MILTON

GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

PREPARED BY:
Karen Ellis
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

Financial Section

INDEPENDENT AUDITOR'S REPORT 16
MANAGEMENT'S DISCUSSION AND ANALYSIS 20
BASIC FINANCIAL STATEMENTS:
Government-wide Financial Statements:
Statement of Net Position 31
Statement of Activities 32
Fund Financial Statements:
Balance Sheet – Governmental Funds 33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 36
Notes to Financial Statements 37
REQUIRED SUPPLEMENTARY INFORMATION:
Schedule of Changes in the City's Net Pension Liability and Related Ratios 65
Schedule of City Contributions 66
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 67
American Rescue Plan Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 69
Notes to Required Supplementary Information 70
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:
Balance Sheet – Nonmajor Governmental Funds 73
Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 74
Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 75
Emergency 911 Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 76
Operating Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 77

Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 78
Schedule of Projects Constructed with Proceeds from Transportation Special Purpose Local Option Sales Tax (TSPLOST) 79
Schedule of Projects Constructed with Proceeds from Transportation Special Purpose Local Option Sales Tax (TSPLOST II) 80

Statistical Section

FINANCIAL TRENDS:

Net Position by Component 84
Changes in Net Position 86
Governmental Activities Tax Revenues by Source 88
Fund Balances of Governmental Funds 89
Changes in Fund Balances of Governmental Funds 91

REVENUE CAPACITY:

General Governmental Tax Revenues by Source 95
Assessed Value and Estimated Actual Value of Taxable Property 96
Property Tax Rates – Direct and Overlapping Governments 98
Principal Property Taxpayers 99
Property Tax Levies and Collections 100

DEBT CAPACITY:

Ratios of Outstanding Debt by Type 102
Direct and Overlapping Governmental Activities Debt 103
Legal Debt Margin Information 104

DEMOGRAPHIC AND ECONOMIC INFORMATION:

Demographic and Economic Statistics 106
Principal Employers 107

OPERATING INFORMATION:

Full-Time Equivalent City Government Employees by Function 109
Operating Indicators by Function 110
Capital Asset Statistics by Function 112

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 114
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance 116
Schedule of Expenditures of Federal Awards 119
Notes to the Schedule of Expenditures of Federal Awards 120
Schedule of Findings and Questioned Costs 121
Status of Prior Audit Findings 124
Management's Corrective Action Plan 125

MILTON
ESTABLISHED 2006

March 16, 2023

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 Annual Comprehensive Financial Report (ACFR) of the City of Milton, Georgia, for the fiscal year ended September 30, 2022. 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, 2022, 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, 2022. The independent auditor's report is presented as the first component of this report's financialsection.

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. That changed when citizens decided they wanted more local control over community decisions and services provided. In an overwhelming show of support on July 18, 2006, 85% of voters approved the referendum to create a new City of Milton. 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 41,296, according to the United States Census Bureau. The City has been celebrated 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 recognized for its exceptionally high quality of life, strong sense of place and community, and dedication to preserving our rural heritage.

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 2022, the City maintained twelve governmental funds. The budgets for the General Fund, Confiscated Assets Fund, Emergency 911 Fund, Operating Grant Fund, American Rescue Plan (ARP) 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 Atlanta metropolitan area. 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 only 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 can 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 the 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 13% of the net tax digest, Milton is fortunate to have a stable list of large employers such as Verizon Wireless, Fulton County Schools, InFor (US) Inc, Walmart, Integrated Systems, LLC, and Publix. According to the City's community profile prepared by ESRI, Milton has a median age of 39.3 years, a per capita income of $71,323 (with a median household income of $164,184), and a median home value of $564,469.

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 73% have a bachelor's degree or higher. More than 64% of the workforce is in the professional/management field, and Milton's post-pandemic unemployment rate remains low at 2.9% (up slightly from 1.7% last year).

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 $67 million in projected funding through fiscal year 2029 (excluding potential bond funding). Approximately $5.6 million of this is budgeted for the 2023 fiscal year through the City's pay-as-you-go funding program (setting aside incremental appropriations to pay for projects with money on hand rather than borrowing funds/ incurring additional debt). Of this, $2.9 million is designated for public works projects such as pavement management, bridge replacement, sidewalk repairs, trail expansion, and intersection improvements, as well as $1.6 million for active and passive park land acquisition and improvements. The remaining fiscal year 2023 budget is slated for future replacement of public safety vehicles and the Fire department's advanced life support equipment, plus the continuation of the Milton gateway/wayfinding signage program. Fiscal year 2023'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 related furnishing and landscaping expenses.

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 2022, 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 for residents, and adhere to the Mayor and Council's vision for the City.

In March 2021, the Council adopted the 2021-2025 Strategic Plan and later that year Milton's 2040 Comprehensive Plan was approved. Staff worked throughout fiscal year 2022 to take action on these plans to achieve the initiatives set out for the fiscal year 2022 timeframe.

Increasing capacity for both active and passive parks is a top priority for Milton, as seen in these two plans as well as other City surveys and planning documents. With the help of Public Works staff, the Parks & Recreation Department continues to make progress in this area. City contractors worked through the summer to transform two natural grass fields into new artificial turf, multi-sport fields at Legacy Park. These fields require no cutting or chemicals, offer greater durability, and increase utilization of the fields. Work began in May 2022 and was completed in September 2022. A new equestrian parking lot constructed at the heavily utilized Birmingham Park provides easy, safe parking for our equestrian friends looking to ride on that park's scenic trails. In November 2021, a new ADA trail and fishing pier, funded with assistance from a Georgia DNR grant, were completed at Providence Park. The half-mile walking trail starts at the parking lot, where there is now a permanent restroom, and winds down to the fishing pier that overlooks Providence Lake. And lastly, the Community Center at the Milton City Park & Preserve underwent a complete renovation. The building was unveiled to the public on Earth Day 2022 and is the home for much of the City's indoor recreations programming.

Parks & Recreation program participation increased across the board in fiscal year 2022 as we continue to rally from the COVID-19 pandemic. This accomplishment along with the addition of new programming, dedicated care of the active and passive facilities, and superior community outreach helped staff achieve the coveted Agency of the Year award for the 8th district from the Georgia Recreation and Parks Association (GRPA).

Throughout the year, Public Works continued to make progress on several projects. These include design and right-of-way services for the Birmingham Middle Bridge, Big Creek Greenway trail connection, Mayfield Road multi-use path, Crabapple Road streetscape, Bethany Bend pedestrian crossing, and phase II of the Morris Road widening project. The City also worked on intersection improvement projects at State Route 140 at Green Road, Freemanville Road at Redd Road, and Bethany Road at Providence Road. Construction was underway on the Freemanville Road at Birmingham Road project, intersection improvements at Hopewell Road at Bethany Road/Bethany Bend Completed projects for fiscal year 2022 include the Local Road Safety Plan, Clarity Road bridge repair, New Providence asphalt trail connection, and the Crabapple PTV (Personal Transportation Vehicle) Plan, as well as intersection improvement projects at Hopewell Road at Thompson Road and Hopewell Road at Hamby Road.

Milton's Police Department (MPD) sent two command staff members to a two-week leadership training in Israel as part of the Georgia International Law Enforcement Exchange (GILEE). This program provided instruction on best practices and the latest technologies in policing and public safety as well as strategies to successfully lead ongoing, nonstop law enforcement services while building stronger, safer community policing. In fiscal year 2022, MPD received a grant through CVS to set-up a prescription drop-off box in the police station lobby. This allows for the safe and timely disposal of unused and expired prescription medications. In December 2021, the police department was awarded an additional $39,769 under the CJCC grant to be used during the fiscal year. These funds were used to buy training mats and continue hands-on, defensive tactics training. This training will reduce officer and suspect injuries using proper defensive tactics and techniques. Additional goals were to improve officers' abilities to de-escalate and diffuse potential use of force situations. MPD also achieved their third State recertification award through the Georgia Association of Chiefs of Police.

Milton's Fire-Rescue Department became fully certified in Blue-Card Incident Command Standards in fiscal year 2022. These command standards ensure the highest level of safety for fire department members operating in emergency incidents. Also, the Automatic Aid agreement with all North Fulton cities was signed to share resources, training, as well as standardized response and command guidelines.

The Fire-Rescue Department deployed a new mechanical CPR device on all units called AutoPulse Resuscitation System. This system provides high quality automated CPR to victims of sudden cardiac arrest. Compared with manual CPR, AutoPulse has been shown to reduce interruptions in compressions during transport by more than 85%. The department also deployed a new emergency vehicle, the Rescue 42, which carries extrication equipment and has transport capabilities just like an ambulance. Furthermore, all Milton Fire-Rescue units were transitioned to the Automatic Vehicle Locator system. This program will reduce response times and make it possible for dispatchers and command staff to locate fire crews, even when they cannot be reached by radio or cell phone.

Increased transparency is a top priority for City staff, as demonstrated by the implementation of website improvements as well as an expansion of outreach efforts from the Communications Department. Communications staff worked with all departments to execute an effective City social media strategy that proved to be proactive and productive in terms of overall posts and engagement, diverse in its offerings and tone, and responsive to the community. They produced dozens of previews of official City meetings (including Council, boards and commissions) with effective images and explanations so that citizens could understand the many pertinent matters touched by City government, in addition to working with Finance staff to roll out the City's new transparency portal hosted by ClearGov. This site provides the public with the latest details on Milton revenues, expenditures, and projects; it will be further utilized in fiscal year 2023 to track progress on strategic plan objectives and department metrics.

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 Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended September 30, 2021. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare ACFRs that represent the spirit of transparency and full disclosure. This was the fourteenth year the City has received this prestigious award. This award is valid for a period of one year only. We believe that our current ACFR 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, LLC, 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 member 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 strong, well-rounded community to call home.

Respectfully submitted,

Steven Krokoff	Stacey R. Inglis	Bernadette Harvill	Karen Ellis
City Manager	Deputy City Manager/ Treasurer	Assistant City Manager	Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Milton
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

Elected Officials



MAYOR

Peyton Jamison



DISTRICT 1/POST 1

Andrea Verhoff



DISTRICT 2/POST 1

Juliette Johnson



DISTRICT 3/POST 1

Jan Jacobus



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, 2022



City Manager
Steven Krokoff



Deputy City Manager /City Treasurer
Stacey Inglis



Assistant City Manager
Bernadette Harvill



Finance Director
Karen Ellis



Public Works Director
Sara Leaders



Human Resources Director
Niki Graham



Parks and Recreation Interim Manager
Tom McKlveen



Community Development Director
Robert Buscemi



Communications Director
Greg Botelho



Chief of Police
G. Rich Austin



Fire Chief
Gabriel Benmoussa



City Clerk
Tammy Lowit



Court Clerk
Brooke Lappin

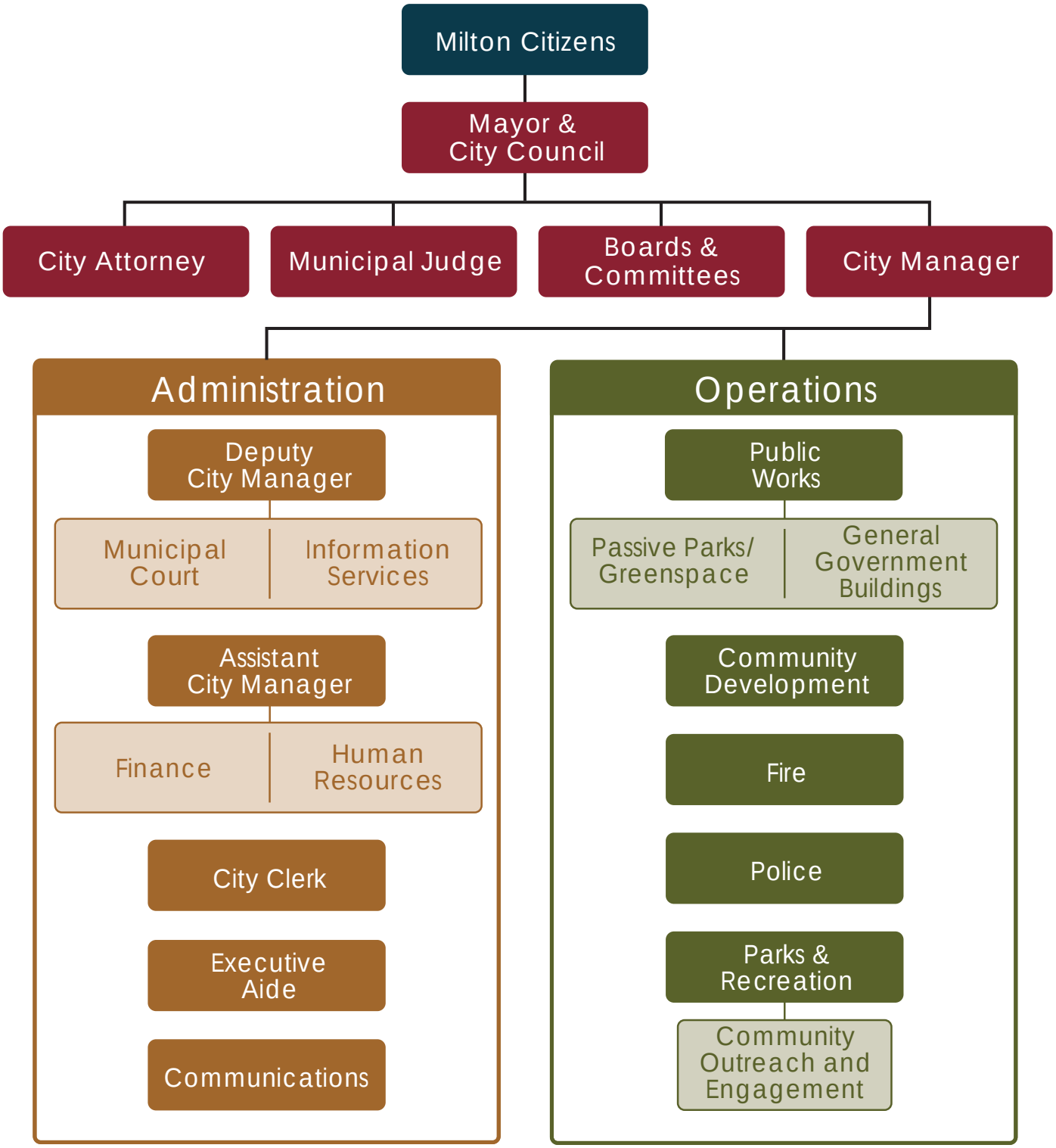


Virtual CIO
Ashley Smith

City Attorney
Ken E. Jarrard, Esq.

City Auditors
Mauldin & Jenkins, LLC

ORGANIZATIONAL CHART



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 Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of September 30, 2022, 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.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 5, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of October 1, 2021. This standard significantly changed the accounting for the City's lease activities. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

.

Required Supplementary Information

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

Supplementary 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, the schedules of projects constructed with proceeds from transportation special purpose local option sales tax, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (the "supplementary information"), 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023 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
March 16, 2023

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, 2022. 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 $175,210,136 (total net position). Of this amount, $48,134,192 (unrestricted net position) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by $29,273,285.
- As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of $86,021,643 -- an increase of $22,351,713 over the prior year. The key elements of this increase are attributable to the City's pay-as-you-go funding program in the Capital Projects fund as well as TSPLOST funding earned in fiscal year 2022 that is restricted for future year spending. There was an increase of $18,131,627 in the Capital Projects Fund, of which approximately $17.8 million is assigned for land acquisition and site improvements for a new active athletic complex. The TSPLOST Fund increased by $5,325,896, 100% of which is restricted to road and intersection improvements authorized by the voter approved TSPLOST referendum.
- The unassigned fund balance in the General Fund at the end of the fiscal year was $11,711,982. This represents approximately 30.8% of the fiscal year 2023 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 $1,295,035 of the excess fund balance to fund fiscal year 2023 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, 2022, 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 2022, the balance of the long-term debt, net of original issuance premiums, was $45,731,439.

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 31 and 32 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 one category: governmental 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 2022, the City maintained five major and seven non-major governmental funds. The City's major governmental funds included the General Fund, American Rescue Plan Fund, Capital Projects Fund, Greenspace Bond Fund, and TSPLOST Fund. The non-major governmental funds included the Confiscated Assets Fund, Emergency 911 Fund, Operating Grant Fund, Hotel/Motel Tax Fund, Capital Grant Fund, Revenue Bond Fund, and Impact Fees Fund.

The basic governmental fund financial statements can be found on pages 31 through 36 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 37 to 63 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 65 to 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Following is a summary of the City's net position as found on page 31 of this report.

CITY OF MILTON'S NET POSITION

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	$ 99,067,618	$ 77,506,319
Capital assets	136,559,533	131,641,395
Total assets	235,627,151	209,147,714
Deferred outflow of resources	2,545,767	2,532,276
Total deferred outflow of resources	2,545,767	2,532,276
Liabilities		
Current liabilities	13,471,488	16,168,039
Non-current liabilities outstanding	45,642,784	49,382,037
Total liabilities	59,114,272	65,550,076
Deferred inflows of resources	3,848,510	192,994
Total deferred inflows of resources	3,848,510	192,994
Net position		
Net investment in capital assets	99,168,375	91,930,919
Restricted for law enforcement	144,855	102,332
Restricted for fire facilities	-	403,966
Restricted for road and intersection improvements	26,333,414	21,047,678
Restricted for park & trail expansion	1,299,141	3,195,715
Restricted for general administration	95,095	77,252
Restricted for federal programs	35,064	176
Unrestricted	48,134,192	29,178,813
Total net position	$ 175,210,136	$ 145,936,851

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 $175,210,136 at the close of the fiscal year. The largest portion of the net position (56.6%) 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 An additional portion of the City's net position (15.9%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2022, the City's restricted net position was $27,907,569 representing:

- $1,664,645 for impact fee funded projects across general administration ($95,095), public works ($270,409), and culture and recreation ($1,299,141).
- An additional $79,485 in confiscated funds for law enforcement, $65,370 of operating grants for law enforcement, $35,064 in interest earnings related to the American Rescue Plan federal grant program, and $26,333,141 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 $48,134,192 (27.5%) 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 2022, 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 32) and reflects how the City's net position changed during the fiscal period.

CITY OF MILTON'S CHANGES IN NET POSITION

	Governmental Activities	
	2022	2021
Revenues		
Program revenues:		
Charges for services	$ 5,412,861	$ 4,926,190
Operating grants and contributions	11,691,229	1,661,366
Capital grants and contributions	8,484,510	9,738,779
General revenues:		
Property taxes	18,060,795	17,481,251
Sales taxes	12,409,149	10,561,589
Other taxes	6,986,090	6,179,936
Interest	416,786	26,010
Miscellaneous revenues	479,199	242,278
Total revenues	63,940,619	50,817,399
Expenses		
General Government	6,478,807	2,399,187
Judicial	445,751	449,656
Public Safety	16,467,302	14,890,233
Public Works	4,871,921	9,753,321
Culture and Recreation	3,419,045	3,292,831
Housing and Development	1,797,021	1,883,006
Interest on long-term debt	1,187,487	1,253,596
Total expenses	34,667,334	33,921,830
Increase in net position	29,273,285	16,895,569
Net position - beginning	145,936,851	129,041,282
Net position - ending	$ 175,210,136	$ 145,936,851

There was an overall increase in net position of $29,273,285 in fiscal year 2022. Increases in revenues outpaced increases in expenses year-over-year. Those increases in revenue streams (including operating and capital grants, sales taxes, property taxes, and charges for services) 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 2022, the City reported governmental funds combined ending fund balance of $86,021,643, an increase of $22,351,713 from the prior year. Of this balance, $35,412,256 is assigned for capital projects and $1,295,035 is assigned for fiscal year 2023 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); $144,855 is restricted for public safety; $26,140,377 is restricted for public works road and intersection improvements; $1,299,141 is restricted for future park and trail enhancements; $95,095 is restricted for general administration; $7,498,298 is restricted for capital projects, including greenspace bond funded land purchases, and revenue bond funded construction projects; $35,064 is restricted for federal programs; $2,326,580 is non-spendable for prepaids; $63,960 is non-spendable net lease receivable, and $11,711,982 is considered unassigned and can be used to meet the near-term operating needs of the City.

General Fund

The General Fund is Milton's 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 $13,858,669 -- an increase of $1,342,146. As a measure of the liquidity, total fund balance represents 35% of fiscal year 2023 budgeted revenues.

Approximately 6.1% of the total fund balance, or $851,652, constitutes nonspendable fund balance for prepaids and net lease receivable. Another 9.3%, or $1,295,035, is assigned for fiscal year 2023 operations. And the remaining 84.6% of total fund balance, or $11,711,982, constitutes unassigned fund balance. This unassigned balance represents approximately 30.8% of fiscal year 2023 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 2022		FY 2021		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 35,559,072	90.0%	$ 32,382,187	92.9%	$ 3,176,885	9.8%
Licenses and permits	1,783,318	4.5%	1,136,559	3.3%	646,759	56.9%
Charges for service	872,559	2.2%	628,725	1.8%	243,834	38.8%
Fines and Forfeitures	643,863	1.6%	502,864	1.4%	140,999	28.0%
Other	675,752	1.7%	220,612	0.6%	455,140	206.3%
Total	$ 39,534,564	100.0%	$ 34,870,947	100.0%	$ 4,663,617	13.4%

The following provides an explanation of the changes in revenues by source from fiscal year 2020 to 2021:

- **Taxes.** An increase of approximately $1,820,986 was recognized in the local option sales taxes category related to increased consumer spending as well as increased prices on goods coming out of the pandemic. Also, within the taxes category, the City recognized growth in title ad valorem tax that increased by $252,693, real and personal property taxes and public utility tax that increased by $714,626, business and occupation taxes that increased by $173,369 and insurance premium tax that increased by $658,089 year-over-year.
- **Licenses and permits.** The main driver of the $646,759 increase within this category was building permit revenue in the amount of $436,339. In May 2022, Milton opted to end its third-party contract and bring the building inspection and permitting function in-house. This corresponded to the City recognizing revenues that were previously paid to the third-party. (The City has incurred corresponding expense increases in staffing, equipment, training, etc. related to this decision as well).

- **Charges for service.** The charges for service category was impacted by the COVID-19 pandemic. Milton has been fortunate that revenue streams within this category continued to show signs of recovery in fiscal year 2022. State-mandated court closures came to an end resulting in an increase to administrative fees related to court sessions in the amount of $12,752. Not as directly tied to the pandemic, plan review fees also saw a notable increase of $96,167 contributing to the overall increase within the charges for service category.
- **Fines and forfeitures.** As mentioned above, State-mandated court closures related to the pandemic have come to an end, allowing court to resume a more normal calendar. This has resulted in an increase in this category of $140,999 year-over-year.
- **Other.** The increase in other revenues is attributable to an increase in investment earnings of approximately $143,503. With interest rates on the rise, this will continue to improve this revenue category. Additionally, rental revenue increased by $67,750 in fiscal year 2022 due to a full year of collections for the IGA lease of the City's courtroom by the City of Alpharetta as well as a change in accounting principle due to GASB 87, Leases, implementation.

Expenditures by Function - General Fund

	FY 2022		FY 2021		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	$ 4,642,278	18.7%	$ 4,135,714	18.8%	$ 506,564	12.2%
Judicial	369,984	1.5%	370,242	1.7%	(258)	-0.1%
Public Safety	13,866,943	55.6%	12,131,657	55.3%	1,735,286	14.3%
Public Works	2,782,170	11.2%	2,570,491	11.7%	211,679	8.2%
Culture and Recreation	1,513,639	6.1%	1,065,696	4.9%	447,943	42.0%
Housing and Development	1,705,772	6.9%	1,673,650	7.6%	32,122	1.9%
Total	$ 24,880,786	100.0%	$ 21,947,450	100.0%	$ 2,933,336	13.4%

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

- General government expenses increased by $506,564. A large portion of this increase (approximately $145,020) is attributable to salaries and benefits including market adjustments and a full year of funding for position changes made at mid-year in FY 2021 which have been slightly offset by the transfer of the Community Outreach & Engagement department from a standalone department to being part of Parks & Recreation (Active) in June 2022. Other notable increases include an increase to legal fees in FY 2022 ($156,166) and costs associated with the November 2021 general election and runoff ($155,039).
- Public safety expenses increased by $1,735,286. A large portion of this increase (approximately $1,081,928) is attributable to salaries and benefits including market adjustments as well as the addition of a Firefighter-Paramedic and a Milton CARES Paramedic in June 2022. Other notable increases include gasoline in the amount of $70,597 as well as $156,571 in facilities repair and maintenance in the Fire Department associated with the mold remediation project at Fire Station 41.
- There was an increase of $211,679 in public works. This increase was related to increased costs associated with professional services related to the Local Road Safety Plan ($71,972) and the transfer of "Bulky Trash Day" from Community Development department to Public Works. Also, salaries and benefits increased due to market adjustments and the transfer of the sustainability position to Public Works in June 2022.
- Culture and Recreation recognized an increase of $447,943. The largest contributor was the increased costs of lawn care and grounds maintenance due to new contract prices associated with the most recent bid for services. Additionally, salaries and benefits increased due to market adjustments as well as the transition of the Community Outreach & Engagement department from a standalone department to the Parks & Recreation (Active) department in June 2022. The department also completed a parking lot rejuvenation project at Bell Memorial Park ($88,127) and saw expenses associated with the pool maintenance contract increase by $15,380.

American Rescue Plan Fund

In June 2021, the Georgia Department of Community Affairs created a new special revenue fund called the American Rescue Plan Fund. Milton recorded all revenues received through the American Rescue Plan (ARP) Act within this fund. In fiscal year 2022, Milton has recognized intergovernmental revenue of $10,925,003 for eligible incurred expenditures, and interest earnings in the amount of $34,888, which is in restricted fund balance for federal programs. Approximately $11 million was approved by Council and applied to premium pay for those eligible employees who served in exposed roles during the pandemic, the purchase of AutoPulse resuscitation devices and glide scope video intubation devices in the Fire department, hydrology expenses at the Milton City Park and Preserve, stormwater improvements on Clarity Road, Bethany Green, Providence Oaks, New Providence, and other locations throughout the City, public safety wage reimbursements which released $10,000,000 for the build out of a new active athletic complex, and other expenses that have helped the City adapt to digital operations and allowed Milton to reopen early and stay open throughout the majority of the pandemic. The remaining $3 million will be allocated once payment on future eligible expenditures occurs.

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, $21,852,185 was transferred to this fund from the General Fund, which denotes an increase from the transfer of $13,655,033 in fiscal year 2021. Of this increase, $12 million includes funding for the planning, design, and construction of a new active park complex (of which $10,000,000 was associated with revenue recovery funds from ARPA federal funding), $1 million for the planning, design, and construction of Fire Station 45 to be located at the SR372/ Providence/New Providence roundabout, $282,550 for Tier I Trail Master Plan projects at Birmingham Park, $231,700 for the replacement of end-of-life cardiac monitors for the Fire department, $384,611 for construction and outfitting costs associated with Fire Station 42, and other capital expenses incurred in fiscal year 2022.

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. The City did not close on a greenspace acquisition in fiscal year 2022. Expenditures within the fund are related to debt service owed, including $940,000 in bond principal and $771,681 in bond interest payments. At year end, the City reported a fund balance of $5,146,952, a decrease of $45,361 from fiscal year 2021. The Milton Greenspace Advisory Committee continues to evaluate properties to propose as potential purchases to be made with the remaining funds.

TSPLOST Fund

In November 2016, voters approved a five-year implementation of transportation-related projects funded by a Transportation Local Option Sales Tax (TSPLOST). On November 2, 2021, the TSPLOST referendum (TSPLOST II) was approved by Fulton County voters for another five-year program.

All TSPLOST transactions are kept in a separate fund and qualified as a major fund in fiscal year 2022. Expenditures within this fund amounted to $3,218,496 and can be attributed to design, preconstruction services, and construction on five intersection projects, one road widening project, one bridge project and three 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; the latter two tend to be the more costly stages. As a result, revenue received has been invested until it will be needed to fund the right-of-way acquisition and construction 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 $25,869,968 – an increase of $5,325,896 all of which is restricted for approved TSPLOST projects.

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 and other financing sources appropriations increased by $13,704,074.
  - The appropriation for other financing sources increased by $10,158,725. The majority of this increase is attributable to a one-time transfer in from the ARPA grant fund in the amount of $10,053,427 for expenses made in fiscal year 2022 that were eligible for reimbursement through the ARPA grant as well as the revenue recovery calculation authorized by the program in the amount of $10,000,000.
  - The taxes category also saw an increase in appropriations in the amount of $2,694,941. Primary contributions to this increase include local option sales tax in the amount of $1,740,221, title ad valorem taxes in the amount of $600,000, business and occupation tax $181,000, and insurance premium tax $50,000. These increases were primarily attributable to continued recovery of revenue streams from the economic impacts of the COVID-19 pandemic including consumer confidence/spending as well as pricing increases across many industries.
- Total expenditure and other financing uses appropriations increased by $14,533,838.
  - Expenditures increased by $722,391 due to staffing changes in the Fire department, contractual increases for the City's lawn care and mowing contract, and one-time costs associated with the mold remediation project at Fire Station 41.
  - Appropriations for other financing sources increased by $13,811,447. Much of this increase is attributable to funding of the build out of a new athletic complex in the amount of $12,000,000 ($10,000,000 of which was associated with the revenue recovery calculation provided by the ARPA federal grant program).

During the year, General Fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $1,160,962 higher than estimates, whereas expenditures and operating transfers out were $2,063,834 lower than the final budgetary appropriations. Listed below are the major variances between actuals and appropriations.

- The variance of $1,160,962 in revenues and other financing sources can be primarily attributed to taxes coming in higher than anticipated. The variance in local option sales taxes was approximately $54,005. Title ad valorem taxes and insurance premium taxes also saw a variance of $71,696 and $680,875 respectively. Additionally, franchise fees associated with electricity providers $104,843, alcohol beverage excise taxes $85,977, and interest earnings on investments $79,531 all came in higher than anticipated.
- The expenditures and other financing uses were $2,063,834 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, project scope changes, and position vacancies. Among the functions with larger favorable variances in expenditures were general government, which expended $425,372 less than final budget, public safety that expended $492,743 less than final budget, culture and recreation that expended $370,144 less than final budget, and public works that expended $499,912 less than final budget.

	Budget			Variance
	Original	Final	Actual	with Final
Revenues and transfers in:				
Taxes	$ 32,000,535	$ 34,695,476	$ 35,559,073	$ 863,597
Licenses and permits	1,470,300	1,752,700	1,783,318	30,618
Charges for services	552,557	807,425	872,559	65,134
Fines and forfeitures	438,832	628,832	643,863	15,031
Intergovernmental	12,500	14,160	13,005	(1,155)
Contributions	-	26,076	26,621	545
Interest earned	20,200	78,200	190,812	112,612
Miscellaneous	226,683	264,087	445,314	181,227
Other financing sources	139,000	10,297,725	10,191,078	(106,647)
Total	$ 34,860,607	$ 48,564,681	$ 49,725,643	$ 1,160,962
Expenditures and transfers out:				
Expenditures	26,222,229	26,944,620	24,880,786	2,063,834
Transfers out	9,691,264	23,502,711	23,502,711	-
Total	35,913,493	50,447,331	48,383,497	2,063,834
Change in fund balance	$ (1,052,886)	$ (1,882,650)	$ 1,342,146	$ 3,224,796

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

As of September 30, 2022, the City's investment in capital assets for its governmental activities totaled $136,559,533 (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 2022 include:

- Providence Park lake pier and ADA trail ($250,208/$599,684)
- Milton City Park and Preserve community center renovations ($1,053,893)
- Legacy Park artificial turf-fields ($1,438,916)
- Bethany Bend land acquisition for future active park ($1,963,850)
- Hopewell Rd @ Hamby Rd and Hopewell Rd @ Thompson Rd intersection improvements ($1,884,604/$2,606130)

Additional information on the City's capital assets can be found in Note 6 on page 51 of this report.

City of Milton, Georgia
Capital Assets (net of accumulated depreciation)
Fiscal Years 2022 and 2021

	2022	2021
Land	$ 32,602,821	$ 31,440,284
Land Improvements	9,533,765	7,733,844
Buildings	28,271,024	27,391,110
Vehicles, Equipment & Other	4,117,387	3,717,781
Construction In Progress	7,707,558	9,828,629
Infrastructure	54,326,978	51,529,747
Total	**$ 136,559,533**	**$ 131,641,395**

Long-term debt.

At the end of fiscal year 2022, the City's total outstanding debt was $45,731,439. Total outstanding debt consists of $22,630,000 of direct placement revenue bond debt and $19,995,000 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 7 on pages 52 and 53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All these factors were considered in preparing the City's budget for the 2023 fiscal year.

- **Sustainability of Existing Services.** The City has adhered to a philosophy of budgetary evaluation that reviews the needs of the citizens to a standard that realizes services and associated costs should not be appropriated if they are not justified by 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. The Mayor and Council adopted a millage rate of 4.469 mills for maintenance & operating (M&O) for fiscal year 2023, the second approved decrease from the capped millage rate in the City's history.
- **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 a 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 2023.
- 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, 2022

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 78,630,038
Accounts receivable	4,022,894
Taxes receivable, net	2,070,841
Due from other governments	937,457
Restricted cash and cash equivalents	8,677,689
Lease receivable, due within one year	27,327
Lease receivable, due in more than one year	2,374,792
Prepaids	2,326,580
Capital assets:	
Nondepreciable	40,310,379
Depreciable, net of accumulated depreciation	96,249,154
Total assets	235,627,151
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	2,545,767
LIABILITIES	
Accounts payable	3,667,850
Retainage payable	337,408
Accrued liabilities	1,435,959
Deposits payable	1,825,459
Unearned revenue	3,499,370
Compensated absences, due within one year	870,442
Bonds payable, due within one year	1,835,000
Bonds payable, due in more than one year	43,896,439
Net pension liability, due in more than one year	1,746,345
Total liabilities	59,114,272
DEFERRED INFLOWS OF RESOURCES	
Lease related deferred inflows	2,339,159
Pension related items	1,509,351
Total deferred inflows of resources	3,848,510
NET POSITION	
Net investment in capital assets	99,168,375
Restricted for law enforcement	144,855
Restricted for road and intersection improvements	26,333,414
Restricted for park and trail enhancements	1,299,141
Restricted for general administration	95,095
Restricted for federal programs	35,064
Unrestricted	48,134,192
Total net position	$ 175,210,136

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

CITY OF MILTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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	$ 6,478,807	$ 854,663	$ 13,005	$ -	$ (5,611,139)
Judicial	445,751	643,863	-	-	198,112
Public safety	16,467,302	2,078,406	11,654,842	-	(2,734,054)
Public works	4,871,921	68,529	-	8,484,510	3,681,118
Culture and recreation	3,419,045	184,752	23,382	-	(3,210,911)
Housing and development	1,797,021	1,582,648	-	-	(214,373)
Interest on long-term debt	1,187,487	-	-	-	(1,187,487)
Total governmental activities	34,667,334	5,412,861	11,691,229	8,484,510	(9,078,734)
Total primary government	$ 34,667,334	$ 5,412,861	$ 11,691,229	$ 8,484,510	(9,078,734)
General revenues:					
Property taxes					18,060,795
Sales taxes					12,409,149
Hotel/Motel taxes					55,847
Franchise taxes					2,503,904
Business taxes					4,426,339
Unrestricted investment earnings					416,786
Miscellaneous revenues					479,199
Total general revenues					38,352,019
Change in net position					29,273,285
Net position, beginning of year					145,936,851
Net position, end of year					$ 175,210,136

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

CITY OF MILTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

ASSETS	General Fund	American Rescue Plan Fund	Capital Projects Fund	Greenspace Bond Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 21,730,935	$ 3,534,434	$ 24,413,245	$ 4,281	$ 26,192,302	$ 2,754,841	$ 78,630,038
Accounts receivable	3,535,850	-	199,972	43,380	-	243,692	4,022,894
Taxes receivable, net	2,050,713	-	-	15,073	-	5,055	2,070,841
Intergovernmental receivable	2,330	-	-	-	742,612	192,515	937,457
Restricted cash and cash equivalents	-	-	-	5,016,661	-	3,661,028	8,677,689
Due from other funds	5,055	-	11,008,282	-	-	-	11,013,337
Lease receivable	2,402,119	-	-	-	-	-	2,402,119
Prepaids	788,692	-	1,175,700	362,188	-	-	2,326,580
Total assets	$ 30,515,694	$ 3,534,434	$ 36,797,199	$ 5,441,583	$ 26,934,914	$ 6,857,131	$ 110,080,955
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 939,695	$ -	$ 486,978	$ -	$ 871,909	$ 1,369,268	$ 3,667,850
Retainage payable	-	-	-	-	193,037	144,371	337,408
Accrued liabilities	800,949	-	-	-	-	-	800,949
Due to other funds	10,484,250	-	-	283,670	-	245,417	11,013,337
Deposits payable	1,825,459	-	-	-	-	-	1,825,459
Unearned revenue	-	3,499,370	-	-	-	-	3,499,370
Total liabilities	14,050,353	3,499,370	486,978	283,670	1,064,946	1,759,056	21,144,373
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - property taxes	241,238	-	-	11,322	-	-	252,560
Unavailable revenues - other	26,275	-	118,714	-	-	178,231	323,220
Lease related deferred inflows	2,339,159	-	-	-	-	-	2,339,159
Total deferred inflows of resources	2,606,672	-	118,714	11,322	-	178,231	2,914,939
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaids	788,692	-	1,175,700	362,188	-	-	2,326,580
Lease receivable, net	62,960	-	-	-	-	-	62,960
Restricted:							
Law enforcement	-	-	-	-	-	144,855	144,855
Road and intersection improvements	-	-	-	-	25,869,968	270,409	26,140,377
Park and trail enhancements	-	-	-	-	-	1,299,141	1,299,141
General administration	-	-	-	-	-	95,095	95,095
Capital projects	-	-	-	4,784,403	-	2,713,895	7,498,298
Federal programs	-	35,064	-	-	-	-	35,064
Assigned:							
Fiscal year 2023 operations	1,295,035	-	-	-	-	-	1,295,035
Capital projects	-	-	35,015,807	-	-	396,449	35,412,256
Unassigned	11,711,982	-	-	-	-	-	11,711,982
Total fund balances	13,858,669	35,064	36,191,507	5,146,591	25,869,968	4,919,844	86,021,643
Total liabilities, deferred inflows of resources, and fund balances	$ 30,515,694	$ 3,534,434	$ 36,797,199	$ 5,441,583	$ 26,934,914	$ 6,857,131	$ 110,080,955

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, 2022

Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances		$ 86,021,643
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost	$ 163,828,926	
Less accumulated depreciation	(27,269,393)	136,559,533
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)	(870,442)	
Accrued interest	(635,010)	
Bonds payable, net of premium	(45,731,439)	(47,236,891)
Some revenues are not available in the current period and, therefore, are deferred in the funds.		
Property taxes	252,560	
Other revenues	323,220	575,780
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	(1,746,345)	
Pension related deferred outflows of resources	2,545,767	
Pension related deferred inflows of resources	(1,509,351)	(709,929)
Net position - governmental activities		$ 175,210,136

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, 2022

	General Fund	American Rescue Plan Fund	Capital Projects Fund	Greenspace Bond Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	$ 16,398,088	$ -	$ -	$ 1,603,370	$ -	$ -	$ 18,001,458
Sales taxes	12,409,149	-	-	-	-	-	12,409,149
Hotel/Motel taxes	-	-	-	-	-	55,847	55,847
Franchise taxes	2,325,496	-	178,408	-	-	-	2,503,904
Business taxes	4,426,339	-	-	-	-	-	4,426,339
Licenses and permits	1,783,318	-	-	-	-	-	1,783,318
Charges for services	872,559	-	39,979	-	-	2,016,043	2,928,581
Fines and forfeitures	643,863	-	-	-	-	-	643,863
Intergovernmental	13,005	10,952,003	271,394	-	8,408,394	967,205	20,612,001
Contributions	26,621	-	-	-	-	-	26,621
Interest earned	190,812	34,888	1,989	30,150	135,998	22,949	416,786
Miscellaneous	445,314	-	85	33,800	-	-	479,199
Total revenues	39,534,564	10,986,891	491,855	1,667,320	8,544,392	3,062,044	64,287,066
Expenditures:							
Current:							
General government	4,642,278	9,695	-	-	-	-	4,651,973
Judicial	369,984	1,683	-	-	-	-	371,667
Public safety	13,866,943	576,362	-	-	-	1,118,999	15,562,304
Public works	2,782,170	6,731	421,107	-	3,218,496	12,371	6,440,875
Culture and recreation	1,513,639	3,742	-	-	-	300,893	1,818,274
Housing and development	1,705,772	15,998	37,447	-	-	-	1,759,217
Capital outlay	-	-	4,002,498	-	-	4,093,025	8,095,523
Debt service:							
Principal	-	-	-	940,000	-	810,000	1,750,000
Interest	-	-	-	772,681	-	840,525	1,613,206
Total expenditures	24,880,786	614,211	4,461,052	1,712,681	3,218,496	7,175,813	42,063,039
Excess (deficiency) of revenues over expenditures	14,653,778	10,372,680	(3,969,197)	(45,361)	5,325,896	(4,113,769)	22,224,027
Other financing sources (uses):							
Proceeds from sale of capital assets	51,800	-	75,886	-	-	-	127,686
Transfers in	10,139,279	-	22,136,550	-	-	1,762,138	34,037,967
Transfers out	(23,502,711)	(10,337,792)	(111,612)	-	-	(85,852)	(34,037,967)
Total other financing sources (uses)	(13,311,632)	(10,337,792)	22,100,824	-	-	1,676,286	127,686
Net change in fund balances	1,342,146	34,888	18,131,627	(45,361)	5,325,896	(2,437,483)	22,351,713
Fund balances, beginning of year	12,516,523	176	18,059,880	5,191,952	20,544,072	7,357,327	63,669,930
Fund balances, end of year	$ 13,858,669	$ 35,064	$ 36,191,507	$ 5,146,591	$ 25,869,968	$ 4,919,844	$ 86,021,643

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 22,351,713
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	$ 10,341,148	
Depreciation expense	(3,487,288)	6,853,860
The effect of disposal of capital assets is to decrease net position in the current period.		(1,935,722)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	59,337	
Other revenues	(405,784)	(346,447)
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 effect of principal retirement during the current fiscal year.		1,750,000
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)	(38,506)	
Pension expense	212,668	
Amortization of bond premium	388,719	
Accrued interest	37,000	599,881
Change in net position - governmental activities		$ 29,273,285

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 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 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. 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. 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 **American Rescue Plan Fund** is used to account for the grant funds from the American Rescue Plan act and the allowable expenditures.

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.

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.

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, 2022, 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, 2022, 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. Leases

Lessor

The City is a lessor for noncancellable cell tower leases. The City recognizes leases receivable and deferred inflows of resources at both the fund level and government-wide level of reporting. The City recognizes lease receivables with an initial, individual value of $10,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases (Continued)

Key estimates and judgments related to leases receivable include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental leasing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

K. 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*, represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category under the modified accrual basis of accounting. 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.

The City also reports as deferred inflows of resources items that arise from leases in which the City is a lessor. Lease-related amounts are recognized at the inception of leases in which the City is a lessor and are recorded in an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflow of resources is recognized as revenue in a systemic and rational manner over the term of the lease.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods. The City 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.

L. 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.

M. 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)

N. 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)

N. 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.

O. 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.

P. 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, 2022:

Operating Grant Fund		
Public safety	$	196

Expenditures in excess of appropriations were funded by savings of other financing uses.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits as of September 30, 2022 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	78,630,038
Restricted cash and cash equivalents		8,677,689
	$	87,307,727
Cash deposited with financial institutions	$	34,594,723
Fidelity Treasury Portfolio Money Market Fund		5,016,661
Fidelity Government Portfolio Money Market Fund		3,654,329
Local government investment pool - Georgia Fund 1		44,042,014
Total cash and cash equivalents	$	87,307,727

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, 2022, the weighted-average maturity of the pool was 33 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, 2022, the weighted-average maturity was 13 days for the Fidelity Treasury Portfolio and 16 days for the Fidelity Government Portfolio.

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, 2022, 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, 2022, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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.

Remainder of page intentionally left blank

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 2021 are for fiscal year 2022.

Receivables at September 30, 2022, 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	$ 3,535,850	$ 199,972	$ 43,380	$ -
Taxes	2,103,997	-	19,222	-
Intergovernmental	2,330	-	-	742,612
Total receivables	5,642,177	199,972	62,602	742,612
Less allowance for uncollectible	53,284	-	4,149	-
Net total receivable	$ 5,588,893	$ 199,972	$ 58,453	$ 742,612

	Nonmajor Governmental
Receivables:	
Accounts	$ 243,692
Taxes	5,055
Intergovernmental	192,515
Total receivables	441,262
Less allowance for uncollectible	-
Net total receivable	$ 441,262

NOTE 5. LEASE RECEIVABLE

The City is a lessor for two cell towers. The City receives monthly payments that escalate over the life of the lease terms from $1,824 to $7,115, and $3,167 to $6,631, respectively. These payments include the principal and interest components of the lease arrangements. As the leases do not contain a specified interest rate, the City has used an estimated discount rate of 1.50%, approximating the 20-year Daily Treasury Long-Term Bond Rate.

For the current year, the City recognized $62,960 in lease revenues and $33,204 in interest revenues. The City reports a deferred inflow of resources associated with the leases that will be recognized over the lease terms, which conclude in fiscal years 2047 and 2050. This deferred inflow of resources has a balance of $2,339,159 as of June 30, 2022. As of June 30, 2022, the City's receivable for lease payments was $2,402,119. The City also receives variable payments based on a percentage of revenues received by the lessee cell tower operators for tower use. These variable payments based on future performance of the leases are not included in the lease receivable, and the City received $14,400 of such payments in fiscal year 2022.

The principal and interest payments to maturity of the leases are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2023	$ 27,327	$ 35,847	$ 63,174
2024	29,648	35,421	65,069
2025	45,150	34,894	80,044
2026	52,645	34,142	86,787
2027	56,062	33,329	89,391
2028-2032	336,271	152,554	488,825
2033-2037	443,168	123,514	566,682
2038-2042	571,243	85,697	656,940
2043-2047	655,508	37,767	693,275
2048-2050	185,097	3,289	188,386
	$ 2,402,119	$ 576,454	$ 2,978,573

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 31,440,284	$ 1,162,537	$ -	$ -	$ 32,602,821
Construction in progress	9,828,629	5,534,547	(305,799)	(7,349,819)	7,707,558
Total	41,268,913	6,697,084	(305,799)	(7,349,819)	40,310,379
Capital assets, being depreciated:					
Buildings	30,155,451	792,277	-	1,053,893	32,001,621
Land improvements	11,135,903	1,546,654	-	849,892	13,532,449
Infrastructure	64,386,252	124,994	(1,692,854)	5,184,282	68,002,674
Vehicles, equipment, and other	9,266,742	1,180,139	(726,830)	261,752	9,981,803
Total	114,944,348	3,644,064	(2,419,684)	7,349,819	123,518,547
Less accumulated depreciation for:					
Buildings	(2,764,341)	(966,256)	-	-	(3,730,597)
Land improvements	(3,402,059)	(596,625)	-	-	(3,998,684)
Infrastructure	(12,856,505)	(1,189,372)	370,181	-	(13,675,696)
Vehicles, equipment, and other	(5,548,961)	(735,035)	419,580	-	(5,864,416)
Total	(24,571,866)	(3,487,288)	789,761	-	(27,269,393)
Total capital assets being depreciated, net	90,372,482	156,776	(1,629,923)	7,349,819	96,249,154
Governmental activities capital assets, net	$ 131,641,395	$ 6,853,860	$ (1,935,722)	$ -	$ 136,559,533

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

Governmental activities:	
General government	$ 54,046
Judicial	75,057
Public safety	1,092,877
Public works	322,288
Culture and recreation	1,896,878
Housing and development	46,142
Total depreciation expense - governmental activities	$ 3,487,288

NOTE 7. 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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Direct placement bonds payable	$ 23,440,000	$ -	$ (810,000)	$ 22,630,000	$ 850,000
General obligation bonds payable	20,935,000	-	(940,000)	19,995,000	985,000
Original issue premium	3,495,158	-	(388,719)	3,106,439	-
Bonds payable, net	47,870,158	-	(2,138,719)	45,731,439	1,835,000
Net pension liability	3,261,879	1,788,114	(3,303,648)	1,746,345	-
Compensated absences	831,936	972,344	(933,838)	870,442	870,442
Governmental activities Long-term liabilities	$ 51,963,973	$ 2,760,458	$ (6,376,205)	$ 48,348,226	$ 2,705,442

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, 2022, the outstanding balance of the bond is $19,995,000.

NOTE 7. 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
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	1,145,000	568,875	1,713,875
2027	1,200,000	511,625	1,711,625
2028-2032	6,710,000	1,841,875	8,551,875
2033-2037	7,830,000	728,875	8,558,875
	$ 19,995,000	$ 5,674,125	$ 25,669,125

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, 2022, the outstanding balance of the bond is $22,630,000. 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
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	990,000	659,469	1,649,469
2027	1,040,000	608,719	1,648,719
2028-2032	6,030,000	2,213,144	8,243,144
2033-2037	7,130,000	1,105,216	8,235,216
2038-2040	4,755,000	188,362	4,943,362
	$ 22,630,000	$ 7,033,442	$ 29,663,442

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2022 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor governmental funds	$ 5,055
Capital Projects Fund	General Fund	10,484,250
Capital Projects Fund	Greenspace Bond Fund	283,670
Capital Projects Fund	Nonmajor governmental funds	240,362
		11,008,282
		$ 11,013,337

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. The balance between the Capital Projects Fund and the General Fund represents the Capital Projects Fund's share of investments managed and held by the General Fund.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	American Rescue Plan Fund	$ 10,053,427
General Fund	Nonmajor governmental funds	85,852
		10,139,279
Nonmajor governmental funds	General Fund	1,650,526
Nonmajor governmental funds	Capital Projects Fund	111,612
		1,762,138
Capital Projects Fund	General Fund	21,852,185
Capital Projects Fund	American Rescue Plan Fund	284,365
		22,136,550
		$ 34,037,967

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 9. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments

For the fiscal year ended September 30, 2022, the City has contractual commitments on uncompleted contracts of $10,222,447 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 $518,000. 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 10. 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 11.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Membership. As of January 1, 2022, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not receiving benefits	25
Active plan members	67
	115

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, 2022, the City's recommended contribution rate was 10.01% of annual payroll; actual contributions came to 13.15%.

City contributions to the Plan were $720,000 for the fiscal year ended September 30, 2022. Employees of the City of Milton contributed $182,674 to the Plan.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021.

Actuarial assumptions. The total pension liability in the January 1, 2021 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, 2021 valuation were based on the sex-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to 0.00%.

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, 2021 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.55%
International equity	20%	7.30%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
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 the same as the prior year rate. 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, 2022 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 10. 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, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/21	$ 14,007,390	$ 10,745,511	$ 3,261,879
Changes for the year:			
Service cost	483,457	-	483,457
Interest	1,057,933	-	1,057,933
Differences between expected and actual experience	220,484	-	220,484
Contributions—employer	-	554,567	(554,567)
Contributions—employee	-	174,860	(174,860)
Net investment income	-	2,574,221	(2,574,221)
Benefit payments, including refunds of employee contributions	(291,973)	(291,973)	-
Administrative expense	-	(26,240)	26,240
Net changes	1,469,901	2,985,435	(1,515,534)
Balances at 9/30/22	$ 15,477,291	$ 13,730,946	$ 1,746,345

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 (asset)	$ 4,433,072	$ 1,746,345	$ (368,565)

NOTE 10. 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, 2021 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, 2022, the City recognized pension expense of $507,332. At September 30, 2022, 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	$ 934,600	$ (98,125)
Changes in assumptions	891,167	-
Net difference between projected and actual earnings on pension plan investments	-	(1,411,226)
City contributions subsequent to the measurement date	720,000	-
Total	$ 2,545,767	$ (1,509,351)

City contributions subsequent to the measurement date of $720,000 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, 2023. 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:	
2023	$ 5,975
2024	37,356
2025	(40,997)
2026	(45,602)
2027	267,020
2028 and thereafter	92,664
Total	$ 316,416

NOTE 11. 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, 2022, there were 60 full-time and 14 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, 2022, employer and employee contributions to the Plan totaled $486,599.

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, 2022, there were 88 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, 2022, employer and employee contributions to the Plan totaled $759,813.

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, 2022, there were 49 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 77 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, 2022, the City contributed $46,658 to the first plan, $585,955 to the second plan, and employees contributed a total of $731,176 to these defined contribution plans.

NOTE 12. 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, 229 Peachtree Street NE, STE 100, 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, 2022, the City of Milton contributed $327,806 to the Authority. As of June 30, 2022, 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 13. 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, 2022, the City collected $55,847 in hotel/motel tax revenues, which were transferred to the General Fund and used for the promotion of special events and City operations.

NOTE 12. 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, 229 Peachtree Street NE, STE 100, 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, 2022, the City of Milton contributed $327,806 to the Authority. As of June 30, 2022, 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 13. 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, 2022, the City collected $55,847 in hotel/motel tax revenues, which were transferred to the General Fund and used for the promotion of special events and City operations.

NOTE 14. 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

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	$ 483,457	$ 455,122	$ 510,117	$ 462,718	$ 610,771
Interest on total pension liability	1,057,933	936,469	760,844	699,326	582,698
Differences between expected and actual experience	220,484	489,329	236,629	(176,621)	232,500
Changes of assumptions	-	-	1,315,213	-	58,060
Benefit payments, including refunds of employee contributions	(291,973)	(232,585)	(196,436)	(228,717)	(53,459)
Other	-	-	-	-	-
Net change in total pension liability	1,469,901	1,648,335	2,626,367	756,706	1,430,570
Total pension liability - beginning	14,007,390	12,359,055	9,732,688	8,975,982	7,545,412
Total pension liability - ending (a)	$ 15,477,291	$ 14,007,390	$ 12,359,055	$ 9,732,688	$ 8,975,982
Plan fiduciary net position					
Contributions - employer	$ 554,567	$ 551,902	$ 568,384	$ 775,831	$ 458,718
Contributions - employee	174,860	184,036	247,612	192,290	208,531
Net investment income	2,574,221	912,997	267,371	713,379	872,762
Benefit payments, including refunds of member contributions	(291,973)	(232,585)	(196,436)	(228,717)	(53,459)
Administrative expenses	(26,240)	(25,128)	(22,630)	(25,513)	(27,344)
Net change in plan fiduciary net position	2,985,435	1,391,222	864,301	1,427,270	1,459,208
Plan fiduciary net position - beginning	10,745,511	9,354,289	8,489,988	7,062,718	5,603,510
Plan fiduciary net position - ending (b)	$ 13,730,946	$ 10,745,511	$ 9,354,289	$ 8,489,988	$ 7,062,718
City's net pension liability - ending (a) - (b)	$ 1,746,345	$ 3,261,879	$ 3,004,766	$ 1,242,700	$ 1,913,264
Plan fiduciary net position as a percentage of the total pension liability	88.72%	76.71%	75.69%	87.23%	78.68%
Covered payroll	$ 5,970,395	$ 5,658,582	$ 5,992,597	$ 6,289,001	$ 7,132,601
City's net pension liability as a percentage of covered payroll	29.25%	57.64%	50.14%	19.76%	26.82%

	2017	2016	2015
Total pension liability			
Service cost	$ 626,371	$ 641,036	$ 643,340
Interest on total pension liability	490,807	403,952	304,844
Differences between expected and actual experience	84,089	123,781	207,605
Changes of assumptions	-	-	158,963
Benefit payments, including refunds of employee contributions	(38,065)	(58,073)	(13,790)
Other	30,190	-	-
Net change in total pension liability	1,193,392	1,110,696	1,300,962
Total pension liability - beginning	6,352,020	5,241,324	3,940,362
Total pension liability - ending (a)	$ 7,545,412	$ 6,352,020	$ 5,241,324
Plan fiduciary net position			
Contributions - employer	$ 658,776	$ 704,034	$ 431,357
Contributions - employee	224,626	224,501	221,303
Net investment income	511,779	14,721	295,411
Benefit payments, including refunds of member contributions	(38,065)	(58,073)	(13,790)
Administrative expenses	(14,873)	(16,708)	(12,896)
Net change in plan fiduciary net position	1,342,243	868,475	921,385
Plan fiduciary net position - beginning	4,261,267	3,392,792	2,471,407
Plan fiduciary net position - ending (b)	$ 5,603,510	$ 4,261,267	$ 3,392,792
City's net pension liability - ending (a) - (b)	$ 1,941,902	$ 2,090,753	$ 1,848,532
Plan fiduciary net position as a percentage of the total pension liability	74.26%	67.09%	64.73%
Covered payroll	$ 7,121,076	$ 7,248,961	$ 6,430,661
City's net pension liability as a percentage of covered payroll	27.27%	28.84%	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

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 607,798	$ 528,031	$ 439,735	$ 397,551	$ 430,981
Contributions in relation to the actuarially determined contribution	720,000	554,567	551,902	568,384	585,577
Contribution deficiency (excess)	$ (112,202)	$ (26,536)	$ (112,167)	$ (170,833)	$ (154,596)
Covered payroll	$ 5,475,904	$ 5,970,395	$ 5,658,582	$ 5,992,597	$ 6,289,001
Contributions as a percentage of covered payroll	13.15%	9.29%	9.75%	9.48%	9.31%

	2017	2016	2015	2014
Actuarially determined contribution	$ 422,510	$ 417,023	$ 413,913	$ 342,310
Contributions in relation to the actuarially determined contribution	645,975	658,776	704,034	431,357
Contribution deficiency (excess)	$ (223,465)	$ (241,753)	$ (290,121)	$ (89,047)
Covered payroll	$ 7,132,601	$ 7,121,076	$ 7,248,961	$ 6,430,661
Contributions as a percentage of covered payroll	9.06%	9.25%	9.71%	6.71%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2021
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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 15,721,400	$ 16,429,231	$ 16,398,088	$ (31,143)
Sales taxes	10,528,006	12,268,227	12,409,149	140,922
Franchise taxes	2,241,629	2,247,518	2,325,496	77,978
Business taxes	3,509,500	3,750,500	4,426,339	675,839
Licenses and permits	1,470,300	1,752,700	1,783,318	30,618
Charges for services	552,557	807,425	872,559	65,134
Fines and forfeitures	438,832	628,832	643,863	15,031
Intergovernmental	12,500	14,160	13,005	(1,155)
Contributions	-	26,076	26,621	545
Interest earned	20,200	78,200	190,812	112,612
Miscellaneous	226,683	264,087	445,314	181,227
Total revenues	34,721,607	38,266,956	39,534,564	1,267,608
Expenditures:				
Current:				
General government:				
Mayor and council	172,865	172,865	138,557	34,308
City manager	828,641	841,947	828,493	13,454
General administration	237,723	134,644	98,847	35,797
Finance department	676,681	672,900	614,076	58,824
Legal services	335,000	420,000	417,092	2,908
City clerk	330,649	362,149	348,448	13,701
Information technology	1,362,363	1,362,363	1,139,336	223,027
Human resources	409,351	422,261	416,839	5,422
Risk management	309,042	316,042	307,567	8,475
Public information	382,479	362,479	333,023	29,456
Total general government	5,044,794	5,067,650	4,642,278	425,372
Judicial:				
Municipal court	360,077	416,838	369,984	46,854
Total judicial	360,077	416,838	369,984	46,854
Public safety:				
Police department	5,826,486	5,888,616	5,754,153	134,463
Fire department	8,123,751	8,471,070	8,112,790	358,280
Total public safety	13,950,237	14,359,686	13,866,943	492,743
Public works	3,114,000	3,282,082	2,782,170	499,912
Culture and recreation				
Recreation	1,377,483	1,631,871	1,429,339	202,532
Passive parks/greenspace	251,912	251,912	84,300	167,612
Total culture and recreation	1,629,395	1,883,783	1,513,639	370,144
Housing and development:				
Planning and zoning	2,022,060	1,921,966	1,694,407	227,559
Economic development	101,666	12,615	11,365	1,250
Total housing and development	2,123,726	1,934,581	1,705,772	228,809

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Total expenditures	$ 26,222,229	$ 26,944,620	$ 24,880,786	$ 2,063,834
Excess of revenues over expenditures	8,499,378	11,322,336	14,653,778	3,331,442
Other financing sources (uses):				
Proceeds from the sale of capital assets	115,000	55,000	51,800	(3,200)
Transfers in	24,000	10,242,725	10,139,279	(103,446)
Transfers out	(9,691,264)	(23,502,711)	(23,502,711)	-
Total other financing sources (uses)	(9,552,264)	(13,204,986)	(13,311,632)	(106,646)
Net change in fund balances	(1,052,886)	(1,882,650)	1,342,146	3,224,796
Fund balances, beginning of year	12,516,523	12,516,523	12,516,523	-
Fund balances, end of year	$ 11,463,637	$ 10,633,873	$ 13,858,669	$ 3,224,796

CITY OF MILTON, GEORGIA

AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 7,391,612	$ 13,119,670	$ 10,952,003	$ (2,167,667)
Interest earned	10,500	20,500	34,888	14,388
Total revenues	7,402,112	13,140,170	10,986,891	(2,153,279)
Expenditures:				
Current:				
General government	-	9,695	9,695	-
Judicial	-	1,683	1,683	-
Public safety	-	576,362	576,362	-
Public works	-	6,731	6,731	-
Culture and recreation	-	3,742	3,742	-
Housing and development	-	15,998	15,998	-
Total expenditures	-	614,211	614,211	-
Excess of revenues over expenditures	7,402,112	12,525,959	10,372,680	(2,153,279)
Other financing uses:				
Transfers out	-	(12,525,959)	(10,337,792)	2,188,167
Total other financing uses	-	(12,525,959)	(10,337,792)	2,188,167
Net change in fund balance	7,402,112	-	34,888	34,888
Fund balances, beginning of year	176	176	176	-
Fund balances, end of year	$ 7,402,288	$ 176	$ 35,064	$ 34,888

CITY OF MILTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022

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, 2022, 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.

Operating Grant Fund – To account for various operating grant revenues and expenditures of the City.

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.

Revenue Bond Fund – 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.

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, 2022

	Special Revenue Funds				Capital Projects Funds			
ASSETS	Confiscated Assets Fund	Emergency 911 Fund	Operating Grant Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Revenue Bond Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
Cash	$ 79,485	$ -	$ 90,883	$ -	$ 412,273	$ -	$ 2,172,200	$ 2,754,841
Accounts receivable	-	236,762	-	-	-	6,930	-	243,692
Taxes receivable	-	-	-	5,055	-	-	-	5,055
Intergovernmental receivable	-	-	52,931	-	139,584	-	-	192,515
Restricted cash and cash equivalents	-	-	-	-	-	3,661,028	-	3,661,028
Total assets	$ 79,485	$ 236,762	$ 143,814	$ 5,055	$ 551,857	$ 3,667,958	$ 2,172,200	$ 6,857,131
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ 236,762	$ -	$ -	$ 15,824	$ 609,127	$ 507,555	$ 1,369,268
Retainage payable	-	-	-	-	-	144,371	-	144,371
Due to other funds	-	-	39,797	5,055	-	200,565	-	245,417
Total liabilities	-	236,762	39,797	5,055	15,824	954,063	507,555	1,759,056
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - other	-	-	38,647	-	139,584	-	-	178,231
FUND BALANCES								
Restricted:								
Law enforcement	79,485	-	65,370	-	-	-	-	144,855
Road and intersection improvements	-	-	-	-	-	-	270,409	270,409
Park and trail enhancements	-	-	-	-	-	-	1,299,141	1,299,141
Capital projects	-	-	-	-	-	2,713,895	-	2,713,895
General administration	-	-	-	-	-	-	95,095	95,095
Assigned:								
Capital projects	-	-	-	-	396,449	-	-	396,449
Total fund balances	79,485	-	65,370	-	396,449	2,713,895	1,664,645	4,919,844
Total liabilities, deferred inflows of resources and fund balances	$ 79,485	$ 236,762	$ 143,814	$ 5,055	$ 551,857	$ 3,667,958	$ 2,172,200	$ 6,857,131

CITY OF MILTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds				Capital Projects Funds			
	Confiscated Assets Fund	Emergency 911 Fund	Operating Grant Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Revenue Bond Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ -	$ 55,847	$ -	$ -	$ -	$ 55,847
Charges for services	-	1,045,001	-	-	-	-	971,042	2,016,043
Intergovernmental	-	-	160,988	-	806,217	-	-	967,205
Interest	9	-	3	-	14	22,515	408	22,949
Total revenues	9	1,045,001	160,991	55,847	806,231	22,515	971,450	3,062,044
EXPENDITURES								
Current:								
Public safety	7,537	1,045,001	66,461	-	-	-	-	1,118,999
Public works	-	-	-	-	-	-	12,371	12,371
Culture and recreation	-	-	-	-	300,893	-	-	300,893
Capital outlay	-	-	-	-	-	980,860	3,112,165	4,093,025
Debt service:								
Principal	-	-	-	-	-	810,000	-	810,000
Interest	-	-	-	-	-	840,525	-	840,525
Total expenditures	7,537	1,045,001	66,461	-	300,893	2,631,385	3,124,536	7,175,813
Excess (deficiency) of revenues over expenditures	(7,528)	-	94,530	55,847	505,338	(2,608,870)	(2,153,086)	(4,113,769)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	111,612	1,650,526	-	1,762,138
Transfers out	-	-	-	(55,847)	-	-	(30,005)	(85,852)
Total other financing sources (uses)	-	-	-	(55,847)	111,612	1,650,526	(30,005)	1,676,286
Net change in fund balances	(7,528)	-	94,530	-	616,950	(958,344)	(2,183,091)	(2,437,483)
FUND BALANCES (DEFICITS), beginning of year	87,013	-	(29,160)	-	(220,501)	3,672,239	3,847,736	7,357,327
FUND BALANCES, end of year	$ 79,485	$ -	$ 65,370	$ -	$ 396,449	$ 2,713,895	$ 1,664,645	$ 4,919,844

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest	$ -	$ -	$ 9	$ 9
Total revenues	-	-	9	9
Expenditures:				
Public safety	7,537	7,537	7,537	-
Total expenditures	7,537	7,537	7,537	-
Net change in fund balances	(7,537)	(7,537)	(7,528)	9
Fund balances, beginning of year	87,013	87,013	87,013	-
Fund balances, end of year	$ 79,476	$ 79,476	$ 79,485	$ 9

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 1,155,000	$ 1,205,000	$ 1,045,001	$ (159,999)
Total revenues	1,155,000	1,205,000	1,045,001	(159,999)
Expenditures:				
Public safety	1,155,000	1,205,000	1,045,001	159,999
Total expenditures	1,155,000	1,205,000	1,045,001	159,999
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF MILTON, GEORGIA

OPERATING GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 119,323	$ 262,571	$ 160,988	$ (101,583)
Interest	-	-	3	3
Total revenues	119,323	262,571	160,991	(101,580)
Expenditures:				
Public safety	-	66,265	66,461	(196)
Total expenditures	-	66,265	66,461	(196)
Excess of revenues over expenditures	119,323	196,306	94,530	(101,776)
Other financing uses:				
Transfers out	-	(103,479)	-	103,479
Total other financing uses	-	(103,479)	-	103,479
Net change in fund balances	119,323	92,827	94,530	1,703
Fund deficits, beginning of year	(29,160)	(29,160)	(29,160)	-
Fund balances, end of year	$ 90,163	$ 63,667	$ 65,370	$ 1,703

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 24,000	$ 55,000	$ 55,847	$ 847
Total revenues	24,000	55,000	55,847	847
Other financing uses:				
Transfers out	(24,000)	(55,000)	(55,847)	(847)
Total other financing uses	(24,000)	(55,000)	(55,847)	(847)
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, 2022

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	$ 11,550,808	$ 3,984,490 (2)	$ 249,846	$ 4,234,336	36.66 %
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	5,679,225 (2)	2,455,605	8,134,830	48.14 %
Birmingham Road Middle Bridge	1,610,000	1,610,000	38,481	67,968	106,449	6.61 %
Pedestrian Improvements	3,372,490	3,372,490	738,639 (2)	170,154	908,793	26.95 %
TSPLOST TIER 2						
Bethany Road at Providence Road Intersection Improvements, Freemanville Road at Redd Road Intersection Improvements	3,445,145	528,345	69,751	102,511 (1)	172,262	32.60 %
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	$ 41,628,668	$ 10,510,586 (2)	$ 3,046,084	$ 13,556,670	
				3,046,084		
				160,009 (3)		
			Total TSPLOST expenditures	$ 3,206,093		

(1) - The City typically intends to complete Tier 1 projects before beginning Tier 2, but the Bethany Road project has been allocated some initial, associated planning costs as this project began earlier than anticipated. Fulton County allows for subsequent tier project expenditure once the previous tier projects become fully funded.

(2) - Management has revised the prior years total expenditures due to previously including expenditures for the listed projects that were funded with intergovernmental revenues in the total amount of $176,410.

(3) - Fulton County and other County municipalities have provided funding to support shared improvement project costs in the amount of $160,009 for the current year.

CITY OF MILTON, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST II) FOR THE YEAR ENDED SEPTEMBER 30, 2022

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Operations and Safety	$ 11,000,000	$ 11,000,000	$ -	$ -	$ -	0.00 %
Pedestrian/Bike Improvements	6,000,000	6,000,000	-	12,403	12,403	0.21 %
Bridges	4,000,000	4,000,000	-	-	-	0.00 %
Maintenance and Safety	8,000,000	8,000,000	-	-	-	0.00 %
Quick Response	1,000,000	1,000,000	-	-	-	0.00 %
Program Management	657,809	657,809	-	-	-	0.00 %
TSPLOST TIER 2						
Operations and Safety	3,000,000	3,000,000	-	-	-	0.00 %
Pedestrian/Bike Improvements	2,410,202	2,410,202	-	-	-	0.00 %
TSPLOST TIER 3						
Operations and Safety	2,000,000	2,000,000	-	-	-	0.00 %
Pedestrian/Bike Improvements	2,410,202	2,410,202	-	-	-	0.00 %
Quick Response	1,000,000	1,000,000	-	-	-	0.00 %
TOTAL TSPLOST II	$ 41,478,213	$ 41,478,213	$ -	$ 12,403	$ 12,403	

Statistical Section

STATISTICAL SECTION

This part of the City of Milton's annual comprehensive 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 annual comprehensive financial report for the relevant year.

Financial Trends

CITY OF MILTON, GEORGIA

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

	2022	2021	2020	2019
Primary government:				
Net investment in capital assets	$ 99,168,375	$ 91,930,919	$ 84,118,811	$ 80,745,558
Restricted for law enforcement	144,855	102,332	99,835	155,178
Restricted for fire facilities	-	403,966	314,357	253,633
Restricted for intersection improvements	26,333,414	21,047,678	17,784,583	14,163,212
Restricted for park and trail enhancements	1,299,141	3,195,715	1,836,522	2,492,082
Restricted for emergency 911 services	-	-	-	-
Restricted for general administration	95,095	77,252	49,123	33,331
Restricted for capital projects	-	-	-	-
Restricted for federal programs	35,064	176	-	-
Unrestricted	48,134,192	29,178,813	24,838,051	17,142,141
Total primary government net position	$ 175,210,136	$ 145,936,851	129,041,282	$ 114,985,135

(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.

2018	2017	2016		2015	2014	2013
$ 72,722,062	$ 69,411,003	$ 64,343,200		$ 55,192,124	$ 52,108,868	$ 47,155,163
129,305	152,198	130,265		202,497	163,191	894,671
210,654	92,926	82,142	(1)	-	-	-
8,684,559	3,447,341	16,095	(1)	-	-	-
1,565,418	802,887	671,394	(1)	-	-	-
-	-	3		67,349	481,669	-
2,980	-	-		-	-	-
39,315	-	-		-	-	-
-	-	-		-	-	-
15,856,331	12,522,984	11,380,667	(2)	24,709,939	20,489,814	19,501,111
$ 99,210,624	$ 86,429,339	$ 76,623,766		$ 80,171,909	$ 73,243,542	$ 67,550,945

CITY OF MILTON, GEORGIA

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

	2022	2021	2020	2019
Expenses				
General government	$ 6,478,807 (8)	$ 2,399,187	$ 3,194,222	$ 3,894,038
Judicial	445,751	449,656	467,942	420,623
Public safety	16,467,302	14,890,233	14,304,063	12,318,540
Public works	4,871,921	9,753,321 (7)	5,019,146	6,621,990
Culture and recreation	3,419,045	3,292,831	3,781,670	2,104,060
Housing and development	1,797,021	1,883,006	1,812,726	1,498,236
Interest on long-term debt	1,187,487	1,253,596	1,366,516	941,731
Total expenses	$ 34,667,334	$ 33,921,830	$ 29,946,285	$ 27,799,218
Program revenues				
Charges for services:				
General government	$ 854,663	$ 666,516	$ 471,818	$ 559,413
Judicial	643,863	502,864	284,382	432,196
Public safety	2,078,406	2,428,863	2,149,075	2,317,291
Public works	68,529	193,269	205,205	109,758
Culture and recreation	184,752	211,336	231,781	106,273
Housing and development	1,582,648	923,342	395,605	516,686
Operating grants and contributions	11,691,229 (9)	1,661,366	38,632	41,479
Capital grants and contributions	8,484,510	9,738,779	8,306,030	7,423,743
Total program revenues	$ 25,588,600	$ 16,326,335	$ 12,082,528	$ 11,506,839
Net expense	$ (9,078,734)	$ (17,595,495)	$ (17,863,757)	$ (16,292,379)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	$ 18,060,795	$ 17,481,251	$ 16,159,692	$ 15,004,421 (6)
Sales taxes	12,409,149	10,561,589	9,221,508	10,041,779
Other taxes	6,986,090	6,179,936	5,882,679	5,799,663
Unrestricted investment earnings	416,786	26,010	479,474	956,696
Miscellaneous revenues	479,199	242,278	176,551	212,228
Gain on sale of capital assets	-	-	-	52,103
Total	$ 38,352,019	$ 34,491,064	$ 31,919,904	$ 32,066,890
Change in Net Position	$ 29,273,285	$ 16,895,569	$ 14,056,147	$ 15,774,511

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

(2) 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.

(3) 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.

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

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

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

(7) Increase is due to general increase in TSPLOST project activity as well as large paving project performed in 2021.

(8) Increase is attributable to various capital asset disposals in 2022.

(9) Increase is attributable to American Rescue Plan (ARP) grant revenue.

2018	2017	2016	2015	2014	2013
$ 3,997,068	$ 4,170,454	$ 3,968,796	$ 5,217,801	$ 3,182,969	$ 2,894,553
415,488	281,485	274,716	264,812	246,269	231,621
12,561,228	12,004,373	11,443,382	11,892,288	9,823,388	8,965,850
5,227,627	3,175,710	5,028,701	4,148,056	6,837,286 (2)	3,450,492
2,031,619	2,337,624	1,827,479	1,721,516	861,022	836,426
1,452,928	1,148,734	780,282	811,019	1,119,567	1,044,487
1,028,911 (4)	585,362 (4)	350,429 (4)	91,967	4,922	7,210
$ 26,714,869	$ 23,703,742	$ 23,673,785	$ 24,147,459	$ 22,075,423	$ 17,430,639
$ 451,519	$ 664,948	$ 562,416	$ 571,413	$ 658,812	$ 550,364
411,582	472,717	508,130	565,331	582,169	382,434
2,074,059	2,236,359	1,939,929	1,007,228	973,693	941,158
137,889	237,089	242,835	387,487	222,316	126,701
132,402	77,274	122,220	52,737	75,037	73,662
452,200	449,848	628,511	757,319	776,582	518,988
84,983	61,885	38,380	14,530	55,443	107,805
7,397,589 (5)	3,503,628	1,025,050	2,881,702 (1)	1,369,385	1,994,266
$ 11,142,223	$ 7,703,748	$ 5,067,471	$ 6,237,747	$ 4,713,437	$ 4,695,378
$ (15,572,646)	$ (15,999,994)	$ (18,606,314)	$ (17,909,712)	$ (17,361,986)	$ (12,735,261)
$ 12,640,472	$ 11,531,051	$ 11,778,279	$ 11,665,484	$ 10,352,473	$ 9,615,522
9,395,425	8,925,207	8,827,604	8,700,581	8,019,028 (3)	4,282,107
5,615,462	5,130,291	4,874,826	4,709,152	4,589,903	4,403,565
506,524	127,871	49,473	32,197	24,832	23,810
164,808	91,147	119,195	214,624	51,586	73,171
31,240	-	-	-	16,761	42,393
$ 28,353,931	$ 25,805,567	$ 25,649,377	$ 25,322,038	$ 23,054,583	$ 18,440,568
$ 12,781,285	$ 9,805,573	$ 7,043,063	$ 7,412,326	$ 5,692,597	$ 5,705,307

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
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
2021	17,481,251	10,561,589	36,168	2,542,877	3,600,891	34,222,776
2022	18,060,795	12,409,149	55,847	2,503,904	4,426,339	37,456,034

(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)

	2022	2021	2020	2019
General Fund				
Nonspendable (prepaids and lease receivable)	$ 851,652	$ 710,805	$ 535,746	$ 1,055,070
Assigned	1,295,035	1,052,886	1,628,677	1,640,430
Unassigned	11,711,982	10,752,832	11,017,622	7,871,084
Total general fund	$ 13,858,669	$ 12,516,523	13,182,045	$ 10,566,584
All Other Governmental Funds				
Nonspendable - prepaids	$ 1,537,888	$ 1,562,622	$ 588,468	$ 1,550,921
Restricted - law enforcement	144,855	101,365	99,835	154,195
Restricted - fire facilities	-	403,966	314,357	253,633
Restricted - intersection improvements	26,140,377	20,699,556	17,784,583	14,115,969
Restricted - park and trail enhancements	1,299,141	3,195,715	1,836,522	2,492,082
Restricted - general administration	95,095	77,252	49,123	33,331
Restricted - emergency 911 services	-	-	-	-
Restricted - capital projects	7,498,298	8,478,503	8,824,451	7,107,170
Restricted - federal programs	35,064	176		
Assigned - capital projects	35,412,256 (4)	16,883,913	12,834,539	8,262,707
Unassigned	-	(249,661)	-	(1,546,652)
Total all other governmental funds	$ 72,162,974	$ 51,153,407	$ 42,331,878	$ 32,423,356

(1) Beginning with fiscal year 2016, the City began collecting impact fees on new development projects.
(2) Ending fund balance for 2016 was restated due to a change in accounting principle.
(3) In fiscal year 2017, the City issued GO Bonds for the purpose of greenspace acquisition and preservation throughout the City.
(4) Significant transfer in to the Capital Projects Fund resulted in increase in assigned fund balance in fiscal year 2022.

2018	2017	2016	2015	2014	2013
$ 708,884	$ 591,974	$ 444,032	$ 401,096	$ 247,208	$ 278,953
715,635	-	-	5,199,048	4,278,690	1,297,910
8,904,557	2,777,080	(3,197,092) (2)	4,511,805	6,316,137	7,950,412
$ 10,329,076	$ 3,369,054	$ (2,753,060)	$ 10,111,949	$ 10,842,035	$ 9,527,275
$ 449,688	$ 292,304	$ -	$ -	$ -	$ -
129,305	152,198	130,265	202,497	163,191	894,299
210,654	92,926	82,142 (1)	-	-	-
8,684,559	3,447,341	16,095 (1)	-	-	-
1,565,418	802,887	671,394 (1)	-	-	-
2,980	-	-	-	-	-
-	-	3	62,719	479,272	-
20,411,299	24,785,560 (3)	-	-	-	-
7,835,618	10,911,598	15,359,556	15,333,498	9,351,597	9,665,789
-	-	-	(2,082,969)	-	-
$ 39,289,521	$ 40,484,814	$ 16,259,455	$ 13,515,745	$ 9,994,060	$ 10,560,088

CITY OF MILTON, GEORGIA

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

	2022	2021	2020	2019	2018
Revenues					
Taxes	$ 37,396,697	$ 34,221,553	$ 31,322,509	$ 30,824,036	$ 27,651,993
Licenses and permits	1,783,318	1,136,559	567,765	700,580	628,090
Intergovernmental	20,612,001 (4)	9,844,341	6,953,713	7,599,533	7,152,012
Charges for services	2,928,581	3,088,902	2,543,907	2,817,577	2,718,438
Fines and forfeitures	643,863	502,864	310,114	448,244	422,670
Contributions	26,621	2,892	32,402	25,157	47,363
Interest earned	416,786	26,010	479,474	956,696	506,524
Miscellaneous	479,199	242,278	176,551	212,228	164,808
Total revenues	64,287,066	49,065,399	42,386,435	43,584,051	39,291,898
Expenditures					
Current:					
General government	4,651,973	4,163,296	3,905,514	3,781,995	3,720,541
Judicial	371,667	370,242	458,499	428,571	411,698
Public safety	15,562,304	13,678,570	13,463,420	12,411,953	11,910,598
Public works	6,440,875	14,335,310 (3)	5,601,369	7,232,342	5,600,294
Culture and recreation	1,818,274	1,903,960	1,621,664	1,498,976	1,397,855
Housing and development	1,759,217	1,869,053	1,844,546	1,514,934	1,440,247
Capital outlay	8,095,523	1,293,100	18,865,179	20,617,186	7,131,436
Debt service:					
Principal	1,750,000	1,665,000	1,206,760	1,771,394	928,010
Interest	1,613,206	1,697,456	1,397,326	1,151,028	1,017,730
Issuance costs	-	-	502,903	-	-
Total expenditures	42,063,039	40,975,987	48,867,180	50,408,379	33,558,409
Excess (deficiency) of revenues over expenditures	22,224,027	8,089,412	(6,480,745)	(6,824,328)	5,733,489
Other Financing Sources (Uses)					
Issuance of long term debt	-	-	24,210,000	-	-
Payment to escrow	-	-	(7,251,627)	-	-
Advance refunding payment with existing resources	-	-	(630,000)	-	-
Premium from bond issuance	-	-	2,653,663	-	-
Proceeds from the sale of capital assets	127,686	66,595	22,692	168,100	31,240
Insurance recoveries	-	-	-	27,571	-
Transfers in	34,037,967	18,725,385	7,671,144	9,045,265	3,398,903
Transfers out	(34,037,967)	(18,725,385)	(7,671,144)	(9,045,265)	(3,398,903)
Total other financing sources (uses)	127,686	66,595	19,004,728	195,671	31,240
Net change in fund balances	$ 22,351,713	$ 8,156,007	$ 12,523,983	$ (6,628,657)	$ 5,764,729
Debt service as a percentage of noncapital expenditures	10.6%	10.4%	9.3%	10.6% (2)	6.8% (2)

(1) The increase in Taxes is attributable to the renegotiation of the local option sales tax (LOST).
(2) 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.
(3) The increase is due to general increase in TSPLOST project activity as well as large paving project performed in 2021.
(4) The increase is due to American Rescue Plan (ARP) grant funding in 2022.

2017	2016	2015	2014	2013
$ 25,574,393	$ 25,369,042	$ 24,866,343	$ 22,954,041 (1)	$ 18,323,600
616,148	784,946	911,175	924,864	683,992
3,587,194	2,630,337	1,069,828	426,598	834,317
2,945,872	2,624,623	1,802,052	1,735,785	1,476,425
494,891	560,305	621,737	630,814	429,207
40,281	21,725	114,530	33,732	55,106
127,871	49,473	32,197	24,832	23,810
91,147	119,195	214,624	51,586	73,171
33,477,797	32,159,646	29,632,486	26,782,252	21,899,628
3,948,213	3,665,105	3,813,711	4,154,897	2,885,446
279,811	275,541	269,768	254,698	233,588
11,136,499	10,656,256	11,580,507	10,026,959	8,473,706
2,617,819	5,664,758	7,430,685	6,401,823	5,705,061
1,470,156	2,017,771	9,993,915	1,815,176	825,662
1,134,524	785,949	820,585	1,116,483	1,019,867
6,362,409	9,449,319	1,758,152	2,189,477	2,040,167
897,038	152,767	320,081	83,698	81,466
317,454	221,706	80,951	7,070	9,302
356,322	-	-	-	-
28,520,245	32,889,172	36,068,355	26,050,281	21,274,265
4,957,552	(729,526)	(6,435,869)	731,971	625,363
23,495,000	689,868	8,910,132	-	-
-	-	-	-	-
-	-	-	-	-
1,881,842	-	-	-	-
13,079	5,313	30,416	16,761	42,616
-	-	-	-	-
4,931,858	(33,585,858)	(11,349,902)	(8,380,468)	(6,763,556)
(4,931,858)	33,585,858	11,349,902	8,380,468	6,763,556
25,389,921	695,181	8,940,548	16,761	42,616
$ 30,347,473	$ (34,345)	$ 2,504,679	$ 748,732	$ 667,979
5.6% (2)	1.8%	1.9%	0.6%	0.6%

2017	2016	2015	2014	2013
$ 25,574,393	$ 25,369,042	$ 24,866,343	$ 22,954,041 (1)	$ 18,323,600
616,148	784,946	911,175	924,864	683,992
3,587,194	2,630,337	1,069,828	426,598	834,317
2,945,872	2,624,623	1,802,052	1,735,785	1,476,425
494,891	560,305	621,737	630,814	429,207
40,281	21,725	114,530	33,732	55,106
127,871	49,473	32,197	24,832	23,810
91,147	119,195	214,624	51,586	73,171
33,477,797	32,159,646	29,632,486	26,782,252	21,899,628
3,948,213	3,665,105	3,813,711	4,154,897	2,885,446
279,811	275,541	269,768	254,698	233,588
11,136,499	10,656,256	11,580,507	10,026,959	8,473,706
2,617,819	5,664,758	7,430,685	6,401,823	5,705,061
1,470,156	2,017,771	9,993,915	1,815,176	825,662
1,134,524	785,949	820,585	1,116,483	1,019,867
6,362,409	9,449,319	1,758,152	2,189,477	2,040,167
897,038	152,767	320,081	83,698	81,466
317,454	221,706	80,951	7,070	9,302
356,322	-	-	-	-
28,520,245	32,889,172	36,068,355	26,050,281	21,274,265
4,957,552	(729,526)	(6,435,869)	731,971	625,363
23,495,000	689,868	8,910,132	-	-
-	-	-	-	-
-	-	-	-	-
1,881,842	-	-	-	-
13,079	5,313	30,416	16,761	42,616
-	-	-	-	-
4,931,858	(33,585,858)	(11,349,902)	(8,380,468)	(6,763,556)
(4,931,858)	33,585,858	11,349,902	8,380,468	6,763,556
25,389,921	695,181	8,940,548	16,761	42,616
$ 30,347,473	$ (34,345)	$ 2,504,679	$ 748,732	$ 667,979
5.6% (2)	1.8%	1.9%	0.6%	0.6%

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
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
2021	17,480,028	10,561,589	36,168	2,542,877	3,600,891	34,221,553
2022	18,001,458	12,409,149	55,847	2,503,904	4,426,339	37,396,697

(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
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
2020	2,675,108,220	6,482,530	377,626,900	21,095,172	10,894,780	43,773,680
2021	2,860,132,920	4,652,220	381,248,960	25,646,049	10,894,780	45,321,640

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
$ 141,664,600		$ 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%
471,697,815		2,663,283,467	5.269	7,837,453,205	40%
368,835,000		2,959,061,569	5.218	8,319,741,423	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
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
2020	4.731	0.588	5.269	9.776	0.220	9.996	17.796	-	17.796	0.000	33.061
2021	4.731	0.487	5.218	9.330	0.210	9.540	17.590	-	17.590	0.000	32.348

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, 2022
CURRENT AND NINE YEARS AGO

	2022			2013		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
WRPV XIV Deerfield Village Mil	$ 41,072,560	1	1.39 %			
IMT Capital III Deerfield LLC	34,721,840	2	1.17			
Thirteen Five Sixty Morris Road Office Investors LLC	26,705,240	3	0.90	$ 15,108,540	4	0.78 %
North Park Estates LLC	23,350,960	4	0.79			
IMT Capital IV Stoneleigh at D LLC	22,080,400	5	0.75			
CSP Community Owner LLC	19,280,000	6	0.65	10,220,000	7	0.53
Cellco Partnership	14,800,000	7	0.50	21,729,400	2	1.12
Deerfield CC Delaware LLC	13,134,040	8	0.44			
WB Holdings Deerfield Place LL	11,622,400	9	0.39			
Perry Development Group LLC	8,885,800	10	0.30			
Orion Milton Associates LLC				20,818,200	3	1.08
Atlanta Preserve LLC				22,387,950	1	1.16
Atlanta Preserve II LLC				6,685,110	10	
Scott H Lee TR				8,587,790	8	0.44
First Town LP				8,016,210	9	0.41
North Park GA LLC				10,680,000	6	0.55
RT Deerfield I LLC				13,440,000	5	0.69
Totals	$ 215,653,240		7.29 %	$ 137,673,200		6.77 %

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
2013	$ 8,187,290	$ 46,194	$ 8,233,484	$ 7,948,752	97.1 %	$ 283,853	$ 8,232,605	100.0 %
2014	8,818,227	117,278	8,935,505	8,579,383	97.3	354,898	8,934,281	100.0
2015	9,845,651	29,054	9,874,705	9,545,176	96.9	328,043	9,873,219	100.0
2016	10,393,680	(44,780)	10,348,900	9,893,308	95.2	454,165	10,347,473	100.0
2017	(1) 10,393,680	(44,780)	10,348,900	9,893,308	95.2	454,165	10,347,473	100.0
2018	11,414,221	(15,447)	11,398,774	11,388,963	99.8	8,576	11,397,539	100.0
2019	13,613,210	6,330	13,619,540	13,509,728	99.2	104,948	13,614,676	100.0
2020	13,810,744	3,173	13,813,917	13,762,150	99.6	48,078	13,810,228	100.0
2021	14,086,228	-	14,086,228	14,037,365	99.7	48,216	14,085,581	100.0
2022	14,764,668	-	14,764,668	14,630,345	99.1	-	14,630,345	99.1

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			
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
2021	25,691,354	22,178,804	-	47,870,158	1.79	1,159.20
2022	24,641,489	21,089,950	-	45,731,439	1.55	1,108.40

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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct Debt:			
Revenue Bonds	$ 24,641,489	100.00 %	$ 24,641,489
GO (Greenspace) Bonds	21,089,950	100.00	21,089,950
Total direct debt	45,731,439		45,731,439
Overlapping Debt (1):			
Fulton County	228,617,629	4.10 %	9,361,896
Fulton County School District	-	7.78	-
Total overlapping debt	228,617,629		9,361,896
Total direct and overlapping debt	$ 274,349,068		$ 55,093,335

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, 2022

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Assessed value of all taxable property	$ 3,327,896,569	$ 3,134,981,282	$ 3,088,597,687	$ 2,886,706,840	$ 2,521,779,862	$ 2,507,363,471
Debt limit: 10% of assessed value	332,789,657	313,498,128	308,859,769	288,670,684	252,177,986	250,736,347
Total net debt applicable to limit	19,995,000	20,935,000	21,830,000	22,685,000	23,495,000	23,495,000
Legal debt margin	$ 312,794,657	$ 292,563,128	$ 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	6.01%	6.68%	7.07%	7.86%	9.32%	9.37%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	$ 2,959,061,569
Add back: exempt real property	368,835,000
Total assessed value	3,327,896,569
Debt limit: 10% of total assessed value	332,789,657
Debt applicable to limit	
General Obligation Bond	19,995,000
Less: Amount set aside for repayment of general obligation bond	-
Total net debt applicable to limit	19,995,000
Legal debt margin	$ 312,794,657

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
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	39.0	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	39.0	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
2021	41,296	2,672,016	64,704	38.7	9,435	1.7
2022	41,259	2,942,716	71,323	39.3	10,872	2.9

(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

	2022			2013		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Verizon	1,167	1	15.2 %	3,000	1	38.7 %
Fulton County Schools	861	2	11.2	848	2	10.9
Philips North America LLC				550	3	7.1
Infor (US) Inc	351	3	4.6	500	4	6.4
Walmart	267	4	3.5	370	5	4.8
Publix	236	5	3.1	207	6	2.7
Intelligrated Systems, LLC	234	6	3.1			
Target	213	7	2.8	128	9	1.7
Home Depot	210	8	2.7			
City of Milton	179	9	2.3			
Country Financial	155	10	2.0	200	8	2.6
Fry's Electronics				200	7	2.6
Citrix				125	10	1.6
Totals	3,873		50.6 %	6,128		79.0 %

(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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Function										
General Government										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Manager	4	4	3	3	4	4	4	4	3	3
City Clerk	1	1.5	2	2	2	2	2	2	2	2
Operations	11	12.5	13	13	10	10	10	11	9	8
Judicial	3	3	4	4	4	4	4	4	4	4
Public Safety										
Administration	12	12	12	9	8	8	8	5	5	3
Police	41	37	37	35	37	36	35	35	29	29
Fire	59	56	55	56	55	55	53	58	57	55
Civilians	7	6	6	6	5	4	5	6	4	4
Public Works										
Admin & Engineering	7	5	5	5	5	5	5	4	4	4
Highways & Streets	4.5	3	3	3	4	5	5	5	3	3
Culture & Recreation	4.5	4	3	2	2	2	2	2	2	2
Community Development	18	17	12	11	10	6	6	6	10	10
Total	179	168	162	156	153	148	146	149	139	134

Source: City of Milton Human Resources Department

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
General government										
Number of property tax accounts:										
Real property	13,884	13,883	13,704	13,643	13,429	13,235	13,235	12,806	12,474	12,311
Personal property	682	680	686	692	768	768	768	498	474	474
Public utility	11	11	12	10	8	8	9	7	7	7
City Clerk										
Ordinances adopted	27	33	49	25	51	40	27	36	39	43
Resolutions adopted	124	28	48	26	44	57	35	36	44	39
Council Meetings (Reg/Work Sessions/Special Called)	39	34	37	37	40	30	43	39	40	38
Council Meeting Minutes (Pages) (6)	-	-	1,089	425	480	463	728	722	754	482
Total Hours of Council Meetings	89	87	66	91	55	64	92	77	64	59
Judicial										
Cases processed	4,754	4,286	2,438	3,244	3,654	3,545	4,434	4,548	5,947	4,789
Cases closed	5,263	4,106	2,227	3,566	3,760	3,914	4,371	5,397	6,037	4,287
Non-jury trials	27	38	73	48	116	311	282	252	203	197
Warrants issued	-	16	11	39	50	76	81	112	98	29
Police (1)										
Calls for service	7,145	6,631	6,228	7,518	7,874	7,554	7,764	9,000	6,775	7,351
Alarms	845	496	1,279	1,642	1,752	1,715	1,723	2,115	1,558	2,649
Accidents	634	569	436	665	738	692	733	663	611	589
Traffic stops	8,552	8,240	7,094	7,254	7,492	7,454	7,608	7,874	7,776	6,808
Warnings issued	4,793	4,081	4,218	3,387	3,614	2,803	1,837	4,345	3,490	3,399
Citations issued	5,413	4,033	2,438	2,914	3,725	3,663	4,434	5,321	5,914	4,785
DUIs	34	52	41	42	41	75	92	56	87	73
Traffic arrests	10	108	199	152	188	275	356	258	295	208
Fire										
Number of preplans completed	480	534	436	418	416	404	404	517	693	262
Hours of Training	13,435	16,995	13,406	15,184	18,836	12,914	14,425	20,439	15,614	6,394
Fire calls	60	92	67	59	89	124	96	90	113	110
Rescue/EMS calls	1,762	1,548	1,127	1,108	1,233	1,146	1,092	1,218	1,166	992
Overpressure/Explosion	4.00	1.00	3.00	-	5	4	1	2	1	2
Hazardous Conditions	80	121	94	81	91	79	85	84	77	68
Service Call	421	381	284	244	384	318	302	304	310	246
Good Intent Call	592	868	1,080	712	664	570	560	385	370	303
False Alarm	418	373	266	242	277	243	239	264	256	202
Severe Weather	6	50	3	6	7	11	14	3	5	6
Special Incident (other)	4	9	3	215	9	14	6	19	10	12
Community education in hours	146	457	922	1,764	484	519	685	466	412	335
Average response time	7:10	7:12	7:06	7:06	6:44	6:21	6:11	6:01	6:04	5:54
Safety Issues (5)	N/A	NA	NA	NA	NA	115	-	187	210	248
Inspections (5)	1,158	1,049	886	808	822	637	642	-	-	-
Plan Review (5)	308	152	85	175	137	142	109	-	-	-
Hydrants Inspected	2,958	3,010	3,140	2,863	2,582	2,525	2,446	2,348	1,764	4,396
Investigations	5	6	11	5	18	19	17	19	14	18
Public Works										
Work requests	1,461	1,568	1,336	1,198	988	1,161	1,279	1,915	2,123	1,852
Potholes repaired (2)	141	178	300	240	284	150	140	122	111	129
Shoulder restoration (2)	33	42	70	72	65	38	64	31	52	67
Sign maintenance (2)	274	197	259	62	71	210	115	168	242	185
New sign installation (2)	38	49	44	68	52	40	61	72	108	103
Stormwater maintenance calls (2)	154	151	116	61	108	30	29	56	23	38
Traffic signal preventative maintenance (2)	16	16	15	21	20	8	12	17	18	10
Signal maintenance (2)	17	8	12	13	20	16	115	15	24	37
Pavement condition index (2)	71	70	69	69	71	71	71	71	71	71

Continued

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Culture and Recreation										
Number of annual city-sponsored events	20	25	28	28	27	28	28	28	15	11
Crabapple Fest attendance (4) (7)	35,000	-	35,000	35,000	35,000	34,250	40,320	8,500	30,000	15,000
Number of programs (2)	54	60	43	43	41	33	32	38	48	34
Attendance for recreation programs not including baseball (2)	3,344	2,746	1,733	2,203	1,823	1,829	2,105	1,587	2,157	1,331
Participants in youth baseball (3)	1,693	1,433	728	1,047	917	818	497	270	569	1,121
Housing and Development										
Business licenses issued	825	872	890	1,228	1,175	1,088	1,017	944	998	968
Planning & Zoning										
Zoning certification letters	14	19	16	17	7	13	15	21	16	12
Zoning modifications processed	-	-	2	3	1	3	1	1	6	-
Special use permits processed	2	3	2	1	6	1	2	5	8	6
Text amendments	20	4	19	1	15	16	12	18	18	12
Rezoning requests processed	-	3	-	2	1	1	4	4	8	9
Variances processed	32	35	16	13	25	23	16	33	26	13
Land disturbance permits	15	11	13	52	44	60	65	45	60	44
Final plats/minor plats signed	34	33	13	28	23	30	30	37	46	31
Development inspections	5,401	8,730	7,505	4,758	2,031	2,759	2,817	2,751	2,840	2,544
Building Inspections										
Building permits issued	2,023	2,168	2,017	1,380	1,499	1,747	1,679	1,452	1,022	982
Certificates of occupancy issued	203	127	160	188	196	244	385	347	405	362
Sign permits issued	66	60	74	86	119	68	80	90	77	89
Code Enforcement										
Code enforcement inspection	1,094	997	722	803	878	984	964	901	775	679
Notice of violations issued	165	145	136	121	101	129	132	6	371	456
Citations issued	12	9	2	12	7	13	4	6	2	11
Follow up Inspections	632	505	478	630	791	837	850	845	398	491
Sign sweeps	36	24	28	22	16	21	8	18	6	8

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.
(6) The City elected to discontinue tracking Council Minutes Meeting Pages in FY 2021.
(7) The Crabapple Fest was canceled in FY 2021.

CITY OF MILTON, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
General government										
Vehicles	1	1	2	2	2	2	2	2	1	1
Police										
Vehicles	61	50	51	51	48	52	51	46	43	37
Fire										
Vehicles	26	25	19	19	18	18	17	15	14	13
Stations	4	4	3	3	3	3	3	3	3	3
Tornado Siren	11	11	11	11	11	10	10	9	-	-
Public Works										
Streets (miles)	180	187	187	187	180	180	180	158	158	158
Bridges	36	36	35	35	34	34	34	31	31	31
Traffic signals	16	16	15	15	16	16	16	11	11	11
Flashing beacons	9	9	9	9	9	9	9	9	9	9
Vehicles	8	7	7	7	6	6	5	7	3	3
Culture and Recreation										
Park acreage	708	701	668	688	439	296	292	251	203	203
Recreational facilities	8	6	5	5	5	5	5	5	4	4
Parks (1)	8	8	6	6	6	4	4	3	3	3
Playgrounds (1)	3	3	3	3	3	3	2	-	-	-
Athletic fields	9	9	6	6	6	6	6	6	4	4
Vehicles	2	2	2	2	2	2	2	1	-	-
Housing and Development										
Vehicles	6	3	1	1	1	2	2	2	4	4

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 FY 2016 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 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 16, 2023. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

Report on 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*.

The City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned cots. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 16, 2023

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Milton, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 16, 2023

CITY OF MILTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF INTERIOR			
Passed through the Georgia Department of Natural Resources			
Providence Park Restrooms	15.916	PI # 18AP00626-13-00982	$ 14,000
Providence Park Lake Pier	15.916	PI # 19AP00611-13-01028	109,006
Total U.S. Department of Interior			123,006
U.S. DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction Cluster			
Passed through the Georgia Department of Transportation			
Big Creek Greenway	20.205	PI # 15078	207,025
Passed through the Georgia Department of Natural Resources			
Recreational Trails Program Grant	20.219	NRT-18(16)	222,845
Total Highway Planning and Construction Cluster			429,870
Total U.S. Department of Transportation			429,870
U.S. DEPARTMENT OF JUSTICE			
Passed through the Criminal Justice Coordinating Council			
Bulletproof Vest Partnership Program	16.607	VUSERXJ12LD5	8,948
Law Enforcement Training	16.710	K75-8-035	45,816
Law Enforcement Training	16.710	K75-8-024	20,645
Total U.S. Department of Justice			75,409
U.S. DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	GA - 0013315	10,952,003
Total U.S. Department of the Treasury			10,952,003
Total Expenditures of Federal Awards			$ 11,580,288

See accompanying notes to schedule of expenditures of federal awards.

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X yes ____ no
Significant deficiencies identified?	____ yes X none reported
Noncompliance material to financial statements noted?	____ yes X no

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ yes X no
Significant deficiencies identified?	____ yes X none reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes X no

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes X no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001 Governmental Accounting Standards Board Statement No. 87, *Leases* – Lessor Identification and Implementation

Criteria: Effective for the beginning of the City's fiscal year ended September 30, 2022, Governmental Accounting Standards Board Statement No. 87, *Leases* ("GASB 87"), was required to be implemented.

Condition & Context: During our audit of the financial statements as of and for the year ended September 30, 2022, we noted that the City had properly identified and evaluated potential leasing arrangements as a lessee, resulting in none being applicable under the newly adopted GASB 87 standard. However, the City had not identified certain leases held by the City as a lessor that met the criteria for reporting under GASB 87, nor had the City recorded the required adjustments to the City's financial statements.

Effects: Audit adjustments were required to accurately report balances under GASB 87 in the General Fund and governmental activities as follows:

- Recognition of a lessor receivable and deferred inflow of resources pertaining to two leasing arrangements at the beginning of the fiscal year in the amount of $2,430,248 that run through fiscal years 2047 and 2050, respectively. At the end of the current fiscal year, the reported receivable balance was $2,402,119 and the deferred inflow of resources was $2,339,159.
- Recognition of total interest revenues in the fiscal year for $33,204.
- Recognition of total amortized lease revenues in the fiscal year for $62,960.

Recommendations: We recommend that the City carefully review its leasing arrangements, particularly those as lessor, each year to ensure that all material leases are properly reported in accordance with Generally Accepted Accounting Principles.

Auditee's Response: We concur. City of Milton staff recognizes the lessee and lessor reporting responsibilities and has implemented adequate controls to review all leasing arrangements to ensure that material leases are reported accurately and timely.

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2022

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF MILTON, GEORGIA
STATUS OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2022

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

None reported.

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2022

2022-001 Governmental Accounting Standards Board Statement No. 87, *Leases* – Lessor Identification and Implementation

Name of the Contact Person Responsible for the Corrective Action Plan: Karen Ellis, Finance Director.

Corrective Action Plan: The City will put a control in place to ensure that leases are reviewed at the beginning of a new lease arrangement, regardless of whether the City is the lessee or lessor, to accurately report the arrangement in accordance with Generally Accepted Accounting Principles.

Anticipated Completion Date: 9/30/2023.