MILTON

GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

PREPARED BY:
Karen Ellis
Finance Director

SUBMITTED BY:
Steven Krokoff
City Manager

Introductory Section

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Introductory Section

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MILTON
ESTABLISHED 2006

March 22, 2024

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, 2023. 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, 2023, 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, 2023. The independent auditor's report is presented as the first component of this report's financial section.

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

Our History

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

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

For 74 years, what's now Milton was unincorporated within Fulton County. 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 41,799 according to the City's community profile prepared by Esri. 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 2023, the City maintained thirteen governmental funds. The budgets for the General Fund, Opioid Settlements Fund, Confiscated Assets Fund, Emergency 911 Fund, Operating Grant Fund, American Rescue Plan (ARP) Act 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 84.3% of the land area within the City can be developed only for residential or agricultural/equestrian purposes. Only 2.7% 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 12% of the net tax digest, Milton is fortunate to have a stable list of large employers such as Fulton County Schools, InFor (US) Inc, Walmart, Home Depot, Target, and Publix. According to the City's community profile prepared by ESRI, Milton has a median age of 39.2 years, a per capita income of $69,063 (with a median household income of $152,532), and a median home value of $589,333.

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 78% have a bachelor's degree or higher. More than 69% of the workforce is in the professional/management field, and Milton's post-pandemic unemployment rate remains low at 2.1%.

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 haveaided 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 approach also provides for the orderly replacement of facilities and equipment.

The City's current seven-year Capital Improvement Plan (CIP) identified over $92 million in projected funding through fiscal year 2030 (with no anticipated bond funding required). Approximately $7.3 million of this is budgeted for the 2024 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, $2.7 million is designated for public works projects such as pavement management, bridge replacement, sidewalk repairs, trail expansion, and intersection improvements, as well as $3 million for active and passive park land acquisition and improvements. The remaining fiscal year 2024 budget is slated for future replacement of city vehicles, the Fire department's advanced life support equipment, the continuation of the Milton gateway/wayfinding signage program, as well as hardware replacements and a software upgrade for the Finance department. Fiscal year 2024's CIP also includes funding for all Transportation Local Option Sales Tax (TSPLOST) projects, greenspace bond related land purchases, and grant funded projects.

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 feebased revenue sources (i.e. permits, licenses, recreation fees, etc.). The City continues to collect impact fees on new development projects to offset the costs of providing City services to those new projects as well as to the residents and businesses they bring to Milton. These revenues, along with those generated through the voter approved TSPLOST initiatives, have allowed for accelerated timelines for project completions. 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 2023, 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 2023 to act on these plans to achieve the initiatives set out for the FY 2023 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 and Recreation Department continues to make progress in this area. City contractors worked to install new restrooms at Providence Park as well as landscape improvements at Birmingham Park and the planting of thirteen winged elms at Milton City Park and Preserve as part of the 2023 Arbor Day celebration. The City also acquired approximately 39 acres on Hopewell Road which connects to Providence Park. Plans for this site have yet to be determined as staff works with the Council, City committee members, and the community to identify opportunities for existing active and passive park land through efforts such as the Greenprint – a Milton Greenspace Plan – and other public input opportunities.

Parks and Recreation's Community Outreach team also continued to host immensely popular events throughout the year including the new Touch a Truck event which drew about 4,000 people and became an instant favorite with our community.

In fiscal year 2023, Milton's Fire-Rescue Department began the process of seeking accreditation through the Center for Public Safety Excellence. In October 2023, the department received recommendation for accreditation from the on-site peer assessment team, a pivotal step in the accreditation process. Final determination for this distinguished designation is scheduled to be made in March 2024. The Fire-Rescue Department also deployed a new Emergency Medical Services (EMS) Advanced Life Support (ALS) training simulator, a tool which is mobile and allows the team to run various scenarios providing an enhanced level of training and preparation for a range of potential incidents.

Milton Fire-Rescue is also working with the Milton Police Department (MPD) on a Co-Response Mental Health Unit to be deployed in early 2024. This team will focus on providing community members with valuable care, support, and resources integral to addressing mental health issues. The MPD has also added two Public Safety Ambassadors to the department, providing integral support to the Officers and services to the community including school traffic control, a security presence in the City's many parks and preserves, and other non-sworn-officer policing work throughout the City. Efforts like this have contributed to the 10% reduction in property crime in 2023 as compared to 2022.

Throughout the year, Public Works also 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, Cogburn at Webb Road turn lanes, Crabapple Road streetscape, Bethany Bend pedestrian crossing, and phase II of the Morris Road widening project. The team also worked on intersection improvement projects at State Route 140 at Green Road, Freemanville Road at Redd Road, Bethany Road at Providence Road, Bethany Bend at Bethany Creek Drive, and Cox Road. Construction was underway on the Freemanville Road at Birmingham Road project, intersection improvements at Hopewell Road at Bethany Road/Bethany Bend, and the multi-use path on Mayfield Road. The Public Works team is also working on a sidewalk connectivity project as well as a comprehensive bridge maintenance plan through the TSPLOST program and working on plans for major hydrology improvements throughout Milton City Park and Preserve.

Increased transparency continues to be a top priority for City staff. In addition to the project tracking tool and Strategic Plan progress updates available on the City's ClearGov portal, staff will include enhanced performance metrics and outcome measure tracking in the new budget book for fiscal year 2024. In addition to accomplishments like the implementation of an Urban Growth Boundary and work on an array of projects including the newly adopted Mayfield District and forthcoming Winward/Highway 9 master plan and city-wide branding and placemaking initiative, the Community Development department is in the final phases of creating a Unified Development Code (UDC) – a single, more concise, easy-to-understand policy document related to development requirements within the City limits. Milton was also

nominated for two categories for the 2023 Voice of the People awards. In November 2023, the City officially won the award for "Transportation in Mobility" showing the efforts staff takes to effectively connect with, acknowledge, and act on residents' comments related to how drivers, pedestrians, equestrians, and bicyclists get around the City.

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, 2022. 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
City Manager



Stacey R. Inglis
Deputy City Manager/ Treasurer



Bernadette Harvill
Deputy City Manager



Karen Ellis
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, 2022

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, 2023



City Manager
Steven Krokoff



Deputy City Manager /City Treasurer
Stacey Inglis



Deputy City Manager
Bernadette Harvill



Finance Director
Karen Ellis



Public Works Director
Sara Leaders



Human Resources Director
Niki Graham



Parks and Recreation Director
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



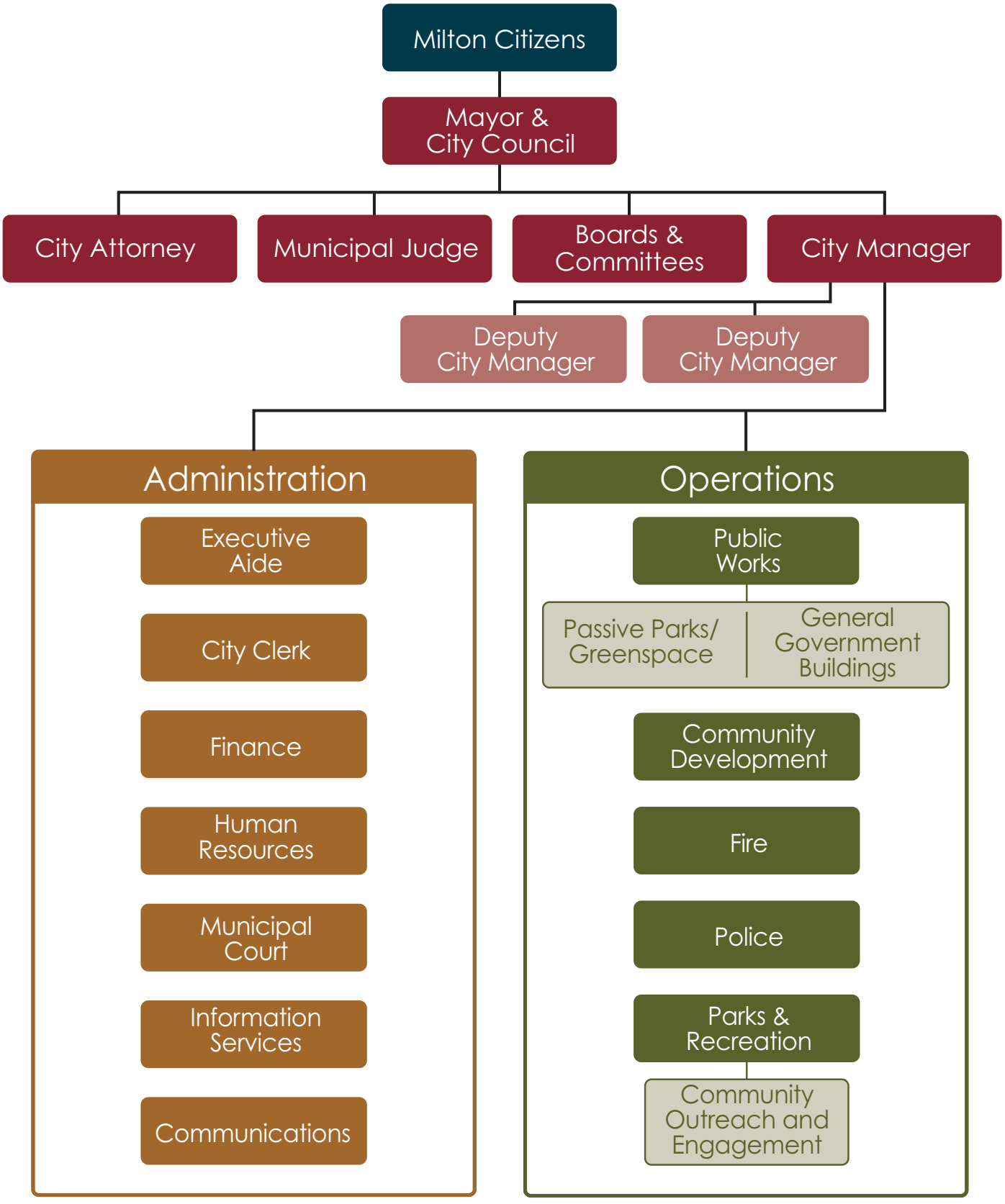
Court Clerk
Brooke Lappin



Information Services Director
Ashley Smith

City Attorney
Ken E. Jarrard, Esq.

City Auditors
Mauldin & Jenkins, LLC


Milton Citizens
Mayor & City Council
City Attorney
Municipal Judge
Boards & Committees
City Manager
Deputy City Manager
Deputy City Manager
Administration
Executive Aide
City Clerk
Finance
Human Resources
Municipal Court
Information Services
Communications
Operations
Public Works
Passive Parks/ Greenspace
General Government Buildings
Community Development
Fire
Police
Parks & Recreation
Community Outreach and Engagement

Financial Section

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2023, 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, 2023, 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 7, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*, as of October 1, 2022. This standard significantly changed the accounting for the City's subscription-based information technology arrangements. 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.

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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 22, 2024 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 22, 2024

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, 2023. 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 $164,447,111 (total net position). Of this amount, $19,731,464 *(unrestricted net position*) may be used to meet the ongoing obligations of the government.
- The City's total net position decreased by $10,763,025.
- As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of $92,809,458 -- an increase of $6,787,815 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 2023 that is restricted for future year spending. There was an increase of $3,282,437 in the Capital Projects Fund, assigned mainly for expenses associated with the buildout and construction of Fire Station 45. The TSPLOST Fund increased by $6,058,731, 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 $14,122,690. This represents approximately 34.1% 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's total long-term debt as of September 30, 2023, 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 2023, the balance of the long-term debt, net of original issuance premiums, was $43,528,658.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 like 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 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 nonfinancial 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, as well as 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 placed 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 2023, the City maintained four major and nine nonmajor governmental funds. The City's major governmental funds included the General Fund, American Rescue Plan Fund, Capital Projects Fund, and TSPLOST Fund. The nonmajor governmental funds included the Opioid Settlements Fund, Confiscated Assets Fund, Emergency 911 Fund, Operating Grant Fund, Hotel/Motel Tax Fund, Capital Grant Fund, Revenue Bond Fund, Greenspace Bond Fund and Impact Fees Fund.

The basic governmental fund financial statements can be found on pages 33 through 37 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 65 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 67 through 72 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, Georgia - Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	$ 104,146,998	$ 99,067,618
Capital assets	151,963,340	136,559,533
Total assets	256,110,338	235,627,151
Deferred outflow of resources	3,749,673	2,545,767
Total deferred outflow of resources	3,749,673	2,545,767
Liabilities		
Current liabilities	13,090,544	13,471,488
Non-current liabilities outstanding	79,903,007	45,642,784
Total liabilities	92,993,551	59,114,272
Deferred inflows of resources	2,419,349	3,848,510
Total deferred inflows of resources	2,419,349	3,848,510
Net position		
Net investment in capital assets	111,683,813	99,168,375
Restricted for law enforcement	68,847	144,855
Restricted for health and welfare	14,764	-
Restricted for road and intersection improvements	32,573,312	26,333,414
Restricted for park and trail expansion	95,663	1,299,141
Restricted for general administration	80,439	95,095
Restricted for federal programs	198,809	35,064
Unrestricted	19,731,464	48,134,192
Total net position	$ 164,447,111	$ 175,210,136

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 $164,447,111 at the close of the fiscal year. The largest portion of the net position (67.91%) reflects its net investment in capital assets (e.g., land, land improvements, buildings, infrastructure, and machinery and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (19.97%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2023, the City's restricted net position was $33,031,834 representing:

- $515,328 for impact fee funded projects across general administration ($80,439), road and intersection improvements ($328,885), culture and recreation ($95,663), and law enforcement ($10,341).

- An additional $56,867 in confiscated funds for law enforcement, $14,764 in opioid settlement funds, $1,639 in operating grants funds for law enforcement, $198,809 in interest earnings related to the American Rescue Plan federal grant program, and $32,244,427 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 $19,731,464 (12.00%) 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 2023, the City can 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 (page32) and reflects how the City's net position changed during the fiscal period.

City of Milton, Georgia - Changes in Net Position

	Governmental Activities			
	2023	2022	Increase (Decrease)	Percent
Revenues				
Program revenues:				
Charges for services	$ 4,758,870	$ 5,412,861	(653,991)	-12.08%
Operating grants and contributions	1,578,613	11,691,229	(10,112,616)	-86.50%
Capital grants and contributions	9,898,762	8,484,510	1,414,252	16.67%
General revenues and extraordinary item:				
Property taxes	18,570,926	18,060,795	510,131	2.82%
Sales taxes	13,685,498	12,409,149	1,276,349	10.29%
Other taxes	7,275,267	6,986,090	289,177	4.14%
Interest	2,961,726	416,786	2,544,940	610.61%
Miscellaneous revenues	445,485	479,199	(33,714)	-7.04%
Extraordinary item	(32,550,000)	-	(32,550,000)	100.00%
Total revenues and extraordinary item	26,625,147	63,940,619	(37,315,472)	-58.36%
Expenses				
General Government	5,604,435	6,478,807	(874,372)	-13.50%
Judicial	448,865	445,751	3,114	0.70%
Public Safety	16,784,600	16,467,302	317,298	1.93%
Public Works	10,250,316	4,871,921	5,378,395	110.40%
Culture and Recreation	4,948	3,419,045	(3,414,097)	-99.86%
Housing and Development	3,135,329	1,797,021	1,338,308	74.47%
Interest on long-term debt	1,159,679	1,187,487	(27,808)	-2.34%
Total expenses	37,388,172	34,667,334	2,720,838	7.85%
Increase (decrease) in net position	(10,763,025)	29,273,285	(40,036,310)	-136.77%
Net position - beginning	175,210,136	145,936,851		
Net position - ending	$ 164,447,111	$ 175,210,136		

Revenues

Revenues decreased by $37,315,472 or 58.36% from prior year, which is primarily attributable to the accrual of an extraordinary item. Operating grants were a large contributor decreasing $10,112,616 or 86.5%, due to $10,000,000 in ARPA federal funding recognized in fiscal year 2022. Other revenue streams increased on a smaller scale such as sales taxes by $1,276,349 or 10.29% and capital grants by $1,414,252 or 16.67%. These increases were driven by the continuing recovery in retail and travel and the increasing availability of state and federal funding, respectively. The largest increase comes from unrestricted investment earnings of $2,544,940 or 610.61%, as interest rates rose significantly from prior years.

Extraordinary Item

The City is a defendant in a civil lawsuit in which an estimated contingent litigation liability is accrued in the statement of net position in the amount of $32,550,000. In June 2023, the civil lawsuit was tried before a jury and Milton received an adverse verdict in the amount of $32,550,000. The case has been appealed to the Georgia Court of Appeals. Insurance defense attorneys representing the City contend that the trial court committed errors in allowing the case to proceed to a jury verdict; and even if that portion of the proceedings is not reversed, the court did not follow precedent by allowing the City's monetary liability to exceed that of its insurance policy limits of $2,000,000. Regardless, given the current known facts and status of the case, the entire amount of the exposure is being reflected in the City's financial statements.

Expenses

Expenses increased overall by $2,720,838 or 7.85% from prior year. Contributors include public works increase of $5,378,395 or 110.4% due to a general rise in TSPLOST projects and paving management activity and an increase in housing and development by $1,338,308 or 74.47%. Other offsetting contributing factors include a decrease of $3,414,097 or 99.86% in culture and recreation due to a significant portion of fund level expenditures pertaining to land and capital asset acquisition, and thus not reported within governmental activities expense.

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 2023, the City reported governmental funds combined ending fund balance of $92,809,458, an increase of $6,787,815 from the prior year. Of this balance, $39,152,674 is assigned for capital projects (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); $68,847 is restricted for law enforcement; $32,257,584 is restricted for public works, road and intersection improvements; $95,663 is restricted for future park and trail enhancements; $80,439 is restricted for general administration; $5,058,473 is restricted for capital projects, including greenspace bond funded land purchases, and revenue bond funded construction projects; $198,809 is restricted for federal programs; $1,632,792 is nonspendable for prepaids; $126,723 is nonspendable as a net lease receivable; and $14,122,690 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 $14,812,642 -- an increase of $953,973. As a measure of liquidity, total fund balance represents 36% of fiscal year 2023 budgeted revenues.

Approximately 4.7% of the total fund balance, or $689,952, constitutes nonspendable fund balance for prepaids. The remaining 95.3% of total fund balance, or $14,122,690, constitutes unassigned fund balance. This unassigned balance represents approximately 34.1% of fiscal year 2023 budgeted revenues. By ordinance, the City has mandated that fund balance be no 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 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.

City of Milton, Georgia - Revenues Classified by Source - General Fund

	FY 2023		FY 2022		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 37,602,650	88.2%	$ 35,559,072	90.0%	$ 2,043,578	5.7%
Licenses and permits	1,415,856	3.2%	1,783,318	4.5%	(367,462)	-20.6%
Charges for service	843,084	2.0%	872,559	2.2%	(29,475)	-3.4%
Fines and Forfeitures	712,235	1.7%	643,863	1.6%	68,372	10.6%
Other	2,074,402	4.9%	675,752	1.7%	1,398,650	207.0%
Total	$ 42,648,227	100.0%	$ 39,534,564	100.0%	$ 3,113,663	7.9%

The following provides an explanation of the changes in revenues by source from fiscal year 2022 to 2023:

- **Taxes.** An increase of approximately $1,260,201 was recognized in the local option sales taxes category related to increased consumer spending as well as increased prices on goods. Also, within the taxes category, the City recognized growth in title ad valorem tax that increased by $202,337, real and personal property taxes and public utility tax that increased by $665,546, insurance premium tax that increased by $281,632, and interest income that increased by $1,409,096 year-over-year.
- **Licenses and permits.** The main driver of the $367,462 decrease within this category is building and l and disturbance permit revenue. These decreases are partially attributable to the building cycle.
- **Charges for service.** The charges for service category showed a slight decrease in fiscal year 2023. One contributing factor to the decrease within charges for service is the reclassification of court administrative fees previously recorded within this category that are now recorded in the fines and forfeitures revenue category.
- **Fines and forfeitures.** In fiscal year 2023 there was a change in recording of court administrative fees previously classified in charges for services. This resulted in an increase in this category of $68,372 year-over-year.
- **Other.** The significant increase in other revenues is attributable to an increase in investment earnings of approximately $1,409,096. With interest rates continuing to rise, this continues to improve this revenue category. Additionally, rental revenue increased by $38,500 in fiscal year 2023 due to a full year of collections for the IGA lease of the City's courtroom by the City of Alpharetta as well as GASB 87 lease revenue recognition.

City of Milton, Georgia - Expenditures by Function - General Fund

	FY 2023		FY 2022		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	$ 4,433,866	15.3%	$ 4,642,278	18.7%	$ (208,412)	-4.5%
Judicial	367,675	1.3%	369,984	1.5%	(2,309)	-0.6%
Public Safety	15,565,358	53.8%	13,866,943	55.6%	1,698,415	12.2%
Public Works	3,103,076	10.7%	2,782,170	11.2%	320,906	11.5%
Culture and Recreation	1,940,413	6.7%	1,513,639	6.1%	426,774	28.2%
Housing and Development	2,133,595	7.4%	1,705,772	6.9%	427,823	25.1%
Capital outlay	655,249	2.3%	-	0.0%	655,249	100.0%
Debt service	723,159	2.5%	-	0.0%	723,159	100.0%
Total	$ 28,922,391	100.0%	$ 24,880,786	100.0%	$ 4,041,605	16.2%

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

- General government expenses decreased by $208,412. A large portion of this decrease (approximately $191,855) is attributable to professional expenses incurred for the November 2021 general election and runoff in fiscal year 2022 which did not occur in fiscal year 2023 ($155,039) as well as $34,231 related to a city-wide scanning project.
- Public safety expenses increased by $1,698,415. A large portion of this increase (approximately $1,449,935) is attributable to salaries and benefits including market adjustments as well as the addition of a Deputy Chief position and EMS Training Officer in Fire and a full-time Records Clerk in Police. Other notable increases include radio system fees related to the North Fulton Regional Radio System Authority in the amount of $59,860 as well as $153,220 in uniforms in the Fire Department associated with the replacement of Personal Protective Equipment (PPE) and the addition of Self-Contained Breathing Apparatus (SCBA) for Fire Truck 44.
- There was an increase of $320,906 in public works. This was related to salaries and benefits increased due to market adjustments ($277,535).
- Culture and Recreation recognized an increase of $426,774. The largest contributor relates to demolition costs related to the acquisition of future greenspace on Freemanville Road and other capital outlays.

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 will record all revenues received through the American Rescue Plan (ARP) Act within this fund. In fiscal year 2023, Milton has recognized intergovernmental revenue of $1,526,013 for eligible incurred expenditures and interest earnings in the amount of $163,745, which is reported as restricted fund balance for federal programs. Of the $1.5 million recognized and approved by Council, $1 million was allocated to premium pay and retention incentives for those eligible employees who served in exposed roles during the pandemic and the remainder was applied to the purchase of an ambulance and a CARES paramedicine program vehicle in the Fire department, additional hydrology services at the Milton City Park and Preserve, stormwater improvements at Fire Station 43, and other expenses that have helped the City adapt to continuing digital operations for the City of Milton. The remaining $2.3 million will be reviewed and approved by Council once future eligible expenditures arise.

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, $12,840,456 was transferred to this fund from the General Fund, which denotes a decrease from the transfer of $21,852,185 in fiscal year 2022. This decrease directly correlates to $10,000,000 in ARPA federal funding realized in fiscal year 2022. The transfers together with additional revenues of approximately $794,983 resulted in an increase in fund balance of $3,282,437, yielding a fund balance at year end of $39,473,944.

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 qualify as a major fund in fiscal year 2023. Expenditures within this fund amount to $4,409,109 and can be attributed to design, preconstruction services, and construction on several intersection and pedestrian improvement projects, a road widening project, and a bridge project. 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 $31,928,699 – an increase of $6,058,731 all of which is restricted to 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 $4,434,402.
  - The appropriation for other financing sources increased by $1,087,733. The majority of this increase is attributable to a one-time transfer in from the ARPA grant fund for expenses made in fiscal year 2023 that were eligible for reimbursement through the ARPA grant.
  - The taxes category also saw an increase in appropriations in the amount of $2,369,454. Primary contributions to this increase include local option sales tax in the amount of $2,287,473, title ad valorem taxes in the amount of $175,000, business and occupation tax in the amount of $150,000, and insurance premium tax in the amount of $697,000. These increases were primarily attributable to improvement in consumer confidence/spending as well as pricing increases across many industries.
  - Interest earned category saw an economic upswing of $834,300 as interest rates continue to rise for the country.
- Total expenditure and other financing uses appropriations increased by $5,957,271.
  - Expenditures increased by $240,241 due to an increase in the Legal department and a change in recording of financial advisor fees within the Human Resources department.
  - Appropriations for other financing sources increased by $5,717,030. Much of this increase is attributable to funding of the buildout of a new athletic complex, funding of the buildout of Fire Station 45 and additional funding for the City's vehicle replacement reserve.

During the year, General Fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $2,016,430 higher than estimates, whereas expenditures and transfers out were $1,808,793 lower than the final budgetary appropriations. Listed below are the major variances between actuals and appropriations.

- The variance of $2,016,430 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 $280,334. Title ad valorem taxes and insurance premium taxes also saw a variance of $199,033 and $262,507 respectively. Additionally, franchise fees associated with electricity providers ($114,576), alcohol beverage excise taxes ($86,907), and interest earnings on investments ($565,365) all came in higher than anticipated.
- The expenditures and other financing uses were $1,808,793 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 expended $253,873 less than final budget, public safety expended $913,308 less than final budget, and culture and recreation expended $284,744 less than final budget.

City of Milton, Georgia
Revenues, Expenditures and Changes in Fund Balance Budget and Actual (GAAP Basis)
General Fund

	Budget			Variance
	Original	Final	Actual	with Final
Revenues and other financing sources:				
Taxes	$ 34,509,085	$ 36,878,539	$ 37,602,650	$ 724,111
Licenses and permits	1,672,030	1,527,030	1,415,856	(111,174)
Charges for services	594,505	775,220	843,084	67,864
Fines and forfeitures	740,000	640,000	712,235	72,235
Intergovernmental	12,500	34,165	13,500	(20,665)
Contributions	-	45,950	15,562	(30,388)
Interest earned	200,240	1,034,540	1,599,905	565,365
Miscellaneous	242,153	381,738	445,435	63,697
Other financing sources	130,500	1,218,233	1,903,618	685,385
Total	$ 38,101,013	$ 42,535,415	$ 44,551,845	$ 2,016,430
Expenditures and other financing uses:				
Expenditures	30,490,943	30,731,184	28,922,391	1,808,793
Other financing uses	8,958,451	14,675,481	14,675,481	-
Total	39,449,394	45,406,665	43,597,872	1,808,793
Change in fund balance	$ (1,348,381)	$ (2,871,250)	$ 953,973	$ 3,825,223

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

As of September 30, 2023, the City's investment in capital assets for its governmental activities totaled $151,963,340 (net of accumulated depreciation and amortization). 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 2023 include:

- Pierce Ascendant Ladder Fire Truck ($1,175,700) and Osage Warrior Ambulance ($297,917)
- Public Safety Radio replacements ($702,052)
- Hopewell Road land/building acquisition connecting to Providence Park ($3,514,306/$1,409,700)

Additional information on the City's capital assets can be found in Note 6 on page 52 of this report.

City of Milton, Georgia
Capital Assets (net of accumulated depreciation and amortization)
Fiscal Years 2023 and 2022

	2023	2022
Land	$ 36,136,777	$ 32,602,821
Land Improvements	8,789,860	9,533,765
Buildings	33,777,072	28,271,024
Vehicles, Equipment & Other	6,455,546	4,117,387
Construction In Progress	5,416,234	7,707,558
Infrastructure	59,602,387	54,326,978
Right-to-use subscriptions	1,785,464	-
Total	**$ 151,963,340**	**$ 136,559,533**

Long-term debt.
At the the end of fiscal year 2023, the City's total outstanding bonded debt was $43,528,658. Total outstanding debt consists of $21,780,000 of direct placement revenue bond debt and $19,010,000 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 from pages 54 to 56 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 and operating (M&O) for fiscal year 2024.
- **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.
- **Economic Impact.** The City's revenues and expenditures were appropriated with a conservative approach to reflect the economic conditions that are expected to continue through 2024.
- The City restricts the use of one-time revenues to capital and other nonrecurring 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, 2023

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	$ 87,425,396
Accounts receivable	3,969,694
Taxes receivable, net	2,178,131
Due from other governments	1,231,680
Restricted cash and cash equivalents	5,334,513
Lease receivable, due within one year	29,648
Lease receivable, due in more than one year	2,345,144
Prepaids	1,632,792
Capital assets:	
Nondepreciable	41,553,011
Depreciable, net of accumulated depreciation and amortization	110,410,329
Total assets	256,110,338
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	3,749,673
LIABILITIES	
Accounts payable	2,679,790
Retainage payable	340,728
Accrued liabilities	1,470,516
Deposits payable	2,623,232
Unearned revenue	2,305,209
Compensated absences, due within one year	1,087,223
Bonds payable, due within one year	1,930,000
Bonds payable, due in more than one year	41,598,658
SBITA liability, due within one year	653,846
SBITA liability, due in more than one year	1,090,808
Claim liability, due in more than one year	32,550,000
Net pension liability, due in more than one year	4,663,541
Total liabilities	92,993,551
DEFERRED INFLOWS OF RESOURCES	
Lease related deferred inflows	2,248,069
Pension related items	171,280
Total deferred inflows of resources	2,419,349
NET POSITION	
Net investment in capital assets	111,683,813
Restricted for law enforcement	68,847
Restricted for health and welfare	14,764
Restricted for road and intersection improvements	32,573,312
Restricted for park and trail enhancements	95,663
Restricted for general administration	80,439
Restricted for federal programs	198,809
Unrestricted	19,731,464
Total net position	$ 164,447,111

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

CITY OF MILTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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	$ 5,604,435	$ 860,589	$ 139,655	$ -	$ (4,604,191)
Judicial	448,865	712,235	4,779	-	268,149
Public safety	16,784,600	1,887,754	1,199,034	11,400	(13,686,412)
Public works	10,250,316	12,849	71,784	9,887,362	(278,321)
Culture and recreation	4,948	127,207	53,616	-	175,875
Housing and development	3,135,329	1,158,236	109,745	-	(1,867,348)
Interest on long-term debt	1,159,679	-	-	-	(1,159,679)
Total governmental activities	37,388,172	4,758,870	1,578,613	9,898,762	(21,151,927)
Total primary government	$ 37,388,172	$ 4,758,870	$ 1,578,613	$ 9,898,762	(21,151,927)
General revenues:					
Property taxes					18,570,926
Sales taxes					13,685,498
Hotel/Motel taxes					64,648
Franchise taxes					2,474,732
Business taxes					4,735,887
Unrestricted investment earnings					2,961,726
Miscellaneous revenues					445,485
Extraordinary item					(32,550,000)
Total general revenues and extraordinary item					10,388,902
Change in net position					(10,763,025)
Net position, beginning of year					175,210,136
Net position, end of year					$ 164,447,111

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

CITY OF MILTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

ASSETS	General Fund	American Rescue Plan Fund	Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 12,988,818	$ 2,504,018	$ 38,767,030	$ 32,076,858	$ 1,088,672	$ 87,425,396
Accounts receivable	3,719,889	-	55,633	-	194,172	3,969,694
Taxes receivable, net	2,161,295	-	-	-	16,836	2,178,131
Intergovernmental receivable	6,491	-	481,553	706,090	37,546	1,231,680
Restricted cash and cash equivalents	-	-	-	-	5,334,513	5,334,513
Due from other funds	242,690	-	-	-	-	242,690
Lease receivable	2,374,792	-	-	-	-	2,374,792
Prepaids	563,229	-	732,000	-	337,563	1,632,792
Total assets	$ 22,057,204	$ 2,504,018	$ 40,036,216	$ 32,782,948	$ 7,009,302	$ 104,389,688
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 1,325,881	$ -	$ 492,065	$ 538,521	$ 323,323	$ 2,679,790
Retainage payable	-	-	25,000	315,728	-	340,728
Accrued liabilities	874,297	-	-	-	-	874,297
Due to other funds	-	-	-	-	242,690	242,690
Deposits payable	2,623,232	-	-	-	-	2,623,232
Unearned revenue	-	2,305,209	-	-	-	2,305,209
Total liabilities	4,823,410	2,305,209	517,065	854,249	566,013	9,065,946
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - property taxes	118,806	-	-	-	10,379	129,185
Unavailable revenues - other	54,277	-	45,207	-	37,546	137,030
Lease related deferred inflows	2,248,069	-	-	-	-	2,248,069
Total deferred inflows of resources	2,421,152	-	45,207	-	47,925	2,514,284
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaids	563,229	-	732,000	-	337,563	1,632,792
Lease receivable, net	126,723	-	-	-	-	126,723
Restricted:						
Law enforcement	-	-	-	-	68,847	68,847
Health and welfare	-	-	-	-	14,764	14,764
Road and intersection improvements	-	-	-	31,928,699	328,885	32,257,584
Park and trail enhancements	-	-	-	-	95,663	95,663
General administration	-	-	-	-	80,439	80,439
Capital projects	-	-	-	-	5,058,473	5,058,473
Federal programs	-	198,809	-	-	-	198,809
Assigned:						
Capital projects	-	-	38,741,944	-	410,730	39,152,674
Unassigned	14,122,690	-	-	-	-	14,122,690
Total fund balances	14,812,642	198,809	39,473,944	31,928,699	6,395,364	92,809,458
Total liabilities, deferred inflows of resources, and fund balances	$ 22,057,204	$ 2,504,018	$ 40,036,216	$ 32,782,948	$ 7,009,302	$ 104,389,688

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, 2023

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

Total governmental fund balances		$ 92,809,458
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost	$ 179,232,733	
Less accumulated depreciation and amortization	(27,269,393)	151,963,340
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.		
SBITA payable	(1,744,654)	
Compensated absences (i.e. paid time off)	(1,087,223)	
Accrued interest	(596,219)	
Bonds payable, net of premium	(43,528,658)	
Litigation liability	(32,550,000)	(79,506,754)
Some revenues are not available in the current period and, therefore, are deferred in the funds.		
Property taxes	129,185	
Other revenues	137,030	266,215
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	(4,663,541)	
Pension related deferred outflows of resources	3,749,673	
Pension related deferred inflows of resources	(171,280)	(1,085,148)
Net position - governmental activities		$ 164,447,111

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, 2023

	General Fund	American Rescue Plan Fund	Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 16,856,641	$ -	$ -	$ -	$ 1,725,613	$ 18,582,254
Sales taxes	13,685,498	-	-	-	-	13,685,498
Hotel/Motel taxes	-	-	-	-	64,648	64,648
Franchise taxes	2,324,624	-	150,108	-	-	2,474,732
Business taxes	4,735,887	-	-	-	-	4,735,887
Licenses and permits	1,415,856	-	-	-	-	1,415,856
Charges for services	843,084	-	74,195	-	1,836,192	2,753,471
Fines and forfeitures	712,235	-	-	-	-	712,235
Intergovernmental	13,500	1,526,013	481,553	8,887,506	728,786	11,637,358
Contributions	15,562	-	-	-	-	15,562
Interest earned	1,599,905	163,745	2,440	881,288	314,348	2,961,726
Miscellaneous	445,435	-	50	-	-	445,485
Total revenues	42,648,227	1,689,758	708,346	9,768,794	4,669,587	59,484,712
Expenditures:						
Current:						
General government	4,433,866	-	71,048	-	-	4,504,914
Judicial	367,675	-	-	-	-	367,675
Public safety	15,565,358	-	1,041,963	-	1,048,901	17,656,222
Public works	3,103,076	-	2,936,307	4,409,109	434,174	10,882,666
Culture and recreation	1,940,413	-	-	-	216,020	2,156,433
Housing and development	2,133,595	-	87,736	-	-	2,221,331
Capital outlay	655,249	-	6,206,946	-	4,734,011	11,596,206
Debt service:						
Principal	681,614	-	-	-	1,835,000	2,516,614
Interest	41,545	-	-	-	1,524,706	1,566,251
Total expenditures	28,922,391	-	10,344,000	4,409,109	9,792,812	53,468,312
Excess (deficiency) of revenues over expenditures	13,725,836	1,689,758	(9,635,654)	5,359,685	(5,123,225)	6,016,400
Other financing sources (uses):						
Proceeds from sale of capital assets	29,529	-	86,637	-	-	116,166
Issuance of SBITA	655,249	-	-	-	-	655,249
Transfers in	1,218,840	-	13,350,500	699,046	1,655,025	16,923,411
Transfers out	(14,675,481)	(1,526,013)	(519,046)	-	(202,871)	(16,923,411)
Total other financing sources (uses)	(12,771,863)	(1,526,013)	12,918,091	699,046	1,452,154	771,415
Net change in fund balances	953,973	163,745	3,282,437	6,058,731	(3,671,071)	6,787,815
Fund balances, beginning of year	13,858,669	35,064	36,191,507	25,869,968	10,066,435	86,021,643
Fund balances, end of year	$ 14,812,642	$ 198,809	$ 39,473,944	$ 31,928,699	$ 6,395,364	$ 92,809,458

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, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 6,787,815
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 and amortization expense in the current period.		
Capital outlay	$ 18,573,377	
Depreciation and amortization expense	(4,806,591)	13,766,786
The effect of disposal of capital assets is to decrease net position in the current period.		(133,998)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(11,328)	
Other revenues	(298,237)	(309,565)
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.		
Issuance of SBITA	(655,249)	
Litigation liability payable	(32,550,000)	
Bonds payable	1,835,000	
SBITA payable	681,614	(30,688,635)
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)	(216,781)	
Pension expense	(375,219)	
Amortization of bond premium	367,781	
Accrued interest	38,791	(185,428)
Change in net position - governmental activities		$ (10,763,025)

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 Facilities 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 noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation and amortization expense on the City's capital, including right-to-use 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. Issuance of long-term debt and financing through subscription-based IT arrangements are reported as other financing sources.

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 Nonexchange Transactions,” the corresponding assets (receivables) in nonexchange 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 **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, 2023, 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, 2023, 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 and Right-to-Use Assets

Capital assets, which include buildings, improvements, machinery and equipment, and infrastructure assets, and right-to-use 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 and right-to-use subscription-based information technology arrangement (SBITA) assets of the City are depreciated/amortized 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
Right-to-use SBITAs	5-10 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. Subscription-based Information Technology Arrangements (SBITAs)

The City is a subscriber in various subscription-based information technology arrangements. The City recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements. The City recognizes SBITA liabilities with an initial, individual value of $10,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Subscription-based Information Technology Arrangements (SBITAs) (Continued)

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription (i.e. right-to-use) assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

L. 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)

L. 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.

M. 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.

N. 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)

O. 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)

O. 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.

P. 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.

Q. 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 nondepartmental expenditure category require only the approval of the Finance Director and the City Manager. Increases in appropriations in a departmental budget or in a nondepartmental 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, 2023:

General Fund		
General Government: Risk Management	$	951
Debt service:		
Principal		681,614
Interest		41,545

Expenditures in excess of appropriations were funded by expenditure savings within other departments.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits as of September 30, 2023 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	87,425,396
Restricted cash and cash equivalents		5,334,513
	$	92,759,909
Cash deposited with financial institutions	$	22,484,662
Fidelity Treasury Portfolio Money Market Fund		5,256,944
Fidelity Government Portfolio Money Market Fund		115,710
Local government investment pool - Georgia Fund 1		64,902,593
Total cash and cash equivalents	$	92,759,909

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, 2023, the weighted-average maturity of the pool was 30 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, 2023, the weighted-average maturity was 19 days for the Fidelity Treasury Portfolio and 29 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, 2023, 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, 2023, 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.

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NOTE 4. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. Tax notices are mailed on or about October 1 of each year based on the assessed value of property as listed on January 1 and are due 60 days following the billing date. The billings are considered past due if the payment is not rendered within the 60-day period after the respective tax billing date, at which time penalties and interest are assessed. Delinquent taxes subject the property to lien. Property taxes levied in 2022 are for fiscal year 2023.

Receivables at September 30, 2023, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	TSPLOST	Nonmajor Governmental
Receivables:				
Accounts	$ 3,719,889	$ 55,633	$ -	$ 194,172
Taxes	2,222,298	-	-	21,555
Intergovernmental	6,491	481,553	706,090	37,546
Total receivables	5,948,678	537,186	706,090	253,273
Less allowance for uncollectible	61,003	-	-	4,719
Net total receivable	$ 5,887,675	$ 537,186	$ 706,090	$ 248,554

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 $63,763 in lease revenues and $35,847 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 $2,248,069 as of September 30, 2023. As of September 30, 2023, the City's receivable for lease payments was $2,374,792. 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 2023.

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

Fiscal year ending September 30,	Principal	Interest	Total
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	59,609	32,464	92,073
2029-2033	356,115	147,375	503,490
2034-2038	466,979	116,704	583,683
2039-2043	599,714	76,934	676,648
2044-2048	603,829	28,287	632,116
2049-2050	105,041	1,058	106,099
	$ 2,374,792	$ 540,608	$ 2,915,400

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 32,602,821	$ 3,533,956	$ -	$ -	$ 36,136,777
Construction in progress	7,707,558	7,778,393	-	(10,069,717)	5,416,234
Total	40,310,379	11,312,349	-	(10,069,717)	41,553,011
Capital assets, being depreciated:					
Buildings	32,001,621	1,471,438	(208,986)	5,162,567	38,426,640
Land improvements	13,532,449	109,568	-	-	13,642,017
Infrastructure	68,002,674	1,564,645	-	4,907,150	74,474,469
Vehicles, equipment, and other	9,981,803	3,460,128	(226,450)	-	13,215,481
Total	123,518,547	6,605,779	(435,436)	10,069,717	139,758,607
Less accumulated depreciation/ amortization for:					
Buildings	(3,730,597)	(1,001,876)	82,905	-	(4,649,568)
Land improvements	(3,998,684)	(853,473)	-	-	(4,852,157)
Infrastructure	(13,675,696)	(1,196,386)	-	-	(14,872,082)
Vehicles, equipment, and other	(5,864,416)	(1,114,052)	218,533	-	(6,759,935)
Total	(27,269,393)	(4,165,787)	301,438	-	(31,133,742)
Total capital assets being depreciated, net	96,249,154	2,439,992	(133,998)	10,069,717	108,624,865
Governmental activities capital assets, net excluding subscription assets	$ 136,559,533	$ 13,752,341	$ (133,998)	$ -	150,177,876
Subscription assets, net (Note 7)					1,785,464
Total capital assets, net as reported in the statement of net position					$ 151,963,340

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

Governmental activities:	
General government	$ 362,962
Judicial	75,593
Public safety	1,413,051
Public works	1,247,038
Culture and recreation	148,887
Housing and development	918,256
Total depreciation expense - governmental activities	$ 4,165,787

NOTE 7. RIGHT-TO-USE SUBSCRIPTION ASSETS

A summary of the City's subscription asset activity for governmental activities for the year ended September 30, 2023, is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Subscription assets:				
Software and licenses	$ 1,771,019	$ 655,249	$ -	$ 2,426,268
Total	1,771,019	655,249	-	2,426,268
Less accumulated amortization for:				
Software and licenses	-	(640,804)	-	(640,804)
Total	-	(640,804)	-	(640,804)
Total subscription assets, net	$ 1,771,019	$ 14,445	$ -	$ 1,785,464

Amortization expense was charged to functions/programs of the City's governmental activities as follows:

Governmental activities:	
General government	$ 640,804
Total subscription amortization expense - governmental activities	$ 640,804

NOTE 8. 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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Direct placement bonds payable	$ 22,630,000	$ -	$ (850,000)	$ 21,780,000	$ 895,000
General obligation bonds payable	19,995,000	-	(985,000)	19,010,000	1,035,000
Original issue premium	3,106,439	-	(367,781)	2,738,658	-
Bonds payable, net	45,731,439	-	(2,202,781)	43,528,658	1,930,000
SBITA liability	1,771,019	655,249	(681,614)	1,744,654	653,846
Claim liability	-	32,550,000	-	32,550,000	-
Net pension liability	1,746,345	3,927,690	(1,010,494)	4,663,541	-
Compensated absences	870,442	1,481,888	(1,265,107)	1,087,223	1,087,223
Total governmental activities long-term liabilities	$ 50,119,245	$ 38,614,827	$ (5,159,996)	$ 83,574,076	$ 3,671,069

The net pension liability, claim 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. The beginning balance of the City's subscription liability has been updated to reflect the implementation of GASB Statement No. 96. See Note 10 regarding litigation liability.

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, 2023, the outstanding balance of the bond is $19,010,000.

NOTE 8. 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
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	1,260,000	451,625	1,711,625
2029-2033	6,925,000	1,627,225	8,552,225
2034-2037	6,355,000	491,900	6,846,900
	$ 19,010,000	$ 4,949,750	$ 23,959,750

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, 2023, the outstanding balance of the bond is $21,780,000. 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
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	1,095,000	555,344	1,650,344
2029-2033	6,290,000	1,950,422	8,240,422
2034-2038	8,905,000	916,169	9,821,169
2039-2040	1,625,000	84,787	1,709,787
	$ 21,780,000	$ 6,236,223	$ 28,016,223

NOTE 8. LONG-TERM DEBT (CONTINUED)

Subscription-based Information Technology Arrangements (SBITAs)

The City has entered into several subscription-based information technology arrangements for the use of various software. The total initial subscription liability was recorded in the amount of $1,771,019. As of September 30, 2023, the total value of the subscription liabilities was $1,744,654. The City is required to make annual variable principal and interest payments ranging from $710 to $40,100. The City utilized average incremental borrowing rates ranging from 2.43% to 3.12%.

The debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	$ 653,846	$ 69,487	$ 723,333
2025	681,031	51,244	732,275
2026	128,913	38,940	167,853
2027	132,696	35,995	168,691
2028	109,213	32,963	142,176
2029-2030	38,955	147,191	186,146
Total	$ 1,744,654	$ 375,820	$ 2,120,474

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NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor governmental funds	$ 242,690
		$ 242,690

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

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	American Rescue Plan Fund	$ 1,015,969
General Fund	Nonmajor governmental funds	202,871
		1,218,840
TSPLOST Fund	General Fund	180,000
TSPLOST Fund	Capital Projects Fund	519,046
		699,046
Capital Projects Fund	General Fund	12,840,456
Capital Projects Fund	American Rescue Plan Fund	510,044
		13,350,500
Nonmajor governmental funds	General Fund	1,655,025
		$ 16,923,411

Transfers are used to move (1) revenues from the American Rescue Plan Fund to the General Fund and Capital Projects Fund that pertain to use of its federal funding (2) revenues from the Hotel/Motel Tax Fund to the General Fund to pay for the promotion of tourism through special events within the City (3) unrestricted General Fund revenues to finance local match requirements for various grants that the City must account for in other funds and (4) revenues from the General Fund to various capital project funds to fund various projects within those funds.

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments

For the fiscal year ended September 30, 2023, the City has contractual commitments on uncompleted contracts of $7,632,199 primarily for intersection improvements, public and safety related projects, and culture and recreation related projects.

Litigation

The City is a defendant in various lawsuits in which 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. Regarding other 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 in the range of approximately $518,000. The City is also a defendant in one case in which the City has accrued an estimated contingent claim liability in the accompanying statement of net position in the amount of $32,550,000.

NOTE 11. 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 12.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Membership. As of January 1, 2023, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not receiving benefits	30
Active plan members	61
	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, 2023, the City's recommended contribution rate was 11.28% of annual payroll; actual contributions came to 14.21%.

City contributions to the Plan were $720,000 for the fiscal year ended September 30, 2023. Employees of the City of Milton contributed $179,940 to the Plan.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

Actuarial assumptions. The total pension liability in the January 1, 2022 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, 2022 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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

NOTE 11. 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, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
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 ended September 30, 2023 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 11. 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, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/22	$ 15,477,291	$ 13,730,946	$ 1,746,345
Changes for the year:			
Service cost	469,080	-	469,080
Interest	1,163,014	-	1,163,014
Differences between expected and actual experience	(111,335)	-	(111,335)
Contributions—employer	-	716,485	(716,485)
Contributions—employee	-	182,674	(182,674)
Net investment income	-	(2,269,108)	2,269,108
Benefit payments, including refunds of employee contributions	(353,392)	(353,392)	-
Administrative expense	-	(26,488)	26,488
Net changes	1,167,367	(1,749,829)	2,917,196
Balances at 9/30/23	$ 16,644,658	$ 11,981,117	$ 4,663,541

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%, 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%) or 1-percentage-point higher (8.38%) than the current rate:

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's net pension liability (asset)	$ 7,463,345	$ 4,663,541	$ 2,390,358

NOTE 11. 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, 2022 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, 2023, the City recognized pension expense of $1,091,704. At September 30, 2023, 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	$ 746,864	$ (171,280)
Changes in assumptions	705,863	-
Net difference between projected and actual earnings on pension plan investments	1,576,946	-
City contributions subsequent to the measurement date	720,000	-
Total	$ 3,749,673	$ (171,280)

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, 2024. 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:	
2024	$ 678,983
2025	600,630
2026	596,025
2027	908,647
2028	74,108
Total	$ 2,858,393

NOTE 12. 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, 2023, there were 60 full-time and 17 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 ended September 30, 2023, employer and employee contributions to the Plan totaled $454,896.

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, 2023, there were 113 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 ended September 30, 2023, employer and employee contributions to the Plan totaled $1,007,995.

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, 2023, there were 48 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 101 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, 2023, the City contributed $49,719 to the first plan, $826,239 to the second plan, and employees contributed a total of $911,498 to these defined contribution plans.

NOTE 13. 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 Statement No. 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, 2023, the City of Milton contributed $387,665 to the Authority. As of June 30, 2023, 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 14. 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, 2023, the City collected $64,648 in hotel/motel tax revenues, which were transferred to the General Fund and used for the promotion of special events and City operations.

NOTE 15. 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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	$ 469,080	$ 483,457	$ 455,122	$ 510,117	$ 462,718
Interest on total pension liability	1,163,014	1,057,933	936,469	760,844	699,326
Differences between expected and actual experience	(111,335)	220,484	489,329	236,629	(176,621)
Changes of assumptions	-	-	-	1,315,213	-
Benefit payments, including refunds of employee contributions	(353,392)	(291,973)	(232,585)	(196,436)	(228,717)
Other		-	-	-	-
Net change in total pension liability	1,167,367	1,469,901	1,648,335	2,626,367	756,706
Total pension liability - beginning	15,477,291	14,007,390	12,359,055	9,732,688	8,975,982
Total pension liability - ending (a)	$ 16,644,658	$ 15,477,291	$ 14,007,390	$ 12,359,055	$ 9,732,688
Plan fiduciary net position					
Contributions - employer	$ 716,485	$ 554,567	$ 551,902	$ 568,384	$ 775,831
Contributions - employee	182,674	174,860	184,036	247,612	192,290
Net investment income	(2,269,108)	2,574,221	912,997	267,371	713,379
Benefit payments, including refunds of member contributions	(353,392)	(291,973)	(232,585)	(196,436)	(228,717)
Administrative expenses	(26,488)	(26,240)	(25,128)	(22,630)	(25,513)
Net change in plan fiduciary net position	(1,749,829)	2,985,435	1,391,222	864,301	1,427,270
Plan fiduciary net position - beginning	13,730,946	10,745,511	9,354,289	8,489,988	7,062,718
Plan fiduciary net position - ending (b)	$ 11,981,117	$ 13,730,946	$ 10,745,511	$ 9,354,289	$ 8,489,988
City's net pension liability - ending (a) - (b)	$ 4,663,541	$ 1,746,345	$ 3,261,879	$ 3,004,766	$ 1,242,700
Plan fiduciary net position as a percentage of the total pension liability	71.98%	88.72%	76.71%	75.69%	87.23%
Covered payroll	$ 5,475,904	$ 5,970,395	$ 5,658,582	$ 5,992,597	$ 6,289,001
City's net pension liability as a percentage of covered payroll	85.16%	29.25%	57.64%	50.14%	19.76%

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 610,771	$ 626,371	$ 641,036	$ 643,340
Interest on total pension liability	582,698	490,807	403,952	304,844
Differences between expected and actual experience	232,500	84,089	123,781	207,605
Changes of assumptions	58,060	-	-	158,963
Benefit payments, including refunds of employee contributions	(53,459)	(38,065)	(58,073)	(13,790)
Other	-	30,190	-	-
Net change in total pension liability	1,430,570	1,193,392	1,110,696	1,300,962
Total pension liability - beginning	7,545,412	6,352,020	5,241,324	3,940,362
Total pension liability - ending (a)	$ 8,975,982	$ 7,545,412	$ 6,352,020	$ 5,241,324
Plan fiduciary net position				
Contributions - employer	$ 458,718	$ 658,776	$ 704,034	$ 431,357
Contributions - employee	208,531	224,626	224,501	221,303
Net investment income	872,762	511,779	14,721	295,411
Benefit payments, including refunds of member contributions	(53,459)	(38,065)	(58,073)	(13,790)
Administrative expenses	(27,344)	(14,873)	(16,708)	(12,896)
Net change in plan fiduciary net position	1,459,208	1,342,243	868,475	921,385
Plan fiduciary net position - beginning	5,603,510	4,261,267	3,392,792	2,471,407
Plan fiduciary net position - ending (b)	$ 7,062,718	$ 5,603,510	$ 4,261,267	$ 3,392,792
City's net pension liability - ending (a) - (b)	$ 1,913,264	$ 1,941,902	$ 2,090,753	$ 1,848,532
Plan fiduciary net position as a percentage of the total pension liability	78.68%	74.26%	67.09%	64.73%
Covered payroll	$ 7,132,601	$ 7,121,076	$ 7,248,961	$ 6,430,661
City's net pension liability as a percentage of covered payroll	26.82%	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

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 628,066	$ 607,798	$ 528,031	$ 439,735	$ 397,551
Contributions in relation to the actuarially determined contribution	720,000	720,000	554,567	551,902	568,384
Contribution deficiency (excess)	$ (91,934)	$ (112,202)	$ (26,536)	$ (112,167)	$ (170,833)
Covered payroll	$ 5,065,497	$ 5,475,904	$ 5,970,395	$ 5,658,582	$ 5,992,597
Contributions as a percentage of covered payroll	14.21%	13.15%	9.29%	9.75%	9.48%

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 430,981	$ 422,510	$ 417,023	$ 413,913	$ 342,310
Contributions in relation to the actuarially determined contribution	585,577	645,975	658,776	704,034	431,357
Contribution deficiency (excess)	$ (154,596)	$ (223,465)	$ (241,753)	$ (290,121)	$ (89,047)
Covered payroll	$ 6,289,001	$ 7,132,601	$ 7,121,076	$ 7,248,961	$ 6,430,661
Contributions as a percentage of covered payroll	9.31%	9.06%	9.25%	9.71%	6.71%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2022
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 fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair 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

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 17,585,728	$ 16,840,709	$ 16,856,641	$ 15,932
Sales taxes	11,029,269	13,316,742	13,685,498	368,756
Franchise taxes	2,272,442	2,252,442	2,324,624	72,182
Business taxes	3,621,646	4,468,646	4,735,887	267,241
Licenses and permits	1,672,030	1,527,030	1,415,856	(111,174)
Charges for services	594,505	775,220	843,084	67,864
Fines and forfeitures	740,000	640,000	712,235	72,235
Intergovernmental	12,500	34,165	13,500	(20,665)
Contributions	-	45,950	15,562	(30,388)
Interest earned	200,240	1,034,540	1,599,905	565,365
Miscellaneous	242,153	381,738	445,435	63,697
Total revenues	37,970,513	41,317,182	42,648,227	1,331,045
Expenditures:				
Current:				
General government:				
Mayor and council	175,499	185,204	158,399	26,805
City manager	845,852	877,145	871,070	6,075
General administration	44,908	81,517	80,928	589
Elections	-	52,174	29,359	22,815
Finance department	847,368	742,368	741,461	907
Legal services	565,000	565,000	555,840	9,160
City clerk	173,568	181,693	153,809	27,884
Information technology	1,600,944	709,371	709,371	-
Human resources	476,347	518,822	452,408	66,414
Risk management	327,645	342,645	343,596	(951)
Public information	458,088	431,800	337,625	94,175
Total general government	5,515,219	4,687,739	4,433,866	253,873
Judicial:				
Municipal court	429,086	401,836	367,675	34,161
Total judicial	429,086	401,836	367,675	34,161
Public safety:				
Police department	7,011,178	6,933,367	6,519,584	413,783
Fire department	9,522,294	9,545,299	9,045,774	499,525
Total public safety	16,533,472	16,478,666	15,565,358	913,308
Public works	3,504,194	3,103,076	3,103,076	-
Culture and recreation:				
Recreation	1,913,818	1,983,701	1,774,738	208,963
Passive parks/greenspace	241,456	241,456	165,675	75,781
Total culture and recreation	2,155,274	2,225,157	1,940,413	284,744
Housing and development:				
Planning and zoning	2,353,698	2,345,298	2,133,595	211,703
Total housing and development	2,353,698	2,345,298	2,133,595	211,703

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Capital outlay	$ -	$ 1,489,412	$ 655,249	$ 834,163
Debt service:				
Principal	-	-	681,614	(681,614)
Interest	-	-	41,545	(41,545)
Total debt service	-	-	723,159	(723,159)
Total expenditures	30,490,943	30,731,184	28,922,391	1,808,793
Excess of revenues over expenditures	7,479,570	10,585,998	13,725,836	3,139,838
Other financing sources (uses):				
Proceeds from the sale of capital assets	20,000	28,354	29,529	1,175
Issuance of SBITA	-	-	655,249	655,249
Transfers in	110,500	1,189,879	1,218,840	28,961
Transfers out	(8,958,451)	(14,675,481)	(14,675,481)	-
Total other financing sources (uses)	(8,827,951)	(13,457,248)	(12,771,863)	685,385
Net change in fund balances	(1,348,381)	(2,871,250)	953,973	3,825,223
Fund balances, beginning of year	13,858,669	13,858,669	13,858,669	-
Fund balances, end of year	$ 12,510,288	$ 10,987,419	$ 14,812,642	$ 3,825,223

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,423,348	$ 1,423,348	$ 1,526,013	$ 102,665
Interest earned	160,000	160,000	163,745	3,745
Total revenues	1,583,348	1,583,348	1,689,758	106,410
Excess of revenues over expenditures	1,583,348	1,583,348	1,689,758	106,410
Other financing uses:				
Transfers out	(1,423,348)	(1,423,348)	(1,526,013)	(102,665)
Total other financing uses	(1,423,348)	(1,423,348)	(1,526,013)	(102,665)
Net change in fund balance	160,000	160,000	163,745	3,745
Fund balances, beginning of year	35,064	35,064	35,064	-
Fund balances, end of year	$ 195,064	$ 195,064	$ 198,809	$ 3,745

CITY OF MILTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

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, 2023, 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.

Opioid Settlement Fund – To account for the restricted funds received from legal settlements related to the nationwide opioid epidemic.

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.

Greenspace Bond Fund – To account for the proceeds of the General Obligation Bonds, Series 2016, issued by the City and the related 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, 2023

ASSETS	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Opioid Settlement Fund	Emergency 911 Fund	Operating Grant Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Revenue Bond Fund	Greenspace Bond Fund	Impact Fees Fund	
Cash	$ 56,867	$ 14,764	$ 81,527	$ 1,639	$ -	$ 410,730	$ -	$ -	$ 523,145	$ 1,088,672
Accounts receivable	-	-	168,386	-	-	-	2,981	22,805	-	194,172
Taxes receivable, net	-	-	-	-	4,506	-	-	12,330	-	16,836
Intergovernmental receivable	-	-	-	-	-	37,546	-	-	-	37,546
Prepaids	-	-	-	-	-	-	-	337,563	-	337,563
Restricted cash and cash equivalents	-	-	-	-	-	-	74,872	5,259,641	-	5,334,513
Total assets	$ 56,867	$ 14,764	$ 249,913	$ 1,639	$ 4,506	$ 448,276	$ 77,853	$ 5,632,339	$ 523,145	$ 7,009,302
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ -	$ -	$ 249,913	$ -	$ -	$ -	$ 65,165	$ 428	$ 7,817	$ 323,323
Due to other funds	-	-	-	-	4,506	-	-	238,184	-	242,690
Total liabilities	-	-	249,913	-	4,506	-	65,165	238,612	7,817	566,013
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues - property taxes	-	-	-	-	-	-	-	10,379	-	10,379
Unavailable revenues - other	-	-	-	-	-	37,546	-	-	-	37,546
Total deferred inflows of resources	-	-	-	-	-	37,546	-	10,379	-	47,925
FUND BALANCES										
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	337,563	-	337,563
Restricted:										
Law enforcement	56,867	-	-	1,639	-	-	-	-	10,341	68,847
Health and welfare	-	14,764	-	-	-	-	-	-	-	14,764
Road and intersection improvements	-	-	-	-	-	-	-	-	328,885	328,885
Park and trail enhancements	-	-	-	-	-	-	-	-	95,663	95,663
Capital projects	-	-	-	-	-	-	12,688	5,045,785	-	5,058,473
General administration	-	-	-	-	-	-	-	-	80,439	80,439
Assigned:										
Capital projects	-	-	-	-	-	410,730	-	-	-	410,730
Total fund balances	56,867	14,764	-	1,639	-	410,730	12,688	5,383,348	515,328	6,395,364
Total liabilities, deferred inflows of resources and fund balances	$ 56,867	$ 14,764	$ 249,913	$ 1,639	$ 4,506	$ 448,276	$ 77,853	$ 5,632,339	$ 523,145	$ 7,009,302

CITY OF MILTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds					Capital Projects Funds				
	Confiscated Assets Fund	Opioid Settlement Fund	Emergency 911 Fund	Operating Grant Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Revenue Bond Fund	Greenspace Bond Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ 64,648	$ -	$ -	$ 1,725,613	$ -	$ 1,790,261
Charges for services	-	-	1,006,102	-	-	-	-	-	830,090	1,836,192
Intergovernmental	-	23,538	-	51,143	-	654,105	-	-	-	728,786
Interest	7	-	-	5	-	53	92,032	222,178	73	314,348
Total revenues	7	23,538	1,006,102	51,148	64,648	654,158	92,032	1,947,791	830,163	4,669,587
EXPENDITURES										
Current:										
Public safety	22,625	8,774	1,006,102	11,400	-	-	-	-	-	1,048,901
Public works	-	-	-	-	-	429,857	-	-	4,317	434,174
Culture and recreation	-	-	-	-	-	216,020	-	-	-	216,020
Capital outlay	-	-	-	-	-	-	2,793,239	353	1,940,419	4,734,011
Debt service:										
Principal	-	-	-	-	-	-	850,000	985,000	-	1,835,000
Interest	-	-	-	-	-	-	799,025	725,681	-	1,524,706
Total expenditures	22,625	8,774	1,006,102	11,400	-	645,877	4,442,264	1,711,034	1,944,736	9,792,812
Excess (deficiency) of revenues over expenditures	(22,618)	14,764	-	39,748	64,648	8,281	(4,350,232)	236,757	(1,114,573)	(5,123,225)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	6,000	1,649,025	-	-	1,655,025
Transfers out	-	-	-	(103,479)	(64,648)	-	-	-	(34,744)	(202,871)
Total other financing sources (uses)	-	-	-	(103,479)	(64,648)	6,000	1,649,025	-	(34,744)	1,452,154
Net change in fund balances	(22,618)	14,764	-	(63,731)	-	14,281	(2,701,207)	236,757	(1,149,317)	(3,671,071)
FUND BALANCES, beginning of year	79,485	-	-	65,370	-	396,449	2,713,895	5,146,591	1,664,645	10,066,435
FUND BALANCES, end of year	$ 56,867	$ 14,764	$ -	$ 1,639	$ -	$ 410,730	$ 12,688	$ 5,383,348	$ 515,328	$ 6,395,364

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest	$ -	$ -	$ 7	$ 7
Total revenues	-	-	7	7
Expenditures:				
Public safety	29,209	29,209	22,625	6,584
Total expenditures	29,209	29,209	22,625	6,584
Net change in fund balances	(29,209)	(29,209)	(22,618)	6,591
Fund balances, beginning of year	79,485	79,485	79,485	-
Fund balances, end of year	$ 50,276	$ 50,276	$ 56,867	$ 6,591

CITY OF MILTON, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 21,665	$ 21,665	$ 23,538	$ 1,873
Total revenues	21,665	21,665	23,538	1,873
Expenditures:				
Public safety	21,665	21,665	8,774	12,891
Total expenditures	21,665	21,665	8,774	12,891
Net change in fund balances	-	-	14,764	14,764
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 14,764	$ 14,764

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 1,200,000	$ 1,200,000	$ 1,006,102	$ (193,898)
Total revenues	1,200,000	1,200,000	1,006,102	(193,898)
Expenditures:				
Public safety	1,200,000	1,200,000	1,006,102	193,898
Total expenditures	1,200,000	1,200,000	1,006,102	193,898
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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 51,143	$ 51,143	$ 51,143	$ -
Interest	-	-	5	5
Total revenues	51,143	51,143	51,148	5
Expenditures:				
Public safety	11,400	11,400	11,400	-
Total expenditures	11,400	11,400	11,400	-
Excess of revenues over expenditures	39,743	39,743	39,748	5
Other financing uses:				
Transfers out	(103,479)	(103,479)	(103,479)	-
Total other financing uses	(103,479)	(103,479)	(103,479)	-
Net change in fund balances	(63,736)	(63,736)	(63,731)	5
Fund balances, beginning of year	65,370	65,370	65,370	-
Fund balances, end of year	$ 1,634	$ 1,634	$ 1,639	$ 5

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 55,000	$ 65,000	$ 64,648	$ (352)
Total revenues	55,000	65,000	64,648	(352)
Other financing uses:				
Transfers out	(55,000)	(65,000)	(64,648)	352
Total other financing uses	(55,000)	(65,000)	(64,648)	352
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, 2023

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	$ 4,234,336	$ 1,168,595	$ 5,402,931	46.78 %
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	8,134,830	1,437,756	9,572,586	56.64 %
Birmingham Road Middle Bridge	1,610,000	1,610,000	106,449	67,264	173,713	10.79 %
Pedestrian Improvements	3,372,490	3,372,490	908,793	712,031	1,620,824	48.06 %
TSPLOST TIER 2						
Bethany Road at Providence Road Intersection Improvements, Freemanville Road at Redd Road Intersection Improvements	3,445,145	528,345	172,262	192,020 (1)	364,282	68.95 %
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	$ 13,556,670	$ 3,577,666	$ 17,134,336	
				$ 3,577,666		
				306,321 (2)		
			Total TSPLOST expenditures	$ 3,883,987		

(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) - Fulton County and other County municipalities have provided funding to support shared improvement project costs in the amount of $306,321 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, 2023

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
TSPLOST TIER 1						
Operations and Safety	$ 11,000,000	$ 11,000,000	$ -	$ 214,282	$ 214,282	1.95 %
Pedestrian/Bike Improvements	6,000,000	6,000,000	12,403	96,256	108,659	1.81 %
Bridges	4,000,000	4,000,000	-	37,400	37,400	0.94 %
Maintenance and Safety	8,000,000	8,000,000	-	43,880	43,880	0.55 %
Quick Response	1,000,000	1,000,000	-	-	-	0.00 %
Program Management	657,809	657,809	-	133,304	133,304	20.26 %
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	$ 525,122	$ 537,525	

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)

	2023	2022	2021	2020
Primary government:				
Net investment in capital assets	$ 111,683,813	$ 99,168,375	$ 91,930,919	$ 84,118,811
Restricted for law enforcement	68,847	144,855	102,332	99,835
Restricted for health and welfare	14,764 (3)	-	-	-
Restricted for fire facilities	-	-	403,966	314,357
Restricted for intersection improvements	32,573,312	26,333,414	21,047,678	17,784,583
Restricted for park and trail enhancements	95,663	1,299,141	3,195,715	1,836,522
Restricted for emergency 911 services	-	-	-	-
Restricted for general administration	80,439	95,095	77,252	49,123
Restricted for capital projects	-	-	-	-
Restricted for federal programs	198,809	35,064	176	-
Unrestricted	19,731,464 (4)	48,134,192	29,178,813	24,838,051
Total primary government net position	$ 164,447,111	$ 175,210,136	$ 145,936,851	$ 129,041,282

(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.
(3) Newly reported restriction is due to collection of opioid settlement funds.
(4) Decrease attributable to accrual for litigation liability.

2019	2018	2017	2016	2015	2014
$ 80,745,558	$ 72,722,062	$ 69,411,003	$ 64,343,200	$ 55,192,124	$ 52,108,868
155,178	129,305	152,198	130,265	202,497	163,191
-	-	-	-	-	-
253,633	210,654	92,926	82,142 (1)	-	-
14,163,212	8,684,559	3,447,341	16,095 (1)	-	-
2,492,082	1,565,418	802,887	671,394 (1)	-	-
-	-	-	3	67,349	481,669
33,331	2,980	-	-	-	-
-	39,315	-	-	-	-
-	-	-	-	-	-
17,142,141	15,856,331	12,522,984	11,380,667 (2)	24,709,939	20,489,814
$ 114,985,135	$ 99,210,624	$ 86,429,339	$ 76,623,766	$ 80,171,909	$ 73,243,542

CITY OF MILTON, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2023	2022	2021	2020
Expenses				
General government	$ 5,604,435	$ 6,478,807 (6)	$ 2,399,187	$ 3,194,222
Judicial	448,865	445,751	449,656	467,942
Public safety	16,784,600	16,467,302	14,890,233	14,304,063
Public works	10,250,316 (8)	4,871,921	9,753,321 (5)	5,019,146
Culture and recreation	4,948	3,419,045	3,292,831	3,781,670
Housing and development	3,135,329	1,797,021	1,883,006	1,812,726
Interest on long-term debt	1,159,679	1,187,487	1,253,596	1,366,516
Total expenses	$ 37,388,172	$ 34,667,334	$ 33,921,830	$ 29,946,285
Program revenues				
Charges for services:				
General government	$ 860,589	$ 854,663	$ 666,516	$ 471,818
Judicial	712,235	643,863	502,864	284,382
Public safety	1,887,754	2,078,406	2,428,863	2,149,075
Public works	12,849	68,529	193,269	205,205
Culture and recreation	127,207	184,752	211,336	231,781
Housing and development	1,158,236	1,582,648	923,342	395,605
Operating grants and contributions	1,578,613	11,691,229 (7)	1,661,366	38,632
Capital grants and contributions	9,898,762	8,484,510	9,738,779	8,306,030
Total program revenues	$ 16,236,245	$ 25,588,600	$ 16,326,335	$ 12,082,528
Net expense	$ (21,151,927)	$ (9,078,734)	$ (17,595,495)	$ (17,863,757)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	$ 18,570,926	$ 18,060,795	$ 17,481,251	$ 16,159,692
Sales taxes	13,685,498	12,409,149	10,561,589	9,221,508
Other taxes	7,275,267	6,986,090	6,179,936	5,882,679
Unrestricted investment earnings	2,961,726	416,786	26,010	479,474
Miscellaneous revenues	445,485	479,199	242,278	176,551
Gain on sale of capital assets	-	-	-	-
Extraordinary item	(32,550,000) (9)	-	-	-
Total	$ 10,388,902	$ 38,352,019	$ 34,491,064	$ 31,919,904
Change in Net Position	$ (10,763,025)	$ 29,273,285	$ 16,895,569	$ 14,056,147

(1) Increases are attributable to GDOT grants received for intersection improvements.
(2) Increase is due to the City's new bonds (Revenue Bonds in 2016; General Obligation Greenspace Bond in 2017).
(3) Increase is due to the first full year of collections of TSPLOST revenues.
(4) Increase is due to an increase in assessed real and personal tax values.
(5) Increase is due to general increase in TSPLOST project activity as well as large paving project performed in 2021.
(6) Increase is attributable to various capital asset disposals in 2022.
(7) Increase is attributable to American Rescue Plan (ARP) grant revenue.
(8) Increase is attributable to increased capital project and TSPLOST activity.
(9) The infrequent and unusual nature of the litigation ruling and magnitude of contingent liability resulted in reporting an extraordinary item in 2023.

2019	2018	2017	2016	2015	2014
$ 3,894,038	$ 3,997,068	$ 4,170,454	$ 3,968,796	$ 5,217,801	$ 3,182,969
420,623	415,488	281,485	274,716	264,812	246,269
12,318,540	12,561,228	12,004,373	11,443,382	11,892,288	9,823,388
6,621,990	5,227,627	3,175,710	5,028,701	4,148,056	6,837,286
2,104,060	2,031,619	2,337,624	1,827,479	1,721,516	861,022
1,498,236	1,452,928	1,148,734	780,282	811,019	1,119,567
941,731	1,028,911 (2)	585,362 (2)	350,429 (2)	91,967	4,922
$ 27,799,218	$ 26,714,869	$ 23,703,742	$ 23,673,785	$ 24,147,459	$ 22,075,423
$ 559,413	$ 451,519	$ 664,948	$ 562,416	$ 571,413	$ 658,812
432,196	411,582	472,717	508,130	565,331	582,169
2,317,291	2,074,059	2,236,359	1,939,929	1,007,228	973,693
109,758	137,889	237,089	242,835	387,487	222,316
106,273	132,402	77,274	122,220	52,737	75,037
516,686	452,200	449,848	628,511	757,319	776,582
41,479	84,983	61,885	38,380	14,530	55,443
7,423,743	7,397,589 (3)	3,503,628	1,025,050	2,881,702 (1)	1,369,385
$ 11,506,839	$ 11,142,223	$ 7,703,748	$ 5,067,471	$ 6,237,747	$ 4,713,437
$ (16,292,379)	$ (15,572,646)	$ (15,999,994)	$ (18,606,314)	$ (17,909,712)	$ (17,361,986)
$ 15,004,421 (4)	$ 12,640,472	$ 11,531,051	$ 11,778,279	$ 11,665,484	$ 10,352,473
10,041,779	9,395,425	8,925,207	8,827,604	8,700,581	8,019,028
5,799,663	5,615,462	5,130,291	4,874,826	4,709,152	4,589,903
956,696	506,524	127,871	49,473	32,197	24,832
212,228	164,808	91,147	119,195	214,624	51,586
52,103	31,240	-	-	-	16,761
-	-	-	-	-	-
$ 32,066,890	$ 28,353,931	$ 25,805,567	$ 25,649,377	$ 25,322,038	$ 23,054,583
$ 15,774,511	$ 12,781,285	$ 9,805,573	$ 7,043,063	$ 7,412,326	$ 5,692,597

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
2014	$ 10,352,473	$ 8,019,028	$ 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 (1)	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
2023	18,570,926	13,685,498	64,648	2,474,732	4,735,887	39,531,691

(1) 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)

	2023	2022	2021	2020
General Fund				
Nonspendable (prepaids and lease receivable)	$ 689,952	$ 851,652	$ 710,805	$ 535,746
Assigned	-	1,295,035	1,052,886	1,628,677
Unassigned	14,122,690	11,711,982	10,752,832	11,017,622
Total general fund	$ 14,812,642	$ 13,858,669	$ 12,516,523	$ 13,182,045
All Other Governmental Funds				
Nonspendable - prepaids	$ 1,069,563	$ 1,537,888	$ 1,562,622	$ 588,468
Restricted - health and welfare	14,764	-	-	-
Restricted - law enforcement	68,847	144,855	101,365	99,835
Restricted - fire facilities	-	-	403,966	314,357
Restricted - intersection improvements	32,257,584	26,140,377	20,699,556	17,784,583
Restricted - park and trail enhancements	95,663	1,299,141	3,195,715	1,836,522
Restricted - general administration	80,439	95,095	77,252	49,123
Restricted - emergency 911 services	-	-	-	-
Restricted - capital projects	5,058,473	7,498,298	8,478,503	8,824,451
Restricted - federal programs	198,809	35,064	176	-
Assigned - capital projects	39,152,674	35,412,256 (4)	16,883,913	12,834,539
Unassigned	-	-	(249,661)	-
Total all other governmental funds	$ 77,996,816	$ 72,162,974	$ 51,153,407	$ 42,331,878

(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.

2019	2018	2017	2016	2015	2014
$ 1,055,070	$ 708,884	$ 591,974	$ 444,032	$ 401,096	$ 247,208
1,640,430	715,635	-	-	5,199,048	4,278,690
7,871,084	8,904,557	2,777,080	(3,197,092) (2)	4,511,805	6,316,137
$ 10,566,584	$ 10,329,076	$ 3,369,054	$ (2,753,060)	$ 10,111,949	$ 10,842,035
$ 1,550,921	$ 449,688	$ 292,304	$ -	$ -	$ -
-	-	-	-	-	-
154,195	129,305	152,198	130,265	202,497	163,191
253,633	210,654	92,926	82,142 (1)	-	-
14,115,969	8,684,559	3,447,341	16,095 (1)	-	-
2,492,082	1,565,418	802,887	671,394 (1)	-	-
33,331	2,980	-	-	-	-
-	-	-	3	62,719	479,272
7,107,170	20,411,299	24,785,560 (3)	-	-	-
-	-	-	-	-	-
8,262,707	7,835,618	10,911,598	15,359,556	15,333,498	9,351,597
(1,546,652)	-	-	-	(2,082,969)	-
$ 32,423,356	$ 39,289,521	$ 40,484,814	$ 16,259,455	$ 13,515,745	$ 9,994,060

CITY OF MILTON, GEORGIA

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

	2023	2022	2021	2020	2019
Revenues					
Taxes	$ 39,543,019	$ 37,396,697	$ 34,221,553	$ 31,322,509	$ 30,824,036
Licenses and permits	1,415,856	1,783,318	1,136,559	567,765	700,580
Intergovernmental	11,637,358	20,612,001 (3)	9,844,341	6,953,713	7,599,533
Charges for services	2,753,471	2,928,581	3,088,902	2,543,907	2,817,577
Fines and forfeitures	712,235	643,863	502,864	310,114	448,244
Contributions	15,562	26,621	2,892	32,402	25,157
Interest earned	2,961,726	416,786	26,010	479,474	956,696
Miscellaneous	445,485	479,199	242,278	176,551	212,228
Total revenues	59,484,712	64,287,066	49,065,399	42,386,435	43,584,051
Expenditures					
Current:					
General government	4,504,914	4,651,973	4,163,296	3,905,514	3,781,995
Judicial	367,675	371,667	370,242	458,499	428,571
Public safety	17,656,222	15,562,304	13,678,570	13,463,420	12,411,953
Public works	10,882,666	6,440,875	14,335,310 (2)	5,601,369	7,232,342
Culture and recreation	2,156,433	1,818,274	1,903,960	1,621,664	1,498,976
Housing and development	2,221,331	1,759,217	1,869,053	1,844,546	1,514,934
Capital outlay	11,596,206	8,095,523	1,293,100	18,865,179	20,617,186
Debt service:					
Principal	2,516,614	1,750,000	1,665,000	1,206,760	1,771,394
Interest	1,566,251	1,613,206	1,697,456	1,397,326	1,151,028
Issuance costs	-	-	-	502,903	-
Total expenditures	53,468,312	42,063,039	40,975,987	48,867,180	50,408,379
Excess (deficiency) of revenues over expenditures	6,016,400	22,224,027	8,089,412	(6,480,745)	(6,824,328)
Other Financing Sources (Uses)					
Issuance of long term debt	655,249	-	-	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	116,166	127,686	66,595	22,692	168,100
Insurance recoveries	-	-	-	-	27,571
Transfers in	16,923,411	34,037,967	18,725,385	7,671,144	9,045,265
Transfers out	(16,923,411)	(34,037,967)	(18,725,385)	(7,671,144)	(9,045,265)
Total other financing sources (uses)	771,415	127,686	66,595	19,004,728	195,671
Net change in fund balances	$ 6,787,815	$ 22,351,713	$ 8,156,007	$ 12,523,983	$ (6,628,657)
Debt service as a percentage of noncapital expenditures	11.7%	10.4%	10.4%	9.3%	10.6% (1)

(1) 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.
(2) The increase is due to general increase in TSPLOST project activity as well as large paving project performed in 2021.
(3) The increase is due to American Rescue Plan (ARP) grant funding in 2022.

2018	2017	2016	2015	2014
$ 27,651,993	$ 25,574,393	$ 25,369,042	$ 24,866,343	$ 22,954,041
628,090	616,148	784,946	911,175	924,864
7,152,012	3,587,194	2,630,337	1,069,828	426,598
2,718,438	2,945,872	2,624,623	1,802,052	1,735,785
422,670	494,891	560,305	621,737	630,814
47,363	40,281	21,725	114,530	33,732
506,524	127,871	49,473	32,197	24,832
164,808	91,147	119,195	214,624	51,586
39,291,898	33,477,797	32,159,646	29,632,486	26,782,252
3,720,541	3,948,213	3,665,105	3,813,711	4,154,897
411,698	279,811	275,541	269,768	254,698
11,910,598	11,136,499	10,656,256	11,580,507	10,026,959
5,600,294	2,617,819	5,664,758	7,430,685	6,401,823
1,397,855	1,470,156	2,017,771	9,993,915	1,815,176
1,440,247	1,134,524	785,949	820,585	1,116,483
7,131,436	6,362,409	9,449,319	1,758,152	2,189,477
928,010	897,038	152,767	320,081	83,698
1,017,730	317,454	221,706	80,951	7,070
-	356,322	-	-	-
33,558,409	28,520,245	32,889,172	36,068,355	26,050,281
5,733,489	4,957,552	(729,526)	(6,435,869)	731,971
-	23,495,000	689,868	8,910,132	-
-	-	-	-	-
-	-	-	-	-
-	1,881,842	-	-	-
31,240	13,079	5,313	30,416	16,761
-	-	-	-	-
3,398,903	4,931,858	(33,585,858)	(11,349,902)	(8,380,468)
(3,398,903)	(4,931,858)	33,585,858	11,349,902	8,380,468
31,240	25,389,921	695,181	8,940,548	16,761
$ 5,764,729	$ 30,347,473	$ (34,345)	$ 2,504,679	$ 748,732
6.8% (1)	5.6% (1)	1.8%	1.9%	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
2014	$ 10,345,110	$ 8,019,028	$ 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 (1)	9,395,425	78,498	2,349,574	3,187,390	27,651,993
2019	14,982,594 (1)	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
2023	18,582,254	13,685,498	64,648	2,474,732	4,735,887	39,543,019

(1) 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
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	20,065,647 (4)	19,364,570	46,540,440
2020	2,675,108,220	6,482,530	377,626,900	21,437,889 (4)	10,894,780	43,773,680
2021	2,860,132,920	4,652,220	381,248,960	21,095,172 (4)	10,894,780	45,321,640
2022	3,386,398,870	6,204,550	400,244,200	25,646,049	9,346,640	40,130,590

Source: Fulton County Tax Commissioner.

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).

(4) The City revised the reported figures for 2019 - 2021.

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
$ 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)	2,593,540,995	5.319	7,718,071,443	40%
471,697,815		2,663,626,184	5.269	7,838,309,998	40%
368,835,000		2,959,061,569	5.218	8,319,741,423	40%
540,727,893		3,327,243,006	4.392	9,669,927,248	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
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
2022	4.469	0.452	4.921	8.870	0.200	9.070	17.240	-	17.240	0.000	31.231

Source: Fulton County Tax Commissioner

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, 2023
CURRENT AND NINE YEARS AGO

	2023			2014		
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	$ 41,065,040	1	1.39 %			
IMT Capital III Deerfield LLC	34,721,840	2	1.17			
Thirteen Five Sixty Morris Road Office Investors LLC	29,162,110	3	0.99	$ 15,108,540	3	0.74 %
North Park Estates LLC	28,740,320	4	0.97			
IMT Capital IV Stoneleigh at D LLC	22,080,320	5	0.75			
Deerfield CC Delaware LLC	20,815,680	6	0.70			
CSP Community Owner LLC	19,280,000	7	0.65	12,562,680	6	0.62
Cellco Partnership	14,800,000	8	0.50	14,560,440	4	0.72
WB Holdings Deerfielf Place LL	11,741,360	9	0.40			
Perry Development Group LLC	9,699,640	10	0.33			
Orion Milton Associates LLC				20,818,200	1	1.02
Atlanta Preserve LLC				20,473,880	2	1.01
Atlanta Preserve II LLC				6,767,480	8	0.33
Scott H Lee TR				6,640,880	9	0.33
Deerfield Two Owner Corp				6,328,220	10	0.31
North Park GA LLC				12,407,080	7	0.61
TR Deerfield I LLC				13,440,000	5	0.66
Totals	$ 232,106,310		7.84 %	$ 129,107,400		6.36 %

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
2014	$ 8,818,227	$ 117,171	$ 8,935,398	$ 8,579,383	97.3 %	$ 354,898	$ 8,934,281	100.0 %
2015	9,845,651	29,000	9,874,651	9,545,176	96.9	328,154	9,873,330	100.0
2016	10,393,680	(43,996)	10,349,684	9,893,308	95.2	455,115	10,348,423	100.0
2017 (1)	10,393,680	(43,996)	10,349,684	9,893,308	95.2	455,115	10,348,423	100.0
2018	11,414,221	(14,911)	11,399,310	11,388,963	99.8	8,710	11,397,673	100.0
2019	13,613,210	5,005	13,618,215	13,509,728	99.2	104,211	13,613,939	100.0
2020	13,810,744	2,006	13,812,750	13,762,150	99.6	45,248	13,807,398	100.0
2021	14,086,228	(1,631)	14,084,597	14,037,365	99.7	46,021	14,083,386	100.0
2022	14,764,668	6,661	14,771,329	14,630,345	99.1	104,428	14,734,773	99.8
2023	15,532,997	-	15,532,997	15,438,172	99.4	-	15,438,172	99.4

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	Subscription Liability	Claim Liability	Financed Purchases Payable			
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	1,771,019	-	-	47,502,458	1.61	1,151.32
2023	23,563,492	19,965,166	1,744,654	32,550,000	-	77,823,312	2.73	1,884.52

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

CITY OF MILTON, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Set Aside for Repayment of Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	$ -	$ -	$ -	0.00%	$ -
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	25,376,842	-	25,376,842	0.40%	654,532
2018	25,235,588	-	25,235,588	0.40%	646,735
2019	24,252,033	-	24,252,033	0.34%	611,298
2020	23,231,294	-	23,231,294	0.30%	580,782
2021	22,178,804	-	22,178,804	0.28%	537,069
2022	21,089,950	-	21,089,950	0.25%	511,160
2023	19,965,166	-	19,965,166	0.21%	483,465

(1) See the Schedule of Assessed Value and Estimated Actual Value - All Taxable Property for property value data.

(2) See the Demographic and Economic Statistics for population data.

CITY OF MILTON, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct Debt:			
Revenue Bonds	$ 23,563,492	100.00 %	$ 23,563,492
GO (Greenspace) Bonds	19,965,166	100.00	19,965,166
Total direct debt	43,528,658		43,528,658
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	$ 272,146,287		$ 52,890,554

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, 2023

	Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017
Assessed value of all taxable property	$ 3,867,970,899	$ 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	386,797,090	332,789,657	313,498,128	308,859,769	288,670,684	252,177,986	250,736,347
Total net debt applicable to limit	19,010,000	19,995,000	20,935,000	21,830,000	22,685,000	23,495,000	23,495,000
Legal debt margin	$ 367,787,090	$ 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	4.91%	6.01%	6.68%	7.07%	7.86%	9.32%	9.37%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	$ 3,327,243,006
Add back: exempt real property	540,727,893
Total assessed value	3,867,970,899
Debt limit: 10% of total assessed value	386,797,090
Debt applicable to limit	
General Obligation Bond	19,010,000
Less: Amount set aside for repayment of general obligation bond	-
Total net debt applicable to limit	19,010,000
Legal debt margin	$ 367,787,090

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
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
2023	41,296	2,852,026	69,063	39.2	11,522	2.1

(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

	2023			2014		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fulton County Schools	893	1	14.9 %	979	2	13.4 %
Infor (US) Inc	312	2	5.2	271	5	3.7
Walmart	267	3	4.4	278	4	3.8
Home Depot	219	4	3.6			
Target	213	5	3.5	128	9	1.8
Publix	190	6	3.2			
City of Milton	184	7	3.1			
Country Financial	155	8	2.6	200	8	2.7
Intelligrated Systems, LLC	129	9	2.1			
Chick-Fil-A	100	10	1.7			
Verizon				1711	1	23.4
Philips North America LLC				550	3	7.5
Outcomes Health Information Solutions				201	6	2.8
Fry's Electronics				200	7	2.7
Citrix				125	10	1.7
Totals	2,662		44.3 %	4,643		63.6 %

(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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function										
General Government										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Manager	4	4	4	3	3	4	4	4	4	3
City Clerk	1	1	1.5	2	2	2	2	2	2	2
Operations	13	11	12.5	13	13	10	10	10	11	9
Judicial	3	3	3	4	4	4	4	4	4	4
Public Safety										
Administration	12	12	12	12	9	8	8	8	5	5
Police	41	41	37	37	35	37	36	35	35	29
Fire	59	59	56	55	56	55	55	53	58	57
Civilians	7	7	6	6	6	5	4	5	6	4
Public Works										
Admin & Engineering	7	7	5	5	5	5	5	5	4	4
Highways & Streets	4.5	4.5	3	3	3	4	5	5	5	3
Culture & Recreation	5.5	4.5	4	3	2	2	2	2	2	2
Community Development	20	18	17	12	11	10	6	6	6	10
Total	184	179	168	162	156	153	148	146	149	139

Source: City of Milton Human Resources Department

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Number of property tax accounts:										
Real property	13,976	13,884	13,883	13,704	13,643	13,429	13,235	13,235	12,806	12,474
Personal property	677	682	680	686	692	768	768	768	498	474
Public utility	11	11	11	12	10	8	8	9	7	7
City Clerk										
Ordinances adopted	19	27	33	49	25	51	40	27	36	39
Resolutions adopted	35	124	28	48	26	44	57	35	36	44
Council Meetings (Reg/Work Sessions/Special Called)	33	39	34	37	37	40	30	43	39	40
Council Meeting Minutes (Pages) (6)	-	-	-	1,089	425	480	463	728	722	754
Total Hours of Council Meetings	92	89	87	66	91	55	64	92	77	64
Judicial										
Cases processed	5,309	4,754	4,286	2,438	3,244	3,654	3,545	4,434	4,548	5,947
Cases closed	5,208	5,263	4,106	2,227	3,566	3,760	3,914	4,371	5,397	6,037
Non-jury trials	41	27	38	73	48	116	311	282	252	203
Warrants issued	43	-	16	11	39	50	76	81	112	98
Police (1)										
Calls for service	7,441	7,145	6,631	6,228	7,518	7,874	7,554	7,764	9,000	6,775
Alarms	689	845	496	1,279	1,642	1,752	1,715	1,723	2,115	1,558
Accidents	650	634	569	436	665	738	692	733	663	611
Traffic stops	10,507	8,552	8,240	7,094	7,254	7,492	7,454	7,608	7,874	7,776
Warnings issued	6,678	4,793	4,081	4,218	3,387	3,614	2,803	1,837	4,345	3,490
Citations issued	5,554	5,413	4,033	2,438	2,914	3,725	3,663	4,434	5,321	5,914
DUIs	52	34	52	41	42	41	75	92	56	87
Traffic arrests	330	10	108	199	152	188	275	356	258	295
Fire										
Number of preplans completed	426	480	534	436	418	416	404	404	517	693
Hours of Training	16,845	13,435	16,995	13,406	15,184	18,836	12,914	14,425	20,439	15,614
Fire calls	63	60	92	67	59	89	124	96	90	113
Rescue/EMS calls	2,020	1,762	1,548	1,127	1,108	1,233	1,146	1,092	1,218	1,166
Overpressure/Explosion	1	4.00	1.00	3.00	-	5	4	1	2	1
Hazardous Conditions	94	80	121	94	81	91	79	85	84	77
Service Call	437	421	381	284	244	384	318	302	304	310
Good Intent Call	678	592	868	1,080	712	664	570	560	385	370
False Alarm	460	418	373	266	242	277	243	239	264	256
Severe Weather	10	6	50	3	6	7	11	14	3	5
Special Incident (other)	6	4	9	3	215	9	14	6	19	10
Community education in hours	256	146	457	922	1,764	484	519	685	466	412
Average response time	7:20	7:10	7:12	7:06	7:06	6:44	6:21	6:11	6:01	6:04
Safety Issues (5)	N/A	N/A	NA	NA	NA	NA	115	-	187	210
Inspections (5)	1,095	1,158	1,049	886	808	822	637	642	-	-
Plan Review (5)	291	308	152	85	175	137	142	109	-	-
Hydrants Inspected	2,979	2,958	3,010	3,140	2,863	2,582	2,525	2,446	2,348	1,764
Investigations	7	5	6	11	5	18	19	17	19	14
Public Works										
Work requests	1,268	1,461	1,568	1,336	1,198	988	1,161	1,279	1,915	2,123
Potholes repaired (2)	145	141	178	300	240	284	150	140	122	111
Shoulder restoration (2)	15	33	42	70	72	65	38	64	31	52
Sign maintenance (2)	173	274	197	259	62	71	210	115	168	242
New sign installation (2)	69	38	49	44	68	52	40	61	72	108
Stormwater maintenance calls (2)	83	154	151	116	61	108	30	29	56	23
Traffic signal preventative maintenance (2)	16	16	16	15	21	20	8	12	17	18
Signal maintenance (2)	50	17	8	12	13	20	16	115	15	24
Pavement condition index (2)	70	71	70	69	69	71	71	71	71	71

Continued

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Culture and Recreation										
Number of annual city-sponsored events	22	20	25	28	28	27	28	28	28	15
Crabapple Fest attendance (4) (7)	34,000	35,000	-	35,000	35,000	35,000	34,250	40,320	8,500	30,000
Number of programs (2)	84	54	60	43	43	41	33	32	38	48
Attendance for recreation programs not including baseball (2)	4,589	3,344	2,746	1,733	2,203	1,823	1,829	2,105	1,587	2,157
Participants in youth baseball (3)	1,811	1,693	1,433	728	1,047	917	818	497	270	569
Housing and Development										
Business licenses issued	910	825	872	890	1,228	1,175	1,088	1,017	944	998
Planning & Zoning										
Zoning certification letters	15	14	19	16	17	7	13	15	21	16
Zoning modifications processed	1	-	-	2	3	1	3	1	1	6
Special use permits processed	3	2	3	2	1	6	1	2	5	8
Text amendments	6	20	4	19	1	15	16	12	18	18
Rezoning requests processed	-	-	3	-	2	1	1	4	4	8
Variances processed	19	32	35	16	13	25	23	16	33	26
Land disturbance permits	21	15	11	13	52	44	60	65	45	60
Final plats/minor plats signed	19	34	33	13	28	23	30	30	37	46
Development inspections	4,586	5,401	8,730	7,505	4,758	2,031	2,759	2,817	2,751	2,840
Building Inspections										
Building permits issued	1,334	2,023	2,168	2,017	1,380	1,499	1,747	1,679	1,452	1,022
Certificates of occupancy issued	175	203	127	160	188	196	244	385	347	405
Sign permits issued	83	66	60	74	86	119	68	80	90	77
Code Enforcement										
Code enforcement inspection	1,151	1,094	997	722	803	878	984	964	901	775
Notice of violations issued	239	165	145	136	121	101	129	132	6	371
Citations issued	16	12	9	2	12	7	13	4	6	2
Follow up Inspections	619	632	505	478	630	791	837	850	845	398
Sign sweeps	44	36	24	28	22	16	21	8	18	6

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function/Program										
General government										
Vehicles	1	1	1	2	2	2	2	2	2	1
Police										
Vehicles	61	61	50	51	51	48	52	51	46	43
Fire										
Vehicles	26	26	25	19	19	18	18	17	15	14
Stations	4	4	4	3	3	3	3	3	3	3
Tornado Siren	11	11	11	11	11	11	10	10	9	-
Public Works										
Streets (miles)	180	180	187	187	187	180	180	180	158	158
Bridges	36	36	36	35	35	34	34	34	31	31
Traffic signals	16	16	16	15	15	16	16	16	11	11
Flashing beacons	9	9	9	9	9	9	9	9	9	9
Vehicles	7	8	7	7	7	6	6	5	7	3
Culture and Recreation										
Park acreage	780	708	701	668	688	439	296	292	251	203
Recreational facilities	7	8	6	5	5	5	5	5	5	4
Parks (1)	9	8	8	6	6	6	4	4	3	3
Playgrounds (1)	3	3	3	3	3	3	3	2	-	-
Athletic fields	9	9	9	6	6	6	6	6	6	4
Vehicles	2	2	2	2	2	2	2	2	1	-
Housing and Development										
Vehicles	7	6	3	1	1	1	2	2	2	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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Milton, Georgia (the "City") as of and for the year ended September 30, 2023, 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 22, 2024. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-based Information Technology Arrangements*.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

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 22, 2024

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, 2023. 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, 2023.

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 22, 2024

CITY OF MILTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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	$ 95,000
Total U.S. Department of Interior			95,000
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation			
Big Creek Greenway	20.205	PI # 15078	27,546
Total U.S. Department of Transportation			27,546
U.S. DEPARTMENT OF JUSTICE			
Passed through the Criminal Justice Coordinating Council			
Bulletproof Vest Partnership Program	16.607	VUSERXJ12LD5	10,335
Total U.S. Department of Justice			10,335
U.S. DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	GA - 0013315	1,526,013
Total U.S. Department of the Treasury			1,526,013
Total Expenditures of Federal Awards			$ 1,658,894

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, 2023

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?	____ yes __X__ no
Significant deficiencies identified?	__X__ yes ____ 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

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 Accounts Payable

Criteria: Internal controls should be in place to ensure accounts payable is properly reported in the financial statements and in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of accounts payable within the City's TSPLOST Fund.

Context/Cause: During our search for unrecorded liabilities, we noted a disbursement in the amount of $31,043 that was paid in October 2023. We reviewed the associated invoice for this check and noted the invoice and service date was prior to September 30, 2023. We reviewed the accounts payable detail and noted that payment was not accrued at year end. An audit entry in the amount of $31,043 was required to accrue the invoice at September 30, 2023.

Effects: An audit adjustment was required to correctly report the City's accounts payable within its TSPLOST Fund and related expenditure as of and for the year ended September 30, 2023.

Recommendation: We recommend the City perform financial close out procedures to carefully review checks paid after the fiscal year end to ensure proper cutoff of accounts payable.

Auditee's Response: We agree with the finding. During the course of implementing a new rollover process for purchase orders, invoices attached to certain purchase orders could not be accrued automatically through the system and had to be manually posted to the prior fiscal year. Working with the software company, staff found the error in the process and this manual workaround will not occur in future fiscal years.

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF MILTON, GEORGIA
STATUS OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2023

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

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 Statement No. 87"), was required to be implemented.

Condition: 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 Statement No. 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 Statement No. 87, nor had the City recorded the required adjustments to the City's financial statements.

Status: Resolved in current fiscal year.

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

2023-001 Accounts Payable

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

Corrective Action Plan: The City has identified the issue in a new software process, and this will not occur in future fiscal years.

Anticipated Completion Date: 9/30/2024.