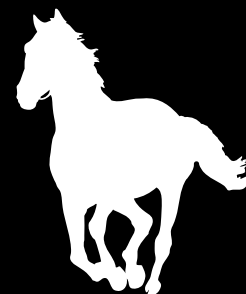


# MILTON



GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PREPARED BY:  
Bernadette Harvill  
Assistant City Manager/Finance Director

SUBMITTED BY:  
Steven Krokoff  
City Manager



# INTRODUCTORY SECTION

**INTRODUCTORY SECTION**

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**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, 2021. 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, 2021, 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, 2021. 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 41,296, according to the United States Census Bureau. The City has been celebrated nationally for its high quality of life with rankings in numerous surveys as one of Georgia's safest and most livable cities. Milton is a premier city recognized for its exceptionally high quality of life, strong sense of place and community, and dedication to preserving our rural heritage.

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## 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 2021, the City maintained twelve governmental funds. The budgets for the General Fund, Confiscated Assets Fund, Emergency 911 Fund, Operating Grant Fund, American Rescue Plan (ARP) 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 84.5% of the land area within the city can be developed for residential or agricultural/equestrian purposes. Only 2.5% of the land area is planned for commercial development. The remaining 13% is comprised of right of way, wetlands, schools, cemeteries, and parkland.

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

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While commercial properties comprise approximately 15% of the net tax digest, Milton is fortunate to have a stable list of large employers such as Verizon Wireless, Fulton County Schools, InFor (US) Inc, Walmart, Integrated Systems, LLC, and Publix. According to the City's community Profile prepared by ESRI, Milton has a median age of 38.7 years, a per capita income of \$64,704 with a median household income of \$151,491, and a median home value of \$538,585.

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 72% have a bachelor's degree or higher. More than 66% of the workforce is in the professional/management field. Milton has been fortunate to see significant signs of recovery from the pandemic including the decrease to the City's unemployment rate from 3.3% in September 2020 to 1.7% as of the fiscal year end (September 30, 2021).

## STRATEGIC FINANCIAL PLANNING

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

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

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

The City's current seven-year Capital Improvement Plan (CIP) identified over \$65 million in projected funding through fiscal year 2028 (excluding potential bond funding). Approximately \$6.8 million of this is budgeted for the 2022 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 and \$2.8 million for active and passive park land acquisition and improvements. The remaining fiscal year 2022 budget is slated for future replacement of public safety vehicles and the Fire department's advanced life support equipment, and the continuation of the Milton gateway/wayfinding signage program. Fiscal year 2022's CIP also includes funding for all Transportation Local Option Sales Tax (TSPLOST) projects, greenspace bond related land purchases, grant funded projects, and the City's current revenue bond funded projects. The latter includes the reconstruction of Fire Station 42 on Thompson Road and related furnishing and landscaping expenses.

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

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## MAJOR INITIATIVES

During fiscal year 2021, 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, Council adopted the 2021-2025 Strategic Plan; later in October, Milton's 2040 Comprehensive Plan was approved. Staff worked throughout fiscal year 2021 to help prepare these plans as well get to work on the action plans to achieve the initiatives set out in them.

Increasing capacity for both active and passive parks is a top priority for Milton, as seen in these two plans as well as other City surveys and planning documents. With the help of Public Works staff, the Parks & Recreation Department continues to make progress in this area. Construction of the grant-funded ADA trail/boardwalk and fishing pier/pavilion at Providence Park and improvements at the Lackey Road greenspace were underway throughout the fiscal year, and each park was opened/re-opened to the public in early fiscal year 2022. Passive Park access also increased with the donation (by developer Taylor Morrison) of five acres of land off Mayfield Road, which includes a stormwater facility that doubles as water feature with a pier, arbor, and trails for the community to enjoy.

Parks & Recreation program participation increased across the board in fiscal year 2021 despite pandemic-related obstacles. This accomplishment along with the addition of new programming, dedicated care of the active and passive facilities, and superior community outreach helped staff achieve the coveted Agency of the Year award for the 7th district from the Georgia Recreation and Parks Association (GRPA).

Throughout the year, Public Works continued to make progress on several projects. These include design and right-of-way services for the Birmingham Middle Bridge, Big Creek Greenway trail connection, Mayfield Road sidewalk extension, and phase II of the Morris Road widening projects. The City also worked on intersection improvement projects at State Route 140 at Green Road, Freemanville Road at Birmingham Road, Freemanville Road at Redd Road, and Bethany Road at Providence Road. Construction was underway on the Cogburn Road sidewalk extension project, intersection improvements at Hopewell Road at Bethany Road/Bethany Bend, as well as intersection improvement projects at Hopewell Road at Thompson Road and Hopewell Road at Hamby Road; all but the intersection improvements at Hopewell Road at Bethany Road/Bethany Bend were substantially complete by yearend with final punch-list items to be concluded in early fiscal year 2022.

Milton's Police Department (MPD) earned its second national reaccreditation through the Commission on Accreditation of Law Enforcement Agencies (CALEA) in July 2021. In addition, three command staff members completed a nationally recognized police executive training program through the prestigious Northwestern University School of Police Staff and Command. MPD also partnered with Public Works staff to begin work on a Local Road Safety Plan (LRSP) for the city that will examine traffic patterns, study speed on local roads, and report on potential improvements to enhance safety on our roads. In fiscal year 2021, ten solar-powered speed signs were purchased with grant money received through the State's Local Maintenance & Improvement Grant-Safety Action Plan (LMIG-SAP) program for such purposes.

MPD was also awarded a grant through the Georgia Criminal Justice Coordinating Council (CJCC) for scenario-based, hands-on training in use of force/de-escalation. Staff was able to fund the purchase of a use of force/de-escalation virtual simulator and defensive tactics training with the funding.

Milton's Fire-Rescue Department made great strides with the publication of its department-specific strategic plan (driven by the City's main plan). The team launched a new outreach and assistance program called Milton Fire CARES (Community Advocates for Referral and Education Services) that strives to bridge the gap between emergency care and everyday health care needs. This new program utilizes a mobile integrated health (MIH) team to provide in-home visits and health assessments for at-risk groups, hospital discharge and primary care doctor follow-up, social service referrals and much more. The team even hosted numerous vaccination clinics in coordination with ReVue Pharmacy throughout the year to meet community requests, with firefighters administering hundreds of vaccines to interested and eligible citizens.

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The Fire-Rescue Department also purchased new equipment including two additional LIFEPAK 15 monitor/defibrillators to help achieve improved cardiac arrest survivability above the national average. Furthermore, all Milton Fire-Rescue units now have advanced life support capabilities -- a special feature that should also help improve outcomes. This program will continue in fiscal year 2022 with further technology deployment and training opportunities.

Fiscal year 2021 also saw station improvements for the department with the installation of an alerting system in each station that are integrated with the computer-aided dispatch (CAD) system and will help enhance communications and achieve reduced response times. Grant-funded exhaust extractors were installed at Fire Station 41 and 43 that will help keep harmful fumes from the apparatus outside of the stations in-line with the City's cancer prevention program.

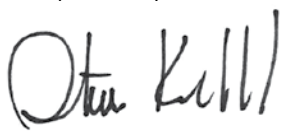
Increased transparency was at the forefront for City staff with the implementation of website improvements as well as an expansion of outreach efforts from the Communications Department. Communications staff worked with all departments to execute an effective City social media strategy that was proactive and productive in terms of overall posts and engagement, diverse in its offerings and tone, and responsive. They produced dozens of previews of official City meetings (including Council, boards and commissions) with effective images and explanations so that citizens could understand the many pertinent matters touched by City government and worked with Finance staff to roll out the City's new transparency portal hosted by ClearGov. This site provides the public with the latest details on Milton revenues, expenditures, and projects and will be further utilized in fiscal year 2022 to track progress on strategic plan objectives and department metrics.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Milton for its Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended September 30, 2020. 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 thirteenth year the City has received this prestigious award. This award is valid for a period of one year only. We believe that our current ACFR continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

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

Respectfully submitted,



Steven Krokoff  
City Manager



Stacey R. Inglis  
Deputy City Manager/ Treasurer



Bernadette Harvill  
Assistant City Manager/ Finance Director

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Financial Reporting**

Presented to

**City of Milton**

**Georgia**

For its Annual Financial Report  
for the Fiscal Year Ended

**September 30, 2020**

Executive Director/CEO



MAYOR

Joe Lockwood



DISTRICT 1/POST 1

Peyton Jamison



DISTRICT 2/POST 1

Laura Bentley



DISTRICT 3/POST 1

Joe Longoria



DISTRICT 1/POST 2

Carol Cookerly



DISTRICT 2/POST 2

Paul Moore



DISTRICT 3/POST 2

Rick Mohrig

LISTING OF PRINCIPAL OFFICIALS AT SEPTEMBER 30, 2021

INTRODUCTORY SECTION



**City Manager**  
Steven Krokoff



**Deputy City Manager/  
City Treasurer**  
Stacey Inglis



**Assistant City Manager/  
Finance Director**  
Bernadette Harvill



**Public Works Director**  
Sara Leaders



**Human Resources  
Director**  
Sam Trager



**Parks and Recreation  
Interim Manager**  
Tom McKlveen



**Community  
Development Director**  
Robert Buscemi



**Communications  
Director**  
Greg Botelho



**Chief of Police**  
G. Rich Austin



**Fire Chief**  
Gabriel Benmoussa



**Financial Services  
Manager**  
Sophia Thomas



**City Clerk**  
Tammy Lowit



**Court Clerk**  
Brooke Lappin

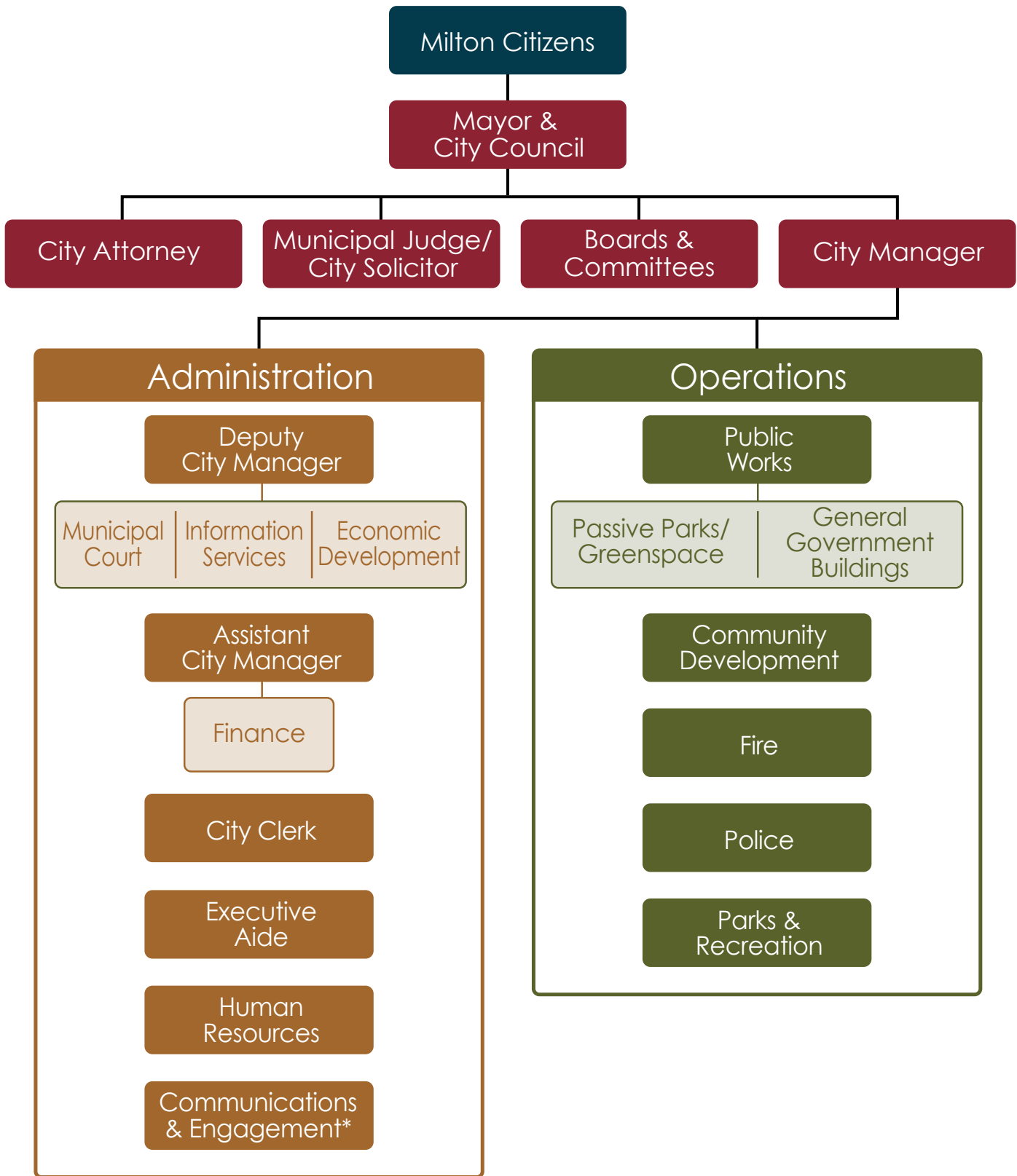


**Virtual CIO**  
Ashley Smith

**City Attorney**  
Ken E. Jarrard, Esq.

**City Auditors**  
Mauldin & Jenkins, LLC

# ORGANIZATIONAL CHART



\*For purposes of the organizational chart, these two departments are combined for reporting purposes, while budgeted for separately. Please see the individual department pages beginning on p. XX for department specific organizational charts.



# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

---

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Milton, Georgia** (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

---

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Milton, Georgia, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

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

*Other Information*

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

---

*Other Information (continued)*

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 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 10, 2022

## 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, 2021. 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 \$145,936,851 (total net position). Of this amount, \$29,178,813 (*unrestricted net position*) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by \$16,895,569.
- As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$63,669,930 -- an increase of \$8,156,007 over the prior year. The key elements of this increase are attributable to the City's pay-as-you-go funding program in the Capital Projects fund as well as TSPLOST funding earned in fiscal year 2021 that is restricted for future year spending. There was an increase of \$6,020,865 in the Capital Projects Fund, of which approximately \$4.5 million is assigned for land acquisition and site improvements for a new active athletic complex. The TSPLOST Fund increased by \$2,767,007, 100% of which is restricted to road and intersection improvements authorized by the voter-approved TSPLOST referendum.
- The unassigned fund balance in the general fund at the end of the fiscal year was \$10,752,832. This represents approximately 30.8% of the fiscal year 2022 budgeted revenues. Milton's Fund Balance Policy requires current year unassigned fund balance to represent no less than 25% of the subsequent year's budgeted revenues. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Any surplus after such emergency reserve will allow the City to utilize excess fund balance as a funding source. Such utilization shall be deemed a use of one-time revenues for budgeting purposes. The City opted to utilize \$1,052,886 of the excess fund balance to fund fiscal year 2022 operations via a transfer out to the Capital Projects Fund as part of Milton's pay-as-you-go funding strategy for capital projects.
- The City's total long-term debt as of September 30, 2021, consists of a revenue bond to fund the construction of the Public Safety Complex on Highway 9, the reconstruction of Fire Station 42 on Thompson Road, and a station-wide alerting system for the Fire Department. It also includes the refunding of the debt due on the Series 2014 revenue bond that was utilized for the construction of Bell Memorial Park, as well as a general obligation bond to fund the purchase of greenspace properties. As of the close of fiscal year 2021, the balance of the long-term debt, net of original issuance premiums, was \$47,870,158.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide financial statements

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

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

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

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

The government-wide financial statements can be found on pages 30 and 31 of this report.

### **Fund financial statements**

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

### **Governmental funds**

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund *statement of revenues, expenditures, and changes in fund balance* have reconciliations that provide a detailed breakdown of the changes between governmental funds and governmental activities.

In fiscal year 2021, the City maintained five major and seven non-major governmental funds. The City's major governmental funds included the General Fund, American Rescue Plan Fund, Capital Projects Fund, Greenspace Bond Fund, and TSPLOST Fund. The non-major governmental funds included the Confiscated Assets Fund, Emergency 911 Fund, Operating Grant Fund, Hotel/Motel Tax Fund, Capital Grant Fund, Revenue Bond Fund, and Impact Fees Fund.

The basic governmental fund financial statements can be found on pages 32 through 34 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 36 to 59 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 61 to 66 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Following is a summary of the City's net position as found on page 30 of this report.

## CITY OF MILTON'S NET POSITION

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Current and other assets	\$ 77,506,319	\$ 62,608,737
Capital assets	131,641,395	125,083,822
Total assets	209,147,714	187,692,559
Deferred outflow of resources	2,532,276	2,403,578
<b>Total deferred outflow of resources</b>	<b>2,532,276</b>	<b>2,403,578</b>
<b>Liabilities</b>		
Current liabilities	16,168,039	9,633,905
Non-current liabilities outstanding	49,382,037	51,283,575
Total liabilities	65,550,076	60,917,480
Deferred inflows of resources	192,994	137,375
<b>Total deferred inflows of resources</b>	<b>192,994</b>	<b>137,375</b>
<b>Net position</b>		
Net investment in capital assets	91,930,919	84,118,811
Restricted for law enforcement	102,332	99,835
Restricted for fire facilities	403,966	314,357
Restricted for road and intersection improvements	21,047,678	17,784,583
Restricted for park & trail expansion	3,195,715	1,836,522
Restricted for general administration	77,252	49,123
Restricted for federal programs	176	-
Unrestricted	29,178,813	24,838,051
Total net position	\$ 145,936,851	\$ 129,041,282

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 \$145,936,851 at the close of the fiscal year. The largest portion of the net position (62.99%) reflects its net investment in capital assets (e.g., land, land improvements, buildings, infrastructure, and machinery and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (17.01%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2021, the City's restricted net position was \$24,827,119 representing:

- \$3,847,736 for impact fee funded projects across general administration (\$77,252), law enforcement (\$15,319), fire (\$403,966), public works (\$155,484), and culture and recreation (\$3,195,715).
- An additional \$87,013 in confiscated funds for law enforcement, \$176 in interest earnings related to federal programs, and \$20,892,194 in TSPLOST funding for public works road and intersection improvements.

The remaining portion of the City's net position represents unrestricted net position. The statement reveals a surplus of \$29,178,813 (19.99%) 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 2021, the City is able to report positive balances in all three categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

The following condensed financial information was derived from the government-wide statement of activities (page 31) and reflects how the City's net position changed during the fiscal period.

### CITY OF MILTON'S CHANGES IN NET POSITION

	Governmental Activities	
	2021	2020
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 4,926,190	\$ 3,737,866
Operating grants and contributions	1,661,366	38,632
Capital grants and contributions	9,738,779	8,306,030
General revenues:		
Property taxes	17,481,251	16,159,692
Sales taxes	10,561,589	9,221,508
Other taxes	6,179,936	5,882,679
Interest	26,010	479,474
Miscellaneous revenues	242,278	176,551
Total revenues	<u>50,817,399</u>	<u>44,002,432</u>
<b>Expenses</b>		
General Government	2,399,187	3,194,222
Judicial	449,656	467,942
Public Safety	14,890,233	14,304,063
Public Works	9,753,321	5,019,146
Culture and Recreation	3,292,831	3,781,670
Housing and Development	1,883,006	1,812,726
Interest on long-term debt	1,253,596	1,366,516
Total expenses	<u>33,921,830</u>	<u>29,946,285</u>
Increase in net position	<u>16,895,569</u>	<u>14,056,147</u>
Net position - beginning	<u>129,041,282</u>	<u>114,985,135</u>
Net position - ending	<u>\$ 145,936,851</u>	<u>\$ 129,041,282</u>

There was an overall increase in net position of \$16,895,569 in fiscal year 2021. Increases in revenues outpaced increases in expenses year-over-year. Those increases in revenue streams (including operating and capital grants, sales taxes, property taxes, and charges for services) were the key elements of the overall increase in net position.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

### Governmental Funds

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

As of the end of fiscal year 2021, the City reported governmental funds combined ending fund balance of \$63,669,930, an increase of \$8,156,007 from the prior year. Of this balance, \$16,883,913 is assigned for capital projects and \$1,052,886 is assigned for fiscal year 2022 operations (assigned fund balances include amounts intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed); \$505,331 is restricted for public safety; \$20,699,556 is restricted for public works road and intersection improvements; \$3,195,715 is restricted for future park and trail enhancements; \$77,252 is restricted for general administration; \$8,478,503 is restricted for capital projects, including greenspace bond funded land purchases, and revenue bond funded construction projects; \$176 is restricted for federal programs; \$2,273,427 is non-spendable for prepaids; and \$10,503,171 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 \$12,516,523 -- a decrease of \$665,522. As a measure of the liquidity, total fund balance represents 36% of fiscal year 2022 budgeted revenues.

Approximately 5.7% of the total fund balance, or \$710,805, constitutes nonspendable fund balance for prepaids. Another 8.4%, or \$1,052,886, is assigned for fiscal year 2022 operations. And the remaining 85.9% of total fund balance, or \$10,752,832, constitutes unassigned fund balance. This unassigned balance represents approximately 30.8% of fiscal year 2022 budgeted revenues. By ordinance, the City has mandated that such balance not be less than 25% of budgeted revenues. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. The City Code of ordinances allows for utilization of surplus fund balance in excess of the 25% of the subsequent year's budgeted revenues as a funding source for that fund's budget in any given year. The utilization of fund balance is considered a use of one-time revenues for budgeting purposes.

### Revenues Classified by Source - General Fund

	FY 2021		FY 2020		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
	<b>Revenues by Source:</b>					
Taxes	\$ 32,382,187	92.9%	\$ 29,365,900	94.8%	\$ 3,016,287	10.3%
Licenses and permits	1,136,559	3.3%	567,765	1.8%	568,794	100.2%
Charges for service	628,725	1.8%	409,669	1.3%	219,056	53.5%
Fines and Forfeitures	502,864	1.4%	284,382	0.9%	218,482	76.8%
Other	220,612	0.6%	362,850	1.2%	(142,238)	-39.2%
<b>Total</b>	<b>\$ 34,870,947</b>	<b>100.0%</b>	<b>\$ 30,990,566</b>	<b>100.0%</b>	<b>\$ 3,880,381</b>	<b>12.5%</b>

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

- **Taxes.** An increase of approximately \$1,279,377 was recognized in the local option sales taxes category related to increased consumer spending as well as increased prices on goods coming out of the pandemic. Within the taxes category, the City also recognized growth in title ad valorem tax that increased by \$605,334, intangible taxes in the amount of \$373,658, property taxes that increased by \$307,209, and franchise fees (including recovered revenues from prior years) that increased by \$204,399 year-over-year.
- **Licenses and permits.** The main driver of the \$568,794 increase within this category was building permit revenue in the amount of \$481,017. In May 2021, Milton opted to end its third-party contract and bring the building inspection and permitting function in-house. This corresponded to the City recognizing revenues that were previously paid to the third-party. (The City has incurred corresponding expense increases in staffing, equipment, training, etc. related to this decision as well).
- **Charges for service.** The charges for service category was impacted by the COVID-19 pandemic. Milton has been fortunate that revenue streams within this category showed signs of recovery in fiscal year 2021. State-mandated court closures came to an end resulting in an increase to administrative fees related to court sessions in the amount of \$61,757. Parks & recreation programming was also back on schedule with an overall increase in activity and commission revenues of \$58,386. Not as directly tied to the pandemic, plan review fees also saw a notable increase of \$60,865 contributing to the overall increase within the charges for service category.
- **Fines and forfeitures.** As mentioned above, State-mandated court closures related to the pandemic have come to an end, allowing court to resume a more normal calendar. This has resulted in an increase in this category of \$218,482 year-over-year.
- **Other.** The decrease in other revenues is attributable to a decrease in investment earnings of approximately \$170,918. The drastic drop in interest rates has continued to impact this revenue category. Additionally, donation revenue decreased by \$29,510 in fiscal year 2021. These decreases were offset somewhat by increases in revenues related to facility and field rentals in the amount of \$58,997.

**Expenditures by Function - General Fund**

	FY 2021		FY 2020		Increase (Decrease)	
	Amount	% of	Amount	% of	Amount	% of
		Total		Total		Change
<b>Expenditures by Function:</b>						
General Government	\$ 4,135,714	18.8%	\$ 3,904,864	17.3%	\$ 230,850	5.9%
Judicial	370,242	1.7%	458,499	2.0%	(88,257)	-19.2%
Public Safety	12,131,657	55.3%	12,172,740	53.9%	(41,083)	-0.3%
Public Works	2,570,491	11.7%	2,413,037	10.7%	157,454	6.5%
Culture and Recreation	1,065,696	4.9%	1,545,850	6.8%	(480,154)	-31.1%
Housing and Development	1,673,650	7.6%	1,742,620	7.7%	(68,970)	-4.0%
Debt Service	-	0.0%	360,396	1.6%	(360,396)	-100.0%
<b>Total</b>	<b>\$ 21,947,450</b>	<b>100.0%</b>	<b>\$ 22,598,006</b>	<b>100.0%</b>	<b>\$ (650,556)</b>	<b>-2.9%</b>

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

- General government expenses increased by \$230,850. A large portion of this increase (approximately \$114,599) is attributable to salaries including market adjustments and new positions. Other notable increases include computer software upgrades and expenses in the amount of \$64,212 as well as professional fees in the City Manager Department associated with implementation of the Strategic Plan and employee training.
- There was an increase of \$157,454 in public works. This increase was primarily related to increased costs associated with contracted labor for right-of-way maintenance (\$123,174). Part of these expenses are related to the addition of new roundabouts and roadway, such as a full year of maintenance along Heritage Walk including the extension to Charlotte Road.
- Culture and Recreation recognized a substantial decrease of \$480,154. The largest contributor to these savings was the termination of the active parks IGA between the City of Milton and the City of Alpharetta in fiscal year 2020 (\$316,587). There were additional savings related to one-time facility improvements including resurfacing the deck and making repairs to the pump house at the City Pool on Dinsmore Road (approximately \$57,000). More savings stemmed from the cancellation of certain special events including the annual Crabapple Fest hosted by the City. Special events expenses were down \$23,935 year-over-year due to cancellations and scaling back associated with pandemic precautions.
- Debt service in the General Fund also recognized a notable decrease of \$360,396 associated with the end of the obligation on Fire Station 43. Milton purchased this station from Fulton County at the end of the lease period, eliminating these costs for the City.

#### **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. Once City Council approves a spending plan, the funds will be allocated to the appropriate expenditure accounts through the budget amendment process. In fiscal year 2021, Milton has recognized interest earnings in the amount of \$176 as restricted fund balance for federal programs. The remaining \$7,391,612 has been recorded as unearned revenue until the funding plan is approved by City Council, and the City begins incurring eligible expenditures.

#### **Capital Projects Fund**

Annually, the City Council approves a seven-year capital program as part of the budget process. Funding for these projects comes primarily from available fund balance of the General Fund. The Capital Projects Fund accounts for these activities. During the year, \$13,655,033 was transferred to this fund from the General Fund, which denotes an increase from the transfer of \$5,370,390 in fiscal year 2020. This increase includes funding for land acquisition and development costs associated with a new active park complex (\$5,000,000), funding to obtain a new ladder truck as part of a staffing strategy to reduce required full-time positions in lieu of deployment of alternative equipment (\$1,350,000), funding to make improvements to the City's recently acquired passive/greenspace properties (\$1,000,000), and funding to address recommendations that may come out of the recently initiated Local Road Safety Plan (LRSP) project (\$1,000,000).

#### **Greenspace Bond Fund**

During fiscal year 2017, the City issued City of Milton General Obligation Bonds, Series 2017 to be used for the purpose of acquiring and establishing greenspace throughout the City. The City did not close on a greenspace acquisition in fiscal year 2021. Expenditures within the fund are related to title work and acquisition fees in the amount of \$2,337 and debt service owed, including \$895,000 in bond principal and \$817,431 in bond interest payments. At year end, the City reported a fund balance of \$5,191,952, a decrease of \$55,865 from fiscal year 2020. The Milton Greenspace Advisory Committee continues to evaluate properties to propose as potential purchases to be made with the remaining funds.

#### **TSPLOST Fund**

In November 2016, voters approved a five-year program for transportation-related projects. Transportation Local Option Sales Tax (TSPLOST)-related transactions are kept in a separate fund and qualified as a major fund in fiscal year 2021. Expenditures within this fund amounted to \$5,595,602 and can be attributed to design, preconstruction services, and construction on nine intersection projects and three pedestrian improvement projects. The increase in fund balance accounted for in the TSPLOST 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 \$20,544,072 – an increase of \$2,767,007, all of which is restricted for approved TSPLOST projects.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Total revenue and other financing sources appropriations increased by \$6,102,217.
  - The appropriation for other financing sources increased by \$1,725,300. The majority of this increase is attributable to a one-time reimbursement from the operating grant fund in the amount of \$1,651,649 for expenses made in fiscal year 2020 that were eligible for reimbursement through the CARES Act grant.
  - The taxes category also saw an increase in appropriations in the amount of \$3,850,029. Primary contributions to this increase include local option sales tax in the amount of \$1,108,000, title ad valorem taxes in the amount of \$800,000, real property tax-current year \$744,729, and intangible tax \$705,000. These increases were primarily attributable to revenue streams recovering sooner than anticipated from the economic impacts of the COVID-19 pandemic.
- Total expenditure and other financing uses appropriations decreased by \$79,913.
  - Vacancies experienced in public safety as well as staffing changes in Culture and Recreation are the leading cause of this decrease.

Operating transfers out had a net increase of \$8,484,779. This included an increase of \$8,727,977 to the Capital Projects Fund as part of the City's pay-as-you-go funding strategy. This pay-go transfer included funding for land acquisition and development costs associated with a new active park complex (\$5,000,000), funding to obtain a new ladder truck as part of a staffing strategy to reduce required full-time positions in lieu of deployment of alternative equipment (\$1,350,000), funding to make improvements to the City's recently acquired passive/greenspace properties (\$1,000,000), and funding to address recommendations that may come out of the recently initiated Local Road Safety Plan (LRSP) project (\$1,000,000).

During the year, General Fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues and other financing sources were \$940,903 higher than estimates, whereas expenditures and operating transfers out were \$2,393,579 lower than the final budgetary appropriations. Listed below are the major variances between actuals and appropriations.

- The variance of \$940,903 in revenues and other financing sources can be attributed to taxes and building permits coming in higher than anticipated. The variance in local option sales taxes was approximately \$276,766. Title ad valorem taxes and insurance premium taxes also saw a variance of \$215,482 and \$122,787 respectively. The City's decision to bring building inspection and permitting services in-house was the main factor in the \$100,003 increase recognized in that category.
- The expenditures and other financing uses were \$2,393,579 less than final budgeted total expenditures primarily due to conservative budget estimates, the continued concerted effort by departments to minimize expenditures as a precautionary measure due to the uncertain economic environment, project scope changes, and position vacancies. Among the functions with larger favorable variances in expenditures were general government, which expended \$637,938 less than final budget, culture and recreation that expended \$540,436 less than final budget, and public works that expended \$544,972 less than final budget.

	Budget		Actual	Variance with Final
	Original	Final		
<b>Revenues and transfers in:</b>				
Taxes	\$ 27,815,229	\$ 31,665,258	\$ 32,382,187	\$ 716,929
Licenses and permits	604,800	979,800	1,136,559	156,759
Charges for services	475,210	551,610	628,725	77,115
Fines and forfeitures	400,000	460,000	502,864	42,864
Intergovernmental	15,000	6,871	6,871	-
Contributions	-	1,887	2,892	1,005
Interest earned	84,500	20,200	14,099	(6,101)
Miscellaneous	110,128	196,158	196,750	592
Other financing sources	39,000	1,764,300	1,716,040	(48,260)
Total	\$ 29,543,867	\$ 35,646,084	\$ 36,586,987	\$ 940,903
<b>Expenditures and transfers out:</b>				
Expenditures	24,420,942	24,341,029	21,947,450	(2,393,579)
Transfers out	6,820,280	15,305,059	15,305,059	-
Total	31,241,222	39,646,088	37,252,509	(2,393,579)
Change in fund balance	\$ (1,697,355)	\$ (4,000,004)	\$ (665,522)	\$ 3,334,482

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital assets

As of September 30, 2021, the City's investment in capital assets for its governmental activities totaled \$131,641,395 (net of accumulated depreciation). This investment in capital assets includes land, improvements to land, buildings, vehicles, equipment, construction in progress, and infrastructure. Larger additions to the capital assets in fiscal year 2021 include:

- Lakeside Park land, stormwater structure, and property improvements donation (\$1,435,600);
- Saddlesprings Dr Bridge/Culvert (\$598,759)
- Station-wide alerting system (\$318,708);

Additional information on the City's capital assets can be found in Note 5 on page 48 of this report.

**City of Milton, Georgia**  
**Capital Assets (net of accumulated depreciation)**  
**Fiscal Years 2020 and 2021**

	2021	2020
Land	\$ 31,440,284	\$ 30,753,583
Land Improvements	7,733,844	8,124,199
Buildings	27,391,110	28,286,745
Vehicles, Equipment & Other	3,717,781	3,336,264
Construction In Progress	9,828,629	3,836,639
Infrastructure	51,529,747	50,746,392
<b>Total</b>	<b>\$ 131,641,395</b>	<b>\$ 125,083,822</b>

### Long-term debt.

At the end of fiscal year 2021, the City's total outstanding debt was \$47,870,158. Total outstanding debt consists of \$23,440,000 of direct placement revenue bond debt and \$20,935,000 of greenspace bond debt, including premiums related to each of the bonds.

Further information on the City's long-term debt can be found in Note 6 on pages 49 and 50 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 2022 fiscal year.

- **Sustainability of Existing Services.** The City has adhered to a philosophy of budgetary evaluation that reviews the needs of the citizens to the 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. Mayor and Council adopted a millage rate of 4.731 mills for maintenance & operating (M&O) for fiscal year 2022.
- **Infrastructure Improvements.** The City provided substantial capital funding to continue the work started in prior years to begin addressing a significant backlog of existing infrastructure deficiencies. Funding was allocated for a repaving program, intersection improvements, parks, buildings, machinery and equipment, sidewalks, culverts, equipment, and signage.
- **Economy Impact.** The City's revenues and expenditures were appropriated with a conservative approach to reflect the economic conditions that are expected to continue through 2022.
- **COVID-19.** Milton was fortunate to not be as negatively impacted by COVID-19 as many other municipalities. With that said, staff prepared the fiscal year 2022 budget, over the summer of 2021, and current economic conditions and potential impacts were still at the forefront of decision-making.
- The City restricts the use of one-time revenues to capital and other non-recurring projects.

## REQUESTS FOR INFORMATION

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

### Finance Department

City of Milton  
2006 Heritage Walk  
Milton, GA 30004

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

# BASIC FINANCIAL STATEMENTS

# CITY OF MILTON, GEORGIA

## STATEMENT OF NET POSITION SEPTEMBER 30, 2021

	<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 60,064,794
Accounts receivable	3,204,026
Taxes receivable, net	1,911,856
Due from other governments	1,305,103
Restricted cash and cash equivalents	8,747,044
Prepays	2,273,427
Capital assets:	
Nondepreciable	41,268,913
Depreciable, net of accumulated depreciation	<u>90,372,482</u>
 Total assets	 <u>209,147,645</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	<u>2,532,276</u>
<b>LIABILITIES</b>	
Accounts payable	2,609,005
Retainage payable	587,362
Accrued liabilities	1,435,493
Deposits payable	1,562,631
Unearned revenue	7,391,612
Compensated absences, due within one year	831,936
Bonds payable, due within one year	1,750,000
Bonds payable, due in more than one year	46,120,158
Net pension liability, due in more than one year	<u>3,261,879</u>
 Total liabilities	 <u>65,550,076</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	<u>192,994</u>
<b>NET POSITION</b>	
Net investment in capital assets	91,930,919
Restricted for law enforcement	102,332
Restricted for fire facilities	403,966
Restricted for road and intersection improvements	21,047,678
Restricted for park and trail enhancements	3,195,715
Restricted for general administration	77,252
Restricted for federal programs	176
Unrestricted	<u>29,178,813</u>
 Total net position	 <u>\$ 145,936,851</u>

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

# CITY OF MILTON, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			Net Expenses and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 2,399,187	\$ 666,516	\$ 6,871	\$ -	\$ (1,725,800)
Judicial	449,656	502,864	-	-	53,208
Public safety	14,890,233	2,428,863	1,652,153	-	(10,809,217)
Public works	9,753,321	193,269	-	8,389,179	(1,170,873)
Culture and recreation	3,292,831	211,336	2,342	1,349,600	(1,729,553)
Housing and development	1,883,006	923,342	-	-	(959,664)
Interest on long-term debt	1,253,596	-	-	-	(1,253,596)
Total governmental activities	33,921,830	4,926,190	1,661,366	9,738,779	(17,595,495)
Total primary government	\$ 33,921,830	\$ 4,926,190	\$ 1,661,366	\$ 9,738,779	(17,595,495)
General revenues:					
Property taxes					17,481,251
Sales taxes					10,561,589
Hotel/Motel taxes					36,168
Franchise taxes					2,542,877
Business taxes					3,600,891
Unrestricted investment earnings					26,010
Miscellaneous revenues					242,278
Total general revenues					34,491,064
Change in net position					16,895,569
Net position, beginning of year					129,041,282
Net position, end of year					\$ 145,936,851

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

# CITY OF MILTON, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2021

ASSETS	General Fund	American Rescue Plan Fund	Capital Projects Fund	Greenspace Bond Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 18,330,105	\$ 7,391,788	\$ 9,338,334	\$ -	\$ 20,888,517	\$ 4,116,050	\$ 60,064,794
Accounts receivable	2,837,066	-	208,308	41	-	158,611	3,204,026
Taxes receivable, net	1,897,622	-	-	8,376	-	5,858	1,911,856
Intergovernmental receivable	11,119	-	252,584	-	646,013	395,387	1,305,103
Restricted cash and cash equivalents	-	-	-	4,996,087	-	3,750,957	8,747,044
Due from other funds	5,858	-	8,248,522	-	-	-	8,254,380
Prepays	710,805	-	1,175,967	385,688	-	967	2,273,427
<b>Total assets</b>	<b>\$ 23,792,575</b>	<b>\$ 7,391,788</b>	<b>\$ 19,223,715</b>	<b>\$ 5,390,192</b>	<b>\$ 21,534,530</b>	<b>\$ 8,427,830</b>	<b>\$ 85,760,630</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 827,547	\$ -	\$ 516,564	\$ -	\$ 642,336	\$ 622,558	\$ 2,609,005
Retainage payable	-	-	239,240	-	348,122	-	587,362
Accrued liabilities	763,483	-	-	-	-	-	763,483
Due to other funds	7,955,804	-	-	192,941	-	105,635	8,254,380
Deposits payable	1,562,631	-	-	-	-	-	1,562,631
Unearned revenue	-	7,391,612	-	-	-	-	7,391,612
<b>Total liabilities</b>	<b>11,109,465</b>	<b>7,391,612</b>	<b>755,804</b>	<b>192,941</b>	<b>990,458</b>	<b>728,193</b>	<b>21,168,473</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues - property taxes	47,946	-	-	5,299	-	-	53,245
Unavailable revenues - other	118,641	-	408,031	-	-	342,310	868,982
<b>Total deferred inflows of resources</b>	<b>166,587</b>	<b>-</b>	<b>408,031</b>	<b>5,299</b>	<b>-</b>	<b>342,310</b>	<b>922,227</b>
<b>FUND BALANCES</b>							
Fund balances:							
Nonspendable:							
Prepays	710,805	-	1,175,967	385,688	-	967	2,273,427
Restricted:							
Law enforcement	-	-	-	-	-	101,365	101,365
Fire facilities	-	-	-	-	-	403,966	403,966
Road and intersection improvements	-	-	-	-	20,544,072	155,484	20,699,556
Park and trail enhancements	-	-	-	-	-	3,195,715	3,195,715
General administration	-	-	-	-	-	77,252	77,252
Capital projects	-	-	-	4,806,264	-	3,672,239	8,478,503
Federal programs	-	176	-	-	-	-	176
Assigned:							
Fiscal year 2022 operations	1,052,886	-	-	-	-	-	1,052,886
Capital projects	-	-	16,883,913	-	-	-	16,883,913
Unassigned	10,752,832	-	-	-	-	(249,661)	10,503,171
<b>Total fund balances</b>	<b>12,516,523</b>	<b>176</b>	<b>18,059,880</b>	<b>5,191,952</b>	<b>20,544,072</b>	<b>7,357,327</b>	<b>63,669,930</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 23,792,575</b>	<b>\$ 7,391,788</b>	<b>\$ 19,223,715</b>	<b>\$ 5,390,192</b>	<b>\$ 21,534,530</b>	<b>\$ 8,427,830</b>	<b>\$ 85,760,630</b>

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, 2021

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

Total governmental fund balances		\$ 63,669,930
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost	\$ 156,213,261	
Less accumulated depreciation	<u>(24,571,866)</u>	131,641,395
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.		
Compensated absences (i.e. paid time off)	(831,936)	
Accrued interest	(672,010)	
Bonds payable, net of premium	<u>(47,870,158)</u>	(49,374,104)
Some revenues are not available in the current period and, therefore, are deferred in the funds.		
Property taxes	53,245	
Other revenues	<u>868,982</u>	922,227
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	(3,261,879)	
Pension related deferred outflows of resources	2,532,276	
Pension related deferred inflows of resources	<u>(192,994)</u>	<u>(922,597)</u>
Net position - governmental activities		<u>\$ 145,936,851</u>

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, 2021

	General Fund	American Rescue Plan Fund	Capital Projects Fund	Greenspace Bond Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Property taxes	\$ 15,821,673	\$ -	\$ -	\$ 1,658,355	\$ -	\$ -	\$ 17,480,028
Sales taxes	10,561,589	-	-	-	-	-	10,561,589
Hotel/Motel taxes	-	-	-	-	-	36,168	36,168
Franchise taxes	2,398,034	-	144,843	-	-	-	2,542,877
Business taxes	3,600,891	-	-	-	-	-	3,600,891
Licenses and permits	1,136,559	-	-	-	-	-	1,136,559
Charges for services	628,725	-	94,336	-	-	2,365,841	3,088,902
Fines and forfeitures	502,864	-	-	-	-	-	502,864
Intergovernmental	6,871	-	-	-	7,401,182	2,436,288	9,844,341
Contributions	2,892	-	-	-	-	-	2,892
Interest earned	14,099	176	2,014	548	8,314	859	26,010
Miscellaneous	196,750	-	45,528	-	-	-	242,278
<b>Total revenues</b>	<b>34,870,947</b>	<b>176</b>	<b>286,721</b>	<b>1,658,903</b>	<b>7,409,496</b>	<b>4,839,156</b>	<b>49,065,399</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	4,135,714	-	27,582	-	-	-	4,163,296
Judicial	370,242	-	-	-	-	-	370,242
Public safety	12,131,657	-	276,426	-	-	1,270,487	13,678,570
Public works	2,570,491	-	5,100,375	-	5,595,602	1,068,842	14,335,310
Culture and recreation	1,065,696	-	307,105	-	-	531,159	1,903,960
Housing and development	1,673,650	-	193,348	-	-	2,055	1,869,053
Capital outlay	-	-	976,916	2,337	-	313,847	1,293,100
<b>Debt service:</b>							
Principal	-	-	-	895,000	-	770,000	1,665,000
Interest	-	-	-	817,431	-	880,025	1,697,456
<b>Total expenditures</b>	<b>21,947,450</b>	<b>-</b>	<b>6,881,752</b>	<b>1,714,768</b>	<b>5,595,602</b>	<b>4,836,415</b>	<b>40,975,987</b>
Excess (deficiency) of revenues over expenditures	12,923,497	176	(6,595,031)	(55,865)	1,813,894	2,741	8,089,412
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	28,223	-	38,372	-	-	-	66,595
Transfers in	1,687,817	-	13,655,033	-	953,113	2,429,422	18,725,385
Transfers out	(15,305,059)	-	(1,077,509)	-	-	(2,342,817)	(18,725,385)
<b>Total other financing sources (uses)</b>	<b>(13,589,019)</b>	<b>-</b>	<b>12,615,896</b>	<b>-</b>	<b>953,113</b>	<b>86,605</b>	<b>66,595</b>
Net change in fund balances	(665,522)	176	6,020,865	(55,865)	2,767,007	89,346	8,156,007
<b>Fund balances, beginning of year</b>	<b>13,182,045</b>	<b>-</b>	<b>12,039,015</b>	<b>5,247,817</b>	<b>17,777,065</b>	<b>7,267,981</b>	<b>55,513,923</b>
<b>Fund balances, end of year</b>	<b>\$ 12,516,523</b>	<b>\$ 176</b>	<b>\$ 18,059,880</b>	<b>\$ 5,191,952</b>	<b>\$ 20,544,072</b>	<b>\$ 7,357,327</b>	<b>\$ 63,669,930</b>

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, 2021

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

Net change in fund balances - total governmental funds	\$	8,156,007
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$ 8,582,972	
Depreciation expense	<u>(3,304,583)</u>	5,278,389

The net effect of various miscellaneous transactions involving capital assets is to increase net position in the current period.

Donation of capital assets	1,349,600	
Net disposal of capital assets	<u>(70,416)</u>	1,279,184

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	1,223	
Other revenues	<u>401,177</u>	402,400

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the effect of principal retirement during the current fiscal year.

1,665,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences (i.e. paid time off)	(145,237)	
Pension expense	(184,034)	
Amortization of bond premium	408,651	
Accrued interest	<u>35,209</u>	<u>114,589</u>

Change in net position - governmental activities	\$	<u><u>16,895,569</u></u>
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**The accompanying notes are an integral part of these financial statements.**

**CITY OF MILTON, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**B. Government-wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

The City reports the following major governmental funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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**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, 2021, 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, 2021, are accounted for using the consumption method and recorded as prepaid items in both government-wide and fund financial statements.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets**

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

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

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

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

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

**J. Deferred Outflows and Deferred Inflows of Resources**

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

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**K. Compensated Absences**

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

**L. Long-Term Obligations**

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity and Net Position**

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

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

Fund balances are classified as follows:

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

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

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

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Equity and Net Position (Continued)**

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

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

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

**N. Pensions**

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

**O. Use of Estimates**

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. LEGAL COMPLIANCE – BUDGETS

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

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

The following fund had excesses of actual expenditures over appropriations for the fiscal year ended September 30, 2021:

General Fund		
Judicial	\$	3,287
Hotel/Motel Tax Fund		
Transfers out		16,168

Expenditures in excess of appropriations were funded by greater than anticipated revenues, and savings in other departments.

### NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits as of September 30, 2021 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	\$	60,064,794
Restricted cash and cash equivalents		8,747,044
	\$	<u>68,811,838</u>
Cash deposited with financial institutions	\$	27,057,282
Fidelity Treasury Portfolio		4,996,087
Fidelity Government Portfolio		3,750,957
Local government investment pool - Georgia Fund 1		33,007,512
Total cash and cash equivalents	\$	<u>68,811,838</u>

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

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

The local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. As of September 30, 2021, the weighted-average maturity of the pool was 40 days.

The Fidelity Treasury Portfolio and the Fidelity Government Portfolio trade exclusively in short term cash equivalents and U.S. Treasury securities and are rated AAAM by Standard and Poor's criteria. As of September 30, 2021, the weighted-average maturity for both of the funds was 30 days.

**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, 2021, 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, 2021, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**

**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 2020 are for fiscal year 2021.

Receivables at September 30, 2021, for the City’s individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Greenspace Bond</u>	<u>TSPLOST</u>
Receivables:				
Accounts	\$ 2,837,066	\$ 208,308	\$ 41	\$ -
Taxes	1,944,289	-	12,022	-
Intergovernmental	11,119	252,584	-	646,013
Total receivables	<u>4,792,474</u>	<u>460,892</u>	<u>12,063</u>	<u>646,013</u>
Less allowance for uncollectible	46,667	-	3,646	-
Net total receivable	<u>\$ 4,745,807</u>	<u>\$ 460,892</u>	<u>\$ 8,417</u>	<u>\$ 646,013</u>

	<u>Nonmajor Governmental</u>
Receivables:	
Accounts	\$ 158,611
Taxes	5,858
Intergovernmental	395,387
Total receivables	<u>559,856</u>
Less allowance for uncollectible	-
Net total receivable	<u>\$ 559,856</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the City for the year ended September 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Nondepreciable capital assets:					
Land	\$ 30,753,583	\$ 686,701	\$ -	\$ -	\$ 31,440,284
Construction in progress	3,836,639	7,523,605	(70,416)	(1,461,199)	9,828,629
Total	<u>34,590,222</u>	<u>8,210,306</u>	<u>(70,416)</u>	<u>(1,461,199)</u>	<u>41,268,913</u>
Capital assets, being depreciated:					
Buildings	30,155,451	-	-	-	30,155,451
Land improvements	10,929,903	206,000	-	-	11,135,903
Infrastructure	62,410,386	896,899	-	1,078,967	64,386,252
Vehicles, equipment, and other	8,445,565	619,367	(180,422)	382,232	9,266,742
Total	<u>111,941,305</u>	<u>1,722,266</u>	<u>(180,422)</u>	<u>1,461,199</u>	<u>114,944,348</u>
Less accumulated depreciation for:					
Buildings	(1,868,706)	(895,635)	-	-	(2,764,341)
Land improvements	(2,805,704)	(596,355)	-	-	(3,402,059)
Infrastructure	(11,663,994)	(1,192,511)	-	-	(12,856,505)
Vehicles, equipment, and other	(5,109,301)	(620,082)	180,422	-	(5,548,961)
Total	<u>(21,447,705)</u>	<u>(3,304,583)</u>	<u>180,422</u>	<u>-</u>	<u>(24,571,866)</u>
Total capital assets being depreciated, net	<u>90,493,600</u>	<u>(1,582,317)</u>	<u>-</u>	<u>1,461,199</u>	<u>90,372,482</u>
Governmental activities capital assets, net	<u>\$ 125,083,822</u>	<u>\$ 6,627,989</u>	<u>\$ (70,416)</u>	<u>\$ -</u>	<u>\$ 131,641,395</u>

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

Governmental activities:	
General government	\$ 54,965
Judicial	75,057
Public safety	1,006,774
Public works	321,463
Culture and recreation	1,838,462
Housing and development	7,862
Total depreciation expense - governmental activities	<u>\$ 3,304,583</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

#### Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Direct placement bonds payable	\$ 24,210,000	\$ -	\$ (770,000)	\$ 23,440,000	\$ 810,000
General obligation bonds payable	21,830,000	-	(895,000)	20,935,000	940,000
Original issue premium	3,903,809	-	(408,651)	3,495,158	-
Bonds payable, net	49,943,809	-	(2,073,651)	47,870,158	1,750,000
Net pension liability	3,004,766	1,906,048	(1,648,935)	3,261,879	-
Compensated absences	686,699	839,034	(693,797)	831,936	831,936
Governmental activities					
Long-term liabilities	\$ 53,635,274	\$ 2,745,082	\$ (4,416,383)	\$ 51,963,973	\$ 2,581,936

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

#### Bonds Payable

In May 2017, the City issued \$23,495,000 of General Obligation Bonds (Series 2017) for the purpose of acquiring land for parks, trails and greenspace including conservation land, wildlife habitat and natural areas for the City. The bonds were issued at a premium of \$1,881,842 and interest rates ranging from 3.00% to 5.00%. The interest payments are due semiannually beginning October 1, 2017 and annual principal payments beginning April 1, 2019. The bonds are scheduled to mature on April 1, 2037. As of September 30, 2021, the outstanding balance of the bond is \$20,935,000.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Bonds Payable (Continued)

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

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 940,000	\$ 771,375	\$ 1,711,375
2023	985,000	724,375	1,709,375
2024	1,035,000	675,125	1,710,125
2025	1,090,000	623,375	1,713,375
2026	1,145,000	568,875	1,713,875
2027-2031	6,480,000	2,073,625	8,553,625
2032-2036	7,600,000	956,875	8,556,875
2037	1,660,000	51,875	1,711,875
	<u>\$ 20,935,000</u>	<u>\$ 6,445,500</u>	<u>\$ 27,380,500</u>

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, 2021, the outstanding balance of the bond is \$23,440,000. 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,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 810,000	\$ 838,719	\$ 1,648,719
2023	850,000	797,219	1,647,219
2024	895,000	753,594	1,648,594
2025	940,000	707,719	1,647,719
2026	990,000	659,469	1,649,469
2027-2031	5,755,000	2,488,544	8,243,544
2032-2036	6,940,000	1,296,834	8,236,834
2037-2040	6,260,000	330,063	6,590,063
	<u>\$ 23,440,000</u>	<u>\$ 7,872,161</u>	<u>\$ 31,312,161</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of September 30, 2021 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 5,858
Capital Projects Fund	General Fund	\$ 7,955,804
Capital Projects Fund	Greenspace Bond Fund	192,941
Capital Projects Fund	Nonmajor governmental funds	99,777
		<u>8,248,522</u>
		<u>\$ 8,254,380</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance between the Capital Projects Fund and the General Fund represents funds borrowed for general operations until reimbursed annually with tax receipts the following fiscal year.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,687,817
Nonmajor governmental funds	General Fund	1,650,026
Nonmajor governmental funds	Capital Projects Fund	779,396
		<u>2,429,422</u>
Capital Projects Fund	General Fund	13,655,033
TSPLOST Fund	Capital Projects Fund	298,113
TSPLOST Fund	Nonmajor governmental funds	655,000
		<u>953,113</u>
		<u>\$ 18,725,385</u>

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

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**NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES**

**Contractual Commitments**

For the fiscal year ended September 30, 2021, the City has contractual commitments on uncompleted contracts of \$4,159,977 primarily for intersection improvements, public and safety related projects, and culture and recreation related projects.

**Litigation**

The City is a defendant in various lawsuits. The City believes there is a modest, though real, possibility of financial exposure in some of those cases. If such lawsuits result in an unfavorable outcome to the City, the City and legal counsel have estimated the monetary exposure to be approximately \$375,000. The City is also a defendant in various lawsuits where management and legal counsel believe that the risk of monetary exposure to be remote, and is not expected to have a material adverse effect on the financial condition of the City.

**NOTE 9. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Plan Membership.* As of January 1, 2021, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

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

*Contributions.* The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members (3.00%), as determined by the City Council. For the fiscal year ended September 30, 2021, the City's recommended contribution rate was 9.18% of annual payroll; actual contributions came to 9.28%.

City contributions to the Plan were \$553,955 for the fiscal year ended September 30, 2021. Employees of the City of Milton contributed \$136,521 to the Plan.

**Net Pension Liability of the City**

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

*Actuarial assumptions.* The total pension liability in the January 1, 2020 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, 2020 valuation were based on the sex-distinct RP-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

**NOTE 9. 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, 2020 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.96%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Cash	—%	
Total	100%	

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

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

Amounts reported for the year ending September 30, 2021 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%.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Net Pension Liability of the City (Continued)

*Changes in the Net Pension Liability of the City.* The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 9/30/20</b>	\$ 12,359,055	\$ 9,354,289	\$ 3,004,766
<b>Changes for the year:</b>			
Service cost	455,122	-	455,122
Interest	936,469	-	936,469
Differences between expected and actual experience	489,329	-	489,329
Contributions—employer	-	551,902	(551,902)
Contributions—employee	-	184,036	(184,036)
Net investment income	-	912,997	(912,997)
Benefit payments, including refunds of employee contributions	(232,585)	(232,585)	-
Administrative expense	-	(25,128)	25,128
<b>Net changes</b>	1,648,335	1,391,222	257,113
<b>Balances at 9/30/21</b>	\$ 14,007,390	\$ 10,745,511	\$ 3,261,879

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

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

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's net pension liability	\$ 5,812,929	\$ 3,261,879	\$ 1,198,183

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020 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, 2021, the City recognized pension expense of \$739,941. At September 30, 2021, 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	\$ 901,850	\$ (117,750)
Changes in assumptions	1,076,471	-
Net difference between projected and actual earnings on pension plan investments	-	(75,244)
City contributions subsequent to the measurement date	553,955	-
Total	\$ 2,532,276	\$ (192,994)

City contributions subsequent to the measurement date of \$553,955 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, 2022. 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:

2022	\$ 244,639
2023	327,792
2024	359,173
2025	280,820
2026	276,215
2027 and thereafter	296,688
Total	\$ 1,785,327

**NOTE 10. DEFINED CONTRIBUTION PENSION PLANS**

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

The first plan was established by resolution of the City Council and the plan, including contribution requirements, may also be amended by resolution of the same. This plan covers all City employees who are eligible to participate in the City's defined benefit pension plan. At September 30, 2021, there were 72 full-time and 10 part-time plan members. The City matches 100% for each dollar of employee contributions up to 3.75% of the employee's salary. Employees are required to contribute 3.75% of their compensation to the Plan. Employees are eligible after one month of employment and are fully vested immediately. For the fiscal year ending September 30, 2021, employer and employee contributions to the Plan totaled \$470,455.

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, 2021, there were 81 plan members. Employees are required to contribute 6.2% of their compensation to the Plan and the City also contributes 6.2% of each participating employee's salary. Employees are eligible at the time of employment and are fully vested immediately. For the fiscal year ending September 30, 2021, employer and employee contributions to the Plan totaled \$589,507.

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, 2021, there were 55 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 72 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, 2021, the City contributed \$47,606 to the first plan, \$474,697 to the second plan, and employees contributed a total of \$647,207 to these defined contribution plans.

### NOTE 11. JOINT VENTURES

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

The cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority provides an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated \$16 million required to initially capitalize the Authority, the City of Milton is responsible for approximately \$2.4 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended September 30, 2021, the City of Milton contributed \$316,950 to the Authority. As of June 30, 2021, the Authority's fiscal year end, the Authority did not have any long-term debt. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

### NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% to be expended or obligated contractually for the promotion of tourism, conventions, or trade shows at a rate equal to or greater than that of the prior year. During the year ended September 30, 2021, the City collected \$36,168 in hotel/motel tax revenues, which were transferred to the General Fund and used for the promotion of special events and City operations.

### NOTE 13. RISK MANAGEMENT

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

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

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

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

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

REQUIRED  
SUPPLEMENTARY  
INFORMATION

**CITY OF MILTON, GEORGIA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**RETIREMENT PLAN**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY**

**AND RELATED RATIOS**

	2021	2020	2019	2018	2017
<b>Total pension liability</b>					
Service cost	\$ 455,122	\$ 510,117	\$ 462,718	\$ 610,771	\$ 626,371
Interest on total pension liability	936,469	760,844	699,326	582,698	490,807
Differences between expected and actual experience	489,329	236,629	(176,621)	232,500	84,089
Changes of assumptions	-	1,315,213	-	58,060	-
Benefit payments, including refunds of employee contributions	(232,585)	(196,436)	(228,717)	(53,459)	(38,065)
Other	-	-	-	-	30,190
<b>Net change in total pension liability</b>	<b>1,648,335</b>	<b>2,626,367</b>	<b>756,706</b>	<b>1,430,570</b>	<b>1,193,392</b>
<b>Total pension liability - beginning</b>	<b>12,359,055</b>	<b>9,732,688</b>	<b>8,975,982</b>	<b>7,545,412</b>	<b>6,352,020</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 14,007,390</b>	<b>\$ 12,359,055</b>	<b>\$ 9,732,688</b>	<b>\$ 8,975,982</b>	<b>\$ 7,545,412</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 551,902	\$ 568,384	\$ 775,831	\$ 458,718	\$ 658,776
Contributions - employee	184,036	247,612	192,290	208,531	224,626
Net investment income	912,997	267,371	713,379	872,762	511,779
Benefit payments, including refunds of member contributions	(232,585)	(196,436)	(228,717)	(53,459)	(38,065)
Administrative expenses	(25,128)	(22,630)	(25,513)	(27,344)	(14,873)
<b>Net change in plan fiduciary net position</b>	<b>1,391,222</b>	<b>864,301</b>	<b>1,427,270</b>	<b>1,459,208</b>	<b>1,342,243</b>
<b>Plan fiduciary net position - beginning</b>	<b>9,354,289</b>	<b>8,489,988</b>	<b>7,062,718</b>	<b>5,603,510</b>	<b>4,261,267</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 10,745,511</b>	<b>\$ 9,354,289</b>	<b>\$ 8,489,988</b>	<b>\$ 7,062,718</b>	<b>\$ 5,603,510</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 3,261,879</b>	<b>\$ 3,004,766</b>	<b>\$ 1,242,700</b>	<b>\$ 1,913,264</b>	<b>\$ 1,941,902</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>76.71%</b>	<b>75.69%</b>	<b>87.23%</b>	<b>78.68%</b>	<b>74.26%</b>
<b>Covered payroll</b>	<b>\$ 5,658,582</b>	<b>\$ 5,992,597</b>	<b>\$ 6,289,001</b>	<b>\$ 7,132,601</b>	<b>\$ 7,121,076</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>57.64%</b>	<b>50.14%</b>	<b>19.76%</b>	<b>26.82%</b>	<b>27.27%</b>
	<b>2016</b>	<b>2015</b>			
<b>Total pension liability</b>					
Service cost	\$ 641,036	\$ 643,340			
Interest on total pension liability	403,952	304,844			
Differences between expected and actual experience	123,781	207,605			
Changes of assumptions	-	158,963			
Benefit payments, including refunds of employee contributions	(58,073)	(13,790)			
Other	-	-			
<b>Net change in total pension liability</b>	<b>1,110,696</b>	<b>1,300,962</b>			
<b>Total pension liability - beginning</b>	<b>5,241,324</b>	<b>3,940,362</b>			
<b>Total pension liability - ending (a)</b>	<b>\$ 6,352,020</b>	<b>\$ 5,241,324</b>			
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 704,034	\$ 431,357			
Contributions - employee	224,501	221,303			
Net investment income	14,721	295,411			
Benefit payments, including refunds of member contributions	(58,073)	(13,790)			
Administrative expenses	(16,708)	(12,896)			
<b>Net change in plan fiduciary net position</b>	<b>868,475</b>	<b>921,385</b>			
<b>Plan fiduciary net position - beginning</b>	<b>3,392,792</b>	<b>2,471,407</b>			
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,261,267</b>	<b>\$ 3,392,792</b>			
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 2,090,753</b>	<b>\$ 1,848,532</b>			
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>67.09%</b>	<b>64.73%</b>			
<b>Covered payroll</b>	<b>\$ 7,248,961</b>	<b>\$ 6,430,661</b>			
<b>City's net pension liability as a percentage of covered payroll</b>	<b>28.84%</b>	<b>28.75%</b>			

**Notes to the Schedule:**

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

# CITY OF MILTON, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF CITY CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 528,031	\$ 439,735	\$ 397,551	\$ 430,981	\$ 422,510
Contributions in relation to the actuarially determined contribution	<u>553,955</u>	<u>549,950</u>	<u>568,384</u>	<u>585,577</u>	<u>645,975</u>
Contribution deficiency (excess)	<u>\$ (25,924)</u>	<u>\$ (110,215)</u>	<u>\$ (170,833)</u>	<u>\$ (154,596)</u>	<u>\$ (223,465)</u>
Covered payroll	\$ 5,970,395	\$ 5,658,582	\$ 5,992,597	\$ 6,289,001	\$ 7,132,601
Contributions as a percentage of covered payroll	9.28%	9.72%	9.48%	9.31%	9.06%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
Actuarially determined contribution	\$ 417,023	\$ 413,913	\$ 342,310		
Contributions in relation to the actuarially determined contribution	<u>658,776</u>	<u>704,034</u>	<u>431,357</u>		
Contribution deficiency (excess)	<u>\$ (241,753)</u>	<u>\$ (290,121)</u>	<u>\$ (89,047)</u>		
Covered payroll	\$ 7,121,076	\$ 7,248,961	\$ 6,430,661		
Contributions as a percentage of covered payroll	9.25%	9.71%	6.71%		

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date	January 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.38%
Projected Salary Increases	2.25% - 8.25% (including 2.25% for inflation)
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

# CITY OF MILTON, GEORGIA

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 13,206,124	\$ 15,659,653	\$ 15,821,673	\$ 162,020
Sales taxes	9,076,481	10,184,481	10,561,589	377,108
Franchise taxes	2,174,624	2,363,124	2,398,034	34,910
Business taxes	3,358,000	3,458,000	3,600,891	142,891
Licenses and permits	604,800	979,800	1,136,559	156,759
Charges for services	475,210	551,610	628,725	77,115
Fines and forfeitures	400,000	460,000	502,864	42,864
Intergovernmental	15,000	6,871	6,871	-
Contributions	-	1,887	2,892	1,005
Interest earned	84,500	20,200	14,099	(6,101)
Miscellaneous	110,128	196,158	196,750	592
Total revenues	<u>29,504,867</u>	<u>33,881,784</u>	<u>34,870,947</u>	<u>989,163</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and council	163,421	173,704	134,197	39,507
City manager	846,407	752,594	662,093	90,501
General administration	232,126	247,042	211,436	35,606
Finance department	642,277	644,353	587,952	56,401
Legal services	335,000	335,000	260,927	74,073
City clerk	294,293	284,010	264,989	19,021
Information technology	1,383,409	1,407,221	1,163,156	244,065
Human resources	372,280	398,465	355,304	43,161
Risk management	265,345	265,345	256,128	9,217
Public information	263,418	265,918	239,532	26,386
Total general government	<u>4,797,976</u>	<u>4,773,652</u>	<u>4,135,714</u>	<u>637,938</u>
<b>Judicial:</b>				
Municipal court	370,108	366,955	370,242	(3,287)
Total judicial	<u>370,108</u>	<u>366,955</u>	<u>370,242</u>	<u>(3,287)</u>
<b>Public safety:</b>				
Police department	5,199,892	5,165,961	4,989,852	176,109
Fire department	7,452,758	7,437,799	7,141,805	295,994
Total public safety	<u>12,652,650</u>	<u>12,603,760</u>	<u>12,131,657</u>	<u>472,103</u>
<b>Public works</b>				
	<u>3,113,704</u>	<u>3,115,463</u>	<u>2,570,491</u>	<u>544,972</u>
<b>Culture and recreation</b>				
Recreation	1,383,636	1,317,529	1,010,817	306,712
Passive parks/greenspace	159,574	288,603	54,879	233,724
Total culture and recreation	<u>1,543,210</u>	<u>1,606,132</u>	<u>1,065,696</u>	<u>540,436</u>
<b>Housing and development:</b>				
Planning and zoning	1,787,047	1,735,320	1,571,680	163,640
Economic development	156,247	139,747	101,970	37,777
Total housing and development	<u>1,943,294</u>	<u>1,875,067</u>	<u>1,673,650</u>	<u>201,417</u>

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Total expenditures	\$ 24,420,942	\$ 24,341,029	\$ 21,947,450	\$ 2,393,579
Excess of revenues over expenditures	5,083,925	9,540,755	12,923,497	3,382,742
<b>Other financing sources (uses):</b>				
Proceeds from the sale of capital assets	15,000	28,223	28,223	-
Transfers in	24,000	1,736,077	1,687,817	(48,260)
Transfers out	(6,820,280)	(15,305,059)	(15,305,059)	-
Total other financing sources (uses)	(6,781,280)	(13,540,759)	(13,589,019)	(48,260)
Net change in fund balances	(1,697,355)	(4,000,004)	(665,522)	3,334,482
Fund balances, beginning of year	13,182,045	13,182,045	13,182,045	-
Fund balances, end of year	\$ 11,484,690	\$ 9,182,041	\$ 12,516,523	\$ 3,334,482

**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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 7,391,612	\$ 7,391,612	\$ -	\$ (7,391,612)
Interest earned	100	100	176	76
Total revenues	<u>7,391,712</u>	<u>7,391,712</u>	<u>176</u>	<u>(7,391,536)</u>
Net change in fund balance	7,391,712	7,391,712	176	(7,391,536)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ 7,391,712</u>	<u>\$ 7,391,712</u>	<u>\$ 176</u>	<u>\$ (7,391,536)</u>

**CITY OF MILTON, GEORGIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2021**

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**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, 2021, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

**Revenue Bond Fund** – To account for the proceeds from revenue bonds that will be issued for the purpose of funding expenditures made by the City for capital projects.

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

COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND  
SCHEDULES

**CITY OF MILTON, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

ASSETS	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Emergency 911 Fund	Operating Grant Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Revenue Bond Fund	Impact Fees Fund	
Cash	\$ 86,046	\$ -	\$ -	\$ -	\$ 177,510	\$ -	\$ 3,852,494	\$ 4,116,050
Accounts receivable	-	158,580	-	-	-	31	-	158,611
Taxes receivable	-	-	-	5,858	-	-	-	5,858
Intergovernmental receivable	-	-	29,160	-	366,227	-	-	395,387
Restricted cash and cash equivalents	-	-	-	-	-	3,750,957	-	3,750,957
Prepays	967	-	-	-	-	-	-	967
<b>Total assets</b>	<b>\$ 87,013</b>	<b>\$ 158,580</b>	<b>\$ 29,160</b>	<b>\$ 5,858</b>	<b>\$ 543,737</b>	<b>\$ 3,750,988</b>	<b>\$ 3,852,494</b>	<b>\$ 8,427,830</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 158,580	\$ -	\$ -	\$ 451,088	\$ 8,132	\$ 4,758	\$ 622,558
Due to other funds	-	-	29,160	5,858	-	70,617	-	105,635
<b>Total liabilities</b>	<b>-</b>	<b>158,580</b>	<b>29,160</b>	<b>5,858</b>	<b>451,088</b>	<b>78,749</b>	<b>4,758</b>	<b>728,193</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues - other	-	-	29,160	-	313,150	-	-	342,310
<b>FUND BALANCES</b>								
Nonspendable:								
Prepays	967	-	-	-	-	-	-	967
Restricted:								
Law enforcement	86,046	-	-	-	-	-	15,319	101,365
Fire facilities	-	-	-	-	-	-	403,966	403,966
Road and intersection improvements	-	-	-	-	-	-	155,484	155,484
Park and trail enhancements	-	-	-	-	-	-	3,195,715	3,195,715
Capital projects	-	-	-	-	-	3,672,239	-	3,672,239
General administration	-	-	-	-	-	-	77,252	77,252
Unassigned	-	-	(29,160)	-	(220,501)	-	-	(249,661)
<b>Total fund balances</b>	<b>87,013</b>	<b>-</b>	<b>(29,160)</b>	<b>-</b>	<b>(220,501)</b>	<b>3,672,239</b>	<b>3,847,736</b>	<b>7,357,327</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 87,013</b>	<b>\$ 158,580</b>	<b>\$ 29,160</b>	<b>\$ 5,858</b>	<b>\$ 543,737</b>	<b>\$ 3,750,988</b>	<b>\$ 3,852,494</b>	<b>\$ 8,427,830</b>

CITY OF MILTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Emergency 911 Fund	Operating Grant Fund	Hotel/Motel Tax Fund	Capital Grant Fund	Revenue Bond Fund	Impact Fees Fund	
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ 36,168	\$ -	\$ -	\$ -	\$ 36,168
Charges for services	-	1,138,456	-	-	-	-	1,227,385	2,365,841
Intergovernmental	-	-	1,651,603	-	784,685	-	-	2,436,288
Interest	9	-	46	-	47	472	285	859
Total revenues	9	1,138,456	1,651,649	36,168	784,732	472	1,227,670	4,839,156
<b>EXPENDITURES</b>								
Current:								
Public safety	12,234	1,138,456	29,160	-	90,637	-	-	1,270,487
Public works	-	-	-	-	1,061,215	-	7,627	1,068,842
Culture and recreation	-	-	-	-	531,159	-	-	531,159
Housing and development	-	-	-	-	2,055	-	-	2,055
Capital outlay	-	-	-	-	-	312,931	916	313,847
Debt service:								
Principal	-	-	-	-	-	770,000	-	770,000
Interest	-	-	-	-	-	880,025	-	880,025
Total expenditures	12,234	1,138,456	29,160	-	1,685,066	1,962,956	8,543	4,836,415
Excess (deficiency) of revenues over expenditures	(12,225)	-	1,622,489	36,168	(900,334)	(1,962,484)	1,219,127	2,741
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	358,904	1,650,026	420,492	2,429,422
Transfers out	-	-	(1,651,649)	(36,168)	(655,000)	-	-	(2,342,817)
Total other financing sources (uses)	-	-	(1,651,649)	(36,168)	(296,096)	1,650,026	420,492	86,605
Net change in fund balances	(12,225)	-	(29,160)	-	(1,196,430)	(312,458)	1,639,619	89,346
<b>FUND BALANCES, beginning of year</b>	99,238	-	-	-	975,929	3,984,697	2,208,117	7,267,981
<b>FUND BALANCES (DEFICITS), end of year</b>	\$ 87,013	\$ -	\$ (29,160)	\$ -	\$ (220,501)	\$ 3,672,239	\$ 3,847,736	\$ 7,357,327

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest	\$ -	\$ -	\$ 9	\$ 9
Total revenues	-	-	9	9
<b>Expenditures:</b>				
Public safety	12,234	12,234	12,234	-
Total expenditures	12,234	12,234	12,234	-
Net change in fund balances	(12,234)	(12,234)	(12,225)	9
<b>Fund balances, beginning of year</b>	99,238	99,238	99,238	-
<b>Fund balances, end of year</b>	\$ 87,004	\$ 87,004	\$ 87,013	\$ 9

CITY OF MILTON, GEORGIA

EMERGENCY 911 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,000,000	\$ 1,155,000	\$ 1,138,456	\$ (16,544)
Total revenues	1,000,000	1,155,000	1,138,456	(16,544)
<b>Expenditures:</b>				
Public safety	1,000,000	1,155,000	1,138,456	16,544
Total expenditures	1,000,000	1,155,000	1,138,456	16,544
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MILTON, GEORGIA

OPERATING GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,770,926	\$ 1,770,926	\$ 1,651,603	\$ (119,323)
Interest	46	46	46	-
Total revenues	<u>1,770,972</u>	<u>1,770,972</u>	<u>1,651,649</u>	<u>(119,323)</u>
<b>Expenditures:</b>				
Public safety	54,895	54,895	29,160	25,735
Total expenditures	<u>54,895</u>	<u>54,895</u>	<u>29,160</u>	<u>25,735</u>
Excess of revenues over expenditures	1,716,077	1,716,077	1,622,489	(93,588)
<b>Other financing uses:</b>				
Transfers out	(1,716,077)	(1,716,077)	(1,651,649)	64,428
Total other financing uses	<u>(1,716,077)</u>	<u>(1,716,077)</u>	<u>(1,651,649)</u>	<u>64,428</u>
Net change in fund balances	-	-	(29,160)	(29,160)
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund deficit, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,160)</u>	<u>\$ (29,160)</u>

**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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 24,000	\$ 20,000	\$ 36,168	\$ 16,168
Total revenues	<u>24,000</u>	<u>20,000</u>	<u>36,168</u>	<u>16,168</u>
<b>Other financing uses:</b>				
Transfers out	<u>(24,000)</u>	<u>(20,000)</u>	<u>(36,168)</u>	<u>(16,168)</u>
Total other financing uses	<u>(24,000)</u>	<u>(20,000)</u>	<u>(36,168)</u>	<u>(16,168)</u>
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# 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, 2021

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		TOTAL	PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL		
<b>TSPLOST TIER 1</b>							
Morris Road Widening, Windward Parkway, NE Crabapple Connector	\$ 9,540,000	\$ 10,666,721	\$ 3,415,637	\$ 553,706	\$ 3,969,343	37.21 %	
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	16,652,350	1,370,683	4,320,240	5,690,923	34.17 %	
Birmingham Road Middle Bridge	1,610,000	1,610,000	18,184	20,297	38,481	2.39 %	
Pedestrian Improvements	3,372,490	3,372,490	286,890	631,608	918,498	27.24 %	
<b>TSPLOST TIER 2</b>							
Bethany Road at Providence Road Intersection Improvements, Freemanville Road at Redd Road Intersection Improvements	3,445,145	247,650	-	69,751 (1)	69,751	28.17 %	
Pedestrian Improvements	2,100,000	2,100,000	-	-	-	0.00 %	
<b>TSPLOST TIER 3</b>							
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 %	
<b>TOTAL TSPLOST</b>	<b>\$ 42,534,660</b>	<b>\$ 40,216,236</b>	<b>\$ 5,091,394</b>	<b>\$ 5,595,602</b>	<b>\$ 10,686,996</b>		

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



# STATISTICAL SECTION

**STATISTICAL SECTION**

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

**Financial Trends .....**

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

**Revenue Capacity .....**

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

**Debt Capacity .....**

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

**Demographic and Economic Information .....**

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

**Operating Information .....**

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

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

# FINANCIAL TRENDS

# CITY OF MILTON, GEORGIA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Primary government:				
Net investment in capital assets	\$ 91,930,919	\$ 84,118,811	\$ 80,745,558	\$ 72,722,062
Restricted for law enforcement	102,332	99,835	155,178	129,305
Restricted for fire facilities	403,966	314,357	253,633	210,654
Restricted for intersection improvements	21,047,678	17,784,583	14,163,212	8,684,559
Restricted for park and trail enhancements	3,195,715	1,836,522	2,492,082	1,565,418
Restricted for emergency 911 services	-	-	-	-
Restricted for general administration	77,252	49,123	33,331	2,980
Restricted for capital projects	-	-	-	39,315
Restricted for federal programs	176	-	-	-
Unrestricted	<u>29,178,813</u>	<u>24,838,051</u>	<u>17,142,141</u>	<u>15,856,331</u>
Total primary government net position	<u>\$ 145,936,851</u>	<u>129,041,282</u>	<u>\$ 114,985,135</u>	<u>\$ 99,210,624</u>

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

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

2017	2016	2015	2014	2013	2012
\$ 69,411,003	\$ 64,343,200	\$ 55,192,124	\$ 52,108,868	\$ 47,155,163	\$ 42,581,781
152,198	130,265	202,497	163,191	894,671	879,779
92,926	82,142 (1)	-	-	-	-
3,447,341	16,095 (1)	-	-	-	-
802,887	671,394 (1)	-	-	-	-
-	3	67,349	481,669	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,522,984	11,380,667 (2)	24,709,939	20,489,814	19,501,111	18,384,078
<u>\$ 86,429,339</u>	<u>\$ 76,623,766</u>	<u>\$ 80,171,909</u>	<u>\$ 73,243,542</u>	<u>\$ 67,550,945</u>	<u>\$ 61,845,638</u>

# CITY OF MILTON, GEORGIA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Expenses</b>				
General government	\$ 2,399,187	\$ 3,194,222	\$ 3,894,038	\$ 3,997,068
Judicial	449,656	467,942	420,623	415,488
Public safety	14,890,233	14,304,063	12,318,540	12,561,228
Public works	9,753,321 (7)	5,019,146	6,621,990	5,227,627
Culture and recreation	3,292,831	3,781,670	2,104,060	2,031,619
Housing and development	1,883,006	1,812,726	1,498,236	1,452,928
Interest on long-term debt	1,253,596	1,366,516	941,731	1,028,911 (4)
<b>Total expenses</b>	<u>\$ 33,921,830</u>	<u>\$ 29,946,285</u>	<u>\$ 27,799,218</u>	<u>\$ 26,714,869</u>
<b>Program revenues</b>				
Charges for services:				
General government	\$ 666,516	\$ 471,818	\$ 559,413	\$ 451,519
Judicial	502,864	284,382	432,196	411,582
Public safety	2,428,863	2,149,075	2,317,291	2,074,059
Public works	193,269	205,205	109,758	137,889
Culture and recreation	211,336	231,781	106,273	132,402
Housing and development	923,342	395,605	516,686	452,200
Operating grants and contributions	1,661,366	38,632	41,479	84,983
Capital grants and contributions	9,738,779	8,306,030	7,423,743	7,397,589 (5)
<b>Total program revenues</b>	<u>\$ 16,326,335</u>	<u>\$ 12,082,528</u>	<u>\$ 11,506,839</u>	<u>\$ 11,142,223</u>
<b>Net expense</b>	<u>\$ (17,595,495)</u>	<u>\$ (17,863,757)</u>	<u>\$ (16,292,379)</u>	<u>\$ (15,572,646)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Taxes				
Property taxes	\$ 17,481,251	\$ 16,159,692	\$ 15,004,421 (6)	\$ 12,640,472
Sales taxes	10,561,589	9,221,508	10,041,779	9,395,425
Other taxes	6,179,936	5,882,679	5,799,663	5,615,462
Unrestricted investment earnings	26,010	479,474	956,696	506,524
Miscellaneous revenues	242,278	176,551	212,228	164,808
Gain on sale of capital assets	-	-	52,103	31,240
<b>Total</b>	<u>\$ 34,491,064</u>	<u>\$ 31,919,904</u>	<u>\$ 32,066,890</u>	<u>\$ 28,353,931</u>
<b>Change in Net Position</b>	<u>\$ 16,895,569</u>	<u>\$ 14,056,147</u>	<u>\$ 15,774,511</u>	<u>\$ 12,781,285</u>

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

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

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

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

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

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

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

2017	2016	2015	2014	2013	2012
\$ 4,170,454	\$ 3,968,796	\$ 5,217,801	\$ 3,182,969	\$ 2,894,553	\$ 2,973,341
281,485	274,716	264,812	246,269	231,621	227,761
12,004,373	11,443,382	11,892,288	9,823,388	8,965,850	8,124,581
3,175,710	5,028,701	4,148,056	6,837,286 (2)	3,450,492	3,236,611
2,337,624	1,827,479	1,721,516	861,022	836,426	707,991
1,148,734	780,282	811,019	1,119,567	1,044,487	1,038,157
585,362 (4)	350,429 (4)	91,967	4,922	7,210	17,595
<u>\$ 23,703,742</u>	<u>\$ 23,673,785</u>	<u>\$ 24,147,459</u>	<u>\$ 22,075,423</u>	<u>\$ 17,430,639</u>	<u>\$ 16,326,037</u>
\$ 664,948	\$ 562,416	\$ 571,413	\$ 658,812	\$ 550,364	\$ 514,402
472,717	508,130	565,331	582,169	382,434	483,242
2,236,359	1,939,929	1,007,228	973,693	941,158	870,200
237,089	242,835	387,487	222,316	126,701	109,731
77,274	122,220	52,737	75,037	73,662	53,855
449,848	628,511	757,319	776,582	518,988	345,687
61,885	38,380	14,530	55,443	107,805	101,769
3,503,628	1,025,050	2,881,702 (1)	1,369,385	1,994,266 (1)	425,111
<u>\$ 7,703,748</u>	<u>\$ 5,067,471</u>	<u>\$ 6,237,747</u>	<u>\$ 4,713,437</u>	<u>\$ 4,695,378</u>	<u>\$ 2,903,997</u>
<u>\$ (15,999,994)</u>	<u>\$ (18,606,314)</u>	<u>\$ (17,909,712)</u>	<u>\$ (17,361,986)</u>	<u>\$ (12,735,261)</u>	<u>\$ (13,422,040)</u>
\$ 11,531,051	\$ 11,778,279	\$ 11,665,484	\$ 10,352,473	\$ 9,615,522	\$ 9,443,929
8,925,207	8,827,604	8,700,581	8,019,028 (3)	4,282,107	4,275,674
5,130,291	4,874,826	4,709,152	4,589,903	4,403,565	4,251,780
127,871	49,473	32,197	24,832	23,810	26,927
91,147	119,195	214,624	51,586	73,171	79,307
-	-	-	16,761	42,393	-
<u>\$ 25,805,567</u>	<u>\$ 25,649,377</u>	<u>\$ 25,322,038</u>	<u>\$ 23,054,583</u>	<u>\$ 18,440,568</u>	<u>\$ 18,077,617</u>
<u>\$ 9,805,573</u>	<u>\$ 7,043,063</u>	<u>\$ 7,412,326</u>	<u>\$ 5,692,597</u>	<u>\$ 5,705,307</u>	<u>\$ 4,655,577</u>

# 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
2012	\$ 9,443,929	\$ 4,275,674	\$ 54,688	\$ 1,908,609	\$ 2,288,483	\$ 17,971,383
2013	9,615,522	4,282,107	60,997	1,945,143	2,397,425	18,301,194
2014	10,352,473	8,019,028 (1)	67,024	2,033,677	2,489,202	22,961,404
2015	11,665,484	8,700,581	72,020	2,053,011	2,584,121	25,075,217
2016	11,778,279	8,827,604	66,218	2,064,983	2,743,625	25,480,709
2017	11,531,051	8,925,207	75,289	2,113,026	2,941,976	25,586,549
2018	12,640,472	9,395,425	78,498	2,349,574	3,187,390	27,651,359
2019	15,004,421 (2)	10,041,779	82,010	2,356,144	3,361,509	30,845,863
2020	16,159,692	9,221,508	39,624	2,320,090	3,522,965	31,263,879
2021	17,481,251	10,561,589	36,168	2,542,877	3,600,891	34,222,776

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

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

**CITY OF MILTON, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Nonspendable (prepaids and inventory)	\$ 710,805	\$ 535,746	\$ 1,055,070	\$ 708,884
Assigned	1,052,886	1,628,677	1,640,430	715,635
Unassigned	10,752,832	11,017,622	7,871,084	8,904,557
Total general fund	<u>\$ 12,516,523</u>	<u>13,182,045</u>	<u>\$ 10,566,584</u>	<u>\$ 10,329,076</u>
All Other Governmental Funds				
Nonspendable - prepaids	\$ 1,562,622	\$ 588,468	\$ 1,550,921	\$ 449,688
Restricted - law enforcement	101,365	99,835	154,195	129,305
Restricted - fire facilities	403,966	314,357	253,633	210,654
Restricted - intersection improvements	20,699,556	17,784,583	14,115,969	8,684,559
Restricted - park and trail enhancements	3,195,715	1,836,522	2,492,082	1,565,418
Restricted - general administration	77,252	49,123	33,331	2,980
Restricted - emergency 911 services	-	-	-	-
Restricted - capital projects	8,478,503	8,824,451	7,107,170	20,411,299
Restricted - federal programs	176	-	-	-
Assigned - public safety	-	-	-	-
Assigned - capital projects	16,883,913	12,834,539	8,262,707	7,835,618
Unassigned	(249,661)	-	(1,546,652)	-
Total all other governmental funds	<u>\$ 51,153,407</u>	<u>\$ 42,331,878</u>	<u>\$ 32,423,356</u>	<u>\$ 39,289,521</u>

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

2017	2016	2015	2014	2013	2012
\$ 591,974	\$ 444,032	\$ 401,096	\$ 247,208	\$ 278,953	\$ 197,851
-	-	5,199,048	4,278,690	1,297,910	2,070,784
2,777,080	(3,197,092) (2)	4,511,805	6,316,137	7,950,412	7,870,639
<u>\$ 3,369,054</u>	<u>\$ (2,753,060)</u>	<u>\$ 10,111,949</u>	<u>\$ 10,842,035</u>	<u>\$ 9,527,275</u>	<u>\$ 10,139,274</u>
\$ 292,304	\$ -	\$ -	\$ -	\$ -	\$ 20,000
152,198	130,265	202,497	163,191	894,299	879,779
92,926	82,142 (1)	-	-	-	-
3,447,341	16,095 (1)	-	-	-	-
802,887	671,394 (1)	-	-	-	-
-	-	-	-	-	-
-	3	62,719	479,272	-	-
24,785,560 (3)	-	-	-	-	-
-	-	-	-	-	3,023
10,911,598	15,359,556	15,333,498	9,351,597	9,665,789	8,377,308
-	-	(2,082,969)	-	-	-
<u>\$ 40,484,814</u>	<u>\$ 16,259,455</u>	<u>\$ 13,515,745</u>	<u>\$ 9,994,060</u>	<u>\$ 10,560,088</u>	<u>\$ 9,280,110</u>

**CITY OF MILTON, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>					
Taxes	\$ 34,221,553	\$ 31,322,509	\$ 30,824,036	\$ 27,651,993	\$ 25,574,393
Licenses and permits	1,136,559	567,765	700,580	628,090	616,148
Intergovernmental	9,844,341	6,953,713	7,599,533	7,152,012	3,587,194
Charges for services	3,088,902	2,543,907	2,817,577	2,718,438	2,945,872
Fines and forfeitures	502,864	310,114	448,244	422,670	494,891
Contributions	2,892	32,402	25,157	47,363	40,281
Interest earned	26,010	479,474	956,696	506,524	127,871
Miscellaneous	242,278	176,551	212,228	164,808	91,147
Total revenues	<u>49,065,399</u>	<u>42,386,435</u>	<u>43,584,051</u>	<u>39,291,898</u>	<u>33,477,797</u>
<b>Expenditures</b>					
Current:					
General government	4,163,296	3,905,514	3,781,995	3,720,541	3,948,213
Judicial	370,242	458,499	428,571	411,698	279,811
Public safety	13,678,570	13,463,420	12,411,953	11,910,598	11,136,499
Public works	14,335,310 (5)	5,601,369	7,232,342	5,600,294	2,617,819
Culture and recreation	1,903,960	1,621,664	1,498,976	1,397,855	1,470,156
Housing and development	1,869,053	1,844,546	1,514,934	1,440,247	1,134,524
Capital outlay	1,293,100	18,865,179	20,617,186	7,131,436	6,362,409
Debt service:					
Principal	1,665,000	1,206,760	1,771,394	928,010	897,038
Interest	1,697,456	1,397,326	1,151,028	1,017,730	317,454
Issuance costs	-	502,903	-	-	356,322
Total expenditures	<u>40,975,987</u>	<u>48,867,180</u>	<u>50,408,379</u>	<u>33,558,409</u>	<u>28,520,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,089,412</u>	<u>(6,480,745)</u>	<u>(6,824,328)</u>	<u>5,733,489</u>	<u>4,957,552</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of long term debt	-	24,210,000	-	-	23,495,000
Payment to escrow	-	(7,251,627)	-	-	-
Advance refunding payment with existing resources	-	(630,000)	-	-	-
Premium from bond issuance	-	2,653,663	-	-	1,881,842
Proceeds from the sale of capital assets	66,595	22,692	168,100	31,240	13,079
Insurance recoveries	-	-	27,571	-	-
Transfers in	18,725,385	7,671,144	9,045,265	3,398,903	4,931,858
Transfers out	(18,725,385)	(7,671,144)	(9,045,265)	(3,398,903)	(4,931,858)
Total other financing sources (uses)	<u>66,595</u>	<u>19,004,728</u>	<u>195,671</u>	<u>31,240</u>	<u>25,389,921</u>
Net change in fund balances	<u>\$ 8,156,007</u>	<u>\$ 12,523,983</u>	<u>\$ (6,628,657)</u>	<u>\$ 5,764,729</u>	<u>\$ 30,347,473</u>
Debt service as a percentage of noncapital expenditures	10.4%	9.3%	10.6% (4)	6.8% (4)	5.6% (4)

- (1) Increase is related to the design, engineering and right-of-way acquisition for three intersection improvement projects.  
(2) Decrease is related to the capital lease for the initial purchase of the police and fire fleet as the final payment was made in December 2011.  
(3) The increase in Taxes is attributable to the renegotiation of the local option sales tax (LOST).  
(4) 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.  
(5) The increase is due to general increase in TSPLOST project activity as well as large paving project performed in 2021.

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

# REVENUE CAPACITY

**CITY OF MILTON, GEORGIA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Franchise Taxes</b>	<b>Business Taxes</b>	<b>Total</b>
2012	\$ 9,483,723	\$ 4,275,674	\$ 54,688	\$ 1,908,609	\$ 2,288,483	\$ 18,011,177
2013	9,637,928	4,282,107	60,997	1,945,143	2,397,425	18,323,600
2014	10,345,110	8,019,028 (1)	67,024	2,033,677	2,489,202	22,954,041
2015	11,560,676	8,700,581	72,020	1,948,945	2,584,121	24,866,343
2016	11,562,546	8,827,604	66,218	2,169,049	2,743,625	25,369,042
2017	11,518,895	8,925,207	75,289	2,113,026	2,941,976	25,574,393
2018	12,641,106 (2)	9,395,425	78,498	2,349,574	3,187,390	27,651,993
2019	14,982,594 (2)	10,041,779	82,010	2,356,144	3,361,509	30,824,036
2020	16,218,322	9,221,508	39,624	2,320,090	3,522,965	31,322,509
2021	17,480,028	10,561,589	36,168	2,542,877	3,600,891	34,221,553

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

**CITY OF MILTON, GEORGIA**

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

(1) Calendar Year	Real Property				Personal Property	
	Residential Property	Conservation Use Property	Commercial Property	Privately Owned Public Utilities	Motor Vehicles	Furniture, Fixtures & Equip
2011	\$ 1,581,151,070	\$ 13,611,950	\$ 265,995,430	\$ 10,785,887	\$ 104,790,450	\$ 39,977,520
2012	1,611,543,600	14,620,660	275,506,580	12,481,572	116,670,630	44,950,190
2013	1,595,165,150	12,125,270	258,792,510	12,728,701	125,271,430	43,507,380
2014	1,742,503,130	11,051,350	254,051,410	12,028,354	110,057,590	42,298,840
2015	1,925,135,570	9,487,010	290,030,100	17,016,803	80,438,520	43,798,770
2016	2,012,576,030	8,679,430	365,874,440	19,928,091	55,613,700	44,691,780
2017	2,063,492,310	8,106,750	347,229,360	19,712,772	38,158,500	45,080,170
2018	2,444,244,070	6,677,770	346,028,600	18,180,770	26,535,480	45,040,150
2019	2,619,819,310	6,317,150	375,121,460	21,434,757	19,364,570	46,540,440
2020	2,675,108,220	6,482,530	377,626,900	21,095,172	10,894,780	43,773,680

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).

	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$	142,480,190	\$ 1,873,832,117	4.731	\$ 5,040,780,768	40%
	141,664,600	1,934,108,632	4.731	5,189,433,080	40%
	132,198,007	1,915,392,434	4.731	5,118,976,103	40%
	140,408,130	2,031,582,544	4.731	5,429,976,685	40%
	144,492,060	2,221,414,713	4.731	5,914,766,933	40%
	145,509,390	2,361,854,081	4.731	6,268,408,678	40%
	146,665,660	2,375,114,202	5.052	6,304,449,655	40%
	165,379,290 (2)	2,721,327,550	5.061	7,216,767,100	40%
	493,687,582 (3)	2,594,910,105	5.319	7,721,494,218	40%
	471,697,815	2,663,283,467	5.269	7,837,453,205	40%

**CITY OF MILTON, GEORGIA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN CALENDAR YEARS**  
*(rate per \$1,000 of assessed value)*

Calendar Year	City of Milton			Fulton County			School District			State	Total Direct & Overlapping Rates
	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		
2011	4.731	-	4.731	10.281	0.270	10.551	18.502	-	18.502	0.250	34.034
2012	4.731	-	4.731	10.281	0.270	10.551	18.502	-	18.502	0.250	34.034
2013	4.731	-	4.731	10.211	0.270	10.481	18.502	-	18.502	0.150	33.864
2014	4.731	-	4.731	11.781	0.270	12.051	18.502	-	18.502	0.100	35.384
2015	4.731	-	4.731	10.500	0.250	10.750	18.502	-	18.502	0.050	34.033
2016	4.731	-	4.731	10.450	0.250	10.700	18.483	-	18.483	0.000	33.914
2017	4.731	0.321	5.052	10.380	0.250	10.630	18.546	-	18.546	0.000	34.228
2018	4.390	0.671	5.061	10.200	0.230	10.430	17.796	-	17.796	0.000	33.287
2019	4.731	0.588	5.319	9.899	0.220	10.119	17.796	-	17.796	0.000	33.234
2020	4.731	0.588	5.269	9.776	0.220	9.996	17.796	-	17.796	0.000	33.061

Source: Fulton County Tax Commissioner

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

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

**CITY OF MILTON, GEORGIA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**SEPTEMBER 30, 2021**  
**CURRENT AND NINE YEARS AGO**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
WRPV XIV Deerfield Village Mil	\$ 35,640,560	1	1.34 %			
IMT Capital III Deerfield LLC	34,958,920	2	1.31			
Thirteen Five Sixty Morris Road Office Investors LLC	26,705,240	3	1.00	\$ 17,646,000	4	0.91 %
North Park Estates LLC	23,350,960	4	0.88			
IMT Capital IV Stoneleigh at D LLC	22,162,120	5	0.83			
CSP Community Owner LLC	18,000,000	6	0.68	10,220,000	6	0.53
Cellco Partnership	16,114,720	7	0.61	18,200,000	2	0.94
Deerfield CC Delaware LLC	13,134,040	8	0.49			
WB Holdings Deerfield Place LLC	11,622,400	9	0.44			
Verizon Wireless	9,722,520	10	0.37			
Orion Milton Associates LLC				17,695,470	3	0.91
Atlanta Preserve LLC				22,387,950	1	1.16
GTE Mobilnet (Verizon)						
EQR Zurich LLC				11,424,000	5	0.59
Scott H Lee TR				10,103,280	7	0.52
First Town LP				9,430,840	8	0.49
North Park GA LLC				9,078,000	9	0.47
RT Deerfield I LLC				7,880,920	10	0.41
<b>Totals</b>	<b>\$ 211,411,480</b>		<b>7.94 %</b>	<b>\$ 134,066,460</b>		<b>6.93 %</b>

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

# CITY OF MILTON, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Period Ended September 30,	Taxes Levied for the Fiscal Year	Subsequent Years Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 8,311,433	\$ (91,115)	\$ 8,220,318	\$ 8,007,886	96.3 %	\$ 212,203	\$ 8,220,089	100.0 %
2013	8,187,290	46,194	8,233,484	7,948,752	97.1	283,853	8,232,605	100.0
2014	8,818,227	117,278	8,935,505	8,579,383	97.3	354,898	8,934,281	100.0
2015	9,845,651	29,054	9,874,705	9,545,176	96.9	328,043	9,873,219	100.0
2016	10,393,680	(44,780)	10,348,900	9,893,308	95.2	454,165	10,347,473	100.0
2017	(1) 10,393,680	(44,780)	10,348,900	9,893,308	95.2	454,165	10,347,473	100.0
2018	11,414,221	(15,447)	11,398,774	11,388,963	99.8	8,137	11,397,100	100.0
2019	13,613,210	6,330	13,619,540	13,509,728	99.2	104,948	13,614,676	100.0
2020	13,810,744	3,173	13,813,917	13,762,150	99.6	44,394	13,806,544	99.9
2021	14,086,228	-	14,086,228	14,037,365	99.7	-	14,037,365	99.7

Source: City of Milton Finance Department, Tax Collectors Report

(1) Due to the delayed receipt of the Fulton County tax digest, Milton property taxes were billed two and a half months later than usual, resulting in a billing cycle outside of fiscal year 2017.

As a result the City decided to account for property taxes in the subsequent year rather than the prior year to avoid experiencing this issue at any point in the future. Therefore, 2019 figures are based on 2018 tax digest information for reporting purposes.

# DEBT CAPACITY

# CITY OF MILTON, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Period Ended September 30,	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bond	General Obligation Bonds	Financed Purchase Payable			
2012	\$ -	\$ -	\$ 339,504	\$ 339,504	0.02 %	\$ 10.05
2013	-	-	258,038	258,038	0.02	7.46
2014	-	-	174,340	174,340	0.01	4.91
2015	8,910,132	-	1,464,922	10,375,054	0.53	285.89
2016	9,600,000	-	1,312,155	10,912,155	0.53	289.00
2017	9,008,000	25,376,842	1,007,117	35,391,959	1.69	912.85
2018	8,400,000	25,235,588	351,864	33,987,452	1.57	871.03
2019	7,774,000	24,252,033	-	32,026,033	1.36	807.25
2020	26,712,515	23,231,294	-	49,943,809	2.00	1,248.60
2021	25,691,354	22,178,804	-	47,870,158	1.79	1,159.20

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

# CITY OF MILTON, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF SEPTEMBER 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Direct Debt:</b>			
Revenue Bonds	\$ 25,691,354	100.00 %	\$ 25,691,354
GO (Greenspace) Bonds	22,178,804	100.00	22,178,804
Total direct debt	47,870,158		47,870,158
<b>Overlapping Debt (1):</b>			
Fulton County	234,407,917	3.86 %	9,042,562
Fulton County School District	11,495,000	7.33	842,754
Total overlapping debt	245,902,917		9,885,316
Total direct and overlapping debt	<u>\$ 293,773,075</u>		<u>\$ 57,755,474</u>

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, 2021**

	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	<u>20,935,000</u>	<u>21,830,000</u>	<u>22,685,000</u>	<u>23,495,000</u>	<u>23,495,000</u>
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%	7.07%	7.86%	9.32%	9.37%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value	\$ 2,663,283,467
Add back: exempt real property	<u>471,697,815</u>
Total assessed value	<u>3,134,981,282</u>
Debt limit: 10% of total assessed value	<u>313,498,128</u>
Debt applicable to limit	
General Obligation Bond	20,935,000
Less: Amount set aside for repayment of general obligation bond	<u>-</u>
Total net debt applicable to limit	<u>20,935,000</u>
Legal debt margin	<u>\$ 292,563,128</u>

**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

<b>Fiscal Period</b>	<b>Population</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2012	33,775	\$ 1,463,876	\$ 43,342	37.4	9,133	7.0 %
2013	34,571	1,718,559	49,711	38.1	9,405	6.4
2014	35,513	1,805,801	50,849	38.6	9,621	5.0
2015	36,291	1,964,758	54,139	39	10,107	5.2
2016	37,758	2,044,180	54,139	38.9	10,306	5.0
2017	38,771	2,097,627	54,103	39.1	10,287	2.2
2018	39,020	2,165,961	55,509	39	10,287	1.9
2019	39,673	2,361,972	59,536	38.5	10,240	2.9
2020	40,000	2,493,800	62,345	38.5	10,060	3.3
2021	41,296	2,672,016	64,704	38.7	9,435	1.7

(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**

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Verizon	1,272	1	15.6 %	1,735	1	23.5 %
Fulton County Schools	1,014	2	12.4	898	2	12.2
Infor (US) Inc	351	3	4.3	480	4	6.5
Wal-Mart	283	4	3.5	308	6	4.2
Intelligrated Systems, LLC	268	5	3.3			
Publix	236	6	2.9	175	9	2.4
Target	200	7	2.5	200	8	2.7
Country Financial	195	8	2.4			
Home Depot	190	9	2.3			
City of Milton	168	10	2.1			
Philips North America LLC				500	3	6.8
Alltel				400	5	5.4
Exide Technologies				296	7	4.0
Fry's Electronics				170	10	2.3
<b>Totals</b>	<b>4,177</b>		<b>49.2 %</b>	<b>5,162</b>		<b>69.9 %</b>

(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

Function	Full-Time Equivalent Employees as of September 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Manager	4	3	3	4	4	4	4	3	3	2
City Clerk	1.5	2	2	2	2	2	2	2	2	3
Operations	12.5	13	13	10	10	10	11	9	8	10
Judicial	3	4	4	4	4	4	4	4	4	4
Public Safety										
Administration	12	12	9	8	8	8	5	5	3	2
Police	37	37	35	37	36	35	35	29	29	32
Fire	56	55	56	55	55	53	58	57	55	55
Civilians	6	6	6	5	4	5	6	4	4	3
Public Works										
Admin & Engineering	5	5	5	5	5	5	4	4	4	4
Highways & Streets	3	3	3	4	5	5	5	3	3	3
Culture & Recreation	4	3	2	2	2	2	2	2	2	2
Community Development	17	12	11	10	6	6	6	10	10	10
<b>Total</b>	<b>168</b>	<b>162</b>	<b>156</b>	<b>153</b>	<b>148</b>	<b>146</b>	<b>149</b>	<b>139</b>	<b>134</b>	<b>132</b>

Source: City of Milton Human Resources Department

# CITY OF MILTON, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General government</b>										
Number of property tax accounts:										
Real property	13,883	13,704	13,643	13,429	13,235	13,235	12,806	12,474	12,311	12,261
Personal property	680	686	692	768	768	768	498	474	474	475
Public utility	11	12	10	8	8	9	7	7	7	8
<b>City Clerk</b>										
Ordinances adopted	33	49	25	51	40	27	36	39	43	41
Resolutions adopted	28	48	26	44	57	35	36	44	39	44
Council Meetings (Reg/Work Sessions/Special Called)	34	37	37	40	30	43	39	40	38	41
Council Meeting Minutes (Pages) (6)	-	1,089	425	480	463	728	722	754	482	548
Total Hours of Council Meetings	87	66	91	55	64	92	77	64	59	62
<b>Judicial</b>										
Cases processed	4,286	2,438	3,244	3,654	3,545	4,434	4,548	5,947	4,789	4,497
Cases closed	4,106	2,227	3,566	3,760	3,914	4,371	5,397	6,037	4,287	5,070
Non-jury trials	38	73	48	116	311	282	252	203	197	170
Warrants issued	16	11	39	50	76	81	112	98	29	79
<b>Police (1)</b>										
Calls for service	6,631	6,228	7,518	7,874	7,554	7,764	9,000	6,775	7,351	14,710
Alarms	496	1,279	1,642	1,752	1,715	1,723	2,115	1,558	2,649	1,798
Accidents	569	436	665	738	692	733	663	611	589	581
Traffic stops	8,240	7,094	7,254	7,492	7,454	7,608	7,874	7,776	6,808	6,124
Warnings issued	4,081	4,218	3,387	3,614	2,803	1,837	4,345	3,490	3,399	2,451
Citations issued	4,033	2,438	2,914	3,725	3,663	4,434	5,321	5,914	4,785	1,564
DUIs	52	41	42	41	75	92	56	87	73	47
Traffic arrests	108	199	152	188	275	356	258	295	208	295
<b>Fire</b>										
Number of preplans completed	534	436	418	416	404	404	517	693	262	257
Hours of Training	16,995	13,406	15,184	18,836	12,914	14,425	20,439	15,614	6,394	4,829
Fire calls	92	67	59	89	124	96	90	113	110	97
Rescue/EMS calls	1,548	1,127	1,108	1,233	1,146	1,092	1,218	1,166	992	1,025
Overpressure/Explosion	1.00	3.00	-	5	4	1	2	1	2	5
Hazardous Conditions	121	94	81	91	79	85	84	77	68	62
Service Call	381	284	244	384	318	302	304	310	246	209
Good Intent Call	868	1,080	712	664	570	560	385	370	303	347
False Alarm	373	266	242	277	243	239	264	256	202	215
Severe Weather	50	3	6	7	11	14	3	5	6	7
Special Incident (other)	9	3	215	9	14	6	19	10	12	29
Community education in hours	457	922	1,764	484	519	685	466	412	335	1,141
Average response time	7:12	7:06	7:06	6:44	6:21	6:11	6:01	6:04	5:54	5:53
Safety Issues (5)	NA	NA	NA	NA	115	-	187	210	248	244
Inspections (5)	1,049	886	808	822	637	642	-	-	-	-
Plan Review (5)	152	85	175	137	142	109	-	-	-	-
Hydrants Inspected	3,010	3,140	2,863	2,582	2,525	2,446	2,348	1,764	4,396	4,345
Investigations	6	11	5	18	19	17	19	14	18	13
<b>Public Works</b>										
Work requests	1,568	1,336	1,198	988	1,161	1,279	1,915	2,123	1,852	1,396
Potholes repaired (2)	178	300	240	284	150	140	122	111	129	-
Shoulder restoration (2)	42	70	72	65	38	64	31	52	67	-
Sign maintenance (2)	197	259	62	71	210	115	168	242	185	-
New sign installation (2)	49	44	68	52	40	61	72	108	103	-
Stormwater maintenance calls (2)	151	116	61	108	30	29	56	23	38	-
Traffic signal preventative maintenance (2)	16	15	21	20	8	12	17	18	10	-
Signal maintenance (2)	8	12	13	20	16	115	15	24	37	-
Pavement condition index (2)	70	69	69	71	71	71	71	71	71	-

Continued

# CITY OF MILTON, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Culture and Recreation</b>										
Number of annual city-sponsored events	25	28	28	27	28	28	28	15	11	11
Crabapple Fest attendance (4) (7)	-	35,000	35,000	35,000	34,250	40,320	8,500	30,000	15,000	2,000
Number of programs (2)	60	43	43	41	33	32	38	48	34	-
Attendance for recreation programs not including baseball (2)	2,746	1,733	2,203	1,823	1,829	2,105	1,587	2,157	1,331	-
Participants in youth baseball (3)	1,433	728	1,047	917	818	497	270	569	1,121	1,135
<b>Housing and Development</b>										
Business licenses issued	872	890	1,228	1,175	1,088	1,017	944	998	968	1,030
<b>Planning &amp; Zoning</b>										
Zoning certification letters	19	16	17	7	13	15	21	16	12	5
Zoning modifications processed	-	2	3	1	3	1	1	6	-	4
Special use permits processed	3	2	1	6	1	2	5	8	6	1
Text amendments	4	19	1	15	16	12	18	18	12	9
Rezoning requests processed	3	-	2	1	1	4	4	8	9	7
Variances processed	35	16	13	25	23	16	33	26	13	20
Land disturbance permits	11	13	52	44	60	65	45	60	44	49
Final plats/minor plats signed	33	13	28	23	30	30	37	46	31	18
Development inspections	8,730	7,505	4,758	2,031	2,759	2,817	2,751	2,840	2,544	2,774
<b>Building Inspections</b>										
Building permits issued	2,168	2,017	1,380	1,499	1,747	1,679	1,452	1,022	982	917
Certificates of occupancy issued	127	160	188	196	244	385	347	405	362	233
Sign permits issued	60	74	86	119	68	80	90	77	89	89
<b>Code Enforcement</b>										
Code enforcement inspection	997	722	803	878	984	964	901	775	679	613
Notice of violations issued	145	136	121	101	129	132	6	371	456	320
Citations issued	9	2	12	7	13	4	6	2	11	5
Follow up Inspections	505	478	630	791	837	850	845	398	491	326
Sign sweeps	24	28	22	16	21	8	18	6	8	5

Source: Various City departments.

- Notes:
- (1) The data for the Police department is on a calendar year basis.
  - (2) New indicators the City started tracking in FY 2013.
  - (3) The renovation of Bell Memorial Park interrupted the spring youth baseball season resulting in lower participation numbers for FY 2014.
  - (4) In 2013, the Crabapple Fest was combined with the Milton Roundup, which greatly expanded the event to include more vendor space and thus attendance increased significantly.
  - (5) New indicators the City started tracking in FY 2016 instead of "safety issues" to provide more appropriate data.
  - (6) The City elected to discontinue tracking Council Minutes Meeting Pages in FY 2021.
  - (7) The Crabapple Fest was canceled in FY 2021.

**CITY OF MILTON, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Vehicles	1	2	2	2	2	2	2	1	1	1
Police										
Vehicles	50	51	51	48	52	51	46	43	37	41
Fire										
Vehicles	25	19	19	18	18	17	15	14	13	10
Stations	4	3	3	3	3	3	3	3	3	3
Tornado Siren	11	11	11	11	10	10	9	-	-	-
Public Works										
Streets (miles)	187	187	187	180	180	180	158	158	158	158
Bridges	36	35	35	34	34	34	31	31	31	31
Traffic signals	16	15	15	16	16	16	11	11	11	11
Flashing beacons	9	9	9	9	9	9	9	9	9	9
Vehicles	7	7	7	6	6	5	7	3	3	3
Culture and Recreation										
Park acreage	701	668	688	439	296	292	251	203	203	190
Recreational facilities	6	5	5	5	5	5	5	4	4	4
Parks (1)	8	6	6	6	4	4	3	3	3	1
Playgrounds (1)	3	3	3	3	3	2	-	-	-	-
Athletic fields	9	6	6	6	6	6	6	4	4	4
Vehicles	2	2	2	2	2	2	1	-	-	-
Housing and Development										
Vehicles	3	1	1	1	2	2	2	4	4	3

Source: Various City departments.

Note: The City has entered into a sublease agreement with Fulton County for one of the fire stations.

(1) Parks and playgrounds were broken into two separate categories in FY 2016 to represent a more clear picture of the assets.

# COMPLIANCE SECTION

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

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**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, 2021, 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 10, 2022.

**Internal Control Over Financial Reporting**

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

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

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

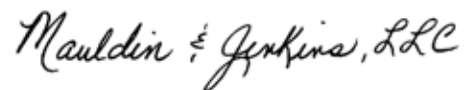
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**Compliance and Other Matters**

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

**Purpose of this Report**

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



Atlanta, Georgia  
March 10, 2022

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Milton, Georgia's (the "City's") compliance with the types of compliance requirements described 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, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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### ***Opinion on Each Major Federal Program***

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, 2021.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 10, 2022

**CITY OF MILTON, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Passed through the Georgia Department of Natural Resources			
Providence Park Restrooms	15.916	PI # 18AP00626-13-00982	\$ 30,987
Providence Park Lake Pier	15.916	PI # 19AP00611-13-01028	118,984
<b>Total U.S. Department of Interior</b>			<u>149,971</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction Cluster			
Passed through the Georgia Department of Transportation			
Big Creek Greenway	20.205	PI # 15078	221,907
Liveable Centers Initiative - Smart Communities Grant	20.205	N/A	2,055
Passed through the Georgia Department of Natural Resources			
Recreational Trails Program Grant	20.219	NRT-18(16)	381,188
<b>Total Highway Planning and Construction Cluster</b>			<u>605,150</u>
<b>Total U.S. Department of Transportation</b>			<u>605,150</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed through the Criminal Justice Coordinating Council			
Bulletproof Vest Partnership Program	16.607	VUSERXJ12LD5	1,498
Law Enforcement Training	16.710	K75-8-035	29,160
<b>Total U.S. Department of Justice</b>			<u>30,658</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
Passed through Fulton County, Georgia			
COVID-19 - Coronavirus Relief Fund	21.019	CARES	1,651,603
<b>Total U.S. Department of the Treasury</b>			<u>1,651,603</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Assistance to Firefighters Grant	97.044	2018-FO-02863	90,637
<b>Total U.S. Department of Homeland Security</b>			<u>90,637</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,528,019</u>

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, 2021**

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**(1) Summary of Significant Accounting Policies**

***Basis of Presentation and Accounting***

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

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

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

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

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

**CITY OF MILTON, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**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  no

Significant deficiencies identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?  yes  no

Significant deficiencies identified?  yes  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  no

Identification of major programs:

Federal Assistance Listing Number  
21.019

Name of Federal Program or Cluster  
COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes  no

**CITY OF MILTON, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2021**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**CITY OF MILTON, GEORGIA  
STATUS OF PRIOR AUDIT FINDINGS  
SEPTEMBER 30, 2021**

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**SECTION IV  
STATUS OF PRIOR AUDIT FINDINGS**

None reported.