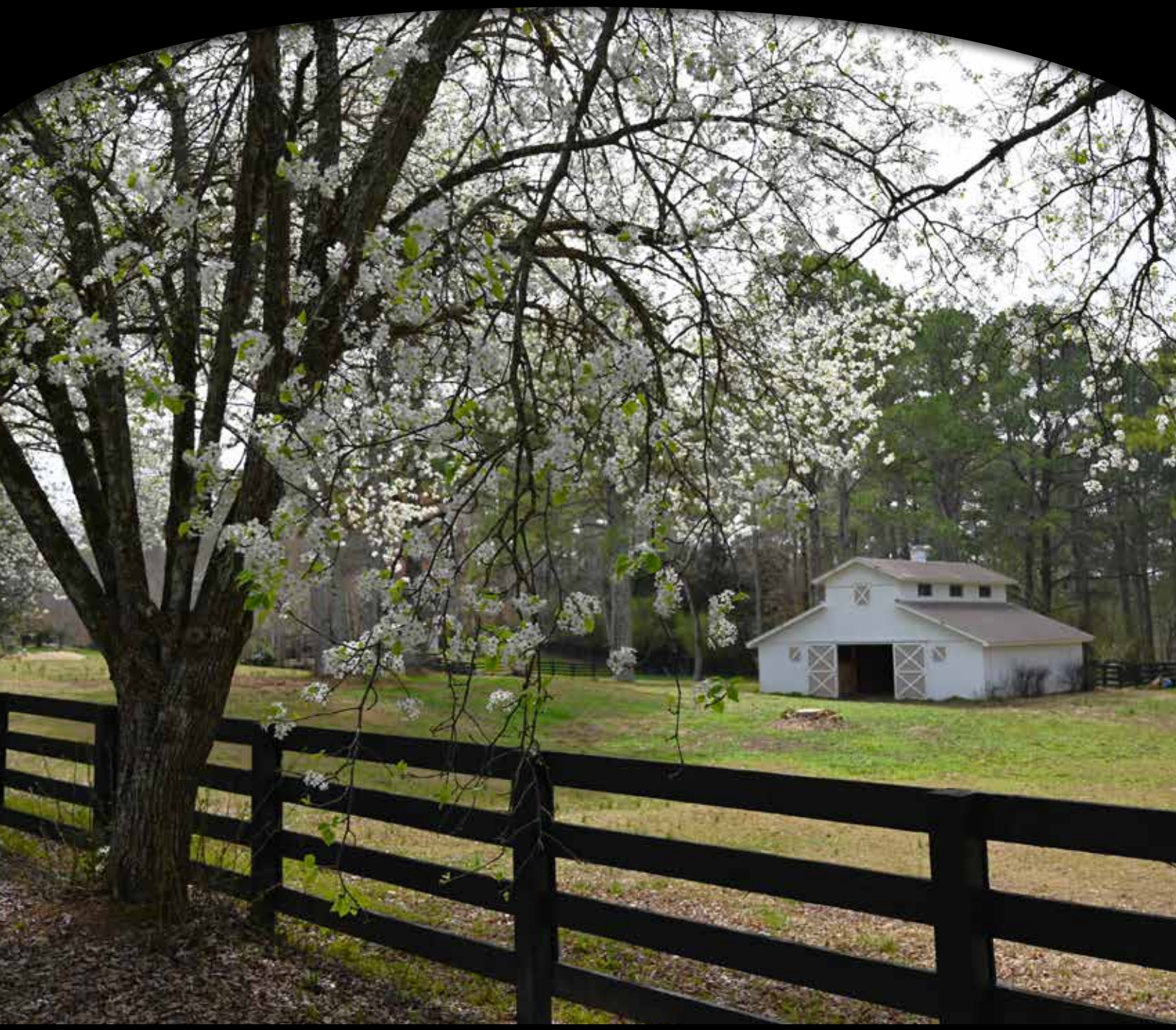
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2025 Best in Governance
NATIONAL CHAMPION
Voice of the People
2025

CITY OF MILTON GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year Ended September 30, 2025

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by:
Bernadette Harvill
Deputy City Manager

Submitted by:
Steven Krokoff
City Manager



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INTRODUCTORY SECTION

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CITY OF MILTON GEORGIA

March 16, 2026

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, 2025. 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, 2025, 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, 2025. 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 41,606 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 2025, the City maintained twelve governmental funds. The budgets for the General Fund, Opioid Settlements Fund, Confiscated Assets Fund, Emergency 911 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 84.4% of the land area within the city can be developed only for residential or agricultural/equestrian purposes. Only 2.4% of the land area is planned for commercial development. The remaining 13.2% 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, Publix, Wal-Mart, Target, Home Depot, and White Columns Golf Club. According to the City's community Profile prepared by ESRI, Milton has a median age of 38.3 years, a per capita income of $82,069 (with a median household income of $167,587), and a median home value of $778,221.

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 80.3% have a bachelor's degree or higher. More than 70% of the workforce is in the professional/management field, and Milton's unemployment rate is at 2.5%.

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 CIP identified over $79 million in projected funding through fiscal year 2032 (with no anticipated bond funding required). Approximately $8.7 million of this is budgeted for the 2026 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, $3.2 million is designated for public works projects such as pavement management, bridge replacement, sidewalk repairs, trail expansion, and intersection improvements, as well as $3.8 million for active and passive park land acquisition, site improvements, and equipment. The remaining fiscal year 2026 budget is slated for future replacement of city vehicles, the Fire department's advanced life support equipment and cascade system, the buildout of the basement at the Public Safety Complex, the continuation of the Milton gateway/wayfinding signage program, Information Services hardware replacements and a software upgrade for the Community Development department. Fiscal year 2026'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 the second largest source. Existing revenue sources are evaluated on an annual basis to ensure the underlying rate is reasonable and justifiable. Examples of revenue sources that are reevaluated annually include all user fee-based revenue sources (i.e. permits, licenses, recreation fees, etc.). The City continues to collect impact fees on new development projects to offset the costs of providing City services to those new projects in addition 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 2025, 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 have worked throughout the fiscal year to act on these plans to achieve the initiatives set out for the fiscal year 2025 timeframe. Additionally, all goals, objectives, and outcomes for the 2021-2025 Strategic Plan were complete by the end of the five-year period (December 2025).

Increasing the capacity of both active and passive parks remains a top priority for the City of Milton, as reflected in various planning documents, including these two plans and other surveys conducted by the City. In collaboration with Public Works staff, the Parks & Recreation Department continues to make significant progress in this area through securing two significant grants for improvements at the Milton City Park and Preserve as well as the expansion of programming in recreation and active sports. The City has acquired an additional parcel of land on Deerfield Parkway resulting in just over 24 acres of land which has been reserved for the development of a future active park complex, which will include essential rectangular and diamond fields, among other amenities. Additionally, Council made the decision to conserve 39 acres of land on Hopewell Road. Usage and improvements related to this property will be determined as part of the Greenprint planning processes which will provide public engagement alongside a professional environmental evaluation.

In addition to park planning, 2025 saw the successful introduction of several key community planning initiatives. The Community Development staff completed work on the Arnold Mill Small Area Plan and the Deerfield Implementation Plan. The Arnold Mill Small Area Plan crafts a long-term vision for this unique Milton corridor while the Deerfield Implementation Plan will serve as a dynamic and purposeful framework to ensure that area of the city evolves into an inviting, vibrant, and uniquely Milton destination for both residents and visitors in the years ahead.

In fiscal year 2025, Public Works began restoration efforts on the historic McConnell-Chadwick property which was donated to the City by Larry Chadwick. This property dates back to the late 1830s and staff will work alongside the Milton Historical Society to bring this property back to habitable standards over the coming years, honoring Milton's rural heritage and dedication to conservation.

Completed public works projects in fiscal year 2025 include the installation of a hawk signal for safer pedestrian crossing on Crabapple Road, an additional speed table on Heritage Walk, sidewalk improvements in the Deerfield area, trail construction along Dinsmore Road, intersection improvements at Freemanville Road and Birmingham Road, and phase I of a citywide signal preemption and school zone flasher program. Several other important initiatives are currently in the design and right-of-way (ROW) acquisition phases, such as the Birmingham Middle Bridge project, the Big Creek Greenway trail connection, and streetscape enhancements along Crabapple Road. Additionally, intersection improvement projects at State Route 140 and Green Road, Freemanville Road and Redd Road, and Cox Road are progressing through the design and ROW acquisition stages.

Construction continued on Phase II of the Morris Road Widening Project and will begin in early fiscal year 2026 on the turn lanes at Cogburn and Webb Roads and the intersection improvements at Bethany Road and Providence Road. The Public Works team is also focusing on sidewalk connectivity enhancements and a comprehensive bridge maintenance plan, both integral components of the TSPLOST program. Additionally, significant hydrology, trail, and passive park improvements are currently being implemented throughout Milton City Park and Preserve, aimed at enhancing both the functionality and environmental sustainability of this valued public space and should be completed around February 2026.

In 2025, the City Clerk, in collaboration with Information Services staff, introduced an electronic voting system for City Council meetings. This initiative enhances transparency and efficiency by providing a real-time visual display of Council votes on agenda items under consideration. Additionally, the Communications Team launched an improved mass text notification system through Everbridge, enabling Milton staff to deliver internal and external notifications for both emergency and non-emergency situations. Features such as opt-in categories and geo-fencing allow for a more targeted and effective outreach approach.

The Milton Police Department (MPD) enhanced its school liaison officer program by dedicating a Milton officer and resources directly to school security and community partnerships. MPD also partnered with the City of Johns Creek and the Forsyth Regional Task Force to expand the task force's special investigations capabilities into Milton. This joint effort serves as a force multiplier, strengthening investigations related to burglaries, robberies, narcotics complaints, and other criminal activity.

The Milton Fire Department continued to expand the C.A.R.E.S. program, a mobile integrated health initiative designed to bridge the gap between emergency care and everyday health care needs. As one of the first programs of its kind in the region, C.A.R.E.S. has produced positive outcomes, including reduced emergency callouts, improved communication, and better overall results for program participants.

Milton's commitment to delivering exceptional services is reflected throughout the organization. In November 2025, the City was honored as a national champion with the Best in Governance Award for Trust in Government (transformation) from Polco. This award highlights the City's efforts to promote and earn citizens' trust and combines with last year's recognition of being ranked #1 out of 385 local governments in citizen satisfaction, as determined by the bi-annual National Community Survey (NCS). The NCS is widely regarded as the gold standard in gauging public sentiment regarding local government services and is the same survey that resulted in the Trust in Government recognition.

AWARDS AND ACKNOWLEDGMENTS

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, 2024. 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 seventeenth 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 in 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, wellrounded community to call home.

Respectfully submitted,



Steven Krokoff
City Manager



Stacey R. Inglis
Deputy City Manager/ Treasurer



Bernadette Harvill
Deputy City Manager/Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Milton
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

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

Doug Hene



DISTRICT 3/POST 2

Phil Cranmer

Listing of Principal Officials at September 30, 2025



City Manager
Steven Krokoff



Deputy City Manager /City Treasurer
Stacey Inglis



Deputy City Manager /Finance Director
Bernadette Harvill



Public Works and Community Development Director
Sara Leaders



Human Resources Director
Matt Marietta



Parks and Recreation Director
Tom McKlveen



Interim Community Development Director
Diana Wheeler



Communications Director
Greg Botelho



Chief of Police
Jason Griffin



Fire Chief
Gabriel Benmoussa



City Clerk
Tammy Lowit



Court Clerk
Brooke Lappin

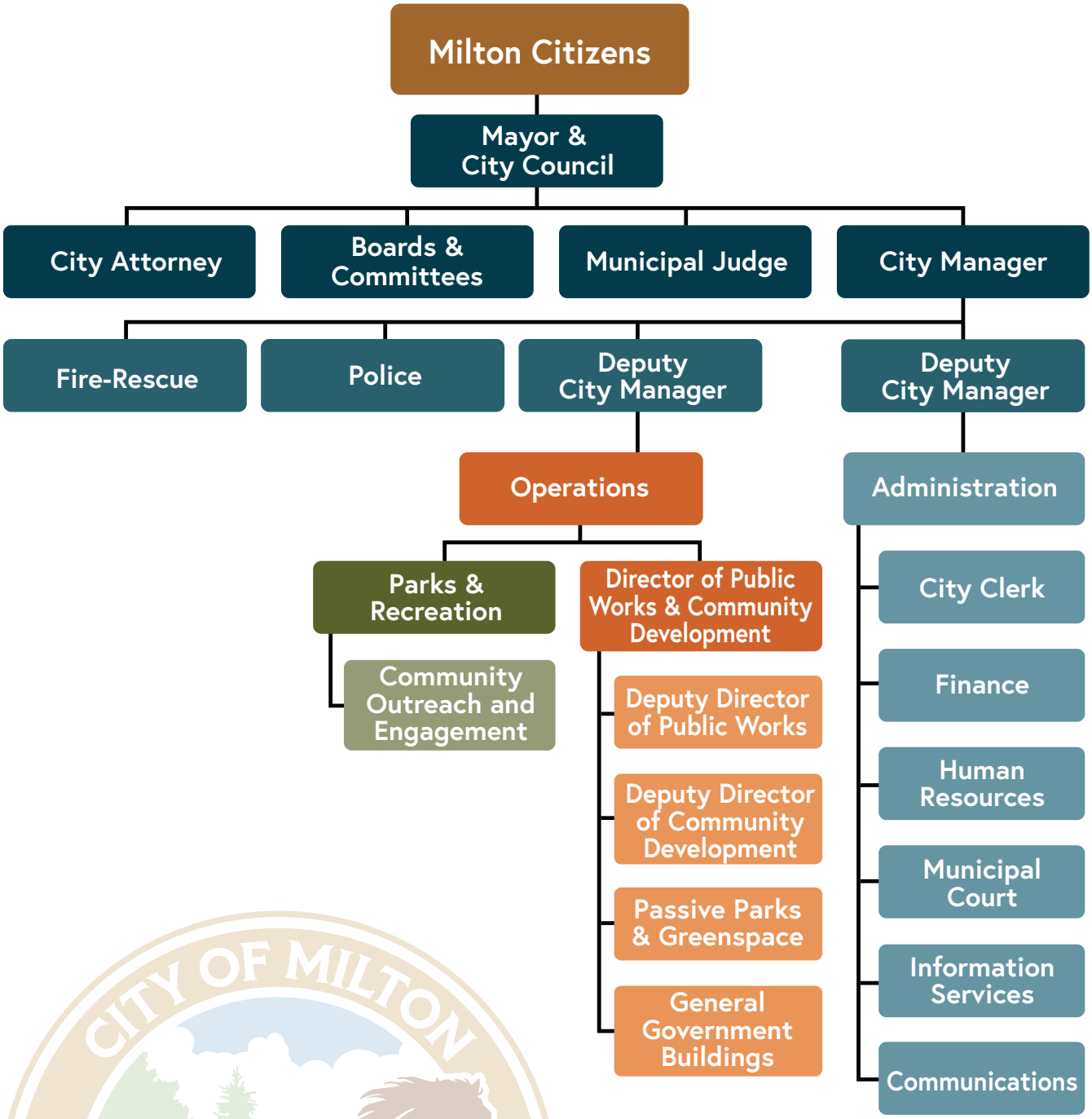


Virtual CIO
Ashley Smith

City Attorney
Ken E. Jarrard, Esq.

City Auditors
Mauldin & Jenkins, LLC

Milton Organizational Chart



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Milton, Georgia** (the "City"), as of and for the year ended September 30, 2025, 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, 2025, 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. 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, the Schedules of Projects Constructed with Proceeds from Transportation Special Purpose Local Option Sales Tax, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "supplementary information"), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 16, 2026

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, 2024. 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 $237,472,791 (total net position). Of this amount, $63,124,543 (unrestricted net position) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by $62,122,599.
- As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of $102,754,270 -- an increase of $12,752,076 over the prior year. The primary factor contributing to this increase is the City's pay-as-you-go funding approach within the Capital Projects Fund. An increase of $13,816,242 in the Capital Projects Fund is attributed to funding that was allocated towards future projects through an operating transfer from the General Fund, which will accumulate over time to support cash payments for these expenses. This funding strategy results in an increase during years when funds are being set aside for future capital acquisitions and a decrease during years when significant expenditures are made for the acquisition or construction of capital assets.
- The unassigned fund balance in the General Fund at the end of the fiscal year was $16,239,992. This represents approximately 33% of the fiscal year 2026 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, bonded debt as of September 30, 2025, consists of a revenue bond which funded 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. The bond also includes the refunding of the debt due on the Series 2014 revenue bond that was utilized for the construction of Bell Memorial Park. In addition, City debt consists of a general obligation bond to fund the purchase of greenspace properties. As of the close of fiscal year 2025, the balance of the long-term bonded debt, net of original issuance premiums, was $38,900,164.

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 2025, the City maintained five major and seven nonmajor governmental funds. The City's major governmental funds included the General Fund, American Rescue Plan Fund, Capital Projects Fund, TSPLOST Fund, and Capital Grant Fund. The nonmajor governmental funds included the Confiscated Assets Fund, Opioid Settlement Fund, Emergency 911 Fund, Hotel/Motel Tax Fund, Revenue Bond Fund, Greenspace Bond Fund and Impact Fees Fund.

The basic governmental fund financial statements can be found on pages 33 through 36 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 to 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 66 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	
	2025	**2024**
Assets		
Current and other assets	$ 116,697,697	$ 101,173,196
Capital assets	176,018,889	165,012,802
Total assets	292,716,586	266,185,998
Deferred outflow of resources	2,456,105	3,637,953
Total deferred outflow of resources	2,456,105	3,637,953
Liabilities		
Current liabilities	13,256,017	14,013,078
Non-current liabilities outstanding	40,986,026	78,170,602
Total liabilities	54,242,043	92,183,680
Deferred inflows of resources	3,457,857	2,290,079
Total deferred inflows of resources	3,457,857	2,290,079
Net position		
Net investment in capital assets	133,624,403	126,028,118
Restricted for law enforcement	48,608	43,725
Restricted for health and welfare	35,223	51,000
Restricted for road and intersection improvements	38,396,829	33,262,927
Restricted for park and trail expansion	1,990,684	180,736
Restricted for fire facilities	214,514	54,556
Restricted for general administration	37,331	37,624
Restricted for federal programs	656	656
Unrestricted	63,124,543	15,690,850
Total net position	$ 237,472,791	$ 175,350,192

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 $237,472,791 at the close of the fiscal year. The largest portion of the net position (56%) reflects its net investment in capital assets (e.g., land improvements, buildings, infrastructure, right-to-use assets, 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 (17%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2025, the City's restricted net position was $40,723,845 representing:

- $2,291,781 for impact fee funded projects across general administration ($37,331), road and intersection improvements ($41,871), culture and recreation ($1,990,684), fire facilities ($214,514), and law enforcement ($7,381).
- An additional $41,227 in confiscated funds for law enforcement, $35,223 in opioid settlement funds, $656 in interest earnings related to the American Rescue Plan federal grant program, and $38,354,958 in 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 $63,124,543 (27%) 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 2025, 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 (page 32) and reflects how the City's net position changed during the fiscal period

City of Milton, Georgia - Changes in Net Position

	Governmental Activities			
	2025	2024	Increase (Decrease)	Percent
Revenues				
Program revenues:				
Charges for services	$ 5,360,981	$ 4,661,770	699,211	15.00%
Operating grants and contributions	2,033,414	152,692	1,880,722	1231.71%
Capital grants and contributions	15,729,090	10,597,886	5,131,204	48.42%
General revenues and extraordinary item:				
Property taxes	21,294,367	19,804,208	1,490,159	7.52%
Sales taxes	14,403,441	14,344,244	59,197	0.41%
Other taxes	8,565,699	7,763,384	802,315	10.33%
Interest	2,648,002	4,305,327	(1,657,325)	-38.49%
Miscellaneous revenues	758,760	425,249	333,511	78.43%
Extraordinary item	32,550,000	-	32,550,000	100.00%
Total revenues	103,343,754	62,054,760	41,288,994	66.54%
Expenses				
General government	6,162,122	7,132,460	(970,338)	-13.60%
Judicial	596,260	529,421	66,839	12.62%
Public safety	21,110,746	21,049,685	61,061	0.29%
Public works	5,782,063	15,370,053	(9,587,990)	-62.38%
Culture and recreation	3,487,680	3,198,984	288,696	9.02%
Housing and development	2,793,818	2,767,686	26,132	0.94%
Interest on long-term debt	1,288,466	1,103,390	185,076	16.77%
Total expenses	41,221,155	51,151,679	(9,930,524)	-19.41%
Increase in net position	62,122,599	10,903,081	51,219,518	469.77%
Net position - beginning	175,350,192	164,447,111		
Net position - ending	$ 237,472,791	$ 175,350,192		

Revenues

Revenues increased by $41,288,994 or 66.54% from prior year, which is primarily attributable to the previously recorded accrual of an extraordinary item being reversed, $32,550,000, as well as the growth in capital grants and contributions, $5,131,204. Operating grants and contributions and property taxes also played a role, increasing by $1,880,722, or 1,231.71% and $1,490,159 or 7.52% respectively. Other revenue streams increased on a smaller scale such as other taxes by $802,315 or 10.33% and charges for services by $699,211 or 15.00%. These increases were driven by higher collections related to business and franchise taxes as well as increases in public safety and housing and development charges for services.

Extraordinary Item

The City is a defendant in a civil lawsuit for which an estimated contingent litigation liability of $32,550,000 was accrued in the statement of net position during fiscal year 2023. In June 2023, the case was tried before a jury and resulted in an adverse verdict against the City in the amount of $32,550,000. The verdict was subsequently upheld by the Georgia Court of Appeals and later reviewed by the Supreme Court of Georgia in 2025.

On March 12, 2026, the Supreme Court of Georgia vacated the appellate court decision and clarified that the City's sovereign immunity remained intact regarding an alleged 'failure to perform a ministerial duty' related to a fixed structure in a roadway shoulder. The City's attorney notes that this reversal by the Supreme Court should work to vacate the $32,550,000 judgment. A remaining claim alleging nuisance resulting in personal injury remains subject to further adjudication, as the jury returned a verdict against the City on that basis. However, monetary exposure related to this remaining nuisance claim should be limited to the City's liability insurance limits of $2,000,000.

Based on the current status of the litigation and consultation with legal counsel, management determined that the previously accrued litigation liability of $32,550,000 is no longer probable and estimable. Accordingly, the previously recorded accrual has been reversed in the current fiscal year.

Expenses

Total expenses decreased by $9,930,524, or 19.41%, compared to the prior year. The key contributor was a decrease in public works expenses in the amount of $9,587,990 (62.38%), primarily associated with pavement management activities which were higher in fiscal year 2024.

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 2025, the City reported governmental funds combined ending fund balance of $102,754,270, an increase of $12,752,076 from the prior year. Of this balance, $47,698,852 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); $176,554 is committed for the purchase and installation of new, all-inclusive playground components/equipment; $48,608 is restricted for law enforcement; $35,223 is restricted for health and welfare associated with the city's opioid settlement funds; $35,418,331 is restricted for public works, road and intersection improvements; $1,990,684 is restricted for future park and trail enhancements; $214,514 is restricted for fire facilities; $37,331 is restricted for general administration; $716,023 is restricted for capital projects including greenspace bond funded land purchases; $656 is restricted for federal programs; $1,179,893 is nonspendable for prepaids; $234,103 is nonspendable as a net lease receivable; and $15,003,498 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 $17,326,238 -- an increase of $2,930,424 from the prior fiscal year. As a measure of liquidity, total fund balance represents 36% of fiscal year 2025 budgeted revenues.

Approximately 6.3% of the total fund balance, or $1,086,246, constitutes nonspendable fund balance for prepaids and a net lease receivable. The remaining 93.7% of total fund balance, or $16,239,992, constitutes unassigned fund balance. This unassigned balance represents approximately 33% of fiscal year 2026 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 2025		FY 2024		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 42,229,103	87.1%	$ 39,952,861	86.4%	$ 2,276,242	5.7%
Licenses and permits	1,491,821	3.1%	1,457,133	3.2%	34,688	2.4%
Charges for service	765,670	1.6%	725,056	1.6%	40,614	5.6%
Fines and forfeitures	992,428	2.0%	851,789	1.8%	140,639	16.5%
Other	3,005,289	6.2%	3,256,662	7.0%	(251,373)	-7.7%
Total	$ 48,484,311	100.0%	$ 46,243,501	100.0%	$ 2,240,810	4.8%

The following provides an explanation of the changes in revenues by source from fiscal year 2024 to 2025:

- **Taxes.** An increase of approximately $1.9 million was was recognized in real and personal property taxes and public utility tax as a result of increased property values and new construction throughout Milton. Additionally, business and occupation related taxes increased $620,017 year-over-year inclusive of penalties and interest in delinquent filings and insurance premium tax increased by $552,542.
- **Licenses and permits.** This category remained fairly consistent year-over-year with the contributor of the slight increase being related to land disturbance permits $37,414 and building permits $36,005 being offset by an overall reduction in
- **Charges for service.** The charges for service category showed a slight increase in fiscal year 2025. One contributing factor to the increase within charges for service was the reclassification of cash bond revenues previously recorded within this category that were released at the conclusion of the work required in 2024 that did not recur in 2025. $50,522 and vendor fees for Crabapple Fest were up year-over-year $11,722.
- **Fines and forfeitures.** In fiscal year 2025 there was an increase in this category of $140,639 attributable to increased violations adjudicated.
- **Other.** The decrease in other revenues is attributable to a decrease in investment earnings of approximately $451,464 as a result of lower interest rates. This decrease was partially offset by an increase of $244,278 in other miscellaneous revenue driven by retirement fund forfeitures and tax reclassifications resulting from the 2024 accrual recognition process.

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

	FY 2025		FY 2024		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government	$ 5,768,341	17.2%	$ 5,429,325	16.4%	$ 339,016	6.2%
Judicial	476,004	1.4%	447,334	1.4%	28,670	6.4%
Public safety	18,277,817	54.4%	17,446,863	52.8%	830,954	4.8%
Public works	3,266,977	9.7%	3,216,147	9.7%	50,830	1.6%
Culture and recreation	2,341,451	7.0%	2,156,490	6.5%	184,961	8.6%
Housing and development	2,429,529	7.2%	2,397,291	7.2%	32,238	1.3%
Capital outlay	-	0.0%	1,040,666	3.1%	(1,040,666)	-100.0%
Debt service	1,064,177	3.2%	932,239	2.8%	131,938	14.2%
Total	$ 33,624,296	100.0%	$ 33,066,355	100.0%	$ 557,941	1.7%

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

- Public safety expenses saw an increase of $830,954. This increase is primarily being drive by salaries and benefits ($763,224), which include market adjustments, a full-time Special Investigations Detective in the Police Department, one firefighter position in the Fire Department, and fund level expenditure for the issuance of new subscription-based information technology arrangement (SBITA) agreements.
- Capital outlay expenses decreased by $1,040,666. This decrease is attributed to changes in SBITAs.

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 2025, Milton has recognized intergovernmental revenue of $1,532,864 for eligible incurred expenditures and interest earnings in the amount of $123,900, $656 of which is reported as restricted fund balance for federal programs. Of the $1,532,864 recognized and approved by Council, 100% was utilized to fund eligible stormwater expenses and hydrology work at the Milton City Park and Preserve (MCPP). The remaining $432,062 has been earmarked for the final costs associated with the MCPP project and will be submitted once eligible expenditures are incurred.

Capital Projects Fund

Annually, the City Council approves a seven-year capital program as part of the budget process. The funding for these projects is primarily derived from the available fund balance of the General Fund and is accounted for within the Capital Projects Fund. During fiscal year 2025, $10,677,455 was transferred to this fund from the General Fund, representing a decrease from the $13,874,954 transfer in fiscal year 2024. This decrease is directly attributable to timing related to the design of two major projects: Fire Station 45 and a new athletic complex on Deerfield Parkway. Once design is complete and cost estimates for construction are available, additional funds will be transferred to the Capital Projects Fund in accordance with the City's fund balance policy. Annual pay-go transfers, and projects not yet at the construction phase, led to an increase in fund balance of $13,8616,242, resulting in a year-end fund balance of $49,778,849.

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 2025. Expenditures within this fund amount to $8,093,325 and can be attributed to design, preconstruction services, and construction on several intersection and pedestrian improvement projects, a road widening project, and bridge projects/maintenance. 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 $35,400,510 – an increase of $3,017,831 all of which is restricted to approved TSPLOST projects.

Capital Grant Fund

The Capital Grant fund is used to account for the proceeds and spending activity of capital grants that are expended to acquire or construct capital assets. Grant expenditures in fiscal year 2025 were attributable to public works ($1,870,045) and culture and recreation ($1,753,654) projects. Expenditures related to paving, a grant pass through, and site improvements to the passive acres at MCPP increased spending by $2,526,866 year over year and resulted in the fund qualifying as a major fund in fiscal year 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City employs a budget adjustment process consisting of, at a minimum, a mid-year and end-of-year amendment 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 $1,047,875.
  - The taxes category saw an increase of $350,844 primarily related to anticipations for real property current year ($335,000), title ad valorem tax ($200,000), and intangible tax ($100,000). The taxes category also saw a decrease in appropriations in the amount of $400,000 associated with local option sales tax which was attributable to consumer confidence/spending compared to original anticipations.
- Total expenditure and other financing uses appropriations increased by $3,094,506.
  - Expenditures increased by $418,278 primarily due to increases in legal expenses and contracted services costs.
  - Appropriations for other financing sources increased by $2,676,228. Much of this increase is attributable to funding for the buildout of an active park complex on Deerfield Parkway.

During the year, General Fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $480,898 higher than estimates, whereas expenditures and transfers out were $4,121,871 lower than the final budgetary appropriations. Listed below are the major variances between actuals and appropriations.

- The variance of $480,898 in revenues and other financing sources can be primarily attributed to the new requirements in recognizing the issuance of SBITAs ($199,967) and retirement plan forfeitures associated with terminated employee plans ($122,499).
- The expenditures and other financing uses were $4,121,871 below the final budgeted total, primarily due to conservative budget estimates, ongoing efforts by departments to minimize expenditures as a precautionary response to the uncertain economic environment, changes in project scope, and position vacancies. Notable favorable variances in expenditures included Public Safety, which spent $1,827,281 less than the final budget, and General Government, which spent $1,565,894 less than the 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	$ 41,903,872	$ 42,254,716	$ 42,229,103	$ (25,613)
Licenses and permits	1,473,875	1,538,875	1,491,821	(47,054)
Charges for services	711,942	759,512	765,670	6,158
Fines and forfeitures	787,500	937,500	992,428	54,928
Intergovernmental	5,000	35,540	1,597	(33,943)
Contributions	10,000	37,937	44,440	6,503
Interest earned	2,085,240	2,165,240	2,263,934	98,694
Miscellaneous	263,453	437,897	695,318	257,421
Other financing sources	160,500	282,040	445,844	163,804
Total	$ 47,401,382	$ 48,449,257	$ 48,930,155	$ 480,898
Expenditures and other financing uses:				
Expenditures	37,328,860	37,747,138	33,624,296	4,122,842
Other financing uses	9,698,236	12,374,464	12,375,435	(971)
Total	47,027,096	50,121,602	45,999,731	4,121,871
Change in fund balance	$ 374,286	$ (1,672,345)	$ 2,930,424	$ 4,602,769

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

As of September 30, 2025, the City's investment in capital assets for its governmental activities totaled $176,018,889 (net of accumulated depreciation and amortization). This investment in capital assets includes land, improvements to land, buildings, vehicles, equipment, construction in progress, infrastructure and right-to-use assets. Larger additions to the capital assets in fiscal year 2025 include:

- Intersection Improvements:
  - Freemanville at Birmingham ($2.3 million)
  - Bethany Bend/Bethany Creek ($738,601)
- Pedestrian Crossing on Bethany Bend ($410,494)
- Deerfield Parkway and Arnold Mill/Providence Road land acquisition ($10.5 million)

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 2025 and 2024

	2025	2024
Land	$ 47,522,114	$ 36,136,777
Land Improvements	7,172,465	7,933,816
Buildings	31,598,231	32,653,793
Vehicles, Equipment, and Other	6,593,917	6,579,798
Construction In Progress	17,053,955	19,765,860
Infrastructure	64,719,295	59,763,296
Right-to-Use Assets - Subscriptions	1,271,721	2,179,462
Right-to-Use Assets - Equipment	87,191	-
Total	**$ 176,018,889**	**$ 165,012,802**

Long-term debt

At the end of fiscal year 2025, the City's total outstanding bonded debt was $38,900,164. Total outstanding debt consists of $19,945,000 of direct placement revenue bond debt and $16,885,000 of greenspace bond debt, including premiums related to each of the bonds.

Further information on the City's long-term debt can be found in Note 7 on pages 53 through 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 2025 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 reduced millage rate of 4.193 mills for maintenance and operating (M&O) for fiscal year 2026.
- **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 2026.
- 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 or by calling 678-242-2500:

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

BASIC FINANCIAL STATEMENTS

CITY OF MILTON, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 101,681,709
Accounts receivable	4,826,583
Taxes receivable, net	2,177,120
Due from other governments	3,878,601
Restricted cash and cash equivalents	938,235
Lease receivable, due within one year	45,150
Lease receivable, due in more than one year	2,254,844
Prepaids	895,455
Capital assets:	
Nondepreciable	64,576,069
Depreciable, net of accumulated depreciation and amortization	111,442,820
Total assets	292,716,586
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	2,456,105
LIABILITIES	
Accounts payable	4,474,301
Retainage payable	511,037
Accrued liabilities	1,759,635
Deposits payable	2,207,539
Unearned revenue	548,743
Compensated absences, due within one year	1,196,330
Bonds payable, due within one year	2,135,000
Bonds payable, due in more than one year	36,765,164
SBITA liability, due within one year	364,395
SBITA liability, due in more than one year	834,967
Lease liability, due within one year	19,228
Lease liability, due in more than one year	70,036
Financed purchase, due within one year	39,809
Financed purchase, due in more than one year	83,236
Net pension liability, due in more than one year	3,232,623
Total liabilities	54,242,043
DEFERRED INFLOWS OF RESOURCES	
Lease related deferred inflows	2,065,891
Pension related items	1,391,966
Total deferred inflows of resources	3,457,857
NET POSITION	
Net investment in capital assets	133,624,403
Restricted for law enforcement	48,608
Restricted for health and welfare	35,223
Restricted for road and intersection improvements	38,396,829
Restricted for park and trail enhancements	1,990,684
Restricted for fire facilities	214,514
Restricted for general administration	37,331
Restricted for federal programs	656
Unrestricted	63,124,543
Total net position	$ 237,472,791

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

CITY OF MILTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Expenses and Changes in Net Position: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 6,162,122	$ 558,275	$ -	$ 957,100	$ (4,646,747)
Judicial	596,260	992,428	-	-	396,168
Public safety	21,110,746	2,112,983	48,781	-	(18,948,982)
Public works	5,782,063	22,784	1,778,329	14,771,990	10,791,040
Culture and recreation	3,487,680	417,585	206,304	-	(2,863,791)
Housing and development	2,793,818	1,256,926	-	-	(1,536,892)
Interest on long-term debt	1,288,466	-	-	-	(1,288,466)
Total governmental activities	41,221,155	5,360,981	2,033,414	15,729,090	(18,097,670)
Total primary government	$ 41,221,155	$ 5,360,981	$ 2,033,414	$ 15,729,090	(18,097,670)
General revenues:					
Property taxes					21,294,367
Sales taxes					14,403,441
Hotel/Motel taxes					63,318
Franchise taxes					2,684,167
Business taxes					5,818,214
Unrestricted investment earnings					2,648,002
Miscellaneous revenues					758,760
Extraordinary item					32,550,000
Total general revenues					80,220,269
Change in net position					62,122,599
Net position, beginning of year					175,350,192
Net position, end of year					$ 237,472,791

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

CITY OF MILTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

ASSETS	General Fund	American Rescue Plan Fund	Capital Projects Fund	TSPLOST Fund	Capital Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 14,679,876	$ 1,143,601	$ 49,175,031	$ 35,982,150	$ 186,064	$ 514,987	$ 101,681,709
Accounts receivable	4,562,558	-	88,837	-	-	175,188	4,826,583
Taxes receivable, net	2,155,269	-	-	-	-	21,851	2,177,120
Intergovernmental receivable	8,211	-	-	2,584,621	1,285,769	-	3,878,601
Restricted cash and cash equivalents	-	-	-	-	-	938,235	938,235
Due from other funds	4,166	-	1,091,709	-	-	-	1,095,875
Lease receivable	2,299,994	-	-	-	-	-	2,299,994
Prepaids	852,143	-	20,775	24,050	-	282,925	1,179,893
Total assets	$ 24,562,217	$ 1,143,601	$ 50,376,352	$ 38,590,821	$ 1,471,833	$ 1,933,186	$ 118,078,010
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 1,245,886	$ -	$ 380,337	$ 1,312,132	$ 1,333,021	$ 202,925	$ 4,474,301
Retainage payable	-	-	216,587	204,913	89,537	-	511,037
Accrued liabilities	1,247,125	-	-	-	-	-	1,247,125
Due to other funds	266,071	594,202	-	-	-	235,602	1,095,875
Deposits payable	2,207,539	-	-	-	-	-	2,207,539
Unearned revenue	-	548,743	-	-	-	-	548,743
Total liabilities	4,966,621	1,142,945	596,924	1,517,045	1,422,558	438,527	10,084,620
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - property taxes	105,685	-	-	-	-	10,148	115,833
Unavailable revenues - intergovernmental	-	-	-	1,673,266	1,285,769	-	2,959,035
Unavailable revenues - other	97,782	-	579	-	-	-	98,361
Lease related deferred inflows	2,065,891	-	-	-	-	-	2,065,891
Total deferred inflows of resources	2,269,358	-	579	1,673,266	1,285,769	10,148	5,239,120
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaids	852,143	-	20,775	24,050	-	282,925	1,179,893
Lease receivable, net	234,103	-	-	-	-	-	234,103
Restricted:							
Law enforcement	-	-	-	-	-	48,608	48,608
Health and welfare	-	-	-	-	-	35,223	35,223
Road and intersection improvements	-	-	-	35,376,460	-	41,871	35,418,331
Park and trail enhancements	-	-	1,882,668	-	-	108,016	1,990,684
Fire facilities	-	-	-	-	-	214,514	214,514
General administration	-	-	-	-	-	37,331	37,331
Capital projects	-	-	-	-	-	716,023	716,023
Federal programs	-	656	-	-	-	-	656
Committed:							
Purchase and installation of all-inclusive playground components/equipment	-	-	176,554	-	-	-	176,554
Assigned:							
Capital projects	-	-	47,698,852	-	-	-	47,698,852
Unassigned	16,239,992	-	-	-	(1,236,494)	-	15,003,498
Total fund balances (deficit)	17,326,238	656	49,778,849	35,400,510	(1,236,494)	1,484,511	102,754,270
Total liabilities, deferred inflows of resources, and fund balances	$ 24,562,217	$ 1,143,601	$ 50,376,352	$ 38,590,821	$ 1,471,833	$ 1,933,186	$ 118,078,010

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, 2025

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

Total governmental fund balances		$ 102,754,270
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost	$ 215,821,941	
Less accumulated depreciation and amortization	(39,803,052)	176,018,889
In the governmental funds, debt service expenditures prepaid by year end are not recognized as expenditures until they are due and payable; however, in the governmental activities those payments are recognized as interest expense and accrued interest payable when paid.	(284,438)	(284,438)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
SBITA liability	(1,199,362)	
Lease liability	(89,264)	
Compensated absences (i.e., paid time off)	(1,196,330)	
Accrued interest	(512,510)	
Financed purchase payable	(123,045)	
Bonds payable, net of premium	(38,900,164)	(42,020,675)
Some revenues are not available in the current period and, therefore, are deferred in the funds.		
Property taxes	115,833	
Other revenues	98,361	
Intergovernmental revenues	2,959,035	3,173,229
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with available financial resources and, therefore, are not reported in the funds.		
Net pension liability	(3,232,623)	
Pension related deferred outflows of resources	2,456,105	
Pension related deferred inflows of resources	(1,391,966)	(2,168,484)
Net position - governmental activities		$ 237,472,791

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, 2025

	General Fund	American Rescue Plan Fund	Capital Projects Fund	TSPLOST Fund	*(Previously nonmajor)* Capital Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	$ 19,563,838	$ -	$ -	$ -	$ -	$ 1,753,353	$ 21,317,191
Sales taxes	14,403,441	-	-	-	-	-	14,403,441
Hotel/Motel taxes	-	-	-	-	-	63,318	63,318
Franchise taxes	2,443,610	-	240,557	-	-	-	2,684,167
Business taxes	5,818,214	-	-	-	-	-	5,818,214
Licenses and permits	1,491,821	-	-	-	-	-	1,491,821
Charges for services	765,670	-	5,223	-	-	2,070,717	2,841,610
Fines and forfeitures	992,428	-	-	-	-	-	992,428
Intergovernmental	1,597	1,532,864	-	9,624,270	1,324,398	11,719	12,494,848
Contributions	44,440	-	197,329	-	-	-	241,769
Interest earned	2,263,934	123,900	41,860	989,450	2,264	216,044	3,637,452
Miscellaneous	695,318	-	-	-	-	63,442	758,760
Total revenues	48,484,311	1,656,764	484,969	10,613,720	1,326,662	4,178,593	66,745,019
Expenditures:							
Current:							
General government	5,768,341	-	-	-	-	-	5,768,341
Judicial	476,004	-	-	-	-	-	476,004
Public safety	18,277,817	-	-	-	-	1,052,715	19,330,532
Public works	3,266,977	-	427,778	8,093,325	1,870,045	4,498	13,662,623
Culture and recreation	2,341,451	-	161,884	-	1,753,654	-	4,256,989
Housing and development	2,429,529	-	268,342	-	-	-	2,697,871
Capital outlay	-	-	3,086,850	-	-	743,261	3,830,111
Debt service:							
Principal	1,026,938	-	-	-	-	2,072,969	3,099,907
Interest	37,239	-	-	-	-	1,332,400	1,369,639
Total expenditures	33,624,296	-	3,944,854	8,093,325	3,623,699	5,205,843	54,492,017
Excess (deficiency) of revenues over expenditures	14,860,015	1,656,764	(3,459,885)	2,520,395	(2,297,037)	(1,027,250)	12,253,002
Other financing sources (uses):							
Sale of capital assets	12,272	-	270,829	16,006	-	-	299,107
Issuance of financed purchase	96,881	-	-	-	-	-	96,881
Issuance of SBITA	103,086	-	-	-	-	-	103,086
Transfers in	233,605	-	17,005,298	481,430	124,803	1,678,199	19,523,335
Transfers out	(12,375,435)	(1,656,764)	-	-	(884)	(5,490,252)	(19,523,335)
Total other financing sources (uses)	(11,929,591)	(1,656,764)	17,276,127	497,436	123,919	(3,812,053)	499,074
Net change in fund balances	2,930,424	-	13,816,242	3,017,831	(2,173,118)	(4,839,303)	12,752,076
Fund balances, beginning of year	14,395,814	656	35,962,607	32,382,679	-	7,260,438	90,002,194
Adjustment - change within reporting entity	-	-	-	-	936,624	(936,624)	-
Fund balances, beginning of year, as adjusted	14,395,814	656	35,962,607	32,382,679	936,624	6,323,814	90,002,194
Fund balances (deficit), end of year	$ 17,326,238	$ 656	$ 49,778,849	$ 35,400,510	$ (1,236,494)	$ 1,484,511	$ 102,754,270

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 12,752,076
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	$ 15,456,591	
Depreciation and amortization expense	(5,027,290)	10,429,301
The net effect of various miscellaneous transactions involving capital assets is to increase net position in the current period.		
Donation of capital assets	1,259,933	
Net disposal of capital assets	(683,147)	576,786
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(22,824)	
Other revenues	2,811,626	2,788,802
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	(103,086)	
Issuance of lease	(96,881)	
Litigation liability reduction	33,068,000	
Bonds payable - principal retirement	2,030,000	
Financed purchase payable - principal retirement	38,649	
Lease liability - principal retirement	7,617	
SBITA liability - principal retirement	980,672	35,924,971
Interest expenses reported in the statement of activities that were paid in advance of their due date are reported as prepaid items in the governmental funds.	(284,438)	(284,438)
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)	(58,698)	
Pension expense	(371,812)	
Amortization of bond premium	322,694	
Accrued interest	42,917	(64,899)
Change in net position - governmental activities		$ 62,122,599

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.

The **Capital Grant Fund** is used to account for capital grant revenue and expenditures made by the City for public works, culture and recreation, and community development projects.

Additionally, the City reports the following fund types:

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

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

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, 2025, 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, 2025, 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, including right-to-use lease and 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 and Leases	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)

Lessor (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.

Lessee

The City is a lessee for noncancellable leases of office equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $10,000 or more.

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

Key estimates and judgments related to leases 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 by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases (Continued)

Lessee (Continued)

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

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.

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 City 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO), which is an all-purpose time off policy provided to regular, full-time employees. PTO is intended for use of vacation, sick/illness and medical or other care. All compensated absences classified as PTO are accumulated and an estimate for the time to be used during employment has been accrued. 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, because 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.

O. Fund Balance and Net Position

Fund balance at the governmental fund financial reporting level is classified as "fund balance." Fund balance 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance and Net Position (Continued)

Fund Balance (Continued)

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.

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/amortization, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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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.

Excess Expenditures Over Appropriations

For the fiscal year ended September 30, 2025, expenditures exceeded final appropriations in the following fund:

General Fund - debt service	$	1,020,677

Deficit Fund Balance

The Capital Grant Fund had a deficit fund balance of $1,236,494 at September 30, 2025. This is the result of accruals for intergovernmental receivables that were not collected (i.e., unavailable) within 60 days of fiscal year end and are therefore reported as a deferred inflow of resources. The deficit fund balance will be recovered upon cash receipt of the outstanding receivables.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits as of September 30, 2025 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	101,681,709
Restricted cash and cash equivalents		938,235
	$	102,619,944
Cash deposited with financial institutions	$	20,432,484
Fidelity Treasury Portfolio Money Market Fund		937,986
Fidelity Government Portfolio Money Market Fund		249
Local government investment pool - Georgia Fund 1		81,249,225
Total cash and cash equivalents	$	102,619,944

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 Fitch'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, 2025, the weighted-average maturity of the pool was 45 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 & Poor's criteria. As of September 30, 2025, the weighted-average maturity was 39 days for the Fidelity Treasury Portfolio and 34 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, 2025, 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, 2025, 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.

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 2024 are for fiscal year 2025.

Receivables at September 30, 2025, 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	Capital Grant	Nonmajor Government
Receivables:					
Accounts	$ 4,562,558	$ 88,837	$ -	$ -	$ 175,188
Taxes	2,242,091	-	-	-	29,827
Intergovernmental	8,211	-	2,565,267	1,285,769	-
Total receivables	6,812,860	88,837	2,565,267	1,285,769	205,015
Less allowance for uncollectible	86,822	-	-	-	7,976
Net total receivable	$ 6,726,038	$ 88,837	$ 2,565,267	$ 1,285,769	$ 197,039

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 $45,939 in lease revenues and $34,894 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 2046 and 2050. This deferred inflow of resources has a balance of $2,065,891 as of September 30, 2025. As of September 30, 2025, the City's receivable for lease payments was $2,299,994. 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 $11,600 of such payments in fiscal year 2025.

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NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 36,136,777	$ 857,100	$ -	$ 10,528,237	$ 47,522,114
Construction in progress	19,765,860	10,486,975	(36,515)	(13,162,365)	17,053,955
Total	55,902,637	11,344,075	(36,515)	(2,634,128)	64,576,069
Capital assets, being depreciated:					
Buildings	38,426,640	100,000	-	-	38,526,640
Land improvements	13,642,017	98,039	-	-	13,740,056
Infrastructure	75,875,327	3,812,567	(58,873)	2,634,128	82,263,149
Vehicles, equipment, and other	14,583,114	1,161,876	(1,190,532)	-	14,554,458
Right-to-use assets - subscriptions	3,562,560	103,086	(1,600,958)	-	2,064,688
Right-to-use assets - equipment	-	96,881	-	-	96,881
Total	146,089,658	5,372,449	(2,850,363)	2,634,128	151,245,872
Less accumulated depreciation/ amortization for:					
Buildings	(5,772,847)	(1,155,562)	-	-	(6,928,409)
Land improvements	(5,708,201)	(859,390)	-	-	(6,567,591)
Infrastructure	(16,112,031)	(1,435,119)	3,296	-	(17,543,854)
Vehicles, equipment, and other	(8,003,316)	(1,114,135)	1,156,910	-	(7,960,541)
Right-to-use assets - subscriptions	(1,383,098)	(453,394)	1,043,525	-	(792,967)
Right-to-use assets - equipment	-	(9,690)	-	-	(9,690)
Total	(36,979,493)	(5,027,290)	2,203,731	-	(39,803,052)
Total capital assets being depreciated, net	109,110,165	345,159	(646,632)	2,634,128	111,442,820
Governmental activities capital assets	$ 165,012,802	$ 11,689,234	$ (683,147)	$ -	$ 176,018,889

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

Governmental activities:	
General government	$ 740,032
Judicial	115,858
Public safety	1,508,116
Public works	1,567,493
Culture and recreation	1,044,491
Community development	51,300
Total depreciation and amortization expense - governmental activities	$ 5,027,290

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Direct placement bonds payable	$ 20,885,000	$ -	$ (940,000)	$ 19,945,000	$ 990,000
General obligation bonds payable	17,975,000	-	(1,090,000)	16,885,000	1,145,000
Original issue premium	2,392,858	-	(322,694)	2,070,164	-
Bonds payable, net	41,252,858	-	(2,352,694)	38,900,164	2,135,000
SBITA liability	2,076,948	103,086	(980,672)	1,199,362	364,395
Financed purchases	161,694	-	(38,649)	123,045	39,809
Lease liability	-	96,881	(7,617)	89,264	19,228
Claim liability	33,068,000	-	(33,068,000)	-	-
Arbitrage rebate liability	-	42,969	(42,969)	-	-
Net pension liability	5,301,526	2,040,100	(4,109,003)	3,232,623	-
Compensated absences *	1,137,632	58,698	-	1,196,330	1,196,330
Total governmental activities long-term liabilities	$ 82,998,658	$ 2,341,734	$ (40,599,604)	$ 44,740,788	$ 3,754,762

* The change in compensated absences liability is presented as a net change.

The net pension liability, claim liability and arbitrage rebate liability 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 compensated absences within one year.

Bonds Payable

In May 2017, the City issued $23,495,000 of General Obligation Bonds (Series 2017) for the purpose of acquiring land for parks, trails, and greenspace including conservation land, wildlife habitat, and natural areas for the City. The bonds were issued at a premium of $1,881,842 and interest rates ranging from 3.00% to 5.00%. The interest payments are due semiannually beginning October 1, 2017 and annual principal payments beginning April 1, 2019. The bonds are scheduled to mature on April 1, 2037. As of September 30, 2025, the outstanding balance of the bond is $16,885,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

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

Fiscal Year Ending September 30,	Principal	Interest	Total
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	1,295,000	413,825	1,708,825
2030	1,335,000	374,975	1,709,975
2031-2035	7,380,000	1,178,275	8,558,275
2036-2037	3,270,000	152,050	3,422,050
Total	$ 16,885,000	$ 3,651,250	$ 20,536,250

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, 2025, the outstanding balance of the bond is $19,945,000. 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
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	1,150,000	499,219	1,649,219
2030	1,205,000	440,344	1,645,344
2031-2035	6,740,000	1,499,266	8,239,266
2036-2040	7,725,000	512,550	8,237,550
Total	$ 19,945,000	$ 4,774,911	$ 24,719,911

NOTE 7. LONG-TERM DEBT (CONTINUED)

Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into noncancellable subscription-based information technology arrangements (SBITAs) for the use of various software. The arrangements involve the City's right-to-use software related to its general government, judicial, public safety and public works functions. The total initial SBITA liability was recorded in the amount of $1,771,019. As of September 30, 2025, the total value of the subscription liabilities was $1,199,362. The City is required to make variable annual principal and interest payments ranging from $720 to $110,854. As the arrangements do not contain stated, specified interest rates the City utilized average incremental borrowing rates ranging from 2.32% to 3.59%.

The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 364,395	$ 35,389	$ 399,784
2027	352,275	24,564	376,839
2028	295,964	14,186	310,150
2029	169,720	5,338	175,058
2030	17,008	413	17,421
Total	$ 1,199,362	$ 79,890	$ 1,279,252

Lease Liability

In March 2025, the City entered into a five-year lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of $96,881. As of September 30, 2025, the value of the lease liability was $89,264. The City is required to make monthly principal and interest payments of $1,796. The lease has an interest rate of 2.86%.

The debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 19,228	$ 2,322	$ 21,550
2027	19,790	1,760	21,550
2028	20,368	1,182	21,550
2029	20,964	586	21,550
2030	8,914	64	8,978
Total	$ 89,264	$ 5,914	$ 95,178

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings

The City has entered into a financed purchase arrangement for the acquisition of equipment used in the public safety operations of the City. The purchase agreements contain a stated interest rate of 3.00%. As of September 30, 2024, the City has equipment under financed purchases with a cost of $199,217 and accumulated depreciation of $87,000 for a net book value of $112,217. Annual depreciation of these assets is included in depreciation expense.

As of September 30, 2025, the future payments for the financed purchases form direct borrowings are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 39,809	$ 3,691	$ 43,500
2027	41,003	2,497	43,500
2028	42,233	1,267	43,500
Total	$ 123,045	$ 7,455	$ 130,500

Arbitrage Rebate Liability

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The United States Department of Treasury requires payment every five years, or upon maturity of the bonds, whichever is earlier. During the year, an arbitrage rebate liability of $42,969 was incurred and paid with respect to the PBFA's Series 2019 Revenue Bonds, resulting in no remaining liability as of September 30, 2025.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2025 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor Governmental Funds	$ 4,166
Capital Projects Fund	Nonmajor Governmental Funds	231,436
Capital Projects Fund	General Fund	266,071
Capital Projects Fund	American Rescue Plan Fund	594,202
		$ 1,095,875

Interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance between the General Fund and nonmajor governmental funds pertains to hotel/motel tourism funds to be remitted to the City. The balances between the Capital Projects Fund and nonmajor governmental funds, General Fund and American Rescue Plan Fund pertain to supplemental and/or federal grant funding on existing City projects accounted for in the Capital Projects Fund.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	American Rescue Plan Fund	$ 123,899
General Fund	Nonmajor Governmental Funds	108,822
General Fund	Capital Grant Fund	884
Capital Projects Fund	General Fund	10,677,455
Capital Projects Fund	American Rescue Plan Fund	1,427,843
Capital Projects Fund	Nonmajor Governmental Funds	4,900,000
TSPLOST Fund	Nonmajor Governmental Funds	481,430
Capital Grant Fund	General Fund	19,781
Capital Grant Fund	American Rescue Plan Fund	105,022
Nonmajor Governmental Funds	General Fund	1,678,199
		$ 19,523,335

Transfers are used to move: (1) unrestricted investment earnings revenues from the American Rescue Plan Fund to the General Fund and revenues from the American Rescue Plan Fund to the Capital Projects Fund and Capital Grant Fund for allowable capital projects (2) revenues from the nonmajor governmental funds to the General Fund to pay for the promotion of tourism through special events within the City and from the nonmajor funds to the TSPLOST Fund for impact fee funded reimbursement (3) unrestricted General Fund revenues to finance local match requirements for various grants that the City must account for in other funds (4) revenues from the Capital Grant Fund to supplement Capital Projects Fund activity (4) greenspace bond funds to the Capital Projects Fund to reimburse the fund for a reclassified use of previously acquired land and (5) revenues from the General Fund and Capital Projects Fund to various nonmajor capital project funds to fund various projects within those funds.

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments

For the fiscal year ended September 30, 2025, the City has contractual commitments on uncompleted contracts of $7,024,645 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. The City is also a defendant in a class action tax refund case in which the reasonable range resulting in a liability is $1,000 to $518,000.

Extraordinary Item

In fiscal year 2023 the City accrued a contingent claim liability in the amount of $32,550,000 related to an adverse judgment issued against the City in a general liability matter. On March 12, 2026 the Georgia Supreme Court issued a final ruling in favor of the City, reversing the previous liability judgment to an amount limited by the City's insurance carrier coverage.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Effective July 1, 2014, the plan was closed to new entrants and all City employees hired on or after that date are automatically enrolled in a newly established defined contribution pension plan, which is discussed in further detail in Note 11.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Membership. As of January 1, 2025, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to but not receiving benefits	34
Active plan members	53
	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, 2025, the City's recommended contribution rate was 14.09% of annual payroll; actual contributions came to 15.09%.

City contributions to the Plan were $813,480 for the fiscal year ended September 30, 2025. Employees of the City of Milton contributed $177,450 to the Plan.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2024.

Actuarial Assumptions. The total pension liability in the January 1, 2024 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, 2024 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, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - June 30, 2019.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Cost-of-living adjustments were assumed to 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.60%
International equity	20%	7.03%
Global fixed income	5%	3.70%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
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, 2025 and later reflect assumption changes based on an actuarial study conducted in November and December 2019. This study recommended changes in mortality tables, retirement rates, and inflation rate changes from 2.75% to 2.25%.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/24	$ 19,304,834	$ 14,003,308	$ 5,301,526
Changes for the year:			
Service cost	488,122	-	488,122
Interest	1,443,114	-	1,443,114
Differences between expected and actual experience	86,873	-	86,873
Contributions—employer	-	571,879	(571,879)
Contributions—employee	-	179,469	(179,469)
Net investment income	-	3,357,655	(3,357,655)
Benefit payments, including refunds of employee contributions	(450,611)	(450,611)	-
Administrative expense	-	(21,991)	21,991
Net changes	1,567,498	3,636,401	(2,068,903)
Balances at 9/30/25	$ 20,872,332	$ 17,639,709	$ 3,232,623

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	$ 6,541,605	$ 3,232,623	$ 511,151

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024 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, 2025, the City recognized pension expense of $1,185,292. At September 30, 2025, 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	$ 1,307,370	94,918
Change in assumptions	335,255	-
Net difference between projected and actual earnings on pension plan investments	-	1,297,048
City contributions subsequent to the measurement date	813,480	-
Total	**$ 2,456,105**	**$ 1,391,966**

City contributions subsequent to the measurement date of $813,480 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, 2026. 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:	
2026	$ 301,835
2027	614,457
2028	(220,082)
2029	(445,551)
Total	$ 250,659

NOTE 11. DEFINED CONTRIBUTION PENSION PLANS

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

The first plan was established by resolution of the City Council and the plan, including contribution requirements, may also be amended by resolution of the same. This plan covers all City employees who are eligible to participate in the City's defined benefit pension plan. At September 30, 2025, there were 49 full-time and 19 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, 2025, employer and employee contributions to the plan totaled $482,414.

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, 2025, there were 131 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, 2025, employer and employee contributions to the Plan totaled $1,257,983.

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, 2025, there were 45 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 118 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, 2025, the City contributed $48,805 to the first plan, $996,589 to the second plan, and employees contributed a total of $1,097,557 to these defined contribution plans.

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of Milton. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 229 Peachtree Street NE, STE 100, Atlanta, Georgia 30303.

The cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority provides an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 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, 2025, the City of Milton contributed $508,308 to the Authority. As of June 30, 2025, the Authority's fiscal year end, the Authority did not have any long-term debt. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% to be expended or obligated contractually for the promotion of tourism, conventions, or trade shows at a rate equal to or greater than that of the prior year. During the year ended September 30, 2025, the City collected $63,318 in hotel/motel tax revenues, which were transferred to the General Fund and used for the promotion of special events and City operations.

NOTE 14. RISK MANAGEMENT

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

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

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

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

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

NOTE 15. ACCOUNTING CHANGES

Change Within the Financial Reporting Entity – Change in Major Funds

In the current year, the City's Capital Grant Fund meets the definition of a major fund. The Capital Grant Fund reported fund balance of $936,624 as of September 30, 2024. The impact of the change is shown in the table below:

	Reporting Units Affected by Adjustments to Beginning Fund Balances	
	Capital Grant Fund	Nonmajor Governmental Funds
September 30, 2024, as previously reported	$ -	$ 7,260,438
Change from nonmajor to major fund	936,624	(936,624)
September 30, 2024, as adjusted	$ 936,624	$ 6,323,814

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

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 488,122	$ 411,270	$ 469,080	$ 483,457	$ 455,122
Interest on total pension liability	1,443,114	1,241,761	1,163,014	1,057,933	936,469
Differences between expected and actual experience	86,873	1,444,129	(111,335)	220,484	489,329
Benefit payments, including refunds of employee contributions	(450,611)	(436,984)	(353,392)	(291,973)	(232,585)
Net change in total pension liability	1,567,498	2,660,176	1,167,367	1,469,901	1,648,335
Total pension liability - beginning	19,304,834	16,644,658	15,477,291	14,007,390	12,359,055
Total pension liability - ending (a)	$ 20,872,332	$ 19,304,834	$ 16,644,658	$ 15,477,291	$ 14,007,390
Plan fiduciary net position					
Contributions - employer	$ 571,879	$ 725,732	$ 716,485	$ 554,567	$ 551,902
Contributions - employee	179,469	173,523	182,674	174,860	184,036
Net investment income	3,357,655	1,586,980	(2,269,108)	2,574,221	912,997
Benefit payments, including refunds of member contributions	(450,611)	(436,984)	(353,392)	(291,973)	(232,585)
Administrative expenses	(21,991)	(27,060)	(26,488)	(26,240)	(25,128)
Net change in plan fiduciary net position	3,636,401	2,022,191	(1,749,829)	2,985,435	1,391,222
Plan fiduciary net position - beginning	14,003,308	11,981,117	13,730,946	10,745,511	9,354,289
Plan fiduciary net position - ending (b)	$ 17,639,709	$ 14,003,308	$ 11,981,117	$ 13,730,946	$ 10,745,511
City's net pension liability - ending (a) - (b)	$ 3,232,623	$ 5,301,526	$ 4,663,541	$ 1,746,345	$ 3,261,879
Plan fiduciary net position as a percentage of the total pension liability	84.51%	72.54%	71.98%	88.72%	76.71%
Covered payroll	$ 5,679,513	$ 5,065,497	$ 5,475,904	$ 5,970,395	$ 5,658,582
City's net pension liability as a percentage of covered payroll	56.92%	104.66%	85.16%	29.25%	57.64%

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

CITY OF MILTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 813,480	$ 601,932	$ 628,066	$ 607,798	$ 528,031
Contributions in relation to the actuarially determined contribution	813,480	720,000	720,000	720,000	554,567
Contribution deficiency (excess)	$ -	$ (118,068)	$ (91,934)	$ (112,202)	$ (26,536)
Covered payroll	$ 5,389,154	$ 5,679,513	$ 5,065,497	$ 5,475,904	$ 5,970,395
Contributions as a percentage of covered payroll	15.09%	12.68%	14.21%	13.15%	9.29%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 439,735	$ 397,551	$ 430,981	$ 422,510	$ 417,023
Contributions in relation to the actuarially determined contribution	551,902	568,384	585,577	645,975	658,776
Contribution deficiency (excess)	$ (112,167)	$ (170,833)	$ (154,596)	$ (223,465)	$ (241,753)
Covered payroll	$ 5,658,582	$ 5,992,597	$ 6,289,001	$ 7,132,601	$ 7,121,076
Contributions as a percentage of covered payroll	9.75%	9.48%	9.31%	9.06%	9.25%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2024
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 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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 19,041,323	$ 19,714,458	$ 19,563,838	$ (150,620)
Sales taxes	15,195,841	14,795,841	14,403,441	(392,400)
Franchise taxes	2,330,276	2,366,920	2,443,610	76,690
Business taxes	5,336,432	5,377,497	5,818,214	440,717
Licenses and permits	1,473,875	1,538,875	1,491,821	(47,054)
Charges for services	711,942	759,512	765,670	6,158
Fines and forfeitures	787,500	937,500	992,428	54,928
Intergovernmental	5,000	35,540	1,597	(33,943)
Contributions	10,000	37,937	44,440	6,503
Interest earned	2,085,240	2,165,240	2,263,934	98,694
Miscellaneous	263,453	437,897	695,318	257,421
Total revenues	47,240,882	48,167,217	48,484,311	317,094
Expenditures:				
Current:				
General government:				
Mayor and council	214,633	214,633	176,040	38,593
City manager	998,128	998,128	974,434	23,694
General administration	56,741	56,741	55,020	1,721
Elections	5,006	5,006	1,503	3,503
Finance department	1,214,811	1,214,811	904,904	309,907
Legal services	550,000	725,000	661,438	63,562
City clerk	232,249	258,949	197,550	61,399
Information technology	2,144,271	2,144,271	1,326,657	817,614
Human resources	663,238	729,238	629,825	99,413
Risk management	410,300	410,300	390,881	19,419
Public information	554,158	577,158	450,089	127,069
Total general government	7,043,535	7,334,235	5,768,341	1,565,894
Judicial:				
Municipal court	561,339	561,339	476,004	85,335
Total judicial	561,339	561,339	476,004	85,335
Public safety:				
Police department	8,595,307	8,624,025	8,307,228	316,797
Fire department	11,476,716	11,481,073	9,970,589	1,510,484
Total public safety	20,072,023	20,105,098	18,277,817	1,827,281
Public works	3,849,553	3,901,693	3,266,977	634,716
Culture and recreation:				
Recreation	2,615,569	2,614,432	2,167,600	446,832
Passive parks/greenspace	276,657	276,657	173,851	102,806
Total culture and recreation	2,892,226	2,891,089	2,341,451	549,638
Housing and development:				
Planning and zoning	2,910,184	2,910,184	2,429,529	480,655
Total housing and development	2,910,184	2,910,184	2,429,529	480,655

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Debt service:				
Principal	-	38,649	1,026,938	(988,289)
Interest	-	4,851	37,239	(32,388)
Total debt service	-	43,500	1,064,177	(1,020,677)
Total expenditures	37,328,860	37,747,138	33,624,296	4,122,842
Excess of revenues over expenditures	9,912,022	10,420,079	14,860,015	4,439,936
Other financing sources (uses):				
Sale of capital assets	50,000	50,000	12,272	(37,728)
Issuance of lease	-	-	96,881	96,881
Issuance of SBITA	-	-	103,086	103,086
Transfers in	110,500	232,040	233,605	1,565
Transfers out	(9,698,236)	(12,374,464)	(12,375,435)	(971)
Total other financing sources (uses)	(9,537,736)	(12,092,424)	(11,929,591)	162,833
Net change in fund balances	374,286	(1,672,345)	2,930,424	4,602,769
Fund balances, beginning of year	14,395,814	14,395,814	14,395,814	-
Fund balances, end of year	$ 14,770,100	$ 12,723,469	$ 17,326,238	$ 4,602,769

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,610,314	$ 1,610,314	$ 1,532,864	$ (77,450)
Interest earned	50,000	120,000	123,900	3,900
Total revenues	1,660,314	1,730,314	1,656,764	(73,550)
Excess of revenues over expenditures	1,660,314	1,730,314	1,656,764	(73,550)
Other financing uses:				
Transfers out	(1,660,314)	(1,730,970)	(1,656,764)	74,206
Total other financing uses	(1,660,314)	(1,730,970)	(1,656,764)	74,206
Net change in fund balance	-	(656)	-	656
Fund balances, beginning of year	656	656	656	-
Fund balances, end of year	$ 656	$ -	$ 656	$ 656

CITY OF MILTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

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, 2025, 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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.

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%.

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.

CITY OF MILTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

ASSETS	Special Revenue Funds: Confiscated Assets Fund	Special Revenue Funds: Opioid Settlement Fund	Special Revenue Funds: Emergency 911 Fund	Special Revenue Funds: Hotel/Motel Tax Fund	Capital Projects Funds: Revenue Bond Fund	Capital Projects Funds: Greenspace Bond Fund	Capital Projects Funds: Impact Fees Fund	Total Nonmajor Governmental Funds
Cash	$ 41,227	$ 60,147	$ -	$ -	$ -	$ -	$ 413,613	$ 514,987
Accounts receivable	-	-	171,695	-	-	3,493	-	175,188
Taxes receivable, net	-	-	-	4,166	-	17,685	-	21,851
Prepaids	-	-	-	-	1,806	281,119	-	282,925
Restricted cash and cash equivalents	-	-	-	-	249	937,986	-	938,235
Total assets	$ 41,227	$ 60,147	$ 171,695	$ 4,166	$ 2,055	$ 1,240,283	$ 413,613	$ 1,933,186
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ 24,924	$ 171,695	$ -	$ -	$ 1,806	$ 4,500	$ 202,925
Due to other funds	-	-	-	4,166	-	231,436	-	235,602
Total liabilities	-	24,924	171,695	4,166	-	233,242	4,500	438,527
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues - property taxes	-	-	-	-	-	10,148	-	10,148
Total deferred inflows of resources	-	-	-	-	-	10,148	-	10,148
FUND BALANCES								
Nonspendable:								
Prepaids	-	-	-	-	1,806	281,119	-	282,925
Restricted:								
Law enforcement	41,227	-	-	-	-	-	7,381	48,608
Health and welfare	-	35,223	-	-	-	-	-	35,223
Road and intersection improvements	-	-	-	-	-	-	41,871	41,871
Park and trail enhancements	-	-	-	-	-	-	108,016	108,016
Fire protection	-	-	-	-	-	-	214,514	214,514
Capital projects	-	-	-	-	249	715,774	-	716,023
General administration	-	-	-	-	-	-	37,331	37,331
Total fund balances	41,227	35,223	-	-	2,055	996,893	409,113	1,484,511
Total liabilities, deferred inflows of resources, and fund balances	$ 41,227	$ 60,147	$ 171,695	$ 4,166	$ 2,055	$ 1,240,283	$ 413,613	$ 1,933,186

CITY OF MILTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				Capital Projects Funds				
	Confiscated Assets Fund	Opioid Settlement Fund	Emergency 911 Fund	Hotel/Motel Tax Fund	*(Previously nonmajor)* Capital Grant Fund	Revenue Bond Fund	Greenspace Bond Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
REVENUES									
Taxes	$ -	$ -	$ -	$ 63,318	$ -	$ -	$ 1,753,353	$ -	$ 1,816,671
Charges for services	-	-	1,022,573	-	-	-	-	1,048,144	2,070,717
Intergovernmental	-	11,719	-	-	-	-	-	-	11,719
Miscellaneous	-	-	-	-	-	-	63,442	-	63,442
Interest	3	147	-	-	-	1,085	212,494	2,315	216,044
Total revenues	3	11,866	1,022,573	63,318	-	1,085	2,029,289	1,050,459	4,178,593
EXPENDITURES									
Current:									
Public safety	2,499	27,643	1,022,573	-	-	-	-	-	1,052,715
Public works	-	-	-	-	-	-	-	4,498	4,498
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	743,261	743,261
Debt service:									
Principal	-	-	-	-	-	982,969	1,090,000	-	2,072,969
Interest	-	-	-	-	-	709,525	622,875	-	1,332,400
Total expenditures	2,499	27,643	1,022,573	-	-	1,692,494	1,712,875	747,759	5,205,843
Excess (deficiency) of revenues over expenditures	(2,496)	(15,777)	-	63,318	-	(1,691,409)	316,414	302,700	(1,027,250)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	1,678,199	-	-	1,678,199
Transfers out	-	-	-	(63,318)	-	-	(4,900,000)	(526,934)	(5,490,252)
Total other financing sources (uses)	-	-	-	(63,318)	-	1,678,199	(4,900,000)	(526,934)	(3,812,053)
Net change in fund balances	(2,496)	(15,777)	-	-	-	(13,210)	(4,583,586)	(224,234)	(4,839,303)
FUND BALANCES, beginning of year	43,723	51,000	-	-	936,624	15,265	5,580,479	633,347	7,260,438
Adjustment - change within reporting entity	-	-	-	-	(936,624)	-	-	-	(936,624)
FUND BALANCES, beginning of year, as adjusted	43,723	51,000	-	-	-	15,265	5,580,479	633,347	6,323,814
FUND BALANCES, end of year	$ 41,227	$ 35,223	$ -	$ -	$ -	$ 2,055	$ 996,893	$ 409,113	$ 1,484,511

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest	$ -	$ -	$ 3	$ 3
Total revenues	-	-	3	3
Expenditures:				
Public safety	2,500	2,500	2,499	1
Total expenditures	2,500	2,500	2,499	1
Net change in fund balances	(2,500)	(2,500)	(2,496)	4
Fund balances, beginning of year	43,723	43,723	43,723	-
Fund balances, end of year	$ 41,223	$ 41,223	$ 41,227	$ 4

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 25,000	$ 25,000	$ 11,719	$ (13,281)
Interest	-	-	147	147
Total revenues	25,000	25,000	11,866	(13,134)
Expenditures:				
Public safety	25,000	49,924	27,643	22,281
Total expenditures	25,000	49,924	27,643	22,281
Net change in fund balances	-	(24,924)	(15,777)	9,147
Fund balances, beginning of year	51,000	51,000	51,000	-
Fund balances, end of year	$ 51,000	$ 26,076	$ 35,223	$ 9,147

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 1,050,000	$ 1,050,000	$ 1,022,573	$ (27,427)
Total revenues	1,050,000	1,050,000	1,022,573	(27,427)
Expenditures:				
Public safety	1,050,000	1,050,000	1,022,573	27,427
Total expenditures	1,050,000	1,050,000	1,022,573	27,427
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF MILTON, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 67,000	$ 65,000	$ 63,318	$ (1,682)
Total revenues	67,000	65,000	63,318	(1,682)
Other financing uses:				
Transfers out	(67,000)	(65,000)	(63,318)	1,682
Total other financing uses	(67,000)	(65,000)	(63,318)	1,682
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, 2025

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	$ 11,329,153	$ 7,558,704 (3)	$ 2,043,200	$ 9,601,904	84.75 %
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	10,058,658 (3)	395,185	10,453,843	61.86 %
Birmingham Road Middle Bridge	1,610,000	1,610,000	353,743 (3)	113,500	467,243	29.02 %
Pedestrian Improvements	3,372,490	3,372,490	1,991,164 (3)	416,463	2,407,627	71.39 %
TSPLOST TIER 2						
Bethany Road at Providence Road Intersection Improvements, Freemanville Road at Redd Road Intersection Improvements	3,445,145	1,200,000	572,890 (3)	345,658 (1)	918,548	76.55 %
Pedestrian Improvements	2,100,000	2,100,000	-	-	-	0.00 %
TSPLOST TIER 3						
Road Paving and Reconstruction	3,000,000	3,000,000	-	-	-	0.00 %
Quick Response	775,160	775,160	-	-	-	0.00 %
Bridge Repair and Replacement	791,865	791,865	-	-	-	0.00 %
Pedestrian Improvements	1,000,000	1,000,000	-	-	-	0.00 %
TOTAL TSPLOST	$ 42,534,660	$ 42,078,668	$ 20,535,159	$ 3,314,006	$ 23,849,165	
				$ 3,314,006		
				1,396,892 (2)		
			Total TSPLOST Expenditures	$ 4,710,898		

(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 expenditures once the previous tier projects become fully funded.

(2) - In fiscal year 2025, $138,250 of intergovernmental revenue funding was expended for the Morris Road Widening project and $1,258,642 of intergovernmental revenue funding was expended for the Pedestrian Improvements project.

(3) - The prior expended balance was revised by management in fiscal year 2025 to exclude the use of intergovernmental revenue funding for these projects.

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, 2025

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	$ 1,158,236	$ 655,534	$ 1,813,770	16.49 %
Pedestrian/Bike Improvements	6,000,000	6,000,000	658,963	548,376	1,207,339	20.12 %
Bridges	4,000,000	4,000,000	803,791	-	803,791	20.09 %
Maintenance and Safety	8,000,000	8,000,000	2,342,791	1,268,563	3,611,354	45.14 %
Quick Response	1,000,000	1,000,000	-	186,215	186,215	18.62 %
Program Management	657,809	657,809	265,030	76,503	341,533	51.92 %
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	$ 5,228,811	$ 2,735,191	$ 7,964,002	

	$ 2,735,191	
	647,236	(1)
Total TSPLOST II expenditures	$ 3,382,427	

(1) - In fiscal year 2025, $631,230 of intergovernmental revenue funding was expended for the Operations and Safety project, and $16,006 of insurance proceeds recoveries were expended for the Maintenance and Safety project.

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.

Page

Financial Trends 84-93
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 94-100
These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity 101-105
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 ..... 106 and 107
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 108-113
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)

	2025		2024		2023		2022
Primary government:							
Net investment in capital assets	$ 133,624,403		$ 126,028,118		$ 111,683,813		$ 99,168,375
Restricted for law enforcement	48,608		43,725		68,847		144,855
Restricted for health and welfare	35,223		51,000		14,764	(1)	-
Restricted for fire facilities	214,514		54,556		-		-
Restricted for intersection improvements	38,396,829		33,262,927		32,573,312		26,333,414
Restricted for park and trail enhancements	1,990,684		180,736		95,663		1,299,141
Restricted for emergency 911 services	-		-		-		-
Restricted for general administration	37,331		37,624		80,439		95,095
Restricted for capital projects	-		-		-		-
Restricted for federal programs	656		656		198,809		35,064
Unrestricted	63,124,543	(3)	15,690,850		19,731,464	(2)	48,134,192
Total primary government net position	$ 237,472,791		$ 175,350,192		$ 164,447,111		$ 175,210,136

(1) Newly reported restriction is due to collection of opioid settlement funds.
(2) Decrease attributable to accrual for litigation liability.
(3) Increase attributable to reduction of significant accrual for litigation liability.

2021	2020	2019	2018	2017	2016
$ 91,930,919	$ 84,118,811	$ 80,745,558	$ 72,722,062	$ 69,411,003	$ 64,343,200
102,332	99,835	155,178	129,305	152,198	130,265
-	-	-	-	-	-
403,966	314,357	253,633	210,654	92,926	82,142
21,047,678	17,784,583	14,163,212	8,684,559	3,447,341	16,095
3,195,715	1,836,522	2,492,082	1,565,418	802,887	671,394
-	-	-	-	-	3
77,252	49,123	33,331	2,980	-	-
-	-	-	39,315	-	-
176	-	-	-	-	-
29,178,813	24,838,051	17,142,141	15,856,331	12,522,984	11,380,667
$ 145,936,851	$ 129,041,282	$ 114,985,135	$ 99,210,624	$ 86,429,339	$ 76,623,766

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

	2025		2024	2023		2022	
Expenses							
General government	$ 6,162,122	(9)	$ 7,132,460	$ 5,604,435		$ 6,478,807	(5)
Judicial	596,260		529,421	448,865		445,751	
Public safety	21,110,746		21,049,685	16,784,600		16,467,302	
Public works	5,782,063	(10)	15,370,053	10,250,316	(7)	4,871,921	
Culture and recreation	3,487,680		3,198,984	4,948		3,419,045	
Housing and development	2,793,818		2,767,686	3,135,329		1,797,021	
Interest on long-term debt	1,288,466		1,103,390	1,159,679		1,187,487	
Total expenses	$ 41,221,155		$ 51,151,679	$ 37,388,172		$ 34,667,334	
Program revenues							
Charges for services:							
General government	$ 558,275		$ 542,138	$ 860,589		$ 854,663	
Judicial	992,428		851,789	712,235		643,863	
Public safety	2,112,983		1,693,533	1,887,754		2,078,406	
Public works	22,784		15,760	12,849		68,529	
Culture and recreation	417,585		370,209	127,207		184,752	
Housing and development	1,256,926		1,188,341	1,158,236		1,582,648	
Operating grants and contributions	2,033,414		152,692	1,578,613		11,691,229	(6)
Capital grants and contributions	15,729,090		10,597,886	9,898,762		8,484,510	
Total program revenues	$ 23,123,485		$ 15,412,348	$ 16,236,245		$ 25,588,600	
Net expense	$ (18,097,670)		$ (35,739,331)	$ (21,151,927)		$ (9,078,734)	
General Revenues and Other Changes in Net Position							
Taxes:							
Property taxes	$ 21,294,367		$ 19,804,208	$ 18,570,926		$ 18,060,795	
Sales taxes	14,403,441		14,344,244	13,685,498		12,409,149	
Other taxes	8,565,699		7,763,384	7,275,267		6,986,090	
Unrestricted investment earnings	2,648,002		4,305,327	2,961,726		416,786	
Miscellaneous revenues	758,760		425,249	445,485		479,199	
Gain on sale of capital assets	-		-	-		-	
Extraordinary item	32,550,000	(11)	-	(32,550,000)	(8)	-	
Total	$ 80,220,269		$ 46,642,412	$ 10,388,902		$ 38,352,019	
Change in Net Position	$ 62,122,599		$ 10,903,081	$ (10,763,025)		$ 29,273,285	

(1) Increase is due to the City's General Obligation Greenspace Bond in 2017.
(2) Increase is due to the first full year of collections of TSPLOST revenues.
(3) Increase is due to an increase in assessed real and personal tax values.
(4) Increase is due to general increase in TSPLOST project activity as well as large paving project performed in 2021.
(5) Increase is attributable to various capital asset disposals in 2022.
(6) Increase is attributable to American Rescue Plan (ARP) grant revenue.
(7) Increase is attributable to increased capital project and TSPLOST activity.
(8) The infrequent and unusual nature of the litigation ruling and magnitude of contingent liability resulted in reporting an extraordinary item in 2023.
(9) Increase is attributable to additional accrual on existing contingent liability.
(10) Decrease is due to a higher proportion of capital asset additions attributable to the function than in recent, prior years.
(11) Effective for fiscal year 2025 the litigation ruling in 2023 that resulted in an extraordinary item and contingent liability was reversed.

2021	2020	2019	2018	2017	2016
$ 2,399,187	$ 3,194,222	$ 3,894,038	$ 3,997,068	$ 4,170,454	$ 3,968,796
449,656	467,942	420,623	415,488	281,485	274,716
14,890,233	14,304,063	12,318,540	12,561,228	12,004,373	11,443,382
9,753,321 (4)	5,019,146	6,621,990	5,227,627	3,175,710	5,028,701
3,292,831	3,781,670	2,104,060	2,031,619	2,337,624	1,827,479
1,883,006	1,812,726	1,498,236	1,452,928	1,148,734	780,282
1,253,596	1,366,516	941,731	1,028,911 (1)	585,362 (1)	350,429
$ 33,921,830	$ 29,946,285	$ 27,799,218	$ 26,714,869	$ 23,703,742	$ 23,673,785
$ 666,516	$ 471,818	$ 559,413	$ 451,519	$ 664,948	$ 562,416
502,864	284,382	432,196	411,582	472,717	508,130
2,428,863	2,149,075	2,317,291	2,074,059	2,236,359	1,939,929
193,269	205,205	109,758	137,889	237,089	242,835
211,336	231,781	106,273	132,402	77,274	122,220
923,342	395,605	516,686	452,200	449,848	628,511
1,661,366	38,632	41,479	84,983	61,885	38,380
9,738,779	8,306,030	7,423,743	7,397,589 (2)	3,503,628	1,025,050
$ 16,326,335	$ 12,082,528	$ 11,506,839	$ 11,142,223	$ 7,703,748	$ 5,067,471
$ (17,595,495)	$ (17,863,757)	$ (16,292,379)	$ (15,572,646)	$ (15,999,994)	$ (18,606,314)
$ 17,481,251	$ 16,159,692	$ 15,004,421 (3)	$ 12,640,472	$ 11,531,051	$ 11,778,279
10,561,589	9,221,508	10,041,779	9,395,425	8,925,207	8,827,604
6,179,936	5,882,679	5,799,663	5,615,462	5,130,291	4,874,826
26,010	479,474	956,696	506,524	127,871	49,473
242,278	176,551	212,228	164,808	91,147	119,195
-	-	52,103	31,240	-	-
-	-	-	-	-	-
$ 34,491,064	$ 31,919,904	$ 32,066,890	$ 28,353,931	$ 25,805,567	$ 25,649,377
$ 16,895,569	$ 14,056,147	$ 15,774,511	$ 12,781,285	$ 9,805,573	$ 7,043,063

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
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
2024	19,804,208	14,344,244	60,718	2,504,469	5,198,197	41,911,836
2025	21,294,367	14,403,441	63,318	2,684,167	5,818,214	44,263,507

(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)

	2025	2024	2023	2022
General Fund				
Nonspendable (prepaids and lease receivable)	$ 1,086,246	$ 635,715	$ 689,952	$ 851,652
Assigned	-	-	-	1,295,035
Unassigned	16,239,992	13,760,099	14,122,690	11,711,982
Total general fund	$ 17,326,238	$ 14,395,814	$ 14,812,642	$ 13,858,669
All Other Governmental Funds				
Nonspendable - prepaids	$ 327,750	$ 311,688	$ 1,069,563	$ 1,537,888
Committed - recreation	176,554 (3)	-	-	-
Restricted - health and welfare	35,223	51,000	14,764	-
Restricted - law enforcement	48,608	43,725	68,847	144,855
Restricted - fire facilities	214,514	54,556	-	-
Restricted - intersection improvements	35,418,331	32,743,108	32,257,584	26,140,377
Restricted - park and trail enhancements	1,990,684	180,736	95,663	1,299,141
Restricted - general administration	37,331	37,624	80,439	95,095
Restricted - emergency 911 services	-	-	-	-
Restricted - capital projects	716,023	5,284,056	5,058,473	7,498,298
Restricted - federal programs	656	656	198,809	35,064
Assigned - capital projects	47,698,852	36,899,231	39,152,674	35,412,256 (2)
Unassigned	(1,236,494)	-	-	-
Total all other governmental funds	$ 85,428,032	$ 75,606,380	$ 77,996,816	$ 72,162,974

(1) In fiscal year 2017, the City issued GO Bonds for the purpose of greenspace acquisition and preservation throughout the City.
(2) Significant transfer in to the Capital Projects Fund resulted in increase in assigned fund balance in fiscal year 2022.
(3) In fiscal year 2025, the City passed a resolution for the commitment of a purchase and installation of all-inclusive playground components/equipment.

2021	2020	2019	2018	2017	2016
$ 710,805	$ 535,746	$ 1,055,070	$ 708,884	$ 591,974	$ 444,032
1,052,886	1,628,677	1,640,430	715,635	-	-
10,752,832	11,017,622	7,871,084	8,904,557	2,777,080	(3,197,092)
$ 12,516,523	$ 13,182,045	$ 10,566,584	$ 10,329,076	$ 3,369,054	$ (2,753,060)
$ 1,562,622	$ 588,468	$ 1,550,921	$ 449,688	$ 292,304	$ -
-	-	-	-	-	-
-	-	-	-	-	-
101,365	99,835	154,195	129,305	152,198	130,265
403,966	314,357	253,633	210,654	92,926	82,142
20,699,556	17,784,583	14,115,969	8,684,559	3,447,341	16,095
3,195,715	1,836,522	2,492,082	1,565,418	802,887	671,394
77,252	49,123	33,331	2,980	-	-
-	-	-	-	-	3
8,478,503	8,824,451	7,107,170	20,411,299	24,785,560 (1)	-
176	-	-	-	-	-
16,883,913	12,834,539	8,262,707	7,835,618	10,911,598	15,359,556
(249,661)	-	(1,546,652)	-	-	-
$ 51,153,407	$ 42,331,878	$ 32,423,356	$ 39,289,521	$ 40,484,814	$ 16,259,455

CITY OF MILTON, GEORGIA

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

	2025	2024	2023	2022	2021
Revenues					
Taxes	$ 44,286,331	$ 41,846,503	$ 39,543,019	$ 37,396,697	$ 34,221,553
Licenses and permits	1,491,821	1,457,133	1,415,856	1,783,318	1,136,559
Intergovernmental	12,494,848	10,575,736	11,637,358	20,612,001 (3)	9,844,341
Charges for services	2,841,610	2,417,407	2,753,471	2,928,581	3,088,902
Fines and forfeitures	992,428	851,789	712,235	643,863	502,864
Contributions	241,769	57,404	15,562	26,621	2,892
Interest earned	3,637,452	4,305,327	2,961,726	416,786	26,010
Miscellaneous	758,760	425,249	445,485	479,199	242,278
Total revenues	66,745,019	61,936,548	59,484,712	64,287,066	49,065,399
Expenditures					
Current:					
General government	5,768,341	5,429,325	4,504,914	4,651,973	4,163,296
Judicial	476,004	447,334	367,675	371,667	370,242
Public safety	19,330,532	18,487,418	17,656,222	15,562,304	13,678,570
Public works	13,662,623	19,022,252 (2)	10,882,666	6,440,875	14,335,310 (2)
Culture and recreation	4,256,989	2,301,486	2,156,433	1,818,274	1,903,960
Housing and development	2,697,871	2,600,605	2,221,331	1,759,217	1,869,053
Capital outlay	3,830,111 (4)	13,588,502	11,596,206	8,095,523	1,293,100
Debt service:					
Principal	3,099,907	2,805,895	2,516,614	1,750,000	1,665,000
Interest	1,369,639	1,489,982	1,566,251	1,613,206	1,697,456
Issuance costs	-	-	-	-	-
Total expenditures	54,492,017	66,172,799	53,468,312	42,063,039	40,975,987
Excess (deficiency) of revenues over expenditures	12,253,002	(4,236,251)	6,016,400	22,224,027	8,089,412
Other Financing Sources (Uses)					
Issuance of SBITA	103,086	1,170,666	655,249	-	-
Issuance of lease	96,881	-			
Issuance of financed purchase	-	199,217	-	-	-
Payment to escrow	-	-	-	-	-
Advance refunding payment with existing resources	-	-	-	-	-
Premium from bond issuance	-	-	-	-	-
Proceeds from the sale of capital assets	299,107	59,104	116,166	127,686	66,595
Insurance recoveries	-	-	-	-	-
Transfers in	19,523,335	16,768,888	16,923,411	34,037,967	18,725,385
Transfers out	(19,523,335)	(16,768,888)	(16,923,411)	(34,037,967)	(18,725,385)
Total other financing sources (uses)	499,074	1,428,987	771,415	127,686	66,595
Net change in fund balances	$ 12,752,076	$ (2,807,264)	$ 6,787,815	$ 22,351,713	$ 8,156,007
Debt service as a percentage of noncapital expenditures	11.4%	9.1%	11.7%	10.4%	10.4%

(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 in 2021 and 2024 as well as large paving project performed in 2021.
(3) The increase is due to American Rescue Plan (ARP) grant funding in 2022.
(4) Overall decrease in CIP additions and depreciable capital assets purchases in 2025.

2020	2019	2018	2017	2016
$ 31,322,509	$ 30,824,036	$ 27,651,993	$ 25,574,393	$ 25,369,042
567,765	700,580	628,090	616,148	784,946
6,953,713	7,599,533	7,152,012	3,587,194	2,630,337
2,543,907	2,817,577	2,718,438	2,945,872	2,624,623
310,114	448,244	422,670	494,891	560,305
32,402	25,157	47,363	40,281	21,725
479,474	956,696	506,524	127,871	49,473
176,551	212,228	164,808	91,147	119,195
42,386,435	43,584,051	39,291,898	33,477,797	32,159,646
3,905,514	3,781,995	3,720,541	3,948,213	3,665,105
458,499	428,571	411,698	279,811	275,541
13,463,420	12,411,953	11,910,598	11,136,499	10,656,256
5,601,369	7,232,342	5,600,294	2,617,819	5,664,758
1,621,664	1,498,976	1,397,855	1,470,156	2,017,771
1,844,546	1,514,934	1,440,247	1,134,524	785,949
18,865,179	20,617,186	7,131,436	6,362,409	9,449,319
1,206,760	1,771,394	928,010	897,038	152,767
1,397,326	1,151,028	1,017,730	317,454	221,706
502,903	-	-	356,322	-
48,867,180	50,408,379	33,558,409	28,520,245	32,889,172
(6,480,745)	(6,824,328)	5,733,489	4,957,552	(729,526)
24,210,000	-	-	23,495,000	689,868
-	-	-	-	-
(7,251,627)	-	-	-	-
(630,000)	-	-	-	-
2,653,663	-	-	1,881,842	-
22,692	168,100	31,240	13,079	5,313
-	27,571	-	-	-
7,671,144	9,045,265	3,398,903	4,931,858	(33,585,858)
(7,671,144)	(9,045,265)	(3,398,903)	(4,931,858)	33,585,858
19,004,728	195,671	31,240	25,389,921	695,181
$ 12,523,983	$ (6,628,657)	$ 5,764,729	$ 30,347,473	$ (34,345)
9.3%	10.6% (1)	6.8% (1)	5.6% (1)	1.8%

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
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
2024	19,738,875	14,344,244	60,718	2,504,469	5,198,197	39,543,019
2025	21,317,191	14,403,441	63,318	2,684,167	5,818,214	44,286,331

(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, and Equip
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
2023	4,009,238,300	7,275,450	423,273,690	27,599,207	8,740,350	39,307,640
2024	4,427,849,400	8,803,800	451,627,710	34,367,484	7,647,490	39,229,140

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
$ 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%
1,195,457,911		3,319,976,726	4.753	11,288,586,593	40%
1,339,559,929		3,629,965,095	4.753	12,423,812,560	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 and Overlapping Rates
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
2023	4.389	0.364	4.753	8.870	0.180	9.050	17.140	-	17.140	0.000	30.943
2024	4.389	0.356	4.745	8.870	0.170	9.040	17.080	-	17.080	0.000	30.865

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, 2025
CURRENT AND NINE YEARS AGO

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
IMT Capital III Deerfield LLC	$ 50,880,000	1	1.53 %	$ 41,752,000	1	1.77 %
WRPV XIV Deerfield Village Mil	47,931,560	2	1.44			
North Park Estates LLC	26,584,800	3	0.80			
IMT Capital IV Stoneleigh at D LLC	26,540,720	4	0.80			
Thirteen Five Sixty Morris Road Office Investors LLC	26,020,200	5	0.78	26,705,240	3	1.13
CSP Community Owner LLC	23,600,000	6	0.71	13,688,160	7	0.58
Cellco Partnership	16,114,720	7	0.49	14,560,440	6	0.62
Deerfield CC Delaware LLC	12,453,640	8	0.38			
WB Holdings Deerfield Place LL	11,733,680	9	0.35	10,038,020	8	0.43
Sawnee EMC	11,557,649	10	0.35			
Strata Deerfield LLC				34,000,000	2	1.44
CH Realty VII Inwood MF Atlanta				21,600,000	4	0.91
TR Deerfield I LLC				17,576,680	5	0.74
First Town LP				7,483,000	10	0.32
Scott H Lee TR				7,726,800	9	0.33
Totals	$ 253,416,969		7.63 %	$ 195,130,340		8.26 %

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

STATISTICAL SECTION

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
2016	$ 10,393,680	$ (43,996)	$ 10,349,684	$ 9,893,308	95.2 %	$ 455,460	$ 10,348,768	100.0 %
2017	(1) 10,393,680	(43,996)	10,349,684	9,893,308	95.2	455,460	10,348,768	100.0
2018	11,414,221	(15,121)	11,399,100	11,388,963	99.8	8,901	11,397,864	100.0
2019	13,613,210	4,300	13,617,510	13,498,814	99.2	115,385	13,614,199	100.0
2020	13,810,744	2,097	13,812,841	13,762,150	99.6	44,774	13,806,924	100.0
2021	14,086,228	(1,750)	14,084,478	14,037,365	99.7	44,910	14,082,275	100.0
2022	14,764,668	6,813	14,771,481	14,660,345	99.3	110,165	14,770,510	100.0
2023	15,532,997	4,391	15,537,388	15,438,172	99.4	89,823	15,527,995	99.9
2024	16,022,821	143,877	16,166,698	15,962,506	99.6	191,830	16,154,336	99.9
2025	17,953,276	-	17,953,276	17,842,117	99.4	-	17,842,117	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	Lease Liability	Financed Purchases Payable			
2016	$ 9,600,000	$ -	$ -	$ -	$ 1,464,922	$ 11,064,922	0.54 %	$ 293.05
2017	9,008,000	25,376,842	-	-	1,312,155	35,696,997	1.70	920.71
2018	8,400,000	25,235,588	-	-	1,007,117	34,642,705	1.60	887.82
2019	7,774,000	24,252,033	-	-	351,864	32,377,897	1.37	816.12
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	-	-	45,273,312	1.59	1,096.31
2024	22,452,973	18,799,885	2,076,948	-	161,694	43,491,500	1.43	1,045.32
2025	21,310,573	17,589,591	1,199,362	89,264	123,045	40,311,835	1.18	970.29

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)
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
2024	18,799,885	-	18,799,885	0.17%	451,855
2025	17,589,591	-	17,589,591	0.14%	423,376

(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, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct Debt:			
Revenue Bonds	$ 21,310,573	100.00 %	$ 21,310,573
GO (Greenspace) Bonds	17,589,591	100.00	17,589,591
Financed Purchase	123,045	100.00	123,045
SBITA Liability	1,199,362	100.00	1,199,362
Lease Liability	89,264	100.00	89,264
Total direct debt	40,311,835		40,311,835
Overlapping Debt (1):			
Fulton County	209,489,693	4.33 %	9,073,870
Fulton County School District	-	7.96	-
Total overlapping debt	209,489,693		9,073,870
Total direct and overlapping debt	$ 249,801,528		$ 49,385,705

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, 2025

	Fiscal Year				
	2021	2020	2019	2018	2017
Assessed value of all taxable property	$ 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	313,498,128	308,859,769	288,670,684	252,177,986	250,736,347
Total net debt applicable to limit	22,178,804	23,231,294	24,252,033	25,235,588	25,376,842
Legal debt margin	$ 292,563,128	$ 287,029,769	$ 265,985,684	$ 228,682,986	$ 227,241,347
Total net debt applicable to the limit as a percentage of debt limit	6.68%	7.52%	8.40%	10.01%	10.12%

	2025	2024	2023	2022
Assessed value of all taxable property	$ 4,969,525,024	$ 4,515,434,637	$ 3,867,970,899	$ 3,327,896,569
Debt limit: 10% of assessed value	496,952,502	451,543,464	386,797,090	332,789,657
Total net debt applicable to limit	17,589,591	18,799,885	19,965,166	21,089,950
Legal debt margin	$ 479,362,911	$ 432,743,579	$ 366,831,924	$ 311,699,707
Total net debt applicable to the limit as a percentage of debt limit	3.54%	4.16%	5.16%	6.34%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	$ 3,629,965,095
Add back: exempt real property	1,339,559,929
Total assessed value	4,969,525,024
Debt limit: 10% of total assessed value	496,952,502
Debt applicable to limit	
General Obligation Bond	17,589,591
Less: Amount set aside for repayment of general obligation bond	-
Total net debt applicable to limit	17,589,591
Legal debt margin	$ 479,362,911

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
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
2024	41,606	3,033,660	72,914	39.2	8,799	2.8
2025	41,546	3,409,639	82,069	38.3	8,695	2.5

(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

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fulton County Schools	962	1	16.0 %	1,034	2	9.7 %
Publix	301	2	5.0	116	10	1.1
Walmart	254	3	4.2	297	5	2.8
Target	213	4	3.5	169	7	1.6
City of Milton	197	5	3.3	146	9	1.4
Home Depot	191	6	3.2			
White Columns Golf Club	118	7	2.0			
Country Financial	115	8	1.9	150	8	1.4
Chick-fil-A	100	9	1.7			
Infor (US) Inc	87	10	1.4	388	4	3.6
Verizon				1,871	1	17.5
Philips Electronics				427	3	4.0
Exide Technologies				241	6	2.3
Totals	2,538		42.2 %	4,839		45.2 %

(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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function										
General Government:										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Manager	4	4	4	4	4	3	3	4	4	4
City Clerk	1	1	1	1	1.5	2	2	2	2	2
Operations	16.6	13	13	11	12.5	13	13	10	10	10
Judicial	1.6	1.5	3	3	3	4	4	4	4	4
Public Safety:										
Administration	17	19	12	12	12	12	9	8	8	8
Police	45	41	41	41	37	37	35	37	36	35
Fire	58	57	59	59	56	55	56	55	55	53
Civilians	9	8.5	7	7	6	6	6	5	4	5
Public Works:										
Admin and Engineering	6	7	7	7	5	5	5	5	5	5
Highways and Streets	4.5	5	4.5	4.5	3	3	3	4	5	5
Culture and Recreation	6	5.5	5.5	4.5	4	3	2	2	2	2
Community Development	21	21	20	18	17	12	11	10	6	6
Total	197	191	184	179	168	162	156	153	148	146

Source: City of Milton Human Resources Department

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Number of property tax accounts:										
Real property	13,924	14,043	13,976	13,884	13,883	13,704	13,643	13,429	13,235	13,235
Personal property	895	709	677	682	680	686	692	768	768	768
Public utility	11	11	11	11	11	12	10	8	8	9
City Clerk										
Ordinances adopted	20	21	19	27	33	49	25	51	40	27
Resolutions adopted	27	46	35	124	28	48	26	44	57	35
Council meetings (Reg/Work Sessions/Special Called)	47	37	33	39	34	37	37	40	30	43
Council meeting minutes (Pages) (3)	-	-	-	-	-	1,089	425	480	463	728
Total hours of council meetings	34	67	92	89	87	66	91	55	64	92
Judicial										
Cases processed	6,602	5,544	5,309	4,754	4,286	2,438	3,244	3,654	3,545	4,434
Cases closed	6,707	5,577	5,208	5,263	4,106	2,227	3,566	3,760	3,914	4,371
Non-jury trials	22	8	41	27	38	73	48	116	311	282
Warrants issued	37	30	43	-	16	11	39	50	76	81
Police (1)										
Calls for service	6,934	6,882	7,441	7,145	6,631	6,228	7,518	7,874	7,554	7,764
Alarms	440	537	689	845	496	1,279	1,642	1,752	1,715	1,723
Accidents	661	636	650	634	569	436	665	738	692	733
Traffic stops	11,295	10,198	10,507	8,552	8,240	7,094	7,254	7,492	7,454	7,608
Warnings issued	5,974	6,001	6,678	4,793	4,081	4,218	3,387	3,614	2,803	1,837
Citations issued	6,624	5,934	5,554	5,413	4,033	2,438	2,914	3,725	3,663	4,434
DUIs	35	35	52	34	52	41	42	41	75	92
Custodial arrests including traffic offenses (5)	426	400	329	99	108	167	413	447	553	709
Traffic arrests	205	229	187	10	12	52	150	179	275	321
Fire										
Number of preplans completed	412	511	426	480	534	436	418	416	404	404
Hours of training	14,473	14,234	16,845	13,435	16,995	13,406	15,184	18,836	12,914	14,425
Fire calls	103	95	63	60	92	67	59	89	124	96
Rescue/EMS calls	1,852	2,035	2,020	1,762	1,548	1,127	1,108	1,233	1,146	1,092
Overpressure/Explosion	2	2	1	4.00	1.00	3.00	-	5	4	1
Hazardous conditions	110	96	94	80	121	94	81	91	79	85
Service call	429	491	437	421	381	284	244	384	318	302
Good intent call	627	579	678	592	868	1,080	712	664	570	560
False alarm	495	445	460	418	373	266	242	277	243	239
Severe weather	10	8	10	6	50	3	6	7	11	14
Special incident (other)	3	3	6	4	9	3	215	9	14	6
Community education in hours	149	252	256	146	457	922	1,764	484	519	685
Average response time		6:05 / 7:31	7:20	7:10	7:12	7:06	7:06	6:44	6:21	6:11
Safety issues (2)	N/A	N/A	N/A	N/A	NA	NA	NA	NA	115	-
Inspections (2)	1,122	1,515	1,095	1,158	1,049	886	808	822	637	642
Plan review (2)	625	313	291	308	152	85	175	137	142	109
Hydrants inspected	3,078	3,393	2,979	2,958	3,010	3,140	2,863	2,582	2,525	2,446
Investigations	11	6	7	5	6	11	5	18	19	17
Public Works										
Work requests	1,300	1,362	1,268	1,461	1,568	1,336	1,198	988	1,161	1,279
Potholes repaired	163	207	145	141	178	300	240	284	150	140
Shoulder restoration	5	17	15	33	42	70	72	65	38	64
Sign maintenance	98	49	173	274	197	259	62	71	210	115
New sign installation	30	33	69	38	49	44	68	52	40	61
Stormwater maintenance calls	68	90	83	154	151	116	61	108	30	29
Traffic signal preventative maintenance	17	16	16	16	16	15	21	20	8	12
Signal maintenance	71	80	50	17	8	12	13	20	16	115
Pavement condition index	70	72	70	71	70	69	69	71	71	71

Continued

CITY OF MILTON, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Culture and Recreation										
Number of annual City-sponsored events	23	25	22	20	25	28	28	27	28	28
Crabapple Fest attendance (4)	18,000	35,000	34,000	35,000	-	35,000	35,000	35,000	34,250	40,320
Number of programs	164	139	84	54	60	43	43	41	33	32
Attendance for recreation programs not including baseball	5,314	5,493	4,589	3,344	2,746	1,733	2,203	1,823	1,829	2,105
Participants in youth baseball	1,638	1,736	1,811	1,693	1,433	728	1,047	917	818	497
Housing and Development										
Business licenses issued	989	958	910	825	872	890	1,228	1,175	1,088	1,017
Planning and Zoning										
Zoning certification letters	37	9	15	14	19	16	17	7	13	15
Zoning modifications processed	-	-	1	-	-	2	3	1	3	1
Special use permits processed	2	2	3	2	3	2	1	6	1	2
Text amendments	8	4	6	20	4	19	1	15	16	12
Rezoning requests processed	-	3	-	-	3	-	2	1	1	4
Variances processed	18	20	19	32	35	16	13	25	23	16
Land disturbance permits	63	30	21	15	11	13	52	44	60	65
Final plats/minor plats signed	36	30	19	34	33	13	28	23	30	30
Development inspections	5,862	870	4,586	5,401	8,730	7,505	4,758	2,031	2,759	2,817
Building Inspections										
Building permits issued	760	1,200	1,334	2,023	2,168	2,017	1,380	1,499	1,747	1,679
Certificates of occupancy issued	39	150	175	203	127	160	188	196	244	385
Sign permits issued	56	60	83	66	60	74	86	119	68	80
Code Enforcement										
Code enforcement inspection	1,435	1,100	1,151	1,094	997	722	803	878	984	964
Notice of violations issued	285	200	239	165	145	136	121	101	129	132
Citations issued	17	10	16	12	9	2	12	7	13	4
Follow up inspections	707	190	619	632	505	478	630	791	837	850
Sign sweeps	53	37	44	36	24	28	22	16	21	8

Source: Various City departments.

Notes:
(1) The data for the Police department is on a calendar year basis.
(2) New indicators the City started tracking in FY 2016 instead of "safety issues" to provide more appropriate data.
(3) The City elected to discontinue tracking Council Minutes Meeting Pages in FY 2021.
(4) The Crabapple Fest was canceled in FY 2021.
(5) The City expanded on its arrest tracking statistics.

CITY OF MILTON, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function/Program										
General government:										
Vehicles	1	1	1	1	1	2	2	2	2	2
Police:										
Vehicles	64	61	61	61	50	51	51	48	52	51
Fire:										
Vehicles	26	29	26	26	25	19	19	18	18	17
Stations	4	4	4	4	4	3	3	3	3	3
Tornado Siren	11	11	11	11	11	11	11	11	10	10
Public Works:										
Streets (miles)	181	181	180	180	187	187	187	180	180	180
Bridges	31	34	36	36	36	36	35	34	34	34
Traffic signals	17	16	16	16	16	15	15	16	16	16
Flashing beacons	9	9	9	9	9	9	9	9	9	9
Vehicles	8	10	7	8	7	7	7	6	6	5
Culture and Recreation:										
Park acreage	780	780	780	708	701	688	688	439	296	292
Recreational facilities	7	7	7	8	6	5	5	5	5	5
Parks (1)	9	9	9	8	8	6	6	6	4	4
Playgrounds (1)	3	3	3	3	3	3	3	3	3	2
Athletic fields	9	9	9	9	9	6	6	6	6	6
Vehicles	2	2	2	2	2	2	2	2	2	2
Housing and Development:										
Vehicles	8	7	7	6	3	1	1	1	2	2

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 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 16, 2026.

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 2025-001, 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 the 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 Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 16, 2026

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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 16, 2026

CITY OF MILTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Georgia Department of Transportation			
Safe Streets and Roads for All	20.939	693JJ32440461	$ 517,400
Highway Planning and Construction Program - Big Creek Greenway	20.205	PI # 15078	1,550,267
Total U.S. Department of Transportation			2,067,667
U.S. DEPARTMENT OF JUSTICE			
Passed Through the Criminal Justice Coordinating Council			
Bulletproof Vest Partnership Program	16.607	VUSERXJ12LD5	1,597
Total U.S. Department of Justice			1,597
U.S. DEPARTMENT OF THE TREASURY			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	GA - 0013315	1,532,864
Total U.S. Department of the Treasury			1,532,864
U.S. DEPARTMENT OF ENERGY			
Passed Through the State of Georgia			
Energy Efficiency and Conservation Block Grant	81.128	DE-FOA-002882	7,635
Total U.S. Department of Energy			7,635
Total Expenditures of Federal Awards			$ 3,609,763

See accompanying notes to schedule of expenditures of federal awards.

CITY OF MILTON, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(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 pass through federal awards to subrecipients.

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, 2025

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:

Assistance Listing Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025-001 Capital Asset Completeness

Criteria: Internal controls should be in place to ensure that capital assets are properly reported and accounted for within the general ledger and the financial statements of the City in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient and were not adhered to by previous management to detect misstatements in the reporting of the City's capital asset balances.

Context/Cause: During our testing of capital assets, we noted that construction in progress and infrastructure was understated at the beginning of the fiscal year due to the exclusion of expenditures that should have been capitalized from prior fiscal years in the amount of $1,566,236. The balances were corrected as of September 30, 2025, via an entry that impacted the current year income statement at the City's government-wide reporting level.

Effects: The failure to timely identify and record capital asset purchases increase the risk that the City's financial statements will be misstated.

Recommendations: We recommend the City reconcile the general ledger to the capital asset subsidiary ledger at least monthly to ensure that all activity has been properly recorded and reported for the period as well as take inventory of all existing capital assets to ensure capital assets are complete and accurate and that project statuses and activities are up-to-date.

Auditee's Response: The City concurs with the finding and acknowledges that the processes and procedures related to capital asset reporting were modified in fiscal year 2024. These changes contributed to the issues encountered, and the City has reverted to the original practices, which identified the fiscal year 2024 reporting errors and did not produce such outcomes in fiscal year 2025.

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF MILTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

2024-001 Property Taxes

Criteria: Internal controls should be in place to ensure property tax receivables, allowances for doubtful accounts, unavailable revenues and related revenues are properly reported in the City's general ledger and in accordance with generally accepted accounting principles.

Effects: Audit adjustments totaling $1,268,166 and $45,566 were required to properly report the City's property tax activity within the General Fund and Greenspace Bond Fund, respectively, as of and for the year ended September 30, 2024.

Status: Resolved in fiscal year 2025.

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2025-001 Capital Asset Reporting

Name of the Contact Person Responsible for the Corrective Action Plan: Bernadette Harvill, Finance Director.

Corrective Action Plan: The City has reverted to its original practices regarding capital asset reporting and the internal controls associated with such capital asset reporting. This change helped identify the fiscal year 2024 reporting errors and did not produce similar outcomes in fiscal year 2025.

Anticipated Completion Date: October 1, 2025.