,004,728
Net change in fund balances	2,615,461	3,506,267	(2,288,791)	3,826,231	5,531,349	(666,534)	12,523,983
Fund balances, beginning of year	10,566,584	8,532,748	7,536,608	13,950,834	(1,546,652)	3,949,818	42,989,940
Fund balances, end of year	$ 13,182,045	$ 12,039,015	$ 5,247,817	$ 17,777,065	$ 3,984,697	$ 3,283,284	$ 55,513,923

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

CITY OF MILTON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 12,523,983
Governmental funds report capital outlays 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 capital outlays exceeded depreciation expense in the current period.		
Capital outlay	$ 20,799,105	
Depreciation expense	(2,892,586)	17,906,519
The net effect of various miscellaneous transactions involving capital assets is to increase net position in the current period.		
Donation of capital assets	1,251,591	
Net disposal of capital assets	(30,608)	1,220,983
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(58,630)	
Other revenues	423,036	364,406
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the net effect of these transactions during the current fiscal year.		
Principal payments on bonds	855,000	
Prepayment on financed purchase	351,760	
Principal payments on refunded bonds	7,144,000	
Advance refunding payment	630,000	
Proceeds from bond issuance	(24,210,000)	
Proceeds from premium issuance	(2,653,663)	(17,882,903)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences (i.e. paid time off)	(127,731)	
Pension expense	(87,547)	
Amortization of bond premium	316,887	
Accrued interest	(178,450)	(76,841)
Change in net position - governmental activities		$ 14,056,147

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

CITY OF MILTON, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2020

	Municipal Court Fund
ASSETS	
Cash	$ 31,798
Total assets	$ 31,798
LIABILITIES	
Due to others	$ 31,798
Total liabilities	$ 31,798

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Milton, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City, which was incorporated in 2006, operates under a charter adopted December 1, 2006, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as police protection, fire and rescue services, cultural and recreational activities, housing and development and public works.

The City of Milton Public Buildings and Facility Authority (the "PBFA") exists to obtain favorable financing and funding for public facilities, land, buildings, equipment, roads, bridges, sidewalks and services exclusively for the City of Milton. The PBFA is governed by a seven-member board of directors consisting of the mayor and all members of the City Council. Although it is legally separate from the City, the PBFA is reported as a blended component unit and all of its debt and assets are reported as a form of the City's debt and assets.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **general fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **capital projects fund** is used to account for the capital expenditures made by the City on long-term projects.

The **greenspace bond fund** is used to account for the proceeds of the General Obligation Bonds, Series 2017, issued by the City and the related capital projects.

The **transportation SPLOST (TSPLOST) fund** is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by the voter referendum.

The **revenue bond fund** is used to account for the proceeds from revenue bonds that will be issued for the purpose of funding expenditures made by the City for capital projects.

Additionally, the City reports the following fund types:

The **special revenue funds** account for revenues that are legally restricted to expenditures for specific purposes.

The **capital projects funds** are used to account for resources collected by the City to fund capital expenditures made on long-term projects.

The **agency fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other individuals or entities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances

The City employed encumbrance accounting during the year. All appropriations lapse at year end. Encumbered amounts for specific purposes for which resources already have been restricted, committed, or assigned would be reported as restricted, committed, or assigned, as applicable. Furthermore, encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned, would be included within committed or assigned fund balance, as appropriate. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at September 30, 2020, and none were recorded.

E. Cash, Investments, and Restricted Cash

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance of pooled cash accounts is available to meet current operating requirements. The City also has restricted cash related to unspent bond proceeds from long-term debt issued in the Greenspace Bond Fund and Revenue Bond Fund. These proceeds are held to be disbursed as costs are incurred on capital projects.

The City's investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2020, are accounted for using the consumption method and recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructure which it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Buildings	20-40 years
Vehicles, Equipment, and Other	5-12 years
Infrastructure	15-60 years
Land Improvements	10-40 years

Fully depreciated assets still in service are carried in the capital asset accounts.

J. Deferred Outflows and Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item, *unavailable revenue* is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, intergovernmental and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows and Deferred Inflows of Resources (Continued)

The City also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability in the next fiscal year.

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO). All PTO is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium. Bond issuance costs are reported as expenses in the period in which they are incurred.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity and Net Position

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments will only be used for specific purposes pursuant to the adoption of an ordinance of the City Council. A majority vote is required to approve or remove a commitment.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The ordinance adopted by the City Council that established the City's fund balance policy stipulates that the Finance Director has the authority to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City will maintain a minimum unassigned fund balance in its General Fund of 25% of the subsequent year's budgeted revenues. When fund balance falls below this threshold, the City will replenish fund balance over a period not to exceed three (3) years. The General Fund is the only fund of the City that will report a positive unassigned fund balance. Any deficits in fund balance in other funds will be reported as unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity and Net Position (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Pensions

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

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. LEGAL COMPLIANCE – BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

The following fund had excesses of actual expenditures over appropriations for the fiscal year ended September 30, 2020:

Emergency 911 Fund	$	196,560

Expenditures in excess of appropriations were funded by greater than anticipated revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits as of September 30, 2020 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	43,731,736
Restricted cash and cash equivalents		12,321,169
Statement of Fiduciary Assets and Liabilities:		
Cash - agency fund		31,798
	$	56,084,703
Cash deposited with financial institutions	$	14,410,476
Fidelity Treasury Portfolio		4,994,161
Fidelity Government Portfolio		7,327,003
Local government investment pool - Georgia Fund 1		29,353,063
Total cash and cash equivalents	$	56,084,703

Credit Risk: State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. As of September 30, 2020, the weighted-average maturity of the pool was 46 days.

The Fidelity Treasury Portfolio and the Fidelity Government Portfolio trade exclusively in short term cash equivalents and U.S. Treasury securities and are rated AAAm by Standard and Poor's criteria. As of September 30, 2020, the weighted-average maturity of the funds were 44 days and 45 days, respectively.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) by participation in the State of Georgia Secure Deposit Program. As of September 30, 2020, the financial institutions holding all of the City's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of September 30, 2020, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

The Fidelity Treasury Portfolio and the Fidelity Government Portfolio are money market mutual funds and are classified in level 1 of the hierarchy. They are valued using prices quoted in active markets for the exact same money market mutual funds.

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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NOTE 4. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. Tax notices are mailed on or about October 1 of each year based on the assessed value of property as listed on January 1 and are due 60 days following the billing date. The billings are considered past due if the payment is not rendered within the 60 day period after the respective tax billing date, at which time penalties and interest are assessed. Delinquent taxes subject the property to lien. Property taxes levied in 2019 are for fiscal year 2020.

Receivables at September 30, 2020, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Greenspace Bond	TSPLOST
Receivables:				
Accounts	$ 2,713,009	$ 236,987	$ 1,466	$ -
Taxes	1,684,273	-	11,649	-
Intergovernmental	1,122	-	-	558,673
Total receivables	4,398,404	236,987	13,115	558,673
Less allowance for uncollectible	51,953	-	3,200	-
Net total receivable	$ 4,346,451	$ 236,987	$ 9,915	$ 558,673

	Revenue Bond	Nonmajor Governmental
Receivables:		
Accounts	$ 60	$ 168,522
Taxes	-	1,172
Intergovernmental	-	109,838
Total receivables	60	279,532
Less allowance for uncollectible	-	-
Net total receivable	$ 60	$ 279,532

NOTE 5. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 27,005,506	$ 3,743,884	$ -	$ 4,193	$ 30,753,583
Construction in progress	6,690,491	16,671,057	-	(19,524,909)	3,836,639
Total	33,695,997	20,414,941	-	(19,520,716)	34,590,222
Capital assets, being depreciated:					
Buildings	15,134,022	45,000	-	14,976,429	30,155,451
Land improvements	10,752,558	177,345	-	-	10,929,903
Infrastructure	57,900,629	-	-	4,509,757	62,410,386
Vehicles, equipment, and other	7,089,193	1,413,410	(91,568)	34,530	8,445,565
Total	90,876,402	1,635,755	(91,568)	19,520,716	111,941,305
Less accumulated depreciation for:					
Buildings	(1,406,816)	(461,890)	-	-	(1,868,706)
Land improvements	(2,227,424)	(578,280)	-	-	(2,805,704)
Infrastructure	(10,523,859)	(1,140,135)	-	-	(11,663,994)
Vehicles, equipment, and other	(4,457,980)	(712,281)	60,960	-	(5,109,301)
Total	(18,616,079)	(2,892,586)	60,960	-	(21,447,705)
Total capital assets being depreciated, net	72,260,323	(1,256,831)	(30,608)	19,520,716	90,493,600
Governmental activities capital assets, net	$ 105,956,320	$ 19,158,110	$ (30,608)	$ -	$ 125,083,822

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 53,637
Judicial	7,506
Public safety	736,088
Public works	319,029
Culture and recreation	1,776,326
Total depreciation expense - governmental activities	$ 2,892,586

NOTE 6. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Direct placement bonds payable	$ 7,774,000	$ 24,210,000	$ (7,774,000)	$ 24,210,000	$ 770,000
General obligation bonds payable	22,685,000	-	(855,000)	21,830,000	895,000
Original issue premium	1,567,033	2,653,663	(316,887)	3,903,809	-
Bonds payable, net	32,026,033	26,863,663	(8,945,887)	49,943,809	1,665,000
Net pension liability	1,242,700	2,845,433	(1,083,367)	3,004,766	-
Compensated absences	558,968	998,795	(871,064)	686,699	686,699
Governmental activities Long-term liabilities	$ 33,827,701	$ 30,707,891	$ (10,900,318)	$ 53,635,274	$ 2,351,699

The net pension liability and compensated absences are generally liquidated by the General Fund. The City has reported 100% of the compensated absence liability as due in one year, as historical usage patterns show employees use earned vacation within one year.

Bonds Payable

In May 2017, the City issued $23,495,000 of General Obligation Bonds (Series 2017) for the purpose of acquiring land for parks, trails and greenspace including conservation land, wildlife habitat and natural areas for the City. The bonds were issued at a premium of $1,881,842 and interest rates ranging from 3.00% to 5.00%. The interest payments are due semiannually beginning October 1, 2017 and annual principal payments beginning April 1, 2019. The bonds are scheduled to mature on April 1, 2037. As of September 30, 2020, the outstanding balance of the bond is $21,830,000.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

The City's debt service requirements to maturity on the general obligation bonds payable are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2021	$ 895,000	$ 816,125	$ 1,711,125
2022	940,000	771,375	1,711,375
2023	985,000	724,375	1,709,375
2024	1,035,000	675,125	1,710,125
2025	1,090,000	623,375	1,713,375
2026-2030	6,235,000	2,320,925	8,555,925
2031-2035	7,380,000	1,178,275	8,558,275
2036-2037	3,270,000	152,050	3,422,050
	$ 21,830,000	$ 7,261,625	$ 29,091,625

In October 2019, the Public Building Facilities Authority issued $24,210,000 of direct placement Revenue Bonds (Series 2019) for the purpose of refunding the Series 2014 Revenue bonds and to finance certain capital projects. The bonds were issued at a premium of $2,653,663 and interest rates ranging from 2.13% to 5.00%. The interest payments are due semiannually beginning December 1, 2019 and principal payments are due annually beginning December 1, 2020. The bonds are scheduled to mature on December 1, 2039. As of September 30, 2020, the outstanding balance of the bond is $24,210,000. The refunding transaction undertaken by the City resulted in an economic gain (net present value of aggregate debt service savings) of $416,730.

The City's debt service requirements to maturity on the direct placement revenue bonds payable are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2021	$ 770,000	$ 878,219	$ 1,648,219
2022	810,000	838,719	1,648,719
2023	850,000	797,219	1,647,219
2024	895,000	753,594	1,648,594
2025	940,000	707,719	1,647,719
2026-2030	5,480,000	2,763,094	8,243,094
2031-2035	6,740,000	1,499,266	8,239,266
2036-2040	7,725,000	512,550	8,237,550
	$ 24,210,000	$ 8,750,380	$ 32,960,380

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor governmental funds	$ 1,172
General Fund	Greenspace Bond Fund	1,306
		2,478
Greenspace Bond Fund	General Fund	$ 41,782
Capital Projects Fund	General Fund	$ 3,004,578
Capital Projects Fund	Greenspace Bond Fund	193,152
Capital Projects Fund	TSPLOST Fund	20,153
Capital Projects Fund	Revenue Bond Fund	280,831
		3,498,714
		$ 3,542,974

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Capital Projects Fund	$ 83,093
General Fund	Revenue Bond Fund	520,868
General Fund	Nonmajor governmental funds	125,147
		729,108
Nonmajor governmental funds	Capital Projects Fund	9,064
Revenue Bond Fund	General Fund	1,158,509
Capital Projects Fund	General Fund	5,370,390
Capital Projects Fund	Nonmajor governmental funds	404,073
		5,774,463
		$ 7,671,144

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund and other, nonmajor governmental funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments

For the fiscal year ended September 30, 2020, the City has contractual commitments on uncompleted contracts of $4,821,806 primarily for intersection improvements, public and safety related projects, and culture and recreation related projects.

Litigation

The City is a defendant in various lawsuits. The City believes there is a modest, though real, possibility of financial exposure in some of those cases. If such lawsuits result in an unfavorable outcome to the City, the City and legal counsel have estimated the monetary exposure to be approximately $425,000. The City is also a defendant in various lawsuits where management and legal counsel believe that the risk of monetary exposure to be remote, and is not expected to have a material adverse effect on the financial condition of the City.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Milton Retirement Plan), covering all of the City's full-time employees hired prior to July 1, 2014. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, and death benefits to plan members and beneficiaries. All employees, excluding elected officials, who work thirty-five hours or more per week, are eligible to participate after one year. Benefits vest after seven years of service. A City employee may retire at age 65 with five years of service. The benefit is calculated based on total years of service and a 2.75% multiplier times their final average earnings for the 5 highest consecutive years of service. An employee may elect early retirement at age 55 at a reduced benefit provided they have 10 years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Effective July 1, 2014, the plan was closed to new entrants and all City employees hired on or after that date are automatically enrolled in a newly established defined contribution pension plan, which is discussed in further detail in Note 10.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Membership. As of January 1, 2020, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not receiving benefits	14
Active plan members	78
	111

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members (3.00%), as determined by the City Council. For the fiscal year ended September 30, 2020, the City's recommended contribution rate was 7.19% of annual payroll; actual contributions came to 9.72%.

City contributions to the Plan were $549,050 for the fiscal year ended September 30, 2020. Employees of the City of Milton contributed $184,049 to the Plan.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% - 8.50% including inflation
Investment rate of return	7.38%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2019 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to be 2.25% for Class 1 and 2.00% for Class 2.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.38%, which was a decrease from the prior year's discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Amounts reported for the year ending September 30, 2020 and later reflect assumption changes based on an actuarial study conducted in November and December 2019. This study recommended changes in mortality tables, retirement rates, and inflation rate changes from 2.75% to 2.25%.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/19	$ 9,732,688	$ 8,489,988	$ 1,242,700
Changes for the year:			
Service cost	510,117	-	510,117
Interest	760,844	-	760,844
Differences between expected and actual experience	236,629	-	236,629
Changes of assumption	1,315,213		1,315,213
Contributions—employer	-	568,384	(568,384)
Contributions—employee	-	247,612	(247,612)
Net investment income	-	267,371	(267,371)
Benefit payments, including refunds of employee contributions	(196,436)	(196,436)	-
Administrative expense	-	(22,630)	22,630
Net changes	2,626,367	864,301	1,762,066
Balances at 9/30/20	$ 12,359,055	$ 9,354,289	$ 3,004,766

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.38 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38 percent) or 1-percentage-point higher (8.38 percent) than the current rate:

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's net pension liability	$ 5,298,737	$ 3,004,766	$ 1,169,431

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2020, the City recognized pension expense of $637,798. At September 30, 2020, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 568,760	$ (137,375)
Changes in assumptions	1,261,775	-
Net difference between projected and actual earnings on pension plan investments	23,093	-
City contributions subsequent to the measurement date	549,950	-
Total	$ 2,403,578	$ (137,375)

City contributions subsequent to the measurement date of $549,050 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	
2021	$ 194,700
2022	224,570
2023	307,723
2024	339,104
2025	260,751
2026 and thereafter	389,405
Total	$ 1,716,253

NOTE 10. DEFINED CONTRIBUTION PENSION PLANS

The City of Milton maintains two (2) single employer defined contribution plans established and administered by the City for all employees.

The first plan was established by resolution of the City Council and the plan, including contribution requirements, may also be amended by resolution of the same. This plan covers all City employees who are eligible to participate in the City's defined benefit pension plan. At September 30, 2020, there were 81 full-time and 11 part-time plan members. The City matches 100% for each dollar of employee contributions up to 3.75% of the employee's salary. Employees are required to contribute 3.75% of their compensation to the Plan. Employees are eligible after one month of employment and are fully vested immediately. For the fiscal year ending September 30, 2020, employer and employee contributions to the Plan totaled $489,344.

The second plan was established by resolution of the City Council and the plan, including contribution requirements, may also be amended by resolution of the same. This plan covers all City employees hired on or after July 1, 2014. At September 30, 2020, there were 74 plan members. Employees are required to contribute 6.2% of their compensation to the Plan and the City also contributes 6.2% of each participating employee's salary. Employees are eligible at the time of employment and are fully vested immediately. For the fiscal year ending September 30, 2020, employer and employee contributions to the Plan totaled $514,234.

The City of Milton also maintains two (2) Internal Revenue Code Section 457 Plans which are deferred compensation plans and qualify as defined contribution plans. These plans are administered by ICMA-RC and cover all full time employees. Separate audited financial statements for each plan are not issued.

At September 30, 2020, there were 61 members in the first deferred compensation plan that covers all employees who are eligible to participate in the City's defined benefit pension plan and 58 members in the second deferred compensation plan that covers all employees hired on or after July 1, 2014. Employees are not required to contribute to either plan. Employees may contribute a portion of their gross salary up to the maximum amount allowed by the IRS to either plan. For the first plan, the City matches at a rate of 50% of the employee's contribution up to 1% of the employee's salary. For the second plan, the City matches at a rate of 200% of the employee's contribution up to 12% of the employee's salary. For the fiscal year ended September 30, 2020, the City contributed $48,860 to the first plan, $396,671 to the second plan, and employees contributed a total of $569,384 to these defined contribution plans.

NOTE 11. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of Milton. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

The cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority provides an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated $16 million required to initially capitalize the Authority, the City of Milton is responsible for approximately $2.4 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended September 30, 2020, the City of Milton contributed $291,922 to the Authority. As of June 30, 2020, the Authority's fiscal year end, the Authority did not have any long-term debt. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% to be expended or obligated contractually for the promotion of tourism, conventions, or trade shows at a rate equal to or greater than that of the prior year. During the year ended September 30, 2020, the City collected $39,624 in hotel/motel tax revenues, which were transferred to the General Fund and used for the promotion of special events and City operations.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverage in the last three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

Required Supplementary Information

CITY OF MILTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 510,117	$ 462,718	$ 610,771	$ 626,371	$ 641,036
Interest on total pension liability	760,844	699,326	582,698	490,807	403,952
Differences between expected and actual experience	236,629	(176,621)	232,500	84,089	123,781
Changes of assumptions	1,315,213	-	58,060	-	-
Benefit payments, including refunds of employee contributions	(196,436)	(228,717)	(53,459)	(38,065)	(58,073)
Other	-	-	-	30,190	-
Net change in total pension liability	2,626,367	756,706	1,430,570	1,193,392	1,110,696
Total pension liability - beginning	9,732,688	8,975,982	7,545,412	6,352,020	5,241,324
Total pension liability - ending (a)	$ 12,359,055	$ 9,732,688	$ 8,975,982	$ 7,545,412	$ 6,352,020
Plan fiduciary net position					
Contributions - employer	$ 568,384	$ 775,831	$ 458,718	$ 658,776	$ 704,034
Contributions - employee	247,612	192,290	208,531	224,626	224,501
Net investment income	267,371	713,379	872,762	511,779	14,721
Benefit payments, including refunds of member contributions	(196,436)	(228,717)	(53,459)	(38,065)	(58,073)
Administrative expenses	(22,630)	(25,513)	(27,344)	(14,873)	(16,708)
Net change in plan fiduciary net position	864,301	1,427,270	1,459,208	1,342,243	868,475
Plan fiduciary net position - beginning	8,489,988	7,062,718	5,603,510	4,261,267	3,392,792
Plan fiduciary net position - ending (b)	$ 9,354,289	$ 8,489,988	$ 7,062,718	$ 5,603,510	$ 4,261,267
City's net pension liability - ending (a) - (b)	$ 3,004,766	$ 1,242,700	$ 1,913,264	$ 1,941,902	$ 2,090,753
Plan fiduciary net position as a percentage of the total pension liability	75.69%	87.23%	78.68%	74.26%	67.09%
Covered payroll	$ 5,992,597	$ 6,289,001	$ 7,132,601	$ 7,121,076	$ 7,248,961
City's net pension liability as a percentage of covered payroll	50.14%	19.76%	26.82%	27.27%	28.84%

	2015
Total pension liability	
Service cost	$ 643,340
Interest on total pension liability	304,844
Differences between expected and actual experience	207,605
Changes of assumptions	158,963
Benefit payments, including refunds of employee contributions	(13,790)
Other	-
Net change in total pension liability	1,300,962
Total pension liability - beginning	3,940,362
Total pension liability - ending (a)	$ 5,241,324
Plan fiduciary net position	
Contributions - employer	$ 431,357
Contributions - employee	221,303
Net investment income	295,411
Benefit payments, including refunds of member contributions	(13,790)
Administrative expenses	(12,896)
Net change in plan fiduciary net position	921,385
Plan fiduciary net position - beginning	2,471,407
Plan fiduciary net position - ending (b)	$ 3,392,792
City's net pension liability - ending (a) - (b)	$ 1,848,532
Plan fiduciary net position as a percentage of the total pension liability	64.73%
Covered payroll	$ 6,430,661
City's net pension liability as a percentage of covered payroll	28.75%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF MILTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2020	2019	2018	2017
Actuarially determined contribution	$ 439,735	$ 397,551	$ 430,981	$ 422,510
Contributions in relation to the actuarially determined contribution	549,950	568,384	585,577	645,975
Contribution deficiency (excess)	$ (110,215)	$ (170,833)	$ (154,596)	$ (223,465)
Covered payroll	$ 5,658,582	$ 5,992,597	$ 6,289,001	$ 7,132,601
Contributions as a percentage of covered payroll	9.72%	9.48%	9.31%	9.06%

	2016	2015	2014
Actuarially determined contribution	$ 417,023	$ 413,913	$ 342,310
Contributions in relation to the actuarially determined contribution	658,776	704,034	431,357
Contribution deficiency (excess)	$ (241,753)	$ (290,121)	$ (89,047)
Covered payroll	$ 7,121,076	$ 7,248,961	$ 6,430,661
Contributions as a percentage of covered payroll	9.25%	9.71%	6.71%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2019
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.38%
Projected Salary Increases	2.25% - 8.25% (including 2.25% for inflation)
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

(2) The schedule will present 10 years of information once it is accumulated.

CITY OF MILTON, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 12,803,025	$ 13,777,032	$ 14,427,791	$ 650,759
Sales taxes	9,710,300	8,909,223	9,221,508	312,285
Franchise taxes	2,105,800	2,153,838	2,193,636	39,798
Business taxes	3,353,000	3,377,487	3,522,965	145,478
Licenses and permits	614,650	537,546	567,765	30,219
Charges for services	517,420	413,013	409,669	(3,344)
Fines and forfeitures	380,000	250,000	284,382	34,382
Intergovernmental	-	41,260	6,230	(35,030)
Contributions	17,000	32,003	32,402	399
Interest earned	301,000	211,000	185,017	(25,983)
Miscellaneous	108,726	125,585	139,201	13,616
Total revenues	29,910,921	29,827,987	30,990,566	1,162,579
Expenditures:				
Current:				
General government:				
Mayor and council	196,111	156,441	127,700	28,741
City manager	644,897	574,467	562,178	12,289
General administration	224,440	230,661	199,681	30,980
Finance department	647,042	594,442	552,116	42,326
Legal services	295,000	360,000	327,926	32,074
City clerk	390,928	292,588	196,061	96,527
Information technology	1,362,276	1,221,896	1,172,233	49,663
Human resources	349,281	355,456	293,019	62,437
Risk management	266,706	261,010	252,896	8,114
Public information	292,875	273,875	221,054	52,821
Total general government	4,669,556	4,320,836	3,904,864	415,972
Judicial:				
Municipal court	470,202	494,318	458,499	35,819
Total judicial	470,202	494,318	458,499	35,819
Public safety:				
Police department	5,631,333	5,395,522	5,148,145	247,377
Fire department	7,362,514	7,329,848	7,024,595	305,253
Total public safety	12,993,847	12,725,370	12,172,740	552,630
Public works	3,237,239	2,931,182	2,413,037	518,145
Culture and recreation				
Recreation	1,637,702	1,608,772	1,425,728	183,044
Passive parks/greenspace	137,789	187,256	120,122	67,134
Total culture and recreation	1,775,491	1,796,028	1,545,850	250,178
Housing and development:				
Planning and zoning	1,701,891	1,683,891	1,588,044	95,847
Economic development	179,655	179,655	154,576	25,079
Total housing and development	1,881,546	1,863,546	1,742,620	120,926

Continued

CITY OF MILTON, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Debt service:				
Principal	$ 994,760	$ 351,760	$ 351,760	$ -
Interest	542,837	8,636	8,636	-
Total debt service	1,537,597	360,396	360,396	-
Total expenditures	26,565,478	24,491,676	22,598,006	1,893,670
Excess of revenues over expenditures	3,345,443	5,336,311	8,392,560	3,056,249
Other financing sources (uses):				
Proceeds from the sale of capital assets	10,000	25,000	22,692	(2,308)
Transfers in	163,093	734,484	729,108	(5,376)
Transfers out	(5,158,966)	(6,528,899)	(6,528,899)	-
Total other financing sources (uses)	(4,985,873)	(5,769,415)	(5,777,099)	(7,684)
Net change in fund balances	(1,640,430)	(433,104)	2,615,461	3,048,565
Fund balances, beginning of year	10,566,584	10,566,584	10,566,584	-
Fund balances, end of year	$ 8,926,154	$ 10,133,480	$ 13,182,045	$ 3,048,565

CITY OF MILTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

NOTE 1. BUDGETS

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds' budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for all governmental funds, with the exception of capital projects funds for which project length budgets are adopted. During the fiscal year ended September 30, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

NONMAJOR GOVERNMENTAL FUNDS

Confiscated Assets Fund – To account for the use of confiscated assets by the City's Police Department.

Emergency 911 Fund – To account for the monthly 911 charges to help fund the cost of providing emergency 911 services.

Hotel/Motel Tax Fund – To account for the occupancy tax collected by the City from area hotels and motels, and distributed based upon state statute. The government is currently collecting this tax at a rate of 3%.

Capital Grant Fund – To account for capital grant revenue and expenditures made by the City for public works, culture and recreation, and community development projects.

Impact Fees Fund – To account for impact fees restricted for the acquisition or construction of specific capital projects.

Combining and Individual Fund Statements and Schedules

CITY OF MILTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds			Capital Projects Funds		
ASSETS	Confiscated Assets Fund	Emergency 911 Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
Cash	$ 99,238	$ -	$ -	$ 987,917	$ 2,286,581	$ 3,373,736
Accounts receivable	-	168,522	-	-	-	168,522
Taxes receivable	-	-	1,172	-	-	1,172
Intergovernmental receivable	-	-	-	109,838	-	109,838
Total assets	$ 99,238	$ 168,522	$ 1,172	$ 1,097,755	$ 2,286,581	$ 3,653,268
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 168,522	$ -	$ 11,988	$ 78,464	$ 258,974
Due to other funds	-	-	1,172	-	-	1,172
Total liabilities	-	168,522	1,172	11,988	78,464	260,146
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - other	-	-	-	109,838	-	109,838
FUND BALANCES						
Restricted:						
Law enforcement	99,238	-	-	-	597	99,835
Fire facilities	-	-	-	-	314,357	314,357
Road and intersection improvements	-	-	-	-	7,518	7,518
Park and trail enhancements	-	-	-	-	1,836,522	1,836,522
General administration	-	-	-	-	49,123	49,123
Assigned:						
Capital projects	-	-	-	975,929	-	975,929
Total fund balances	99,238	-	-	975,929	2,208,117	3,283,284
Total liabilities, deferred inflows of resources and fund balances	$ 99,238	$ 168,522	$ 1,172	$ 1,097,755	$ 2,286,581	$ 3,653,268

CITY OF MILTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			Capital Projects Funds		
	Confiscated Assets Fund	Emergency 911 Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
REVENUES						
Taxes	$ -	$ -	$ 39,624	$ -	$ -	$ 39,624
Charges for services	-	1,256,560	-	-	830,512	2,087,072
Fines and forfeitures	25,732	-	-	-	-	25,732
Intergovernmental	-	-	-	549,830	-	549,830
Interest	60	-	-	955	1,839	2,854
Total revenues	25,792	1,256,560	39,624	550,785	832,351	2,705,112
EXPENDITURES						
Current:						
Public safety	21,720	1,256,560	-	-	-	1,278,280
Public works	-	-	-	45,000	8,452	53,452
Culture and recreation	-	-	-	72,848	-	72,848
Housing and development	-	-	-	61,070	-	61,070
Capital outlay	-	-	-	-	1,385,840	1,385,840
Total expenditures	21,720	1,256,560	-	178,918	1,394,292	2,851,490
Excess (deficiency) of revenues over expenditures	4,072	-	39,624	371,867	(561,941)	(146,378)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	9,064	-	9,064
Transfers out	-	-	(39,624)	(255,461)	(234,135)	(529,220)
Total other financing sources (uses)	-	-	(39,624)	(246,397)	(234,135)	(520,156)
Net change in fund balances	4,072	-	-	125,470	(796,076)	(666,534)
FUND BALANCES, beginning of year	95,166	-	-	850,459	3,004,193	3,949,818
FUND BALANCES, end of year	$ 99,238	$ -	$ -	$ 975,929	$ 2,208,117	$ 3,283,284

CITY OF MILTON, GEORGIA

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ -	$ 25,732	$ 25,732	$ -
Interest	-	-	60	60
Total revenues	-	25,732	25,792	60
Expenditures:				
Public safety	6,716	28,149	21,720	6,429
Total expenditures	6,716	28,149	21,720	6,429
Net change in fund balances	(6,716)	(2,417)	4,072	6,489
Fund balances, beginning of year	95,166	95,166	95,166	-
Fund balances, end of year	$ 88,450	$ 92,749	$ 99,238	$ 6,489

CITY OF MILTON, GEORGIA

EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 980,000	$ 1,060,000	$ 1,256,560	$ 196,560
Total revenues	980,000	1,060,000	1,256,560	196,560
Expenditures:				
Public safety	980,000	1,060,000	1,256,560	(196,560)
Total expenditures	980,000	1,060,000	1,256,560	(196,560)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF MILTON, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 80,000	$ 45,000	$ 39,624	$ (5,376)
Total revenues	80,000	45,000	39,624	(5,376)
Other financing uses:				
Transfers out	(80,000)	(45,000)	(39,624)	5,376
Total other financing uses	(80,000)	(45,000)	(39,624)	5,376
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF MILTON, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST) FOR THE YEAR ENDED SEPTEMBER 30, 2020

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
TSPLOST TIER 1						
Morris Road Widening, Windward Parkway, NE Crabapple Connector	$ 9,540,000	$ 9,540,000	$ 1,247,915	$ 2,167,722	$ 3,415,637	35.80 %
Hopewell Road at Bethany Bend/Way Intersection Improvements, Freemanville Road at Birmingham Road Intersection Improvements, Charlotte Road at Mayfield Road Intersection Improvements, Hopewell Road at Thompson Road/South Thompson Road Intersection Improvements, Hopewell Road at Hamby Road Intersection Improvements, SR 140/Arnold Mill Road at Green Road Intersection Improvements	16,900,000	16,900,000	971,812	398,871	1,370,683	8.11 %
Birmingham Road Middle Bridge	1,610,000	1,610,000	13,395	4,789	18,184	1.13 %
Pedestrian Improvements	3,372,490	3,372,490	164,776	122,114	286,890	8.51 %
TSPLOST TIER 2						
Bethany Road at Providence Road Intersection Improvements, Freemanville Road at Redd Road Intersection Improvements	3,445,145	3,445,145	-	-	-	0.00 %
Pedestrian Improvements	2,100,000	2,100,000	-	-	-	0.00 %
TSPLOST TIER 3						
Road Paving and Reconstruction	3,000,000	3,000,000	-	-	-	0.00 %
Quick Response	775,160	775,160	-	-	-	0.00 %
Bridge Repair and Replacement	791,865	791,865	-	-	-	0.00 %
Pedestrian Improvements	1,000,000	1,000,000	-	-	-	0.00 %
TOTAL TSPLOST	$ 42,534,660	$ 42,534,660	$ 2,397,898	$ 2,693,496	$ 5,091,394	

AGENCY FUND

Agency funds are used to account for assets held by the City as an agent for individuals.

Municipal Court Fund – To account for the collection of cash appearance bonds by the Municipal Court.

CITY OF MILTON, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
MUNICIPAL COURT FUND				
Assets:				
Cash	$ 41,602	$ 854,014	$ 863,818	$ 31,798
Liabilities:				
Due to others	$ 41,602	$ 854,014	$ 863,818	$ 31,798

Statistical Section

STATISTICAL SECTION

This part of the City of Milton's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends .....

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity .....

These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity .....

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information .....

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information .....

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Financial Trends

CITY OF MILTON, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2020	2019	2018	2017
Primary government:				
Net investment in capital assets	$ 84,118,811	$ 80,745,558	$ 72,722,062	$ 69,411,003
Restricted for law enforcement	99,835	155,178	129,305	152,198
Restricted for fire facilities	314,357	253,633	210,654	92,926
Restricted for intersection improvements	17,784,583	14,163,212	8,684,559	3,447,341
Restricted for park and trail enhancements	1,836,522	2,492,082	1,565,418	802,887
Restricted for emergency 911 services	-	-	-	-
Restricted for general administration	49,123	33,331	2,980	-
Restricted for capital projects	-	-	39,315	-
Unrestricted	24,838,051	17,142,141	15,856,331	12,522,984
Total primary government net position	$ 129,041,282	$ 114,985,135	$ 99,210,624	$ 86,429,339

(1) Beginning with fiscal year 2016, the City began collecting impact fees on new development projects.

(2) Ending net position for 2016 was restated due to a change in accounting principle.

2016		2015	2014	2013	2012	2011
$ 64,343,200		$ 55,192,124	$ 52,108,868	$ 47,155,163	$ 42,581,781	$ 38,629,543
130,265		202,497	163,191	894,671	879,779	694,091
82,142	(1)	-	-	-	-	-
16,095	(1)	-	-	-	-	-
671,394	(1)	-	-	-	-	-
3		67,349	481,669	-	-	-
-		-	-	-	-	-
-		-	-	-	-	-
11,380,667	(2)	24,709,939	20,489,814	19,501,111	18,384,078	16,316,129
$ 76,623,766		$ 80,171,909	$ 73,243,542	$ 67,550,945	$ 61,845,638	$ 55,639,763

CITY OF MILTON, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2020	2019	2018	2017
Expenses				
General government	$ 3,194,222	$ 3,894,038	$ 3,997,068	$ 4,170,454
Judicial	467,942	420,623	415,488	281,485
Public safety	14,304,063	12,318,540	12,561,228	12,004,373
Public works	5,019,146	6,621,990	5,227,627	3,175,710
Culture and recreation	3,781,670	2,104,060	2,031,619	2,337,624
Housing and development	1,812,726	1,498,236	1,452,928	1,148,734
Interest on long-term debt	1,366,516	941,731	1,028,911 (5)	585,362 (5)
Total expenses	$ 29,946,285	$ 27,799,218	$ 26,714,869	$ 23,703,742
Program revenues				
Charges for services:				
General government	$ 471,818	$ 559,413	$ 451,519	$ 664,948
Judicial	284,382	432,196	411,582	472,717
Public safety	2,149,075	2,317,291	2,074,059	2,236,359
Public works	205,205	109,758	137,889	237,089
Culture and recreation	231,781	106,273	132,402	77,274
Housing and development	395,605	516,686	452,200	449,848
Operating grants and contributions	38,632	41,479	84,983	61,885
Capital grants and contributions	8,306,030	7,423,743	7,397,589 (6)	3,503,628
Total program revenues	$ 12,082,528	$ 11,506,839	$ 11,142,223	$ 7,703,748
Net expense	$ (17,863,757)	$ (16,292,379)	$ (15,572,646)	$ (15,999,994)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	$ 16,159,692	$ 15,004,421 (7)	$ 12,640,472	$ 11,531,051
Sales taxes	9,221,508	10,041,779	9,395,425	8,925,207
Other taxes	5,882,679	5,799,663	5,615,462	5,130,291
Unrestricted investment earnings	479,474	956,696	506,524	127,871
Miscellaneous revenues	176,551	212,228	164,808	91,147
Gain on sale of capital assets	-	52,103	31,240	-
Total	$ 31,919,904	$ 32,066,890	$ 28,353,931	$ 25,805,567
Change in Net Position	$ 14,056,147	$ 15,774,511	$ 12,781,285	$ 9,805,573

(1) In FY 2012, the decrease is attributable to the timing of the Fall City-wide annual repaving project. It started later than the previous year, causing the majority of the expenses to occur in the next fiscal year.

(2) Increases are attributable to GDOT grants received for intersection improvements.

(3) Over $3 million in infrastructure assets transitioned from construction in progress to capital assets during fiscal year 2014. This accounts for the significant increase from fiscal year 2013.

(4) The renegotiation of the local option sales tax (LOST) is triggered by the decennial census and is largely based on population. The City's population doubled from the estimated census done in 2006 and therefore allowed officials to negotiate a higher rate for the distribution of LOST.

(5) Increase is due to the City's new bonds (Revenue Bonds in 2016; General Obligation Greenspace Bond in 2017).

(6) Increase is due to the first full year of collections of TSPLOST revenues.

(7) Increase is due to an increase in assessed real and personal tax values.

2016	2015	2014	2013	2012	2011
$ 3,968,796	$ 5,217,801	$ 3,182,969	$ 2,894,553	$ 2,973,341	$ 3,508,809
274,716	264,812	246,269	231,621	227,761	207,085
11,443,382	11,892,288	9,823,388	8,965,850	8,124,581	7,587,661
5,028,701	4,148,056	6,837,286 (3)	3,450,492	3,236,611 (1)	5,489,730
1,827,479	1,721,516	861,022	836,426	707,991	404,151
780,282	811,019	1,119,567	1,044,487	1,038,157	763,205
350,429 (5)	91,967	4,922	7,210	17,595	46,083
$ 23,673,785	$ 24,147,459	$ 22,075,423	$ 17,430,639	$ 16,326,037	$ 18,006,724
$ 562,416	$ 571,413	$ 658,812	$ 550,364	$ 514,402	$ 298,955
508,130	565,331	582,169	382,434	483,242	431,401
1,939,929	1,007,228	973,693	941,158	870,200	920,433
242,835	387,487	222,316	126,701	109,731	106,502
122,220	52,737	75,037	73,662	53,855	48,988
628,511	757,319	776,582	518,988	345,687	388,345
38,380	14,530	55,443	107,805	101,769	79,384
1,025,050	2,881,702 (2)	1,369,385	1,994,266 (2)	425,111	1,541,878
$ 5,067,471	$ 6,237,747	$ 4,713,437	$ 4,695,378	$ 2,903,997	$ 3,815,886
$ (18,606,314)	$ (17,909,712)	$ (17,361,986)	$ (12,735,261)	$ (13,422,040)	$ (14,190,838)
$ 11,778,279	$ 11,665,484	$ 10,352,473	$ 9,615,522	$ 9,443,929	$ 9,249,681
8,827,604	8,700,581	8,019,028 (4)	4,282,107	4,275,674	4,056,666
4,874,826	4,709,152	4,589,903	4,403,565	4,251,780	4,189,835
49,473	32,197	24,832	23,810	26,927	36,410
119,195	214,624	51,586	73,171	79,307	144,348
-	-	16,761	42,393	-	-
$ 25,649,377	$ 25,322,038	$ 23,054,583	$ 18,440,568	$ 18,077,617	$ 17,676,940
$ 7,043,063	$ 7,412,326	$ 5,692,597	$ 5,705,307	$ 4,655,577	$ 3,486,102

CITY OF MILTON, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Total
2011	$ 9,249,681	$ 4,056,666	$ 49,294	$ 1,993,830	$ 2,146,711	$ 17,496,182
2012	9,443,929	4,275,674	54,688	1,908,609	2,288,483	17,971,383
2013	9,615,522	4,282,107	60,997	1,945,143	2,397,425	18,301,194
2014	10,352,473	8,019,028 (1)	67,024	2,033,677	2,489,202	22,961,404
2015	11,665,484	8,700,581	72,020	2,053,011	2,584,121	25,075,217
2016	11,778,279	8,827,604	66,218	2,064,983	2,743,625	25,480,709
2017	11,531,051	8,925,207	75,289	2,113,026	2,941,976	25,586,549
2018	12,640,472	9,395,425	78,498	2,349,574	3,187,390	27,651,359
2019	15,004,421 (2)	10,041,779	82,010	2,356,144	3,361,509	30,845,863
2020	16,159,692	9,221,508	39,624	2,320,090	3,522,965	31,263,879

(1) The renegotiation of the local option sale (LOST) tax is triggered by the decennial census and is largely based on population. The City's population doubled from the estimated census done in 2006 and therefore allowed officials to negotiate a higher rate for the distribution of LOST.

(2) Increase is due to an increase in assessed real and personal tax values.

CITY OF MILTON, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017	
General Fund					
Nonspendable (prepaids and inventory)	$ 535,746	$ 1,055,070	$ 708,884	$ 591,974	
Assigned	1,628,677	1,640,430	715,635	-	
Unassigned	11,017,622	7,871,084	8,904,557	2,777,080	
Total general fund	$ 13,182,045	$ 10,566,584	$ 10,329,076	$ 3,369,054	
All Other Governmental Funds					
Nonspendable - prepaids	$ 588,468	$ 1,550,921	$ 449,688	$ 292,304	
Restricted - law enforcement	99,835	154,195	129,305	152,198	
Restricted - fire facilities	314,357	253,633	210,654	92,926	
Restricted - intersection improvements	17,784,583	14,115,969	8,684,559	3,447,341	
Restricted - park and trail enhancements	1,836,522	2,492,082	1,565,418	802,887	
Restricted - general administration	49,123	33,331	2,980	-	
Restricted - emergency 911 services	-	-	-	-	
Restricted - capital projects	8,824,451	7,107,170	20,411,299	24,785,560	(4)
Assigned - public safety	-	-	-	-	
Assigned - capital projects	12,834,539	8,262,707	7,835,618	10,911,598	
Unassigned	-	(1,546,652)	-	-	
Total all other governmental funds	$ 42,331,878	$ 32,423,356	$ 39,289,521	$ 40,484,814	

(1) The increase in the fund balance for the Capital Projects Fund is attributable to transfers in from the General Fund to fund future capital projects.

(2) Beginning with fiscal year 2016, the City began collecting impact fees on new development projects.

(3) Ending fund balance for 2016 was restated due to a change in accounting principle.

(4) In fiscal year 2017, the City issued GO Bonds for the purpose of greenspace acquisition and preservation throughout the City.

2016	2015	2014	2013	2012	2011
$ 444,032	$ 401,096	$ 247,208	$ 278,953	$ 197,851	$ 337,536
-	5,199,048	4,278,690	1,297,910	2,070,784	1,298,871
(3,197,092) (3)	4,511,805	6,316,137	7,950,412	7,870,639	8,059,221
$ (2,753,060)	$ 10,111,949	$ 10,842,035	$ 9,527,275	$ 10,139,274	$ 9,695,628
$ -	$ -	$ -	$ -	$ 20,000	$ 1,396
130,265	202,497	163,191	894,299	879,779	694,091
82,142 (2)	-	-	-	-	-
16,095 (2)	-	-	-	-	-
671,394 (2)	-	-	-	-	-
-	-	-	-	-	-
3	62,719	479,272	-	-	-
-	-	-	-	-	-
-	-	-	-	3,023	10,671
15,359,556	15,333,498	9,351,597	9,665,789	8,377,308 (1)	6,764,867
-	(2,082,969)	-	-	-	-
$ 16,259,455	$ 13,515,745	$ 9,994,060	$ 10,560,088	$ 9,280,110	$ 7,471,025

CITY OF MILTON, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017
Revenues				
Taxes	$ 31,322,509	$ 30,824,036	$ 27,651,993	$ 25,574,393
Licenses and permits	567,765	700,580	628,090	616,148
Intergovernmental	6,953,713	7,599,533	7,152,012	3,587,194
Charges for services	2,543,907	2,817,577	2,718,438	2,945,872
Fines and forfeitures	310,114	448,244	422,670	494,891
Contributions	32,402	25,157	47,363	40,281
Interest earned	479,474	956,696	506,524	127,871
Miscellaneous	176,551	212,228	164,808	91,147
Total revenues	42,386,435	43,584,051	39,291,898	33,477,797
Expenditures				
Current:				
General government	3,905,514	3,781,995	3,720,541	3,948,213
Judicial	458,499	428,571	411,698	279,811
Public safety	13,463,420	12,411,953	11,910,598	11,136,499
Public works	5,601,369	7,232,342	5,600,294	2,617,819
Culture and recreation	1,621,664	1,498,976	1,397,855	1,470,156
Housing and development	1,844,546	1,514,934	1,440,247	1,134,524
Capital outlay	18,865,179	20,617,186	7,131,436	6,362,409
Debt service:				
Principal	1,206,760	1,771,394	928,010	897,038
Interest	1,397,326	1,151,028	1,017,730	317,454
Issuance costs	502,903	-	-	356,322
Total expenditures	48,867,180	50,408,379	33,558,409	28,520,245
Excess (deficiency) of revenues over (under) expenditures	(6,480,745)	(6,824,328)	5,733,489	4,957,552
Other Financing Sources (Uses)				
Issuance of long term debt	24,210,000	-	-	23,495,000
Payment to escrow	(7,251,627)	-	-	-
Advance refunding payment with existing resources	(630,000)	-	-	-
Premium from bond issuance	2,653,663	-	-	1,881,842
Proceeds from the sale of capital assets	22,692	168,100	31,240	13,079
Insurance recoveries	-	27,571	-	-
Transfers in	7,671,144	9,045,265	3,398,903	4,931,858
Transfers out	(7,671,144)	(9,045,265)	(3,398,903)	(4,931,858)
Total other financing sources (uses)	19,004,728	195,671	31,240	25,389,921
Net change in fund balances	$ 12,523,983	$ (6,628,657)	$ 5,764,729	$ 30,347,473
Debt service as a percentage of noncapital expenditures	9.3%	10.6% (5)	6.8% (5)	5.6% (5)

(1) The significant decrease in Public Works is attributable to the timing of the Fall City-wide annual repaving project. It started later than the previous year causing a majority of the expenses to occur in FY13.

(2) Increase is related to the design, engineering and right-of-way acquisition for three intersection improvement projects.

(3) Decrease is related to the capital lease for the initial purchase of the police and fire fleet as the final payment was made in December 2011.

(4) The increase in Taxes is attributable to the renegotiation of the local option sales tax (LOST).

(5) The increase is due to the payments starting on the City's Revenue Bond (issued in 2015), GO Greenspace Bond (issued in 2017), and the Series 2019 GO Bond.

2016	2015	2014	2013	2012	2011
$ 25,369,042	$ 24,866,343	$ 22,954,041 (4)	$ 18,323,600	$ 18,011,177	$ 18,536,553
784,946	911,175	924,864	683,992	496,389	388,345
2,630,337	1,069,828	426,598	834,317	464,916	718,594
2,624,623	1,802,052	1,735,785	1,476,425	1,376,840	1,297,655
560,305	621,737	630,814	429,207	500,061	513,320
21,725	114,530	33,732	55,106	10,760	18,811
49,473	32,197	24,832	23,810	26,927	36,410
119,195	214,624	51,586	73,171	79,307	144,348
32,159,646	29,632,486	26,782,252	21,899,628	20,966,377	21,654,036
3,665,105	3,813,711	4,154,897	2,885,446	2,932,868	2,774,434
275,541	269,768	254,698	233,588	227,666	207,261
10,656,256	11,580,507	10,026,959	8,473,706	7,789,325	7,197,635
5,664,758	7,430,685	6,401,823	5,705,061 (2)	2,832,485 (1)	5,199,627
2,017,771	9,993,915	1,815,176	825,662	695,336	598,613
785,949	820,585	1,116,483	1,019,867	1,004,889	741,188
9,449,319	1,758,152	2,189,477	2,040,167	2,426,240	1,843,827
152,767	320,081	83,698	81,466 (3)	768,348	662,622
221,706	80,951	7,070	9,302	38,963	53,921
-	-	-	-	-	-
32,889,172	36,068,355	26,050,281	21,274,265	18,716,120	19,279,128
(729,526)	(6,435,869)	731,971	625,363	2,250,257	2,374,908
689,868	8,910,132	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,313	30,416	16,761	42,616	2,474	-
-	-	-	-	-	-
(33,585,858)	(11,349,902)	(8,380,468)	(6,763,556)	(5,548,688)	5,525,003
33,585,858	11,349,902	8,380,468	6,763,556	5,548,688	(5,525,003)
695,181	8,940,548	16,761	42,616	2,474	-
$ (34,345)	$ 2,504,679	$ 748,732	$ 667,979	$ 2,252,731	$ 2,374,908
1.8%	1.9%	0.6%	0.6%	5.1%	4.3%

Revenue Capacity

CITY OF MILTON, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Total
2011	$ 10,344,474	$ 4,002,244	$ 49,294	$ 1,993,830	$ 2,146,711	$ 18,536,553
2012	9,483,723	4,275,674	54,688	1,908,609	2,288,483	18,011,177
2013	9,637,928	4,282,107	60,997	1,945,143	2,397,425	18,323,600
2014	10,345,110	8,019,028 (1)	67,024	2,033,677	2,489,202	22,954,041
2015	11,560,676	8,700,581	72,020	1,948,945	2,584,121	24,866,343
2016	11,562,546	8,827,604	66,218	2,169,049	2,743,625	25,369,042
2017	11,518,895	8,925,207	75,289	2,113,026	2,941,976	25,574,393
2018	12,641,106 (2)	9,395,425	78,498	2,349,574	3,187,390	27,651,993
2019	14,982,594 (2)	10,041,779	82,010	2,356,144	3,361,509	30,824,036
2020	16,218,322	9,221,508	39,624	2,320,090	3,522,965	31,322,509

(1) The increase in Taxes is attributable to the renegotiation of the local option sales tax (LOST).
(2) The increase is due to an increase in assessed values and the implementation of a debt service millage rate.

CITY OF MILTON, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

(1) Calendar Year	Real Property				Personal Property	
	Residential Property	Conservation Use Property	Commercial Property	Privately Owned Public Utilities	Motor Vehicles	Furniture, Fixtures & Equip
2010	$ 1,672,908,870	$ 13,029,220	$ 290,104,230	$ 10,714,726	$ 101,093,870	$ 38,891,340
2011	1,581,151,070	13,611,950	265,995,430	10,785,887	104,790,450	39,977,520
2012	1,611,543,600	14,620,660	275,506,580	12,481,572	116,670,630	44,950,190
2013	1,595,165,150	12,125,270	258,792,510	12,728,701	125,271,430	43,507,380
2014	1,742,503,130	11,051,350	254,051,410	12,028,354	110,057,590	42,298,840
2015	1,925,135,570	9,487,010	290,030,100	17,016,803	80,438,520	43,798,770
2016	2,012,576,030	8,679,430	365,874,440	19,928,091	55,613,700	44,691,780
2017	2,063,492,310	8,106,750	347,229,360	19,712,772	38,158,500	45,080,170
2018	2,444,244,070	6,677,770	346,028,600	18,180,770	26,535,480	45,040,150
2019	2,619,819,310	6,317,150	375,121,460	21,434,757	19,364,570	46,540,440

Note: The total assessed value amounts are based on the original tax digest prior to additions, deletions, and corrections to accounts.

(1) In fiscal year 2017, the City made a change in accounting principle with regard to when it recognizes revenue for property taxes. Property taxes are now budgeted to fund the upcoming fiscal year and therefore, the taxes levied each fall are for the fiscal period just commenced (i.e., taxes levied in August/September are budgeted to fund the upcoming fiscal period of October 1 through September 30). Thus, the 2019 calendar year tax levy is for the City's fiscal year 2020.

(2) Increase is due to the overall increase in property values. The City has two exemption categories that exempt a taxpayer from 100% of City taxes. The exemption value is equivalent to the taxable property value (i.e. a home with a basic homestead exemption and a full property value exemption that has an increase in assessed value would have an increase in exemption value as well).

(3) The increase in exemption values is the result of the implementation of the floating homestead exemption as required by law (HB 710).

Less: Tax Exempt Real Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 141,732,770		$ 1,985,009,486	4.731	$ 5,316,855,640	40%
142,480,190		1,873,832,117	4.731	5,040,780,768	40%
141,664,600		1,934,108,632	4.731	5,189,433,080	40%
132,198,007		1,915,392,434	4.731	5,118,976,103	40%
140,408,130		2,031,582,544	4.731	5,429,976,685	40%
144,492,060		2,221,414,713	4.731	5,914,766,933	40%
145,509,390		2,361,854,081	4.731	6,268,408,678	40%
146,665,660		2,375,114,202	5.052	6,304,449,655	40%
165,379,290	(2)	2,721,327,550	5.061	7,216,767,100	40%
493,687,582	(3)	2,594,910,105	5.319	7,721,494,218	40%

CITY OF MILTON, GEORGIA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS

(rate per $1,000 of assessed value)

	City of Milton			Fulton County			School District				
Calendar Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total Fulton County Millage	Operating Millage	Debt Service Millage	Total School District Millage	State	Total Direct & Overlapping Rates
2010	4.731	-	4.731	10.281	-	10.281	18.502	-	18.502	0.250	33.764
2011	4.731	-	4.731	10.281	0.270	10.551	18.502	-	18.502	0.250	34.034
2012	4.731	-	4.731	10.281	0.270	10.551	18.502	-	18.502	0.250	34.034
2013	4.731	-	4.731	10.211	0.270	10.481	18.502	-	18.502	0.150	33.864
2014	4.731	-	4.731	11.781	0.270	12.051	18.502	-	18.502	0.100	35.384
2015	4.731	-	4.731	10.500	0.250	10.750	18.502	-	18.502	0.050	34.033
2016	4.731	-	4.731	10.450	0.250	10.700	18.483	-	18.483	0.000	33.914
2017	4.731	0.321	5.052	10.380	0.250	10.630	18.546	-	18.546	0.000	34.228
2018	4.390	0.671	5.061	10.200	0.230	10.430	17.796	-	17.796	0.000	33.287
2019	4.731	0.588	5.319	9.899	0.220	10.119	17.796	-	17.796	0.000	33.234

Source: Fulton County Tax Commissioner

(1) M&O rate. No components to display.

Note: As set forth in the City's charter, the operating millage rate cannot exceed 4.731 mills unless a higher limit is approved through a referendum by a majority of qualified voters of the City.

CITY OF MILTON, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2020
CURRENT AND NINE YEARS AGO

	2020			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Strata Deerfield LLC	$ 35,610,850	1	1.37 %			
IMT Capital III Deerfield LLC	34,943,590	2	1.35			
Office Investors LLC	26,705,240	3	1.03	$ 17,646,000	3	0.89 %
CH Realty VII Inwood MF Atlanta	23,350,960	4	0.90			
IMT Capital IV Stoneleigh at D LLC	22,181,950	5	0.85			
CSP Community Owner LLC	18,000,000	6	0.69	11,200,000	5	0.56
Cellco Partnership	16,114,720	7	0.62			
WB Holdings Deerfielf Place LL	11,622,400	8	0.45			
Verizon Wireless	9,409,080	9	0.36			
Sawnee EMC	8,494,421	10	0.33			
Orion Milton Associates LLC				19,160,000	1	0.97
Atlanta Preserve LLC				18,409,040	2	0.93
GTE Mobilnet (Verizon)				15,647,680	4	0.79
EQR Zurich LLC				10,710,000	6	0.54
Scott H Lee TR				10,103,280	7	0.51
First Town LP				9,430,840	8	0.48
North Park GA LLC				9,078,000	9	0.46
RT Deerfield I LLC				7,880,920	10	0.40
Totals	$ 206,433,211		7.96 %	$ 129,265,760		6.51 %

Source: Fulton County Tax Commissioner and City of Milton Finance Department

CITY OF MILTON, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Period Ended September 30,	Taxes Levied for the Fiscal Year	Subsequent Years Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2011	$ 8,114,251	$ 52,893	$ 8,167,144	$ 7,783,723	95.9 %	$ 382,325	$ 8,166,048	100.0 %
2012	8,311,433	(90,825)	8,220,608	8,007,886	96.3	212,186	8,220,072	100.0
2013	8,187,290	49,149	8,236,439	7,948,752	97.1	283,837	8,232,589	100.0
2014	8,818,227	116,765	8,934,992	8,579,383	97.3	354,702	8,934,085	100.0
2015	9,845,651	32,532	9,878,184	9,545,176	96.9	327,701	9,872,877	99.9
2016	10,393,680	(46,372)	10,347,308	9,893,308	95.2	454,000	10,347,308	100.0
2017	(1) 10,393,680	(46,372)	10,347,308	9,893,308	95.2	454,000	10,347,308	100.0
2018	11,414,221	(12,169)	11,402,052	11,388,963	99.8	8,186	11,397,149	100.0
2019	13,613,210	-	13,613,210	13,509,728	99.2	103,548	13,613,276	100.0
2020	13,810,744	-	13,810,744	13,762,150	99.6	-	13,762,150	99.6

Source: City of Milton Finance Department, Tax Collectors Report

1) Due to the delayed receipt of the Fulton County tax digest, Milton property taxes were billed two and a half months later than usual, resulting in a billing cycle outside of fiscal year 2017. As a result the City decided to account for property taxes in the subsequent year rather than the prior year to avoid experiencing this issue at any point in the future. Therefore, 2019 figures are based on 2018 tax digest information for reporting purposes.

Debt Capacity

CITY OF MILTON, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Period Ended September 30,	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bond	General Obligation Bonds	Financed Purchase Payable			
2011	$ -	$ -	$ 1,107,852	$ 1,107,852	0.07 %	$ 33.20
2012	-	-	339,504	339,504	0.02	10.05
2013	-	-	258,038	258,038	0.02	7.46
2014	-	-	174,340	174,340	0.01	4.91
2015	8,910,132	-	1,464,922	10,375,054	0.53	285.89
2016	9,600,000	-	1,312,155	10,912,155	0.53	289.00
2017	9,008,000	25,376,842	1,007,117	35,391,959	1.69	912.85
2018	8,400,000	25,235,588	351,864	33,987,452	1.57	871.03
2019	7,774,000	24,252,033	-	32,026,033	1.36	807.25
2020	26,712,515	23,231,294	-	49,943,809	2.00	1,248.60

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF MILTON, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct Debt:			
Revenue Bonds	$ 26,712,515	100.00 %	$ 26,712,515
GO (Greensapce) Bonds	23,231,294	100.00	23,231,294
Total direct debt	49,943,809		49,943,809
Overlapping Debt (1):			
Fulton County	239,939,000	3.95 %	9,481,854
Fulton County School District	22,385,000	7.44	1,664,959
Total overlapping debt	262,324,000		11,146,813
Total direct and overlapping debt	$ 312,267,809		$ 61,090,622

Source: Assessed value data used to estimate applicable percentages was provided by Fulton County Board of Assessors and debt outstanding provided by Fulton County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF MILTON, GEORGIA

LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2020

	Fiscal Year			
	2020	2019	2018	2017
Assessed value of all taxable property	$ 3,088,597,687	$ 2,886,706,840	$ 2,521,779,862	$ 2,507,363,471
Debt limit: 10% of assessed value	308,859,769	288,670,684	252,177,986	250,736,347
Total net debt applicable to limit	21,830,000	22,685,000	23,495,000	23,495,000
Legal debt margin	$ 287,029,769	$ 265,985,684	$ 228,682,986	$ 227,241,347
Total net debt applicable to the limit as a percentage of debt limit	7.07%	7.86%	9.32%	9.37%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	$ 2,594,910,105
Add back: exempt real property	493,687,582
Total assessed value	3,088,597,687
Debt limit: 10% of total assessed value	308,859,769
Debt applicable to limit	
General Obligation Bond	21,830,000
Less: Amount set aside for repayment of general obligation bond	-
Total net debt applicable to limit	21,830,000
Legal debt margin	$ 287,029,769

NOTE 1: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

NOTE 2: Fiscal year 2017 was the first year in which the City issued general obligation bonds.

Demographic and Economic Information

CITY OF MILTON, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Period	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	33,373	$ 1,682,266	$ 50,408	36.7	8,386	7.7 %
2012	33,775	1,463,876	43,342	37.4	9,133	7.0
2013	34,571	1,718,559	49,711	38.1	9,405	6.4
2014	35,513	1,805,801	50,849	38.6	9,621	5.0
2015	36,291	1,964,758	54,139	39	10,107	5.2
2016	37,758	2,044,180	54,139	38.9	10,306	5.0
2017	38,771	2,097,627	54,103	39.1	10,287	2.2
2018	39,020	2,165,961	55,509	39	10,287	1.9
2019	39,673	2,361,972	59,536	38.5	10,240	2.9
2020	40,000	2,493,800	62,345	38.5	10,060	3.3

(1) Source for fiscal year 2017 and prior data, except school enrollment and 2010 population: Georgia Power Economic Development research performed for Milton for Comprehensive Plan. Fiscal year 2018 data was provided by Esri.

(2) Source for school enrollment: Fulton County Board of Education\Public School Review.

(3) Source for population: U.S. Census Bureau.

(4) Source for Unemployment Rate: Georgia Labor Market Explorer or Georgia Department of Labor

CITY OF MILTON, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Verizon	2,337	1	22.7 %	1,768	1	25.3 %
Fulton County Board of Education	916	2	8.9	854	2	12.2
Philips North America LLC	477	3	4.6			
Infor (US) Inc	348	4	3.4	480	3	6.9
Integrated Systems	300	5	2.9			0.0
Exide Technologies	279	6	2.7	276	7	4.0
Wal-Mart	295	7	2.9	312	4	4.5
Publix	236	8	2.3	185	8	2.6
Target	200	9	1.9	163	9	2
Country Financial	193	10	1.9			
Fry's Electronics				300	5	4.3
Alltel				280	6	4.0
City of Milton				132	10	1.9
Totals	5,581		54.3 %	4,750		68.0 %

(1) Source: Employers
(2) Source: City of Milton Business License Applications

Operating Information

CITY OF MILTON, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-Time Equivalent Employees as of September 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function										
General Government										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Manager	3	3	4	4	4	4	3	3	2	2
City Clerk	2	2	2	2	2	2	2	2	3	3
Operations	13	13	10	10	10	11	9	8	10	10
Judicial	4	4	4	4	4	4	4	4	4	4
Public Safety										
Administration	12	9	8	8	8	5	5	3	2	2
Police	37	35	37	36	35	35	29	29	32	28
Fire	55	56	55	55	53	58	57	55	55	55
Civilians	6	6	5	4	5	6	4	4	3	2
Public Works										
Admin & Engineering	5	5	5	5	5	4	4	4	4	4
Highways & Streets	3	3	4	5	5	5	3	3	3	3
Culture & Recreation	3	2	2	2	2	2	2	2	2	2
Community Development	12	11	10	6	6	6	10	10	10	10
Total	162	156	153	148	146	149	139	134	132	130

Source: City of Milton Human Resources Department

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Number of property tax accounts:										
Real property	13,704	13,643	13,429	13,235	13,235	12,806	12,474	12,311	12,261	12,211
Personal property	686	692	768	768	768	498	474	474	475	461
Public utility	12	10	8	8	9	7	7	7	8	6
City Clerk										
Ordinances adopted	49	25	51	40	27	36	39	43	41	37
Resolutions adopted	48	26	44	57	35	36	44	39	44	37
Council Meetings (Reg/Work Sessions/Special Called)	37	37	40	30	43	39	40	38	41	39
Council Meeting Minutes (Pages)	1,089	425	480	463	728	722	754	482	548	381
Total Hours of Council Meetings	66	91	55	64	92	77	64	59	62	80
Judicial										
Cases processed	2,438	3,244	3,654	3,545	4,434	4,548	5,947	4,789	4,497	4,547
Cases closed	2,227	3,566	3,760	3,914	4,371	5,397	6,037	4,287	5,070	4,655
Non-jury trials	73	48	116	311	282	252	203	197	170	156
Warrants issued	11	39	50	76	81	112	98	29	79	93
Police (1)										
Calls for service	6,228	7,518	7,874	7,554	7,764	9,000	6,775	7,351	14,710	10,242
Alarms	1,279	1,642	1,752	1,715	1,723	2,115	1,558	2,649	1,798	2,165
Accidents	436	665	738	692	733	663	611	589	581	497
Traffic stops	7,094	7,254	7,492	7,454	7,608	7,874	7,776	6,808	6,124	6,230
Warnings issued	4,218	3,387	3,614	2,803	1,837	4,345	3,490	3,399	2,451	3,436
Citations issued	2,438	2,914	3,725	3,663	4,434	5,321	5,914	4,785	1,564	4,493
DUIs	41	42	41	75	92	56	87	73	47	122
Traffic arrests	199	152	188	275	356	258	295	208	295	161
Fire										
Number of preplans completed	436	418	416	404	404	517	693	262	257	174
Hours of Training	13,406	15,184	18,836	12,914	14,425	20,439	15,614	6,394	4,829	6,717
Fire calls	67	59	89	124	96	90	113	110	97	102
Rescue/EMS calls	1,127	1,108	1,233	1,146	1,092	1,218	1,166	992	1,025	932
Overpressure/Explosion	3.00	-	5	4	1	2	1	2	5	-
Hazardous Conditions	94	81	91	79	85	84	77	68	62	72
Service Call	284	244	384	318	302	304	310	246	209	211
Good Intent Call	1,080	712	664	570	560	385	370	303	347	503
False Alarm	266	242	277	243	239	264	256	202	215	306
Severe Weather	3	6	7	11	14	3	5	6	7	10
Special Incident (other)	3	215	9	14	6	19	10	12	29	14
Community education in hours	922	1,764	484	519	685	466	412	335	1,141	179
Average response time	7:06	7:06	6:44	6:21	6:11	6:01	6:04	5:54	5:53	5:57
Safety Issues (5)	NA	NA	NA	115	-	187	210	248	244	377
Inspections (5)	886	808	822	637	642	-	-	-	-	-
Plan Review (5)	85	175	137	142	109	-	-	-	-	-
Hydrants Inspected	3,140	2,863	2,582	2,525	2,446	2,348	1,764	4,396	4,345	5,604
Investigations	11	5	18	19	17	19	14	18	13	20
Public Works										
Work requests	1,336	1,198	988	1,161	1,279	1,915	2,123	1,852	1,396	1,175
Potholes repaired (2)	300	240	284	150	140	122	111	129	-	-
Shoulder restoration (2)	70	72	65	38	64	31	52	67	-	-
Sign maintenance (2)	259	62	71	210	115	168	242	185	-	-
New sign installation (2)	44	68	52	40	61	72	108	103	-	-
Stormwater maintenance calls (2)	116	61	108	30	29	56	23	38	-	-
Traffic signal preventative maintenance (2)	15	21	20	8	12	17	18	10	-	-
Signal maintenance (2)	12	13	20	16	115	15	24	37	-	-
Pavement condition index (2)	69	69	71	71	71	71	71	71	-	-

Continued

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Culture and Recreation										
Number of annual city-sponsored events	28	28	27	28	28	28	15	11	11	12
Crabapple Fest attendance (4)	35,000	35,000	35,000	34,250	40,320	8,500	30,000	15,000	2,000	3,500
Number of programs (2)	43	43	41	33	32	38	48	34	-	-
Attendance for recreation programs not including baseball (2)	1,733	2,203	1,823	1,829	2,105	1,587	2,157	1,331	-	-
Participants in youth baseball (3)	728	1,047	917	818	497	270	569	1,121	1,135	1,099
Housing and Development										
Business licenses issued	890	1,228	1,175	1,088	1,017	944	998	968	1,030	1,150
Planning & Zoning										
Zoning certification letters	16	17	7	13	15	21	16	12	5	3
Zoning modifications processed	2	3	1	3	1	1	6	-	4	2
Special use permits processed	2	1	6	1	2	5	8	6	1	2
Text amendments	19	1	15	16	12	18	18	12	9	15
Rezoning requests processed	-	2	1	1	4	4	8	9	7	3
Variances processed	16	13	25	23	16	33	26	13	20	21
Land disturbance permits	13	52	44	60	65	45	60	44	49	15
Final plats / minor plats signed	13	28	23	30	30	37	46	31	18	18
Development inspections	7,505	4,758	2,031	2,759	2,817	2,751	2,840	2,544	2,774	2,670
Building Inspections										
Building permits issued	2,017	1,380	1,499	1,747	1,679	1,452	1,022	982	917	821
Certificates of occupancy issued	160	188	196	244	385	347	405	362	233	220
Sign permits issued	74	86	119	68	80	90	77	89	89	109
Code Enforcement										
Code enforcement inspection	722	803	878	984	964	901	775	679	613	463
Notice of violations issued	136	121	101	129	132	6	371	456	320	153
Citations issued	2	12	7	13	4	6	2	11	5	2
Follow up Inspections	478	630	791	837	850	845	398	491	326	241
Sign sweeps	28	22	16	21	8	18	6	8	5	2

Source: Various City departments.

Notes:
(1) The data for the Police department is on a calendar year basis.
(2) New indicators the City started tracking in FY 2013.
(3) The renovation of Bell Memorial Park interrupted the spring youth baseball season resulting in lower participation numbers for FY 2014.
(4) In 2013, the Crabapple Fest was combined with the Milton Roundup, which greatly expanded the event to include more vendor space and thus attendance increased significantly.
(5) New indicators the City started tracking in FY 2016 instead of "safety issues" to provide more appropriate data.

CITY OF MILTON, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
General government										
Vehicles	2	2	2	2	2	2	1	1	1	1
Public Safety Administration										
Vehicles	-	-	-	-	-	-	-	-	-	-
Police										
Vehicles	51	51	48	52	51	46	43	37	41	33
Fire										
Vehicles	19	19	18	18	17	15	14	13	10	9
Stations	3	3	3	3	3	3	3	3	3	3
Tornado Siren	11	11	11	10	10	9	-	-	-	-
Public Works										
Streets (miles)	187	187	180	180	180	158	158	158	158	158
Bridges	35	35	34	34	34	31	31	31	31	31
Traffic signals	15	15	16	16	16	11	11	11	11	11
Flashing beacons	9	9	9	9	9	9	9	9	9	9
Vehicles	7	7	6	6	5	7	3	3	3	3
Culture and Recreation										
Park acreage	668	688	439	296	292	251	203	203	190	186
Recreational facilities	5	5	5	5	5	5	4	4	4	4
Parks (1)	6	6	6	4	4	3	3	3	1	1
Playgrounds (1)	3	3	3	3	2	-	-	-	-	-
Athletic fields	6	6	6	6	6	6	4	4	4	4
Vehicles	2	2	2	2	2	1	-	-	-	-
Housing and Development										
Vehicles	1	1	1	2	2	2	4	4	3	3

Source: Various City departments.
Note: The City has entered into a sublease agreement with Fulton County for one of the fire stations.
(1) Parks and playgrounds were broken into two separate categories in FY16 to represent a more clear picture of the assets.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
Of City Council
City of Milton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Milton, Georgia (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 22, 2021