



AGENDA
SPECIAL CALLED COUNCIL MEETING
4040 S. BERKELEY LAKE RD.
BERKELEY LAKE, GEORGIA 30096
JULY 13, 2022

7:00 PM Work Session | 8:00 PM Formal Session

Citizens are encouraged to offer comments on issues of concern as agenda items are reached and at the end of the meeting for all other issues. Please limit citizen comments to 2 minutes. Longer citizen comments are welcome in writing and will be added to the official record of this meeting.

WORK SESSION

CALL TO ORDER

AGENDA

CONSENT AGENDA

- a) Minutes of June 13, 2022, Council Meeting
- b) Financial Statements of May 2022 – Unaudited
- c) 2021 Financial Statement – Audited
- d) VC3 Contract for IT Services

OLD BUSINESS

NEW BUSINESS

- a) R-22-02, Resolution to Adopt 2022 Millage Rate
- b) Waste Collection Services Discussion

EXECUTIVE SESSION *(if needed)*

CITIZEN COMMENTS

ADJOURNMENT



**SPECIAL CALLED COUNCIL MEETING
4040 SOUTH BERKELEY LAKE ROAD
BERKELEY LAKE, GEORGIA 30096**

**DRAFT MINUTES
JUNE 13, 2022**

ATTENDANCE

Mayor: Lois Salter

Council Members: Rodney Hammond, Scott Lee, Chip McDaniel, Bob Smith, Rebecca Spitler

City Officials: Leigh Threadgill - City Administrator

Richard Carothers – City Attorney

Members of the Public: 1

Members of the Press: 0

WORK SESSION

The mayor and council reviewed the meeting agenda and materials with staff.

CALL TO ORDER

Salter called the meeting to order at 8:01 PM. A quorum of council members was in attendance.

AGENDA

Salter solicited motions regarding the agenda.

Lee made a motion to accept the agenda as submitted. Smith seconded the motion. All council members were in favor and the motion passed.

CONSENT AGENDA

Salter noted the following as items on the consent agenda and solicited a motion:

- a) Minutes of May 19, 2022, Council Meeting
- b) Financial Statements of April 2022 – Unaudited
- c) Public Works Ratification of Changer Order 3 – Task Order 1 Project Close Out

Hammond made a motion to approve all items on the consent agenda. Spitler seconded the motion. All were in favor and the motion passed.

OLD BUSINESS

- a) O-22-243, Proposed 2021 Budget Amendment

Threadgill: O-22-243 is a housekeeping measure to identify a final status of expenses and revenues for 2021. I am requesting that council adopt the ordinance.

Smith made a motion to adopt O-22-243, an ordinance to amend the budget for the year 2021, to repeal conflicting ordinances, to provide for an effective date and for other purposes. McDaniel seconded the motion. All were in favor and the motion passed.

NEW BUSINESS

- a) R-22-01, Resolution to Approve Mayoral Negotiation of SPLOST Intergovernmental Agreement and Categories

Threadgill: R-22-01 is a resolution to approve a list of SPLOST project categories and authorize the mayor and city attorney to execute the intergovernmental agreement with Gwinnett County and the other Gwinnett cities for use and distribution of SPLOST 2023 proceeds.

Spitler made a motion to adopt R-22-01, a resolution to approve a list of qualifying SPLOST projects for inclusion in the 2023 SPLOST Referendum in Gwinnett County and to authorize the mayor and city attorney to execute a negotiated intergovernmental agreement with Gwinnett County and the other cities located within Gwinnett County for use and distribution of proceeds generated by the 2023 SPLOST Referendum subject to approval as to form by the city attorney. Hammond seconded the motion.

PUBLIC COMMENTS

There were none.

ADJOURNMENT

There being no further business to discuss, Lee moved to adjourn. McDaniel seconded the motion. All were in favor and the motion passed.

Salter adjourned the meeting at 8:05 PM.

Submitted by:

Leigh Threadgill, City Clerk

City of Berkeley Lake

Budget vs. Actuals: 2022 Capital and Operating Budget - FY22 P&L

January - May, 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
100 100 General	271,941.82	1,435,684.00	-1,163,742.18	18.94 %
230.33.2100 ARP Act 230.33.2100		319,464.00	-319,464.00	
320 320 SPLOST Income	182,016.99	982,208.00	-800,191.01	18.53 %
Total Income	\$453,958.81	\$2,737,356.00	\$ -2,283,397.19	16.58 %
GROSS PROFIT	\$453,958.81	\$2,737,356.00	\$ -2,283,397.19	16.58 %
Expenses				
1 Gen Govt	197,279.07	546,565.00	-349,285.93	36.09 %
2 Judicial	1,372.48	9,190.00	-7,817.52	14.93 %
230 ARP Act Expenses 230	23,215.53	720,348.00	-697,132.47	3.22 %
3 Public Safety	52,043.98	141,819.00	-89,775.02	36.70 %
4 Public Works	42,467.61	149,869.00	-107,401.39	28.34 %
6 Culture and Recreation	7,237.68	20,580.00	-13,342.32	35.17 %
7 Housing and Development	10,744.98	119,100.00	-108,355.02	9.02 %
SPLOST Expenses	875.00	1,029,885.00	-1,029,010.00	0.08 %
Total Expenses	\$335,236.33	\$2,737,356.00	\$ -2,402,119.67	12.25 %
NET OPERATING INCOME	\$118,722.48	\$0.00	\$118,722.48	0.00%
NET INCOME	\$118,722.48	\$0.00	\$118,722.48	0.00%

City of Berkeley Lake

Income & Expense

May 2022

	TOTAL
Income	
100 100 General	30,400.35
320 320 SPLOST Income	38,561.02
Total Income	\$68,961.37
GROSS PROFIT	\$68,961.37
Expenses	
1 Gen Govt	41,165.04
230 ARP Act Expenses 230	12,440.00
3 Public Safety	9,752.13
4 Public Works	6,535.57
6 Culture and Recreation	681.08
7 Housing and Development	2,623.25
SPLOST Expenses	250.00
Total Expenses	\$73,447.07
NET OPERATING INCOME	\$ -4,485.70
NET INCOME	\$ -4,485.70

City of Berkeley Lake

Balance Sheet As of May 31, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Debt Service Fund	0.00
General Fund	3,356,326.23
SPLOST Fund	727,194.82
Suspense 1.11.1000	0.00
Total Bank Accounts	\$4,083,521.05
Accounts Receivable	
Accounts Rec 1.11.1900.1	11,955.25
Total Accounts Receivable	\$11,955.25
Other Current Assets	
1.11.27 Grant Receivable	0.00
Accounts Rec - SPLOST 1.11.2000	76,099.65
AccountsRec-OtherTax1.11.1900.2	0.00
Franchise Tax Rec 1.11.1550	56,250.00
Interest Receivable 1.11.1400	0.00
Prepaid Expense 1.11.3600	0.00
Prepaid items 1.11.3800	3,749.67
Taxes Receivable 1.11.1600	8,537.35
Undeposited Funds 1.11.1114	2,001.00
Total Other Current Assets	\$146,637.67
Total Current Assets	\$4,242,113.97
Fixed Assets	
Building & Improvements 1.11.7400	1,770,036.08
Computer Equipment 1.11.6700	48,172.61
Furniture & Fixtures 8.11.7700	71,493.47
Land 8.11.7100	9,392,320.74
Machinery & Equipment 1.11.6500	121,737.28
Total Fixed Assets	\$11,403,760.18
Other Assets	
Accum amort - bond cost	0.00
Amt avail 4 debt svc 9.11.9100	0.00
Bond issuance cost	0.00
Loan Receivable - Facilities	0.00
Loan Receivable - Paving	0.00
To be prov 4 debt 1.11.7500	0.00
Total Other Assets	\$0.00
TOTAL ASSETS	\$15,645,874.15
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	

City of Berkeley Lake

Balance Sheet As of May 31, 2022

	TOTAL
Accounts Payable	
Accounts Payable 1.12.1100	33,125.99
Operating AP	0.00
SPL2005 Admin Facil- City H-AP*	0.00
SPLOST account - Suntrust-AP*	0.00
Total Accounts Payable	\$33,125.99
Other Current Liabilities	
*Sales Tax Payable	0.00
1.12.28 Bonds payable - current	0.00
Accounts Payable Accruals-L*	0.00
Accounts payable-L 1.12.1100.2	0.00
Accrued Expenses 1.12.1150	0.00
Accrued Interest Payable	0.00
Accrued Salaries 1.12.1200	0.00
Accrued SPLOST Expenses 2.12.1250	0.00
Deferred revenue 1.12.2500	8,537.91
Direct Deposit Payable	-0.01
MyGov	0.00
Payroll Liabilities	66.10
PR Tax Payable - Fed 1.12.1300	0.00
PR Tax Payable - State 1.12.1310	0.00
PTO Accrual	8,837.70
Regulatory Fees Payable	10,518.77
Retainage Payable	0.00
Total Other Current Liabilities	\$27,960.47
Total Current Liabilities	\$61,086.46
Long-Term Liabilities	
Gen Oblig Bond Payable 1.12.3000	0.00
GOB Payable - 2009 1.12.3000.2	0.00
GOB Payable - 2011 1.12.3000.3	0.00
GOB Payable - 2012 1.12.3000.4	0.00
SPLOST Loan Payable - Paving	0.00
SPLOST Loan Payable Facilities	0.00
Total Long-Term Liabilities	\$0.00
Total Liabilities	\$61,086.46
Equity	
Fund Bal Unrsvd 1.13.4220	3,045,193.00
Investmt in fixedassets 1.13.4K	11,275,940.89
Reserve for prepaids 1.13.4125	3,749.67
Reserved for Debt Service	0.00
Restricted for Debt Svc 1.13.4105	0.00
Restricted4CapitalProj 1.13.4155	1,038,328.05
Retained Earnings 1.13.3000	102,853.60

City of Berkeley Lake

Balance Sheet
As of May 31, 2022

	TOTAL
Net Income	118,722.48
Total Equity	\$15,584,787.69
TOTAL LIABILITIES AND EQUITY	\$15,645,874.15

CITY OF BERKELEY LAKE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

**CITY OF BERKELEY CITY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Berkeley Lake, Georgia

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Berkeley Lake, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Berkeley Lake, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Berkeley Lake, Georgia, as of December 31, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berkeley Lake, Georgia's basic financial statements. The accompanying fund budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the City of Berkeley Lake, Georgia'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 of Berkeley Lake, Georgia'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 City of Berkeley Lake, Georgia's internal control over financial reporting and compliance.

James T. Whitaker, P. C.

Snellville, Georgia
June 28, 2022

CITY OF BERKELEY LAKE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Berkeley Lake, we offer readers of the City of Berkeley Lake's financial statements this narrative overview and analysis of the financial activities of the City of Berkeley Lake for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets of the City of Berkeley Lake exceeded its liabilities at December 31, 2021 by \$14,447,125. Of this amount unrestricted net position of \$3,131,337 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$1,098,083. The increase in net position is the result of the City receiving a grant under the American Rescue Plan Act in the amount of \$400,884 along with a decrease in spending in the SPLOST funds by approximately \$1,000,000
- As of the close of the current fiscal year, the City of Berkeley Lake's governmental funds reported combined ending fund balances of \$4,061,805 an increase of \$982,733 in comparison with the prior year. Of this amount \$3,107,397 is unassigned and available for spending; \$621,902 is restricted for Capital Outlay; \$319,683 is restricted for specified grant purposes under the ARPA grant and \$12,823 is nonspendable and in the form of prepaid expenses.
- At the end of the current year, unassigned fund balance for the general fund was \$3,107,397 or 407.9 percent of total General Fund expenditures.
- The City of Berkeley Lake has no long term debt as of December 31, 2021.
- Overall, the City continues to maintain a healthy financial position.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Berkeley Lake's basic financial statements. The City of Berkeley Lake's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Berkeley Lake's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the city's assets, deferred outflows and liabilities and deferred inflows, with the difference 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.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes 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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Berkeley Lake include general government, public safety and courts, highways and streets, public improvements, parks and recreation, and community development. The City had no business-type activity as of and for the year ended December 31, 2021.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been 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 of the funds of the City of Berkeley Lake are 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 balances provide a reconciliation to facilitate this comparison between the two.

The City maintains four major governmental funds. The City's major governmental funds are the General Fund, the ARPA Fund, the 2014 Special Purpose Local Option Sales Tax Fund and the 2017 Special Purpose Local Option Sales Tax Fund (SPLOST). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major fund. The governmental funds financial statements begin on page 13.

The City of Berkeley Lake adopts an annual budget for its General Fund, the ARPA special revenue fund and a project-length budget for its SPLOST Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the FY 21 budget. The budgetary comparison statements begin on page 18.

Notes to the 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 begin on page 20.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements / schedules beginning on page 36.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2021, the City's assets exceeded liabilities by \$14,447,125. The City's net position reflects its net investment in capital assets \$10,374,203 (71.8 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of \$14,447,125, \$621,902 (4.3 percent) is restricted for capital projects, \$319,683 (2.2%) is restricted for specified grant purposes and \$3,131,337 (21.7 percent) is unrestricted.

CITY OF BERKELEY LAKE'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 4,160,502	\$ 3,202,047	\$ -	\$ -	\$ 4,160,502	\$ 3,202,047
Capital assets	<u>10,374,203</u>	<u>10,257,596</u>	<u>-</u>	<u>-</u>	<u>10,374,203</u>	<u>10,257,596</u>
Total assets	<u>14,534,705</u>	<u>13,459,643</u>	<u>-</u>	<u>-</u>	<u>14,534,705</u>	<u>13,459,643</u>
Current liabilities	87,580	110,601	-	-	87,580	110,601
Long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>87,580</u>	<u>110,601</u>	<u>-</u>	<u>-</u>	<u>87,580</u>	<u>110,601</u>
Net Position:						
Net investment in capital assets	10,374,203	10,257,596	-	-	10,374,203	10,257,596
Restricted	941,585	337,073	-	-	941,585	337,073
Unrestricted	<u>3,131,337</u>	<u>2,754,373</u>	<u>-</u>	<u>-</u>	<u>3,131,337</u>	<u>2,754,373</u>
Total Net Position	<u>\$ 14,447,125</u>	<u>\$ 13,349,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,447,125</u>	<u>\$ 13,349,042</u>

A portion of the net position (6.5 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position (\$3,131,337) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Berkeley Lake is able to report positive balances in all three categories of net position. The same held true for the prior fiscal year.

Governmental activities. Governmental activities increased the City's net position by \$1,098,083. Key elements of this increase are as follows:

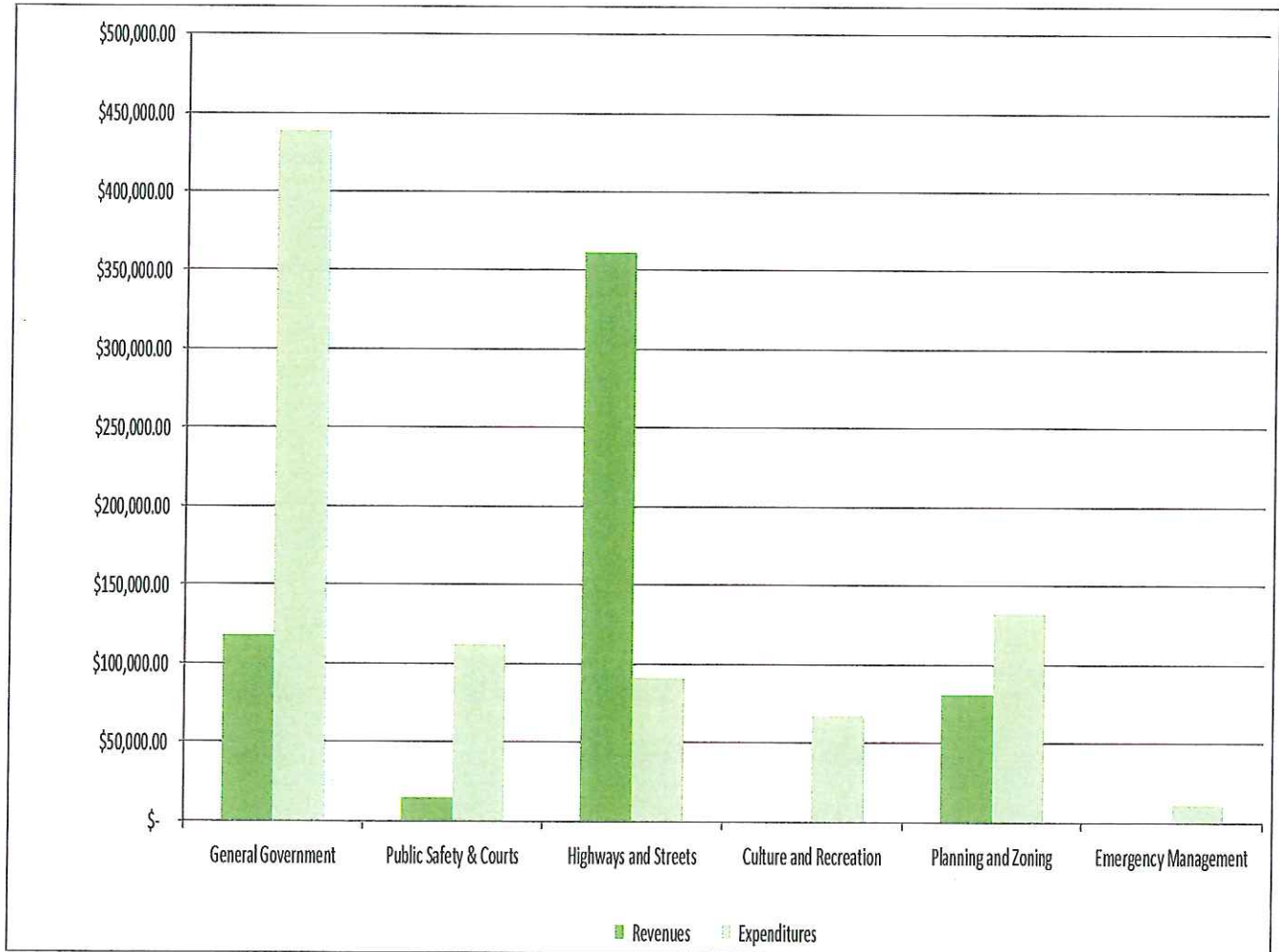
**CITY OF BERKELEY LAKE'S CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues -						
Charges for services	\$ 142,033	\$ 99,472	\$ -	\$ -	\$ 142,033	\$ 99,472
Operating grants and contributions	-	123,953	-	-	-	123,953
Capital grants and contributions	433,919	363,657	-	-	433,919	363,657
General Revenues-						
Property taxes	478,419	488,905	-	-	478,419	488,905
Insurance premium tax	153,026	148,175	-	-	153,026	148,175
Franchise taxes	227,057	233,373	-	-	227,057	233,373
Other taxes	107,292	101,787	-	-	107,292	101,787
Intergovernmental	400,884	200,000	-	-	400,884	200,000
Interest	3,850	18,403	-	-	3,850	18,403
Other	3,655	3,086	-	-	3,655	3,086
	<u>1,950,135</u>	<u>1,780,811</u>	<u>-</u>	<u>-</u>	<u>1,950,135</u>	<u>1,780,811</u>
Expenses:						
General government	438,238	456,240	-	-	438,238	456,240
Public safety and courts	112,064	111,506	-	-	112,064	111,506
Highways and streets	90,423	1,191,305	-	-	90,423	1,191,305
Culture and recreation	67,256	59,966	-	-	67,256	59,966
Planning and zoning	132,859	186,625	-	-	132,859	186,625
Emergency management	11,212	39,192	-	-	11,212	39,192
	<u>852,052</u>	<u>2,044,834</u>	<u>-</u>	<u>-</u>	<u>852,052</u>	<u>2,044,834</u>
Increase (decrease) in Net Position before transfers	1,098,083	(264,023)	-	-	1,098,083	(264,023)
Transfers	-	-	-	-	-	-
Increase (decrease) in Net Position	1,098,083	(264,023)	-	-	1,098,083	(264,023)
Net Position - beginning of year, adjusted	<u>13,349,042</u>	<u>13,613,065</u>	<u>-</u>	<u>-</u>	<u>13,349,042</u>	<u>13,613,065</u>
Net Position - end of year	<u>\$ 14,447,125</u>	<u>\$ 13,349,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,447,125</u>	<u>\$ 13,349,042</u>

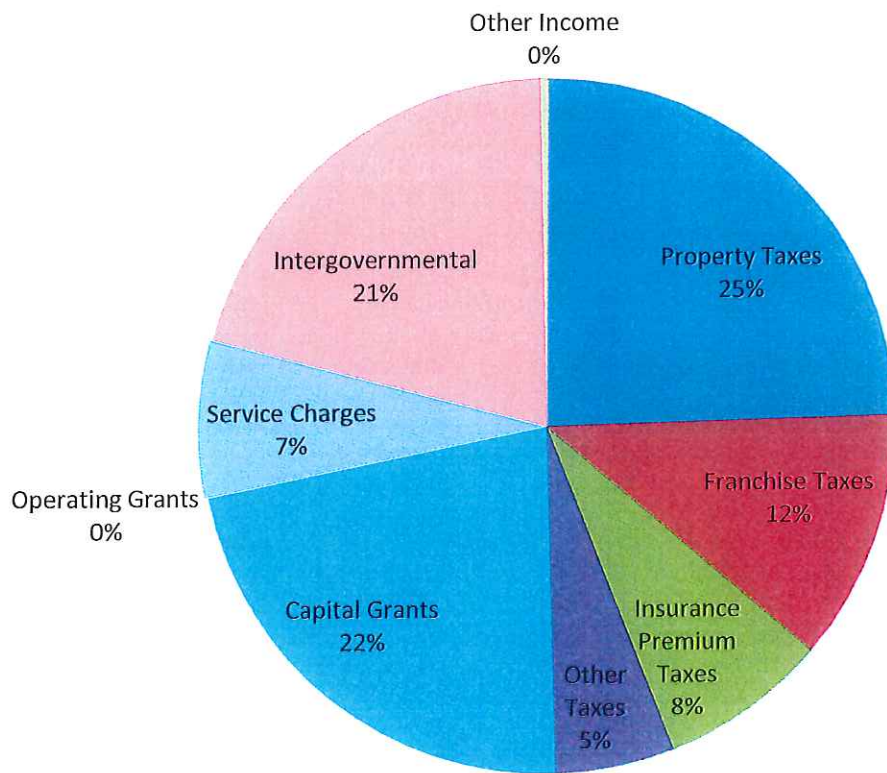
Note – The beginning net position for the year ended December 31, 2020 was adjusted \$(319,147) to record accumulated depreciation on the City's dam and to adjust balances in the capital accounts to match the City's depreciation schedule as of December 31, 2020.

- Revenues increase approximately \$169,300 for f/y 2021 over f/y 2020. The most significant increase occurred in intergovernmental revenues of \$400,884. The \$400,884 intergovernmental revenue was provided by the State of Georgia as part of the American Rescue Plan Act. The grant award can be used for a multitude of purposes provided under the grant agreement.
- Expenses decreased approximately \$1,193,000 which is the result of a major road and street milling and paving project costing approximately \$1,000,000 in 2020.

Expenses and Program Revenues-Governmental Activities



Revenue by Source-Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Berkeley Lake used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental fund financial statements 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.

At December 31, 2021 the City's governmental funds reported combined ending fund balances of \$4,061,805. Of this amount, \$3,107,397 (88.9 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because \$941,585 is restricted for Capital Outlay or grant purposes and \$12,823 is non-spendable consisting of prepaid expenses.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,107,397 while the total fund balance totaled \$3,120,220. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 407.9 percent of the total general fund expenditures, while total fund balance represents 410.0 percent of that same amount.

During the current fiscal year, the fund balance of the City's general fund increased by \$456,327. Although the revenues decreased by \$264,890 due to the receipt of the CARES grant in 2020 of \$102,800 and the County grant of \$200,000, several revenue sources did increase during 2021 including occupational tax and business license. Several new businesses did begin operations inside the City during 2021 which led to the increase in occupation and business license revenues. Expenditures decrease approximately \$206,000 since Covid-19 prevention expenditures from the Cares Act Grant of \$106,000 were incurred in 2020 and no significant amounts were incurred during 2021.

The ARPA Fund began operations in 2021 with the receipt of the \$400,884 in grant funds from the State of Georgia under the American Rescue Plan Act. The award is to be used for purposes specified under the grant agreement. During 2021, the City expended \$81,200 for property to be used for stormwater improvements

The SPLOST Funds are used to account for the acquisition and construction of major capital outlays for equipment, facilities and improvements that were approved by the voters of Gwinnett County, Georgia through the special purpose local option sales tax referendums. During f/y 2021 the SPLOST funds spent \$122,000 on street improvement and drainage projects.

General Fund Budgetary Highlights

The original budget adopted this fiscal year total \$968,857. The budget was amended to increase revenues \$130,419 and to decrease expenditures by \$207,688. Increased revenues were primarily due to increase in building permit activity but also due to increased motor vehicle title tax and unanticipated media projection activity. Expenditures were primarily lower because of savings on staff salaries in a year that included turnover in staff positions as well as the former city administrator's retirement. Other savings were due to lower than budgeted legal and judicial expenditures, unspent contingencies, no new computer purchases, fewer than anticipated public works maintenance projects, and no need for an election.

During 2020, many of the departmental expenditures were decreased due to the uncertainty over the effects of the Covid-19 virus. However, the emergency management budget was created with a budget of \$103,000 to account for the expenditures from the Cares Act Grant. This department was not used during 2021 since most Covid related expenditures were incurred during 2020.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2021 amounts to \$10,374,203 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. In 2021, the City purchased 1) a piece of real estate for stormwater purposes for \$81,201 and 2) made significant street and drainage improvements for \$146,039.

Additional information on the City's capital assets can be found in note 10 on page 32 of this report.

Long-term obligations. At the end of the current fiscal year, the City had no outstanding long-term obligations.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Berkeley Lake is approximately \$22,784,900.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected officials considered many factors when adopting the budget for the year ending December 31, 2022. Budget calculations were based on, but not limited to, the following:

1. New residential development continues to slow with few undeveloped lots in the city; in spite of that fact Building Permit Fees and associated Regulatory Fees were increased by 40% based upon anticipated renovations.
2. The City continues to expend general funds in the operation of its own storm water management program.
3. Despite inflation and a rise in costs, the City has decided to set the 2022 millage rate at the roll-back rate..
4. Motor Vehicle Ad Valorem taxes continue to drop as expected as vehicles taxed under that plan age out of service.
5. Insurance Premium Taxes were increased by 7% in the 2022 budget over the actuals from 2021 in anticipation of added revenues due to premium increases.
6. The 2022 budget reflects the addition of American Rescue Act funds which thus far have primarily been used for stormwater infrastructure improvements.

Requests for Information

This financial report is designed to provide a general overview of the City of Berkeley Lake's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 368-9484 or at the following address:

City Administrator
City of Berkeley Lake
4040 South Berkeley Lake Road
Berkeley Lake, GA 30096

CITY OF BERKELEY CITY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,518,192	\$ -	\$ 1,518,192
Investments	1,501,315	-	1,501,315
Receivables, net			
Taxes	185,807	-	185,807
Due from other governments	40,945	-	40,945
Prepaid expenses	12,823	-	12,823
Restricted assets -			
Cash	901,420	-	901,420
Capital assets -			
Non-depreciable capital assets	4,872,613	-	4,872,613
Other capital assets, net of depreciation	5,501,590	-	5,501,590
	<u>14,534,705</u>	<u>-</u>	<u>14,534,705</u>
Total Assets			
	<u>14,534,705</u>	<u>-</u>	<u>14,534,705</u>
Deferred Outflows			
Deferred outflows	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>14,534,705</u>	<u>-</u>	<u>14,534,705</u>
LIABILITIES			
Accounts payable -			
Trade	28,477	-	28,477
Accrued expenses -			
Salaries	22,247	-	22,247
Other	14,174	-	14,174
Unearned items	22,682	-	22,682
	<u>87,580</u>	<u>-</u>	<u>87,580</u>
Total Liabilities	<u>87,580</u>	<u>-</u>	<u>87,580</u>
Deferred inflows			
Deferred inflows	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows	<u>87,580</u>	<u>-</u>	<u>87,580</u>
NET POSITION - Adjusted			
Net investment in capital assets	10,374,203	-	10,374,203
Restricted for:			
Specified grant purposes	319,683	-	319,683
Capital outlay	621,902	-	621,902
Unrestricted	3,131,337	-	3,131,337
	<u>14,447,125</u>	<u>-</u>	<u>14,447,125</u>
Total Net Position	<u>\$ 14,447,125</u>	<u>\$ -</u>	<u>\$ 14,447,125</u>

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

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**CITY OF BERKELEY CITY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	\$ 438,238	\$ 60,433	\$ -	\$ 57,484
Courts	1,740	500	-	-
Public Safety	110,324	-	-	14,371
Highways and Streets	90,423	-	-	362,064
Park Areas	67,256	-	-	-
Planning and Zoning	132,859	81,100	-	-
Emergency Management	11,212	-	-	-
Total Governmental Activities	<u>852,052</u>	<u>142,033</u>	<u>-</u>	<u>433,919</u>
Business-Type Activities:	-	-	-	-
Total Primary Government	<u>\$ 852,052</u>	<u>\$ 142,033</u>	<u>\$ -</u>	<u>\$ 433,919</u>

General Revenues:

Taxes:
Property taxes
Motor vehicle
Transfer taxes
Alcohol beverage taxes
Franchise taxes
Business and occupational taxes
Insurance premium taxes
Other
Intergovernmental
Investment earnings
Miscellaneous
 Total General Revenues
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - beginning, adjusted

Net Position - ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET ASSETS

GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
\$ (320,321)	\$ -	\$ (320,321)
(1,240)	-	(1,240)
(95,953)	-	(95,953)
271,641	-	271,641
(67,256)	-	(67,256)
(51,759)	-	(51,759)
(11,212)	-	(11,212)
<u>(276,100)</u>	<u>-</u>	<u>(276,100)</u>
-	-	-
<u>(276,100)</u>	<u>-</u>	<u>(276,100)</u>
398,715	-	398,715
79,704	-	79,704
12,371	-	12,371
31,719	-	31,719
227,057	-	227,057
60,539	-	60,539
153,026	-	153,026
2,663	-	2,663
400,884	-	400,884
3,850	-	3,850
3,655	-	3,655
<u>1,374,183</u>	<u>-</u>	<u>1,374,183</u>
-	-	-
<u>1,374,183</u>	<u>-</u>	<u>1,374,183</u>
1,098,083	-	1,098,083
13,349,042	-	13,349,042
<u>\$ 14,447,125</u>	<u>\$ -</u>	<u>\$ 14,447,125</u>

**CITY OF BERKELEY CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<u>MAJOR FUNDS</u>				TOTAL GOVERN- MENTAL FUNDS
	<u>GENERAL</u>	<u>ARPA</u>	<u>2014 SPLOST</u>	<u>2017 SPLOST</u>	
ASSETS					
Cash and cash equivalents	\$ 1,518,192	\$ 319,683	\$ 37,700	\$ 544,037	\$ 2,419,612
Investments	1,501,315	-	-	-	1,501,315
Receivables -					
Taxes, net	185,807	-	-	-	185,807
Due from other governments	-	-	-	40,945	40,945
Prepaid expenses	12,823	-	-	-	12,823
Total Assets	<u>\$ 3,218,137</u>	<u>\$ 319,683</u>	<u>\$ 37,700</u>	<u>\$ 584,982</u>	<u>\$ 4,160,502</u>
Liabilities:					
Accounts payable -					
Trade	\$ 27,697	\$ -	\$ -	\$ 780	\$ 28,477
Accrued expenses -					
Salaries	22,247	-	-	-	22,247
Other	14,174	-	-	-	14,174
Unearned revenues	22,682	-	-	-	22,682
Total Liabilities	<u>86,800</u>	<u>-</u>	<u>-</u>	<u>780</u>	<u>87,580</u>
Deferred Inflows of Resources					
Unavailable revenues	11,116	-	-	-	11,116
Fund Balances:					
Nonspendable	12,823	-	-	-	12,823
Restricted -					
Capital outlay	-	-	37,700	584,202	621,902
Specified grant projects	-	319,683	-	-	319,683
Unassigned	3,107,397	-	-	-	3,107,397
Total Fund Balances	<u>3,120,220</u>	<u>319,683</u>	<u>37,700</u>	<u>584,202</u>	<u>4,061,805</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,218,136</u>	<u>\$ 319,683</u>	<u>\$ 37,700</u>	<u>\$ 584,982</u>	<u>\$ 4,160,501</u>

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

CITY OF BERKELEY CITY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

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

Total fund balances -- total governmental funds	\$ 4,061,805
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,374,204
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	11,116
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital lease	<hr style="width: 100%; border: 0.5px solid black;"/> -
Net position of governmental activities.	<hr style="width: 100%; border: 0.5px solid black;"/> \$ 14,447,125

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

CITY OF BERKELEY CITY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	MAJOR FUNDS				TOTAL GOVERN- MENTAL FUNDS
	GENERAL	ARPA	2014 SPLOST	2017 SPLOST	
REVENUES:					
Taxes	\$ 967,052	\$ -	\$ -	\$ -	\$ 967,052
Business licenses and permits	136,803	-	-	-	136,803
Intergovernmental	23,299	400,884	-	410,256	834,439
Charges for services	4,730	-	-	-	4,730
Fines and forfeitures	500	-	-	-	500
Investment income	3,850	-	19	345	4,214
Miscellaneous	3,656	-	-	-	3,656
Total Revenues	<u>1,139,890</u>	<u>400,884</u>	<u>19</u>	<u>410,601</u>	<u>1,951,394</u>
EXPENDITURES:					
Current -					
General Government	399,056	-	-	1,000	400,056
Municipal Court	1,740	-	-	-	1,740
Public Safety	110,324	-	-	-	110,324
Highways and Streets	107,105	-	-	-	107,105
Park Areas	10,585	-	-	-	10,585
Planning and Zoning	132,859	-	-	-	132,859
Emergency Management	-	-	-	-	-
Capital Outlay -					
General Government	-	-	2,050	-	2,050
Municipal Court	-	-	-	-	-
Public Safety	-	-	-	-	-
Highway and Streets	-	81,201	-	122,741	203,942
Park Areas	-	-	-	-	-
Emergency Management	-	-	-	-	-
Total Expenditures	<u>761,669</u>	<u>81,201</u>	<u>2,050</u>	<u>123,741</u>	<u>968,661</u>
Excess (deficiency) of revenues over expenditures	<u>378,221</u>	<u>319,683</u>	<u>(2,031)</u>	<u>286,860</u>	<u>982,733</u>
OTHER FINANCING SOURCES (USES):					
Transfers	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	378,221	319,683	(2,031)	286,860	982,733
Fund balances - beginning	<u>2,741,999</u>	<u>-</u>	<u>39,731</u>	<u>297,342</u>	<u>3,079,072</u>
Fund balances - ending	<u>\$ 3,120,220</u>	<u>\$ 319,683</u>	<u>\$ 37,700</u>	<u>\$ 584,202</u>	<u>\$ 4,061,805</u>

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

**CITY OF BERKELEY CITY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Net change in fund balances -- total governmental funds	\$ 982,733
<p>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.</p>	
Capital outlay	229,291
Depreciation expense	(112,682)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Property tax	(1,259)
Fines	-
Motor vehicle Tax	-
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Repayments of principal	-
Proceeds from debt issues	-
Net effect of transactions involving capital assets (sales, dispositions)	-
Change in net position of governmental activities.	\$ 1,098,083

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

CITY OF BERKELEY CITY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 922,687	\$ 967,052	\$ 967,052	\$ -
Licenses and permits	50,362	136,803	136,803	-
Intergovernmental	21,139	23,299	23,299	-
Charges for services	1,881	4,730	4,730	-
Fines and forfeitures	-	500	500	-
Investment earnings	12,000	3,850	3,850	-
Miscellaneous	400	2,655	3,656	1,001
Total Revenues	<u>1,008,469</u>	<u>1,138,889</u>	<u>1,139,890</u>	<u>1,001</u>
EXPENDITURES:				
General government	480,926	399,037	399,056	(19)
Municipal court	9,190	1,740	1,740	-
Public safety	135,833	117,034	117,014	20
Highways and streets	152,394	99,915	100,415	(500)
Culture and recreation	20,580	10,584	10,585	(1)
Planning and zoning	169,934	132,859	132,859	-
Emergency management	-	-	-	-
Total expenditures	<u>968,857</u>	<u>761,169</u>	<u>761,669</u>	<u>(500)</u>
Excess of revenues over (under) expenditures	39,612	377,720	378,221	501
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	39,612	377,720	378,221	501
Fund balances - beginning	<u>2,741,999</u>	<u>2,741,999</u>	<u>2,741,999</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,781,611</u>	<u>\$ 3,119,719</u>	<u>\$ 3,120,220</u>	<u>\$ 501</u>

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

CITY OF BERKELEY CITY, GEORGIA
ARPA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	\$ 400,884	\$ 400,884	\$ -
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>400,884</u>	<u>400,884</u>	<u>-</u>
EXPENDITURES:				
General government	-	-	-	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	81,201	81,201	-
Culture and recreation	-	-	-	-
Planning and zoning	-	-	-	-
Emergency management	-	-	-	-
Total expenditures	<u>-</u>	<u>81,201</u>	<u>81,201</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	319,683	319,683	-
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	319,683	319,683	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 319,683</u>	<u>\$ 319,683</u>	<u>\$ -</u>

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

**CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City operates under a council/mayor form of government and provides the following services: public safety, street maintenance, culture and recreation, public improvements and general and administrative services.

Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. Since no other entities are controlled by or rely on the City, the reporting entity consist solely of the City.

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Since the City only has three funds, the City considers all of the funds to be major funds. The City has no business-type activities.

The government-wide Statement of Net Position presents the financial condition of the governmental activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, flow of economic resource measurement basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the city are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column. Since the City has only four funds, the City considers all the funds to be major funds. The various funds are grouped, in the financial statements in this report, into the following fund types:

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City’s major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

American Rescue Plan Act (ARPA) Special Revenue Fund – This fund is used to account for the monies received and the related expenditures under the American Rescue Plan Act. Recipients may use award funds to cover eligible costs incurred during te period that begins March 3, 2021 and ends December 31, 2024.

Capital Projects Fund – Capital Project Funds are used to account for the acquisition and construction of major capital facilities and improvements other than those financed by proprietary funds and trust funds. The SPLOST Funds are used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Gwinnett County, Georgia through the 2014 and 2017 special purpose local option sales tax referendums.

(See Independent Auditor’s Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as unavailable revenues.

F. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

G. Cash and Cash Equivalents

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.

H. Investments

The City's investments consist of certificates of deposit with a maturity date of three months or greater from the date of purchase and the State of Georgia's Georgia Fund 1. For reporting purposes, all investments are recorded at fair value.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2021:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items in external pools that are not SEC-registered; c) items subject to involuntary participation in an external pool; and, d) items associated with a fund other than the fund to which the income is assigned.

The City's policy is to hold investments until maturity.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure when consumed rather than when purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

J. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2021 are recorded as prepaid items and are expensed during the period benefited.

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

K. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	25 years
Machinery and equipment	5-10 years
Furniture and fixtures	5-20 years
Computers and peripherals	7-10 years
Infrastructure	50-100 years

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the year GASB 34 is implemented. Infrastructure assets include roads, bridges, dams, underground pipe (other than related to utilities), traffic signal, etc. The City, in accordance with GASB No. 34 requirements, has elected to record infrastructure assets prospectively. Therefore, infrastructure assets that have not been recorded on the books of the City, such as streets and drainage systems, purchased or constructed by the City prior to January 1, 2002, will not be reported as capital assets in the City's financial statements.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

N. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

O. Compensated Absences

The City accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

P. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. Capitalization of Interest

The City does not capitalize interest cost incurred during the construction period to finance the construction of capital assets.

R. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all of the City's funds. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. Formal budgetary integration is employed as a management control device during the year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator presents a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. Any revisions that increase expenditures of any department must be approved by City Council.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are as originally approved by city council or as last amended.
6. Unexpended budget appropriations at year-end lapse.

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The government has no items that qualify for reporting in this category as of December 31, 2021.

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

T. Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net position reports \$941,585 of restricted net position, all of which are restricted by enabling legislation.

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

U. Fund Equity – Governmental Funds

As of December 31, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Berkeley Lake's Council. Berkeley Lake's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

U. Fund Equity – Governmental Funds – (Continued):

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

Unassigned – all other spendable amounts.

As of December 31, 2021, fund balances are composed of the following:

	Non- Spendable Prepays	Capital Outlays	Specified Grant Purposes	Unassigned	Total
General Fund	\$ 12,823	\$ -	\$ -	\$ 3,107,397	\$ 3,120,220
ARPA Fund	-	-	319,683	-	319,683
SPLOST Funds	-	621,902	-	-	621,902
Total	<u>\$ 12,823</u>	<u>\$ 621,902</u>	<u>\$ 319,683</u>	<u>\$ 3,107,397</u>	<u>\$ 4,061,805</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

V. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(See Independent Auditor’s Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of a bank 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. As of December 31, 2021, all of the City’s bank balances were covered by either federal depository insurance, by collateral held by the City’s agent in the City’s name, or by collateral held by a third-party custodian bank as part of the Georgia Office of the State Treasurer’s Pooled Funds program.

Investments

The City follows the State of Georgia investment requirements which authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, the local government investment pool established by state law, direct and agency obligations of the State of Georgia, and direct obligations issued or guaranteed by the U.S. Government or by a government agency of the United States.

Investments as of December 31, 2021 were as follows:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1	46 days average	<u>\$ 1,501,315</u>
		<u>\$ 1,501,315</u>

As of December 31, 2021, the City’s investment in the Georgia Fund 1 was rated AA Af by Standard and Poor’s.

“Georgia Fund 1” created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor’s criteria for AA Af rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. 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 (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed based on \$1.00 per share. The fund is managed by the Georgia Office of the State Treasury (OST). OST is guided by the policies of the State Depository Board and OCGA 55-17-2 and 50-17-63.

(See Independent Auditor’s Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

3. PROPERTY TAX

The City’s property taxes are billed and collected by Gwinnett County. The City levies annual real and personal property taxes based on the lien date of January 1. After the adoption of the millage rate, the levy date is September 15, with taxes due on that date through November 15. After this 60-day period, the taxes become delinquent and subject to penalty and interest. At year end, the receivables represent delinquent taxes. At the fund reporting level, if delinquent taxes are not paid within 60 days of year end, they are recorded as deferred revenue since they are not available to finance current expenditures. Property taxes receivable as of December 31, 2021 was \$14,834.

4. RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>2017 SPLOST</u>	<u>Total</u>
Taxes	\$ 185,807	\$ -	\$ 185,807
Due from other governments	<u>-</u>	<u>40,945</u>	<u>40,945</u>
Gross Receivables	185,807	40,945	226,752
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 185,807</u>	<u>\$ 40,945</u>	<u>\$ 226,752</u>

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables reported in the fund financial statements for the year ended December 31, 2021 consist of the following:

	<u>Revenues</u>	<u>Receivables</u>
General Fund		
LMIG	\$ 23,299	\$ -
ARPA Fund		-
ARPA Grant	400,884	-
2017 SPLOST Fund		
Gwinnett County - SPLOST	<u>410,256</u>	<u>40,945</u>
Total	<u>\$ 834,439</u>	<u>\$ 40,945</u>

(See Independent Auditor’s Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

6. INTER-FUND TRANSACTIONS

Interfund 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, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business activities, also within business-type activities. Transfers are eliminated in the governmental fund group or business-type fund group.

There were no interfund transfers or receivables as of or for the year ended December 31, 2021.

7. CONTINGENCIES AND LITIGATION:

Grant contingencies – Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

At present, the City's management is not aware of any pending or threatened litigation that would have a material financial effect on the City's financial condition.

8. JOINT VENTURE

Under Georgia law, the city, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. 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:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

9. LONG-TERM DEBT AND OTHER OBLIGATIONS

The City had no long term debt or other long-term obligations or related transactions as of and for the year ended December 31, 2021.

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

10. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,791,413	\$ 81,200	\$ -	\$ 4,872,613
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>4,791,413</u>	<u>81,200</u>	<u>-</u>	<u>4,872,613</u>
Capital assets being depreciated:				
Buildings	1,775,394	-	-	1,775,394
Improvements other than buildings	4,518,712	146,039	-	4,664,751
Machinery and equipment	123,141	-	-	123,141
Furniture and fixtures	69,012	2,050	-	71,062
Computers and peripherals	74,948	-	-	74,948
Total capital assets being depreciated	<u>6,561,207</u>	<u>148,089</u>	<u>-</u>	<u>6,709,296</u>
Less accumulated depreciation for:				
Buildings	529,569	45,523	-	575,092
Improvements other than buildings	379,631	47,013	-	426,644
Machinery and equipment	81,196	10,053	-	91,249
Furniture and fixtures	69,012	51	-	69,063
Computers and peripherals	35,616	10,042	-	45,658
Total accumulated depreciation	<u>1,095,024</u>	<u>112,682</u>	<u>-</u>	<u>1,207,706</u>
Total capital assets being depreciated, net	<u>5,466,183</u>	<u>35,407</u>	<u>-</u>	<u>5,501,590</u>
Governmental capital assets, net	<u>\$ 10,257,596</u>	<u>\$ 116,607</u>	<u>\$ -</u>	<u>\$ 10,374,203</u>

The beginning balances of capital assets and the related accumulated depreciation were adjusted as discussed in Note 13.

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

General government	\$ 38,182
Public works	6,617
Emergency management	11,212
Park areas	<u>56,671</u>
Total depreciation expense	<u>\$ 112,682</u>

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

11. DEFINED CONTRIBUTION PLAN

The City adopted a defined contribution plan under the GMA 401 (a) Defined Contribution Plan (“GMA Plan”) on November 21, 2013 effective January 1, 2014 for all eligible administrative employees who work forty (40) hours per week.

Waiting Period – The waiting period to participate is six (6) months (not to exceed 12 months) of service calculated from the commencement of the employee’s employment with the City. Eligible employees as of January 1, 2014 were given credit for prior service.

City Contribution Amounts – Under the Plan, the City contributes an amount equal to 10% of the employee’s gross hourly wage or salary compensation and matches 100% of the employee’s contributions up to 10% of the employee’s gross hourly wage or salary compensation.

Vesting Schedule – The vesting schedule is graduated based upon the following table:

<u>Completed Years of Service as Eligible Employee</u>	<u>Vested %</u>
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

City contributions for the year ended December 31, 2021 amounted to \$58,910, of which \$12,703 was paid with plan forfeitures. Plan members contributed \$45,964 for the year ended December 31, 2021.

See Independent Auditor’s Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

12. RISK MANAGEMENT

The City of Berkeley Lake is exposed to various risks of loss 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 (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 pools' agent 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 governments' contracts and in accordance with the workers' compensation laws 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.

Coverages are as follows:

COVERAGE DESCRIPTION – PROPERTY:

Buildings and Contents (Blanket)	\$ 1,245,500
Automobile Physical Damage	Per Application on file with GIRMA

COVERAGE DESCRIPTION – CASUALTY:

Comprehensive General Liability	\$ 2,000,000
Automobile Liability	\$ 2,000,000
Errors and Omissions (Public Officials) Liability	\$ 2,000,000
Employees Benefits Liability	\$ 2,000,000

COVERAGE DESCRIPTION – CRIME

Blanket Bond	\$ 500,000
Computer	\$ 500,000
Depositors Forgery	\$ 500,000
Money and Securities – Loss Inside and Outside the Premises	\$ 500,000

DEDUCTIBLE:

All coverages are subject to a per occurrence deductible of	\$ 1,000
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COVERAGE EXCEPTIONS: None

(See Independent Auditor's Report)

CITY OF BERKELEY LAKE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

13. PRIOR PERIOD ADJUSTMENTS

Prior to fiscal year 2020, the City did not depreciate the City’s lake dam that was constructed beginning in fiscal year 2011. City engineers have determined the life of the dam to be 100 years and the cost of the dam amounted to \$4,518,712 which has been recorded on the books of the City and reported as land. Beginning in fiscal year 2020, the City has reclassified the cost of the dam as “Improvements other than buildings” and has made the following prior period adjustment to record accumulated depreciation on the dam and to adjust other capital accounts to the City’s depreciation schedule balances as of December 31, 2019:

STATEMENT OF ACTIVITIES -

Net Position - December 31, 2019	\$ 13,932,212
To record accumulated depreciation on the City's lake dam and to adjust balances in the capital accounts to the City's depreciation schedule as of December 31, 2019.	<u>(319,147)</u>
Net Position - December 31, 2019, adjusted	<u>\$ 13,613,065</u>

14. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

- A. Deficit fund balances or retained earnings balances of individual funds – As of December 31, 2021, no fund of the City had a deficit fund balance.
- B. Excess of revenues and expenditures over budget - The City had no department that incurred expenditures that materially exceeded the corresponding appropriations. Materiality is defined as if over 5 percent and greater than \$5,000.

(See Independent Auditor’s Report)

**CITY OF BERKELEY CITY, GEORGIA
2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX - PROJECT LENGTH BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

PROJECT -	Estimated Cost		Expenditures		Total to Date
	Original	Current	Prior Years	Current Year	
	Capital outlay -				
Administrative Facilities	\$ 170,625	\$ 170,625	\$ 9,707	\$ 2,050	\$ 11,757
Streets, Roads & Bridges	<u>863,463</u>	<u>863,463</u>	<u>1,104,131</u>	<u>-</u>	<u>1,104,131</u>
Total	<u>\$ 1,034,088</u>	<u>\$ 1,034,088</u>	<u>\$ 1,113,838</u>	<u>\$ 2,050</u>	<u>\$ 1,115,888</u>

NOTE -

The "Estimated Cost" amounts were adjusted from the 2019 report to amounts included in the Intergovernmental Agreement approved by Mayor and Council on August 13, 2013. The "Prior Years" amounts were adjusted from the 2019 audit report to correspond with documentation provided during the 2020 fiscal year audit.

CITY OF BERKELEY CITY, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX FUND
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX - PROJECT LENGTH BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

PROJECT -	Estimated Cost		Expenditures		Total to Date
	Original	Current	Prior Years	Current Year	
	Capital outlay -				
Administrative Facilities	\$ 259,710	\$ 259,710	\$ -	\$ 1,000	\$ 1,000
Public Safety Facilities and Equipment	64,927	64,927	-	-	-
Streets, Roads & Bridges and Related Equipment	<u>1,530,432</u>	<u>1,530,432</u>	<u>959,562</u>	<u>122,741</u>	<u>1,082,303</u>
Total	<u>\$ 1,855,069</u>	<u>\$ 1,855,069</u>	<u>\$ 959,562</u>	<u>\$ 123,741</u>	<u>\$ 1,083,303</u>

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MASTER SERVICES AGREEMENT

This Master Services Agreement ("Agreement") is entered into as of this 18th day of May, 2022 (the "Effective Date"), between VC3, Inc., a Delaware corporation having its principal place of business at 1301 Gervais Street, Suite 1800, Columbia, SC 29201 ("Company"), and City of Berkeley Lake, GA, a Municipality having its principal place of business at 4040 South Berkeley Lake Road NW, Berkeley Lake, GA 30096. ("Client").

WHEREAS, Client desires to receive certain professional services from Company;

Client and Company hereby agree as follows:

1. Services To Be Performed.

1.1 **Services.** Company will provide computer system and network maintenance, software, consulting and professional services (the "Services") as mutually agreed to in a written executed attachment to this Agreement by Company and Client (a "Work Order"); provided however that the parties recognize that Company may from time to time provide Services to Client at Client's request without a Work Order, and in such cases, these Services shall be subject to and governed by the terms and conditions of this Agreement and performed by Company on a time and materials basis and invoiced at the hourly billing rates specified in Exhibit A.

1.2 **Form of Work Order.** Each Work Order will conform to substantially the following format:

(a) The Work Order will contain "Work Order" in the title.

(b) The contents of the Work Order may be included in the body of the Work Order, or in separately signed Attachments, as the parties consider most practical. The Work Order shall include a provision for the dated signatures of authorized representatives of both parties.

1.3 **Change Orders.** Client may request a change in the scope or nature of the Services in a Work Order at any time. However, changes to the scope of the Services in a Work Order can be made only in writing executed by both parties.

2. Charges for Services.

2.1 **Charges.** Company shall be entitled to compensation for the performance of the Services as stated in each Work Order. Unless otherwise expressly stated in a Work Order, Company's compensation will be based on direct labor hours charged at fixed labor rates. The Work Order may call for a budget of expected charges as a way for both parties to monitor performance. Except as otherwise expressly set forth in a Work Order, all Services that are identified to be rendered on a time and materials basis will be invoiced at the hourly billing rates specified in Exhibit A.

2.2 **Invoices.** Unless otherwise stated in a Work Order, payment for the Services is due monthly when and as performance is rendered. Company shall issue invoices to Client for charges when and as they come due. Client shall make payment to Company of all such invoices within thirty (30) days from the date of such invoice.

2.3 **Expenses.** Client shall pay Company for all reasonable expenses incurred by Company in the performance of the Services, including travel, living, and out-of-pocket expenses incurred pursuant to this Agreement.

2.4 **Effect of Late Payment.** All late payments by Client shall bear interest at a rate of one and one-half percent (1.5%) per month or partial month during which any sums were owed and unpaid, or the highest rate allowed by law, whichever is lower.

2.5 **Collection Costs.** Client shall reimburse Company for any expenses and costs it incurs to collect any amounts due to Company under this Agreement, including reasonable attorneys fees.

2.6 **Taxes.** Client shall pay directly, or reimburse Company for, and indemnify and hold Company harmless from, all taxes and tariffs assessed or levied by any governmental entity that are now or may become applicable to the Services or measured by payments made by Client to Company hereunder, or are required to be collected by Company or paid by Company to tax authorities including interest assessment thereon if such assessments are due to Client's actions or inactions. This includes, but is not limited to, sales, use, excise, gross receipt and personal property taxes, or any other form of tax based on services performed, equipment used by Company to perform services solely for Client, and the communication or storage of data, but does not include taxes based upon Company's net income.

3. Term; Termination. The term of this Agreement shall continue from the Effective Date until the earlier of (a) expiration of the term of all Work Orders referencing this Agreement or (b) termination of this Agreement as provided in this Agreement. Either party may terminate a Work Order or this Agreement, as applicable, for material breach by the other party of the Work Order or this Agreement, as applicable, which is not cured within 30 days from the receipt by the party in breach of a written notice from the other party specifying the breach in detail. Client shall be liable for payment to Company for all Services rendered prior to the effective date of any such termination. Expiration or termination of any Work Order or this Agreement for any reason will not release either party from any liabilities or obligations set forth in any Work Order or this Agreement which (a) the parties have expressly agreed will survive any such expiration or termination or (b) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

4. Proprietary Protections.

4.1 Ownership Rights

(a) **General.** Each party will retain all rights to any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information that it owned or developed prior to the Effective Date, or acquired or developed after the Effective Date without reference to or use of the intellectual property of the other party. All software that is licensed by a party from a third party vendor will be and remain the property of such vendor. No licenses will be deemed to have been granted by either party to any of its patents, trade secrets, trademarks or copyrights, except as otherwise expressly provided in this Agreement. Nothing in this Agreement will require Company or Client to violate the proprietary rights of any third party in any software or otherwise. Notwithstanding anything to the contrary in this Agreement, Company (i) will retain all right, title and interest in and to all software development tools, know-how, methodologies, processes, technologies or

algorithms used in performing the Services which are based on trade secrets or proprietary information of Company or are otherwise owned or licensed by Company (collectively, "tools"), (ii) will be free to use the ideas, concepts, methodologies, processes and know-how which are developed or created in the course of performing the Services and may be retained by Company's employees in intangible form, all of which constitute substantial rights on the part of Company in the technology developed as a result of the Services performed under this Agreement.

(b) **Materials Developed for or Delivered to Client.** Client agrees that all software and other materials (including, but not limited to customizations, modifications, specifications, documentation and training materials) developed for or delivered to Client pursuant to this Agreement or any Work Order, including all related copyrights, patent rights, trade secrets, ideas, designs, concepts, techniques, inventions, discoveries or other intellectual property rights (collectively, the "Materials"), shall be the exclusive property of Company and the Company shall own all right, title and interest therein. In this connection, Client acknowledges that all Materials which are or may be developed pursuant to this Agreement or any Work Order are and shall be the intellectual property and confidential proprietary information and products of Company, and Client hereby transfers and assigns any and all rights in and to the Materials to Company, its successors and assigns, including all intellectual property rights relating thereto. From time to time upon Company's request, Client shall confirm such assignment by execution and delivery of such assignments, confirmations of assignment, or other written instruments as Company may request. Company agrees that Client shall have a limited nonexclusive license to use the Materials internally to the extent necessary to carry out and fulfill the terms and conditions of the Work Order for which the Materials were developed and shall have the right to grant a limited nonexclusive license to the third parties specifically identified in a Work Order to use the Materials solely for the purposes contemplated by such Work Order, provided that such third parties shall first agree in a signed writing to be bound by the terms of this Agreement or such terms as may be acceptable to Company.

(c) **Specific Deliverables Owned by Client.** Notwithstanding the foregoing provisions of Section 4.1(b) but subject to any third party rights or restrictions and the provisions of Section 4.1(a) and the other provisions of this Section 4.1(c), Client will own the copyright in and to Materials that (i) are developed for and delivered by Company to Client, (ii) are paid for by Client, and (iii) are clearly and specifically identified in a Work Order as governed by the provisions of this Section 4.1(c) (the "Specific Client Owned Deliverables"). Notwithstanding the foregoing, Company will retain ownership of any Company-owned software or development tools that are used in producing the Specific Client Owned Deliverables and become embedded in the Specific Client Owned Deliverables. Company hereby grants to Client a perpetual (subject to compliance with this sentence), royalty-free, nontransferable, nonexclusive license to use such embedded software and tools (if any) solely in connection with Client's internal use and exploitation of the Specific Client Owned Deliverables and only so long as such software and tools (if any) remain embedded in the Specific Client Owned Deliverables and are not separated therefrom. Company will own all intellectual property rights in or related to the Specific Client Owned Deliverables other than the copyright ownership rights granted to Client pursuant to this Section 4.1(c).

4.2 **Client Information.** Company recognizes and agrees that, except as specified in Section 4.1, it has no claim of ownership to any data, materials or information submitted by Client to Company or the Services ("Client Information"), which Client Information is being provided to Company solely for the purposes of enabling Company to render the Services, and that title and all ownership rights in and to such Client Information shall at all times remain

with Client. Client shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use all Client Information.

4.3 **Confidentiality.**

(a) **Confidential Information.** This Section 4.3 shall apply to all confidential and proprietary information disclosed by either party ("Disclosing Party") to the other party ("Receiving Party"), including all Client Information, Materials of Company, and information related to the Disclosing Party's technology, software, know-how, products, potential products, services, potential services, financial information, employees, customers, markets and/or business information (collectively, "Confidential Information"). The terms and conditions of this Agreement and all Work Orders shall be treated by Client as the Confidential Information of Company. Confidential Information shall not include any information which (i) was known to the Receiving Party prior to being disclosed by the Disclosing Party, (ii) becomes publicly known through no wrongful act of the Receiving Party, (iii) is approved for release by written authorization of the Disclosing Party, (iv) is received from a third party not in breach of any separate confidentiality obligation known to the Receiving Party, or (v) is independently developed without reference to the Disclosing Party's Confidential Information.

(b) **Scope of Obligation.** The Receiving Party agrees to use the Confidential Information of the Disclosing Party only as provided for in this Agreement. Each party agrees to hold the other party's Confidential Information in strict confidence and not to disclose such Confidential Information to any third parties. Notwithstanding the foregoing, each party may disclose the other party's Confidential Information only to those employees, agents, representatives and/or consultants who require such information only in connection with this Agreement. Each party agrees to instruct all such employees, agents, representatives and consultants regarding the foregoing obligations and ensure that such employees, agents, representatives and consultants are bound by obligations of confidentiality to the Receiving Party that are at least as restrictive as those contained herein. Each party agrees that it will take all reasonable measures to protect the confidentiality of, and avoid the unauthorized disclosure or use of, the other party's Confidential Information in order to prevent it from being made public or in the possession of persons other than those persons authorized hereunder to have any such Confidential Information, which measures shall include at least the same degree of care that the Receiving Party utilizes to protect its own confidential information of a similar nature but in any event shall include commercially reasonable precautions designed to protect the Disclosing Party's Confidential Information from unauthorized disclosure and/or use.

(c) **Limited Disclosure Right.** Confidential Information may be disclosed to the extent required by court order or as otherwise required by law, provided that the Receiving Party, to the extent legally permissible, notifies the Disclosing Party promptly upon learning of the possibility of any such requirement and, to the extent legally permissible, has given the Disclosing Party a reasonable opportunity to contest or limit the scope of such required disclosure.

(d) **Return of Confidential Information.** Promptly upon termination of this Agreement, or at any other time upon the request by a party, the other party shall (i) return to the Disclosing Party or, at the Disclosing Party's request, destroy all Confidential Information of such Disclosing Party, whether in paper or electronic form, provided, however that the foregoing shall not apply to Confidential Information that is stored in the Receiving Party's

electronic archives, which Confidential Information will be destroyed in the ordinary course of the Receiving Party's business in accordance with its document destruction policies; and (ii) certify to the Disclosing Party in writing that it has complied with the provisions of this Section 4.3.

5. Limited Warranty and Disclaimers.

5.1 **Limited Warranty.** Company warrants to Client that the Services, as and when delivered or rendered hereunder, will substantially conform to the description of services or specifications set forth in the applicable Work Order. Company's sole liability under the foregoing warranty shall be to provide the services described in Section 5.3 hereof.

5.2 **DISCLAIMER OF WARRANTIES. THE WARRANTY SET FORTH IN SECTION 5.1 STATES COMPANY'S SOLE AND EXCLUSIVE WARRANTY TO CLIENT CONCERNING THE SERVICES HEREUNDER. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.1, THE SERVICES ARE PROVIDED STRICTLY "AS IS" AND COMPANY MAKES NO ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, AS TO THE SERVICES OR ANY MATTER WHATSOEVER. IN PARTICULAR, ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT ARE EXPRESSLY EXCLUDED. COMPANY DOES NOT WARRANT, AND SPECIFICALLY DISCLAIMS THAT THE SERVICES BEING PROVIDED WILL RESULT IN COST SAVINGS, PROFIT IMPROVEMENT, OR THAT THE SERVICES WILL BE ERROR-FREE. THIS IS A LIMITED WARRANTY AND IS THE ONLY WARRANTY MADE BY COMPANY.**

5.3 **Notice Obligation; Remedy.** Client shall notify Company in writing within thirty (30) days after completion of the Services in question when any of the Services fail to substantially conform to the description of services or specifications set forth in the applicable Work Order. Such notification shall include the detailed information necessary for Company to verify such nonconformity. Upon actual receipt of such notification and verification of the nonconformity, Company shall correct the nonconformity so that the Services shall substantially conform with the agreed description of services or specifications in the applicable Work Order. Client agrees to pay Company for all personnel time and expenses incurred in investigating reported nonconformities when the alleged nonconformities are not discovered. The passage of the thirty (30) day period after completion of the Services in question without the notification described herein shall constitute final acceptance of the Services.

6. Limitation of Liability.

6.1 **COMPANY'S LIABILITY ON ANY CLAIM, LOSS OR LIABILITY ARISING OUT OF, OR CONNECTED WITH THIS AGREEMENT, THE SERVICES OR USE OF THE PRODUCT OF ANY SERVICES FURNISHED HEREUNDER, SHALL IN ALL CASES BE LIMITED SOLELY TO CORRECTION OF NONCONFORMITIES WHICH DO NOT SUBSTANTIALLY CONFORM WITH THE AGREED DESCRIPTION OF SERVICES IN A WORK ORDER, OR SPECIFICATIONS IDENTIFIED IN A WORK ORDER.**

6.2 **IF FOR ANY REASON COMPANY IS UNABLE OR FAILS TO CORRECT NONCONFORMITIES AS PROVIDED, COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF ANY WORK ORDER FOR SUCH FAILURE, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, SHALL NOT EXCEED THE AMOUNTS PAID BY CLIENT FOR THAT PORTION OF THE SERVICES WHICH FAIL TO CONFORM. IN NO EVENT**

SHALL COMPANY BE LIABLE UNDER COMPANY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY WORK ORDER (INCLUDING FOR ANY AMOUNTS IN EXCESS OF CLAIM AND/OR SERIES OF CLAIMS, WHETHER RELATED OR UNRELATED) WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EXCEED THE AMOUNTS PAID BY CLIENT TO COMPANY INFOR SERVICES OF COMPANY DURING THE NINETY DAY (90) PERIOD PRECEDING ANY FAILURE OR BREACH BY THE EVENT(S) GIVING RISE TO THE CLAIM (OR TO THE FIRST CLAIM IN A SERIES OF CLAIMS). FOR THE AVOIDANCE OF DOUBT, ANY AMOUNTS PAID TO COMPANY OR CLAIM BY CLIENT FOR THIRD PARTY HARDWARE, SOFTWARE, PRODUCTS OR SERVICES SHALL NOT BE A PART OF AMOUNTS PAID FOR SERVICES OF COMPANY.

6.3 UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE TO CLIENT FOR ANY LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OR CORRUPTION OF DATA, OR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS) REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM OR DAMAGES ASSERTED BY ANY THIRD PARTY.

6.4 CLIENT ACKNOWLEDGES THAT COMPANY HAS SET ITS FEES, AND ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES. THE FOREGOING LIMITATION OF LIABILITY IS INDEPENDENT OF ANY EXCLUSIVE REMEDIES FOR BREACH OF WARRANTY SET FORTH IN THIS AGREEMENT.

6.5 THE PROVISIONS OF SECTIONS 5, 6 AND 7 ARE CLIENT'S EXCLUSIVE REMEDIES RELATED TO THE SERVICES, ANY FAILURE BY COMPANY TO CORRECT NONCONFORMITIES IN THE SERVICES, OR FOR BREACH BY COMPANY OF THIS AGREEMENT OR A WORK ORDER AND SHALL APPLY REGARDLESS OF THE SUCCESS OR EFFECTIVENESS OF SUCH REMEDIES.

6.6 Client is responsible for adopting reasonable measures to limit Client's exposure with respect to such potential losses and damages, including (without limitation) examination and confirmation of results of the Services prior to use thereof, provision for identification and correction of errors and omissions, and preparation and storage of backup or duplicate data. Client is also responsible for complying with all local, state, and federal laws pertaining to the use and disclosure of any Client Information.

7. Indemnity.

7.1 Infringement Claims.

(a) **General.** Subject to Section 6 of this Agreement, the limitations set forth below in this Section 7.1 and the procedures set forth below in Section 7.3, Company and Client (each an "indemnitor") each agrees to defend the other party (each an "indemnitee") against any action to the extent that such action is based upon a claim that the Confidential Information (other than third party hardware, software, products, materials or services) provided by the indemnitor, or any part thereof, (i) infringes a copyright perfected under United States statute, or (ii) constitutes an unlawful disclosure, use or misappropriation of another party's trade secret, and the indemnitor

will bear the expense of such defense and pay any liabilities, costs and expenses, including reasonable attorneys' fees and expenses (collectively "Losses") that are attributable to such claim finally awarded by a court of competent jurisdiction.

(b) **Exclusions.** Neither Company nor Client will be liable to the other for claims of indirect or contributory infringement. The indemnitor will have no liability to the indemnitee hereunder if (i) the claim of infringement is based upon the use of Confidential Information provided by the indemnitor hereunder in connection or in combination with equipment, devices or software not supplied by the indemnitor or used in a manner for which the Confidential Information was not designed, (ii) the indemnitee modifies any Confidential Information provided by the indemnitor hereunder and such infringement would not have occurred but for such modification, or (iii) the claim of infringement arises out of the indemnitor's compliance with specifications or requirements provided by the indemnitee and such infringement would not have occurred but for such compliance.

(c) **Additional Remedy.** If Confidential Information becomes the subject of an infringement claim under this Section 7.1, or in the indemnitor's opinion is likely to become the subject of such a claim, then, in addition to defending the claim and paying any damages and attorneys' fees as required above in this Section 7.1, the indemnitor may, at its option and in its sole discretion, (A) replace or modify the Confidential Information to make it noninfringing or cure any claimed misuse of another's trade secret or (B) procure for the indemnitee the right to continue using the Confidential Information pursuant to this Agreement. Any costs associated with implementing either of the above alternatives will be borne by the indemnitor but will be subject to Section 6 of this Agreement. If neither alternative is pursued by, or (if pursued) available to, the indemnitor, (x) the indemnitee will return such Confidential Information to the indemnitor and (y) if requested by the indemnitee in good faith, the parties will negotiate, but subject to Section 6 of this Agreement, to reach a written agreement on what, if any, monetary damages (in addition to the indemnitor's obligation to defend the claim and pay any damages and attorneys' fees as required above in this Section 7.1) are reasonably owed by the indemnitor to the indemnitee as a result of the indemnitee no longer having use of such Confidential Information. The payment of any such monetary damages will be the indemnitee's sole and exclusive remedy for the inability of the indemnitor to implement either of the above alternatives.

7.2 Third Party Indemnification of Company. Without limiting Company's liability to Client under this Agreement, each of the parties acknowledge that Company would not enter into this Agreement, and by Company entering into and performing its obligations under this Agreement, Company will not assume and should not be exposed to the business and operational risks associated with Client's business, and Client therefore agrees, subject to Section 7.3 below, to indemnify and defend Company and hold Company harmless from any and all third party Losses arising out of the conduct of Client's business, including the use by Client of the Services.

7.3 Procedures. The indemnification obligations set forth in this Section 7 will not apply unless the party claiming indemnification: (a) notifies the other promptly in writing of any matters in respect of which the indemnity may apply and of which the notifying party has knowledge, in order to allow the indemnitor the opportunity to investigate and defend the matter; provided, however, that the failure to so notify will only relieve the indemnitor of its obligations under this Section 7 if and to the extent that the indemnitor is prejudiced thereby; and (b) gives the other party full opportunity to control the response thereto and the defense thereof, including any agreement relating to the settlement thereof; provided, however, that the indemnitee will have the right to participate in any legal proceeding to contest and defend a

claim for indemnification involving a third party and to be represented by legal counsel of its choosing, all at the indemnitee's cost and expense. However, if the indemnitor fails to promptly assume the defense of the claim, the party entitled to indemnification may assume the defense at the indemnitor's cost and expense. The indemnitor will not be responsible for any settlement or compromise made without its consent, unless the indemnitee has tendered notice and the indemnitor has then refused to assume and defend the claim and it is later determined that the indemnitor was liable to assume and defend the claim. The indemnitee agrees to cooperate in good faith with the indemnitor at the request and expense of the indemnitor.

8. General Provisions.

8.1 Non-Hire Provision. Each party to this Agreement agrees that it will not hire, employ, or contract with, or solicit to hire, employ, or contract with, any person who is, or within the immediately preceding one year was, an employee or subcontractor of the other party to this Agreement for any purposes during the term of this Agreement, or for a period of one year after this Agreement terminates.

8.2 Recording. (a) Some Services provided may involve recording and/or monitoring. For such Services, information uploaded to or in any way passing through computer systems used to provide the Services, including written, visual, or oral communications or other electronic means, may be recorded or monitored for quality assurance and diagnostic purposes. By accessing or using the Services, Client consents to such recording and monitoring. Client is also solely responsible for informing anyone with whom Client interacts or otherwise communicates via the Services that information uploaded to or in any way passing through the Services, including written, visual or oral communications or other electronic means, may be recorded or monitored for quality assurance and diagnostic purposes.

(b) If phone conferences/conference bridges are applicable to the Services being provided to Client, Client acknowledges that the laws of certain jurisdictions may require that if a conference is recorded, all participants in the conference must be informed in advance of any such recording, so they may consent to being recorded (if required by applicable laws). Client acknowledges and agrees that Client shall be solely responsible for complying with all Applicable Laws and Third-Party Rights when using recording features (this includes Client's obligation to obtain the consent, if required by applicable laws, of all participants before the commencement of the recording). Company shall have no liability to Client or any participant in Client's recorded conference with respect to Client's obligations under this Section 8.2.

8.3 Conflict. Any purchase order or other document issued by Client is for administrative convenience only. In the event of any conflict between this Agreement and any purchase order, this Agreement shall prevail.

8.4 Survival. In the event of any expiration or termination of this Agreement, Sections 2, 3, 4, 5, 6, 7, and 8 of this Agreement shall survive and shall continue to bind the parties.

8.5 Governing Law. This Agreement shall be governed in all respects by the laws of the United States of America and the State of Georgia without regard to conflicts of law principles. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement.

8.6 **Forum.** All disputes arising under this Agreement shall be brought in the state or federal courts located in Georgia, as permitted by law. The state and federal courts located in Georgia shall each have non-exclusive jurisdiction over disputes under this Agreement. Client consents to the personal jurisdiction of the above courts.

8.7 **Injunctive Relief.** It is understood and agreed that, notwithstanding any other provisions of this Agreement, breach of the provisions of this Agreement by Client will cause Company irreparable damage for which recovery of money damages would be inadequate, and that Company shall therefore be entitled to obtain timely injunctive relief to protect Company's rights under this Agreement in addition to any and all remedies available at law.

8.8 **Notices.** All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery or five (5) days after deposit in the mail. Notices shall be sent to the parties at the addresses described on the first page of this Agreement or such other address as either party may designate for itself in writing. All notices to Company must be to its President to be effective.

8.9 **No Agency.** Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

8.10 **Force Majeure.** Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, governmental action, labor conditions, earthquakes, material shortages or any other cause which is beyond the reasonable control of such party.

8.11 **Waiver.** The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

8.12 **Severability.** In the event that any provision of this Agreement shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole, and, in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

8.13 **Nondisclosure.** Client promises not to disclose the terms and conditions of this Agreement to any third party without the prior written consent of Company.

8.14 **Headings.** The section headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or extent of such section or in any way affect this Agreement.

8.15 **Assignment.** Neither this Agreement nor any rights or obligations of Client hereunder may be assigned, sold, or otherwise transferred by Client in whole or in part (including by merger, reorganization, consolidation, sale of all or any portion of the assets of Client or change in control of Client) without the prior written approval of Company. For the purposes of this Section 8.14 ("Assignment"), a change in control means a change in the persons or entities who

control fifty percent (50%) or more of the equity securities or voting interest of Client as of the date of this Agreement.

8.16 **Right to Engage in Other Activities.** Client acknowledges and agrees that Company may provide information technology services for third parties at any Company facility that Company may utilize from time to time for performing the Services. Nothing in this Agreement will impair Company' right to acquire, license, market, distribute, develop for itself or others or have others develop for Company similar technology performing the same or similar functions as the technology and Services contemplated by this Agreement.

8.17 **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

8.18 **Entire Agreement.** This Agreement together with any Work Orders attached hereto completely and exclusively states the agreement of the parties regarding its subject matter. It supersedes, and its terms govern, all prior proposals, agreements, or other communications between the parties, oral or written, regarding such subject matter. This Agreement shall not be modified except by a subsequently dated written amendment signed on behalf of Company and Client by their duly authorized representatives.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above written.

COMPANY:

VC3, Inc.

By: _____

Name: _____

Title: _____

CLIENT:

City of Berkeley Lake, GA

By: _____

Name: _____

Title: _____

**Exhibit A
Hourly Rates**

Service Area	Hourly Bill Rate	Description of Service Area
Consulting & Project Management	\$ 188.00	Consulting (Design, Architecture, Planning); Technology Assessments; Security Audits. Project Management. CIO Consulting Services including product evaluations and application/infrastructure planning services.
Application Development	\$ 178.00	Application Software development, design, testing and code revisions. Systems Programming (System Level Scripting/Automation). All SharePoint services.
Web Design Services	\$ 178.00	Web site design and implementation services which are NOT built on a Microsoft SharePoint platform.
Infrastructure Deployment Services	\$ 165.00	Installation and Setup of the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Citrix, Network Domains and Desktop Deployments.
Infrastructure Maintenance Services	\$ 165.00	Maintenance Services for the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Domains, Microsoft Server and Desktop support.
Travel Time	\$ 113.00	Travel time to and from the Customer. This rate includes the mileage expense at the current IRS approved mileage rate.
After Hours Support Services	\$ 204.00	All reactive support services provided to Customer outside of the hours of 8am to 5pm Monday through Friday and all services provided on National Holidays
<p>Note: Rates will automatically increase on an annual basis equivalent to the CPI change for All Urban Consumers. Annual rate increases will become effective on the first of the month following the release of data for the prior calendar year.</p>		



City of Berkeley Lake, GA

IT in a Box Work Order

Under the Master Services Agreement dated: 5/18/2022



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Overview of Work Order

This Work Order is part of, and incorporated into, the Master Services Agreement between City of Berkeley Lake, GA and VC3, Inc. and is subject to the terms and conditions of the agreement and any definitions contained in the Agreement. If any provision of this Work Order conflicts with the Agreement, the terms and conditions of the Agreement shall control.

Summary of Scope of Services & Fees

VC3 will provide the following services listed in Tables A and B. Recurring services, if included, shall be provided for 36 Months, starting from the date of the first recurring invoice (Effective Services Start Date), unless terminated in accordance with the terms of this work order or the Master Services Agreement.

(See tables on next page)



Table A: Services & Fees

Description	Units	Unit Price	Monthly Fee	One-Time Fee	Annual Fee
ITnB-Gold-005 <i>IT in a Box Gold coverage for 5 PCs and 1 Server providing Cybersecurity & Computer Maintenance, 24x7 Helpdesk (onsite & remote), Data Backup & Disaster Recovery for 1 Server, Records/Document Management, Email, Microsoft Office, Video Archiving, Policy & Compliance, Website, and Vendor Management & Procurement.</i>	1.00	\$1,170.44	\$1,170.44	\$0.00	\$0.00
ITnB-Email <i>IT in a Box email coverage per individual. Email includes 50GB of mailbox storage, Outlook support, rich Browser Access (Outlook Web Access), rich Mobile Access (ActiveSync), shared calendars and contacts, archiving, anti-malware, and anti-spam.</i>	6.00	\$9.86	\$59.16	\$0.00	\$0.00
Endpoint Detection and Response - End Point	7.00	\$5.07	\$35.49	\$0.00	\$0.00
Total Services Monthly:		\$1,265.09			

Notes:

- Prices shown above are valid for 30 days from date of work order.

Table B: Summary of Fees

One-Time Fees*	Monthly Fees	Annual Fees
\$0.00	\$1,265.09	\$0.00

* One-Time fees may include implementation if required.



Deliverables & Services

IT in a Box

Included Devices: 'Included Devices' will be defined as applicable devices associated with the unit quantities stated in Table A.

VC3 will provide the following functions and services as part of this Work Order:

A. IT in a Box

1. Cybersecurity and Computer Maintenance

We help guard your municipality against cyberattacks, viruses, ransomware, and data breaches by keeping your computers patched, protected, and healthy – 24/7. Our management includes always-on monitoring and alerting for issues, enterprise-class antivirus protection, automated computer maintenance, and ongoing software patching to keep you secure. Included with IT in a Box Gold, Silver, and Bronze coverages.

2. 24x7 Helpdesk

Every day of the week, our U.S.-based helpdesk team supports you in the office, working from home, or while you're on the road. Onsite and remote support included with IT in a Box Gold coverage. Remote support included with IT in a Box Silver coverage.

3. Data Backup and Disaster Recovery

Server failure? Flooding? A tornado? Ransomware? No problem – your data is safe. We provide onsite data backup for quick recovery, and unlimited offsite data backup for worst-case scenario recovery after a major incident like a natural disaster. You also ensure the success of your data backups with our real-time monitoring to quickly address data backup issues and quarterly testing to verify your disaster recovery. Included with IT in a Box Gold coverage.

4. Records / Document Management and Email

IT in a Box protects your records, documents, and email. We'll apply your records retention schedules to your documents so that you can reliably archive, retain, access and delete information – and we even help you process Open Records Request. Plus,



we provide you Microsoft Office 365 for your desktops. Included with IT in a Box Gold coverage.

5. Video Archiving

Does your police department rely heavily on squad car and body camera video recordings? With IT in a Box's fixed monthly cost, towns and cities no longer need to buy additional expensive storage for video. That's right! As your squad car and body camera video recordings continue to grow at a rapid pace, your storage costs do not change. Included with IT in a Box Gold coverage.

6. Policy and Compliance

To protect against cyberattacks and assist with audits, we help you adopt policies and best practices that educate your staff and make sure your technology helps you comply with state law. In addition to staff training, we shore up any compliance gaps by securing, documenting, regularly testing, and proactively managing all your technology. We will also help you create policies around software, application, vendor, network, wireless, physical, user, and remote access. Included with IT in a Box Gold coverage.

7. Website

We provide you a modern, custom-designed website that looks good and delivers the information your citizens need. Have as many website pages as you want including pages for town/city hall, public safety, parks and recreation, news, and events. Our website also features the ability to offer online payments and offers a user-friendly backend system so that you can add and update website information yourself. Or if you want, submit your website updates to us and we will post them for you. Included with IT in a Box Gold coverage.

8. Vendor Management and Procurement

Do you get frustrated wasting time on software support calls where you're not sure if you're resolving the problem? Our experienced staff steps in to take care of this dirty work. From resolving issues to even purchasing new computers for you, we will work with technology vendors directly so that you don't lose hours and days on the phone. Included with IT in a Box Gold and Silver coverages.



B. Endpoint Detection and Response

1. Automated rapid response to advanced threats.
2. Behavioral AI to detect fileless attacks.
3. Roll back feature allows rapid recovery of infected endpoints.
4. OS firewall control to allow automatic termination of suspicious connections.
5. 24x7 Security Operations Center Monitoring.
6. Device network quarantine to prevent lateral movement.
7. Escalation and notification to VC3 of detected security incidents.

Exclusions

Items other than those included above are expressly excluded from the Services provided within this Work Order. The following exclusions and clarifications are intended to clarify the scope of services for this work order:

- A. When client requests services by VC3 not explicitly included in this agreement, they are agreeing to invoicing of said services per the terms outlined in the Master Services Agreement. For all services which incur additional hourly fees, VC3 will notify the client that these services are outside the scope of this work order and will receive approval from client prior to rendering these additional services.
- B. Cybersecurity event or incident response activities or remediation efforts exceeding eight (8) hours of technician, engineer or project management time.

Client Responsibilities

- A. Client will provide a primary point of contact for VC3 to work with on all services provided in this Work Order.
- B. Third party tool licensing may be required for additional cost.
- C. Client will be financially responsible for any remaining or ongoing charges from Microsoft. Microsoft subscriptions can each have their own terms and renewal dates. It is the client's responsibility to engage VC3 to adjust Microsoft subscription counts and terminations prior to 12 months from the original work order or subsequent change order purchase date.



Assumptions

- A. The Work Order will not become effective unless and until it is agreed upon and signed by the Client and VC3.
- B. If VC3 is providing or managing Client 's Microsoft Licenses, then Client agrees to the Microsoft terms and conditions as stated in the Microsoft Customer Agreement found here: <https://www.microsoft.com/licensing/docs/customeragreement>
- C. VC3 reserves the right, at its discretion, to pass onto the client any changes to obligations, such as terms or pricing imposed on VC3 by a given vendor, for an offering that is currently resold to the client at any time during the current agreement term.
- D. Microsoft NCE licenses and subscriptions run on an annual basis and cannot be terminated nor altered mid-term.



Invoicing

VC3 will invoice Client per Table C. VC3 will invoice the Client a pro-rated monthly fee based on any partial month of service plus the first full month of service on the effective services start date. All subsequent service months will be invoiced at the start of the month in which services are to be rendered. Services activated after the first of month may be invoiced on a pro rata basis the following month. Any taxes related to services purchased or licensed pursuant to this Work Order shall be paid by Client or Client shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes and freight charges shall be billed as a separate item on the invoice.

Unit rates will automatically increase annually on the anniversary of the Effective Services Start Date equivalent to the CPI change for All Urban Consumers or by 4.00%, whichever is higher.

The terms of this work order will automatically renew for an additional term of equivalent length to the current active term unless notice of termination is provided to VC3 no fewer than 90 calendar days prior to expiration of the current active term.

Table C

Milestone Billing	Milestone Description / Date	InvoiceAmount
One-Time Fees	Invoiced at signing of the Work Order.	\$0.00
Monthly Fee (36 Months)	Invoicing to begin when recurring services begin.	\$1,265.09
Annual Fee (36 Months)	Invoiced at signing of the Work Order.	\$0.00

**Refer to Table B for implementation fee and monthly fee amounts.*

VC3, Inc

City of Berkeley Lake, GA

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Addendum A – Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. VC3 utilizes the following priorities, criteria and response metrics:

A. Priority 1:

- System/device/service down causing work to cease and critical impact to the organization or a whole department; no workaround available; Client is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired; begin resolution activities immediately.
- **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

B. Priority 2:

- System/device/service down causing work to cease and potential business impact for an individual user; no workaround available.
- Level of service degraded causing impact to the organization or a whole department; no workaround available.
- **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

C. Priority 3:

- Level of service degraded causing impact to an individual user; no work around available.
- Operational impact to the organization or a whole department though work continues as a result of implementing a workaround or use of other system/device/service.
- A request to enable or configure a system/device/service within 2 business days.
- Incidents related to Backup system failures.
- **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

D. Priority 4:

- Operational impact to the organization, department or user exists though work continues as a result of implementing a workaround or use of another system/device/service.
- A request to enable or configure a system/device/service within 5 business days.
- **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

E. Priority 5:

- Operational impact to the organization, department or user is minimal or is mitigated by a reliable workaround.
- A request to enable or configure a system/device/service beyond 5 business days from the date of the request.
- Requests that have longer lead times to implement than possible within 5 business days.
- **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.



Call Priority	Initial Client Contact Guidelines	Initial Client Contact Percentages
1	30 Min	95%
2	60 Min	95%
3	4 business hours	95%
4	8 business hours	95%
5	8 Business Hours	95%



Addendum B – Maintenance Windows

All work performed within VC3's Hosting Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on VC3's Hosting Infrastructure by VC3 engineers or staff is defined as "Scheduled Maintenance".

During Scheduled Maintenance, some or all of VC3's Hosting Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur on Mondays between 2 AM and 5 AM. A 15-minute downtime is expected during this window. If Client has a business need to avoid said outage, they must provide their request via the VC3 Service Desk ten business days in advance.

- a. **Notification:** If VC3 decides to perform Scheduled Maintenance beyond the standard 15-minute downtime, Client will be notified via email ten business days before the Scheduled Maintenance window.

2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of VC3's Hosting Infrastructure within the control of VC3 is defined as "Emergency Maintenance".

Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.

- a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary.

3. The VC3 Hosting Infrastructure includes is not limited to the following areas: E-mail hosting, server hosting, website hosting, Content Management System, Hosted Applications, Internet Service Provider, Hosted Voice, and custom application hosting.



May 18, 2022

Dear City of Berkeley Lake, GA,

As an important client to VC3, Inc., we would like to invite you to participate in our payment plan using the Automated Clearing House (ACH). In lieu of cutting a check or processing a credit card transaction for goods and/or services, your company's payment will be drafted via electronic transfer and automatically debited from your account at your financial institution. ACH will be used for all invoices, including new and previous agreements, and time and material invoices with VC3. The ACH Payment program has proven to be an efficient and cost-effective mechanism for making payments, increasing payment security, and for eliminating the time lag caused by standard mail. In addition, outstanding invoices are paid without any manual hassles.

You will still receive an invoice as usual. Upon receipt of your invoice, your company will have 15 calendar days to review the outstanding payable. If no changes are needed, an ACH bank draft will be initiated on the next scheduled bank draft day after the 15th calendar day review period (typically the following Thursday).

If there is a dispute on a charge, please email the invoice number and issue at hand to finance@vc3.com. This will freeze your automated ACH payment until the dispute is settled.

For your convenience we have enclosed an ACH Payment Authorization Form. Please use this agreement as consent for VC3 to directly withdraw funds from your financial institution.

Sincerely,

VC3, Inc.



ACH Payment Authorization Agreement

Company Name: City of Berkeley Lake, GA

We hereby authorize VC3, Inc., to initiate debit entries out of our checking account indicated below at the depository financial institution named below, hereafter called Depository. VC3, Inc. acknowledges that the origination of ACH transactions out of the account must comply with the provisions of U.S. law.

Bank Name: _____

City: _____ State: _____ Zip: _____

Routing Number: _____ Account Number: _____

Account Type: _____

This authorization is to remain in full force and effect until VC3, Inc. has received written notification of its termination, in such time and in such manner as to afford VC3, Inc. a reasonable opportunity to act on it.

Name: _____ Title: _____

Signature: _____ Date: _____

Remittance Contact: _____

Contact Email: _____

R-22-02

CITY OF BERKELEY LAKE, GEORGIA

**A RESOLUTION TO ESTABLISH THE
CITY OF BERKELEY LAKE 2022 MILLAGE RATE**

WHEREAS, the City of Berkeley Lake, acting through its governing body, is empowered to establish and impose ad valorem property taxes; and

WHEREAS, the Mayor and Council of the City of Berkeley Lake wish to adopt a Resolution levying a rate of taxation, which is established for purposes of financing, in whole or in part, the City's expenses for the fiscal year 2022; and

WHEREAS, the Mayor and Council of the City of Berkeley Lake have reviewed the 2022 budget and property valuation and have concluded that it is in the best interest of the City to set a millage rate of 1.455 mills; and

WHEREAS, the City has previously adopted in compliance with State Law a budget for 2022 and has further made all requirements for giving notice of and publishing information regarding such levy of taxes as may be required by O.C.G.A. § 48-5-32 and other laws.

NOW THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Berkeley Lake, Georgia that for the calendar year 2022 there is levied on all property in the City of Berkeley Lake subject to taxation an ad valorem tax of 1.455 mills.

SO RESOLVED on this, the 13th day of July, 2022.

Lois D. Salter, Mayor

ATTEST:

Leigh Threadgill, City Clerk