CITY OF BERKELEY LAKE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022
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, 2022

	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Fund Balance in Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - ARPA Fund	19
Notes to the Financial Statements	20
Individual Fund Schedules:	
2014 Special Local Option Sales Tax Fund (SPLOST)	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Project Length Budget and Actual	36
2017 Special Local Option Sales Tax Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Project Length Budget and Actual	37

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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, 2022, 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, 2022, 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 inquires, 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 26, 2023, 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 L. Whitaker, P.C.

Snellville, Georgia
June 26, 2023

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, 2022. 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, 2022 by $15,170,016. Of this amount unrestricted net position of $3,599,798 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $1,042,574. The increase in net position is the result of the City recognizing a grant under the American Rescue Plan Act in the amount of $219,152 along with an increase in SPLOST funds by approximately $455,547

- As of the close of the current fiscal year, the City of Berkeley Lake's governmental funds reported combined ending fund balances of $4,683,729 an increase of $941,607 in comparison with the prior year. Of this amount $3,565,877 is unassigned and available for spending; $1,072,919 is restricted for Capital Outlay; $32,592 is restricted for specified grant purposes and $12,341 is nonspendable and in the form of prepaid expenses.

- At the end of the current year, unassigned fund balance for the general fund was $3,565,877 or 529.7 percent of total General Fund expenditures.

- The City of Berkeley Lake has no long term debt as of December 31, 2022.

- 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, 2022.

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 22 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, 2022, the City's assets exceeded liabilities by $15,170,016. The City's net position reflects its net investment in capital assets $10,464,707 (69.0 percent). Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $15,170,016, $1,072,919 (7.1 percent) is restricted for capital projects, $32,592 (.2%) is restricted for specified grant purposes and $3,599,798 (23.7 percent) is unrestricted.

CITY OF BERKELEY LAKE'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 5,296,906	$ 4,160,502	$ -	$ -	$ 5,296,906	$ 4,160,502
Capital assets	10,464,707	10,374,203	-	-	10,464,707	10,374,203
Total assets	15,761,613	14,534,705	-	-	15,761,613	14,534,705
Current liabilities	591,597	407,263	-	-	591,597	407,263
Long-term liabilities	-	-	-	-	-	-
Total liabilities	591,597	407,263	-	-	591,597	407,263
Net Position:						
Net investment in capital assets	10,464,707	10,374,203	-	-	10,464,707	10,374,203
Restricted	1,105,511	621,902	-	-	1,105,511	621,902
Unrestricted	3,599,798	3,131,337	-	-	3,599,798	3,131,337
Total Net Position	$ 15,170,016	$ 14,127,442	$ -	$ -	$ 15,170,016	$ 14,127,442

A portion of the net position (7.3 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($3,599,798) 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 $1,042,574. Key elements of this increase are as follows:

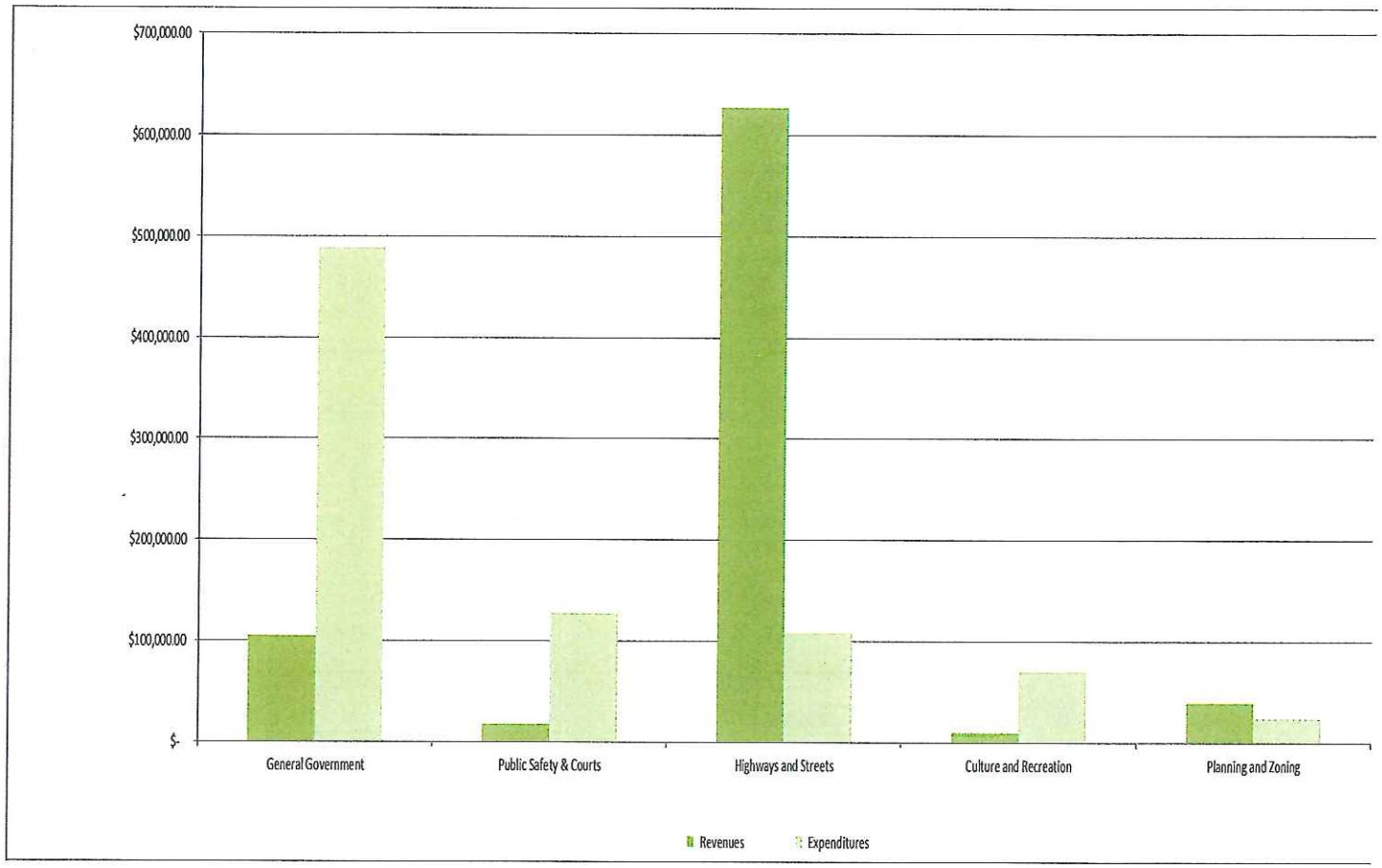
CITY OF BERKELEY LAKE'S CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues -						
Charges for services	$ 79,641	$ 142,033	$ -	$ -	$ 79,641	$ 142,033
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	717,031	433,919	-	-	717,031	433,919
General Revenues-						
Property taxes	506,243	478,419	-	-	506,243	478,419
Insurance premium tax	168,065	153,026	-	-	168,065	153,026
Franchise taxes	239,018	227,057	-	-	239,018	227,057
Other taxes	110,104	107,292	-	-	110,104	107,292
Intergovernmental	-	81,201	-	-	-	81,201
Interest	35,207	3,850	-	-	35,207	3,850
Other	3,357	3,655	-	-	3,357	3,655
	1,858,666	1,630,452	-	-	1,858,666	1,630,452
Expenses:						
General government	488,020	438,238	-	-	488,020	438,238
Public safety and courts	126,709	112,064	-	-	126,709	112,064
Highways and strees	107,607	90,423	-	-	107,607	90,423
Culture and recreation	69,885	67,256	-	-	69,885	67,256
Planning and zoning	23,871	132,859	-	-	23,871	132,859
Emergency management	-	11,212	-	-	-	11,212
	816,092	852,052	-	-	816,092	852,052
Increase (decrease) in Net Position before transfers	1,042,574	778,400	-	-	1,042,574	778,400
Transfers	-	-	-	-	-	-
Increase (decrease) in Net Position	1,042,574	778,400	-	-	1,042,574	778,400
Net Position - beginning of year, adjusted	14,127,442	13,349,042	-	-	14,127,442	13,349,042
Net Position - end of year	$ 15,170,016	$ 14,127,442	$ -	$ -	$ 15,170,016	$ 14,127,442

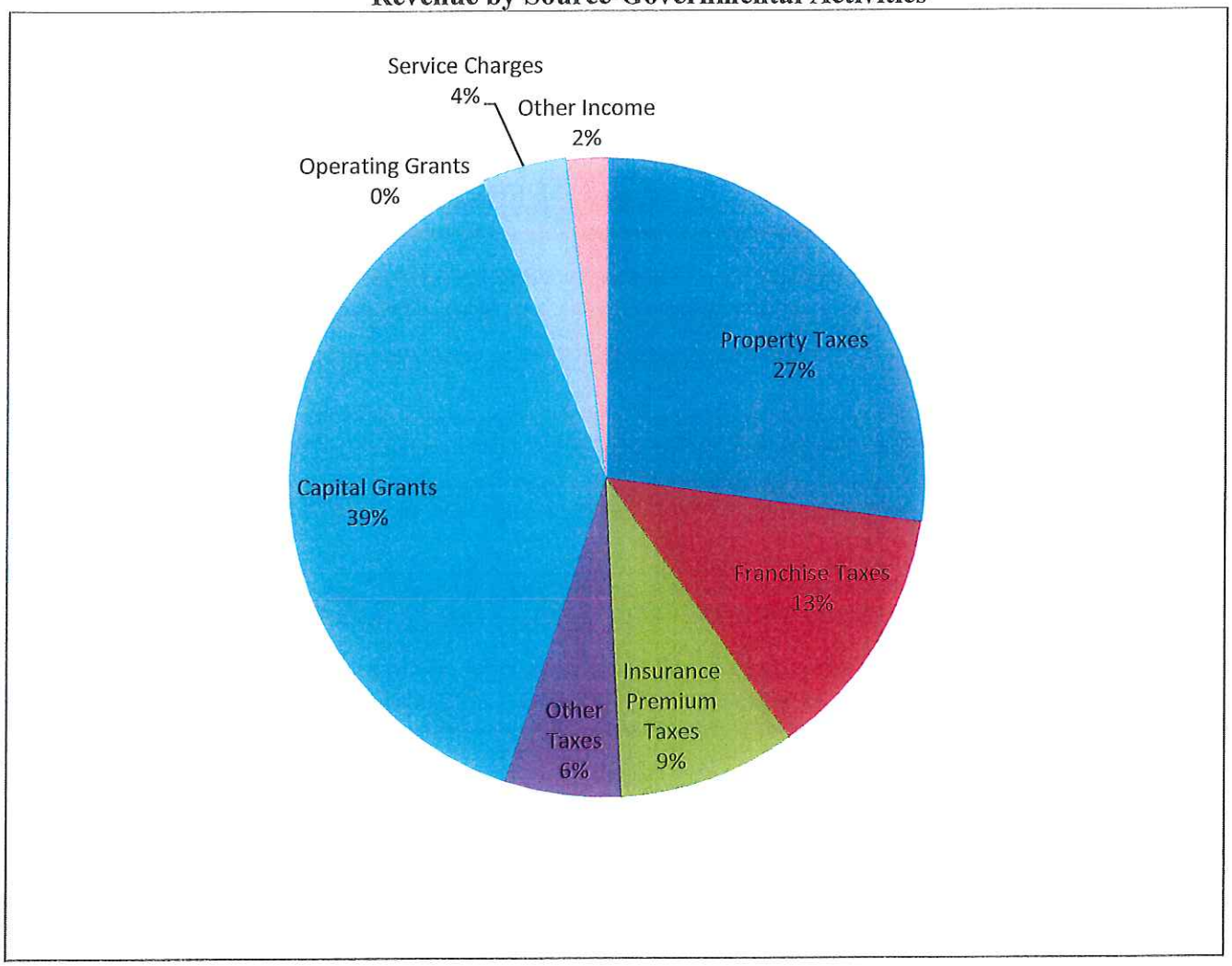
Note – The beginning net position for the year ended December 31, 2021 was adjusted $(319,147) to record accumulated depreciation on the City's dam and to adjust balances in the capital accounts to match the City's depreciation schedule as of December 31, 2021. The beginning net position for the year ended December 31, 2022 was also adjusted $(319,683) to record the ARPA grant revenues as being earned when expended, not when received.

- Revenues increase approximately $228,214 for f/y 2022 over f/y 2021. The most significant increase occurred in intergovernmental revenues of $219,152. The $219,152 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 $35,960. A large part of this is due to a reduction in planning and zoning-related costs as well as a reduction in contract inspection costs caused by low permit activity. There was an increase in General Government due to capital asset write-off of $23,423 which is due to a change in the capitalization threshold.

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, 2022 the City's governmental funds reported combined ending fund balances of $4,683,729. Of this amount, $3,565,877 (76.1 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 $1,105,511 is restricted for Capital Outlay or grant purposes and $12,341 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 $3,565,877 while the total fund balance totaled $3,610,810. 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 529.7 percent of the total general fund expenditures, while total fund balance represents 536.4 percent of that same amount.

During the current fiscal year, the fund balance of the City's general fund increased by $490,590. Several revenue sources increased during 2022 including business licenses, motor vehicle title tax, insurance premium tax and power franchise tax.

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 City received another $400,884 in 2022. The award is to be used for purposes specified under the grant agreement. During 2022, the City expended $219,152 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 2022 the SPLOST funds spent $14,271 on various improvements.

General Fund Budgetary Highlights

The original budget adopted this fiscal year total $987,123. The budget was amended to increase revenues $123,435 and to decrease expenditures by $311,369. Increased revenues were primarily due to increases in motor vehicle title tax, interest and business licenses. Expenditures were primarily lower because of savings on salaries due to turnover in staff and continued evaluation of staffing needs. In addition, savings were realized in lower than budgeted legal and judicial expenditures, unspent contingencies, no computer purchases, fewer than expected public works maintenance projects and lower than budgeted professional services expenditures.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2022 amounts to $10,464,707 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. In 2022, the City made significant street and drainage improvements for $219,152.

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 $26,306,887.

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, 2023. Budget calculations were based on, but not limited to, the following:

1. Despite inflation and a rise in costs, the City expects to set the 2023 millage rate at the roll-back rate.
2. In the 2023 budget, interest revenues were increased by 55.7% due to market trends.
3. In the 2023 budget, motor vehicle title taxes were increased by 22% due to 2022 pacing.
4. The 2023 budget reflects continued use of American Rescue Plan Act funds which thus far have primarily been used for stormwater infrastructure improvements.
5. The City continues to expend general, SPLOST and ARPA funds in the operations of its own stormwater management program.
6. In the 2023 budget, general fund expenditures were increased by 6.5% due to the following:

    a. Increased costs across multiple sectors – city hall janitorial service, accounting services, engineering services and landscaping services.

    b. A 7 % cost of living adjustment, and

    c. Two license plate reader software subscriptions.

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

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CITY OF BERKELEY CITY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 1,651,263	$ -	$ 1,651,263
Investments	1,827,851	-	1,827,851
Receivables, net			
Taxes	210,373	-	210,373
Due from other governments	84,548	-	84,548
Prepaid expenses	12,341	-	12,341
Restricted assets -			
Cash	1,510,530	-	1,510,530
Capital assets -			
Non-depreciable capital assets	5,091,766	-	5,091,766
Other capital assets, net of depreciation	5,372,941	-	5,372,941
Total Assets	15,761,613	-	15,761,613
Deferred Outflows			
Deferred outlflows	-	-	-
Total Assets and Deferred Outflows	15,761,613	-	15,761,613
LIABILITIES			
Accounts payable -			
Trade	38,181	-	38,181
Accrued expenses -			
Salaries	21,204	-	21,204
Other	7,312	-	7,312
Unearned items	524,900	-	524,900
Total Liabilities	591,597	-	591,597
Deferred inflows			
Deferred inflows	-	-	-
Total Liabilities and Deferred Inflows	591,597	-	591,597
NET POSITION - Adjusted			
Net investment in capital assets	10,464,707	-	10,464,707
Restricted for:			
Specified grant purposes	32,592	-	32,592
Capital outlay	1,072,919	-	1,072,919
Unrestricted	3,599,798	-	3,599,798
Total Net Position	$ 15,170,016	$ -	$ 15,170,016

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

CITY OF BERKELEY CITY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General Government	$ 488,020	$ 39,542	$ -	$ 65,129
Courts	1,407	1,500	-	-
Public Safety	125,302	-	-	16,282
Highways and Streets	107,607	-	-	626,620
Park Areas	69,885	-	-	9,000
Planning and Zoning	23,871	38,599	-	-
Emergency Management	-	-	-	-
Total Governmental Activities	816,092	79,641	-	717,031
Business-Type Activities:	-	-	-	-
Total Primary Government	$ 816,092	$ 79,641	$ -	$ 717,031

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
$ (383,349)	$ -	$ (383,349)
93	-	93
(109,020)	-	(109,020)
519,013	-	519,013
(60,885)	-	(60,885)
14,728	-	14,728
-	-	-
(19,420)	-	(19,420)
-	-	-
(19,420)	-	(19,420)
399,253	-	399,253
106,990	-	106,990
7,308	-	7,308
239,018	-	239,018
31,679	-	31,679
68,674	-	68,674
168,065	-	168,065
2,443	-	2,443
-	-	-
35,207	-	35,207
3,357	-	3,357
1,061,994	-	1,061,994
-	-	-
1,061,994	-	1,061,994
1,042,574	-	1,042,574
14,127,442	-	14,127,442
$ 15,170,016	$ -	$ 15,170,016

CITY OF BERKELEY CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	MAJOR FUNDS				TOTAL GOVERN-MENTAL FUNDS
	GENERAL	ARPA	2014 SPLOST	2017 SPLOST	
ASSETS					
Cash and cash equivalents	$ 1,651,263	$ 522,159	$ 33,170	$ 955,201	$ 3,161,793
Investments	1,827,851	-	-	-	1,827,851
Receivables -					
Taxes, net	210,373	-	-	-	210,373
Due from other governments	-	-	-	84,548	84,548
Prepaid expenses	12,341	-	-	-	12,341
Total Assets	$ 3,701,828	$ 522,159	$ 33,170	$ 1,039,749	$ 5,296,906
Liabilities:					
Accounts payable -					
Trade	$ 17,437	$ 20,744	$ -	$ -	$ 38,181
Accrued expenses -					
Salaries	21,204	-	-	-	21,204
Other	7,312	-	-	-	7,312
Unearned revenues	23,485	501,415	-	-	524,900
Total Liabilities	69,438	522,159	-	-	591,597
Deferred Inflows of Resources					
Unavilable revenues	21,580	-	-	-	21,580
Fund Balances:					
Nonspendable	12,341	-	-	-	12,341
Restricted -					
Capital outlay	-	-	33,170	1,039,749	1,072,919
Street projects	23,592	-	-	-	23,592
Playground improvements	9,000	-	-	-	9,000
Unassigned	3,565,877	-	-	-	3,565,877
Total Fund Balances	3,610,810	-	33,170	1,039,749	4,683,729
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,701,828	$ 522,159	$ 33,170	$ 1,039,749	$ 5,296,906

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, 2022

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 4,683,729
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,464,707
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	21,580
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital lease	-
Net position of governmental activities.	$ 15,170,016

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, 2022

	MAJOR FUNDS				TOTAL GOVERN-MENTAL FUNDS
	GENERAL	ARPA	2014 SPLOST	2017 SPLOST	
REVENUES:					
Taxes	$ 1,012,966	$ -	$ -	$ -	$ 1,012,966
Business licenses and permits	76,651	-	-	-	76,651
Intergovernmental	23,592	219,152	-	461,341	704,085
Charges for services	1,490	-	-	-	1,490
Fines and forfeitures	1,500	-	-	-	1,500
Investment income	35,207	-	79	3,868	39,154
Miscellaneous	12,357	-	-	-	12,357
Total Revenues	1,163,763	219,152	79	465,209	1,848,203
EXPENDITURES:					
Current -					
General Government	426,097	-	-	-	426,097
Municipal Court	1,407	-	-	-	1,407
Public Safety	107,698	-	-	-	107,698
Highways and Streets	100,833	-	-	-	100,833
Park Areas	13,267	-	-	-	13,267
Planning and Zoning	23,871	-	-	-	23,871
Emergency Management	-	-	-	-	-
Capital Outlay -					
General Government	-	-	4,609	-	4,609
Municipal Court	-	-	-	-	-
Public Safety	-	-	-	8,037	8,037
Highway and Streets	-	219,152	-	1,625	220,777
Park Areas	-	-	-	-	-
Emergency Management	-	-	-	-	-
Total Expenditures	673,173	219,152	4,609	9,662	906,596
Excess (deficiency) of revenues over expenditures	490,590	-	(4,530)	455,547	941,607
OTHER FINANCING SOURCES (USES):					
Transfers	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net change in fund balances	490,590	-	(4,530)	455,547	941,607
Fund balances - beginning, adjusted	3,120,220	-	37,700	584,202	3,742,122
Fund balances - ending	$ 3,610,810	$ -	$ 33,170	$ 1,039,749	$ 4,683,729

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, 2022

Net change in fund balances -- total governmental funds	$ 941,607
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.	
Capital outlay	219,152
Depreciation expense	(105,226)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property tax	10,464
Fines	-
Motor vehicle Tax	-
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.	
Repayments of principal	-
Proceeds from debt issues	-
Net effect of transactions involving capital assets (sales, dispositions)	(23,423)
Change in net position of governmental activities.	$ 1,042,574

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, 2022

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Taxes	$ 945,450	$ 1,007,438	$ 1,012,966	$ 5,528
Licenses and permits	59,990	76,651	76,651	-
Intergovernmental	23,299	23,592	23,592	-
Charges for services	1,881	1,490	1,490	-
Fines and forfeitures	-	1,500	1,500	-
Investment earnings	3,780	35,207	35,207	-
Miscellaneous	400	12,357	12,357	-
Total Revenues	1,034,800	1,158,235	1,163,763	5,528
EXPENDITURES:				
General government	546,565	425,958	426,097	(139)
Municipal court	9,190	1,407	1,407	-
Public safety	141,819	109,716	107,698	2,018
Highways and streets	149,869	101,133	100,833	300
Culture and recreation	20,580	13,264	13,267	(3)
Planning and zoning	119,100	24,276	23,871	405
Emergency management	-	-	-	-
Total expenditures	987,123	675,754	673,173	2,581
Excess of revenues over (under) expenditures	47,677	482,481	490,590	8,109
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	47,677	482,481	490,590	8,109
Fund balances - beginning	3,120,220	3,120,220	3,120,220	-
Fund balances - ending	$ 3,167,897	$ 3,602,701	$ 3,610,810	$ 8,109

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, 2022

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Intergovernmental	$ 400,884	$ 400,884	$ 219,152	$ (181,732)
Miscellaneous	-	-	-	-
Total Revenues	400,884	400,884	219,152	(181,732)
EXPENDITURES:				
Capital Outlay -				
Highways and streets	720,348	219,152	219,152	-
Total expenditures	720,348	219,152	219,152	-
Excess of revenues over (under) expenditures	(319,464)	181,732	-	(181,732)
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(319,464)	181,732	-	(181,732)
Fund balances - beginning, adjusted	-	-	-	-
Fund balances - ending	$ (319,464)	$ 181,732	$ -	$ (181,732)

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

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)

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.

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 the period that begins March 3, 2021 and ends December 31, 2024.

Capital Projects Funds – 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.

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.

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, 2022:

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, 2022 are recorded as prepaid items and are expensed during the period benefited.

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

K. Capital Assets

Capital assets purchased or acquired with an original cost of $10,000 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.

The City did change its capitalization base from $500 to $10,000 during 2022. Assets that were purchased prior to January 1, 2022 that were less than $10,000 were removed from the appropriate capital asset category along with the related accumulated depreciation incurred as of December 31, 2021. The total capital assets removed amounted to $56,580 along with the related accumulated depreciation of $33,156 for a net decrease in net position of $23,424.

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)

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.

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, 2022.

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 $1,105,511 of restricted net position, of which $1,096,511 is 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, 2022, 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.

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, 2022, fund balances are composed of the following:

	Non-Spendable Prepaids	Capital Outlays	Specified Grant Purposes	Unassigned	Total
General Fund	$ 12,341	$ -	$ 32,592	$ 3,565,877	$ 3,610,810
SPLOST Funds	-	1,072,919	-	-	1,072,919
Total	$ 12,341	$ 1,072,919	$ 32,592	$ 3,565,877	$ 4,683,729

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.

W. Leasing Activities

During 2022, the City implemented a new accounting standard GASB Statement No. 87 "Leases". The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As of December 31, 2022, the City has no significant lease agreements that are required to be reported under the new standard either as a lessee or a lessor.

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, 2022, 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, 2022 were as follows:

Investments	Maturities	Fair Value
Georgia Fund 1	23 days average	$ 1,827,851
		$ 1,827,851

As of December 31, 2022, the City's investment in the Georgia Fund 1 was rated AAAf 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 AAAf 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.

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, 2022 was $32,723.

4. RECEIVABLES

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

	General	2017 SPLOST	Total
Taxes	$ 210,373	$ -	$ 210,373
Due from other governments	-	84,548	84,548
Gross Receivables	210,373	84,548	294,921
Less: Allowance for Uncollectibles	-	-	-
Total	$ 210,373	$ 84,548	$ 294,921

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables reported in the fund financial statements for the year ended December 31, 2022 consist of the following:

	Revenues	Receivables
General Fund		
LMIG	$ 23,592	$ -
ARPA Fund		-
ARPA Grant	219,152	-
2017 SPLOST Fund		
Gwinnett County - SPLOST	461,341	84,548
Total	$ 704,085	$ 84,548

(See Independent Auditor's Report)

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, 2022.

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, 2022.

(See Independent Auditor's Report

10. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 4,872,613	$ -	$ -	$ 4,872,613
Construction in progress	-	219,153	-	219,153
Total capital assets, not being depreciated	4,872,613	219,153	-	5,091,766
Capital assets being depreciated:				
Buildings	1,775,394	-	(5,806)	1,769,588
Improvements other than buildings	4,664,751	-	(4,987)	4,659,764
Machinery and equipment	123,141	-	-	123,141
Furniture and fixtures	71,062	-	(10,068)	60,994
Computers and peripherals	74,948	-	(35,718)	39,230
Total capital assets being depreciated	6,709,296	-	(56,579)	6,652,717
Less accumulated depreciation for:				
Buildings	575,092	45,374	(712)	619,754
Improvements other than buildings	426,644	48,788	(299)	475,133
Machinery and equipment	91,249	6,460	-	97,709
Furniture and fixtures	69,063	-	(8,069)	60,994
Computers and peripherals	45,658	4,604	(24,076)	26,186
Total accumulated depreciation	1,207,706	105,226	(33,156)	1,279,776
Total capital assets being depreciated, net	5,501,590	(105,226)	(23,423)	5,372,941
Governmental capital assets, net	$ 10,374,203	$ 113,927	$ (23,423)	$ 10,464,707

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

General government	$ 33,891
Public works	4,849
Emergency management	9,866
Park areas	56,620
Total depreciation expense	$ 105,226

(See Independent Auditor's Report)

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:

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

City contributions for the year ended December 31, 2022 amounted to $40,483, of which $7,376 was paid with plan forfeitures. Plan members contributed $21,896 for the year ended December 31, 2022.

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:	
Most coverages are subject to a per occurrence deductible of	$ 1,000
Cyber coverages are subject to a per occurrence deductible of	$ 10,000

COVERAGE EXCEPTIONS: None

13. PRIOR PERIOD ADJUSTMENTS

During fiscal year ended December 31, 2021, the City recognized monies received under the American Recue Plan Act as revenue when the money was received and reported the remaining monies as restricted net position / fund balance. After further analysis of the grant agreement, it was determined that the grant should be recognized as revenue when the funds are expended i.e. when they are earned. Unspent or unappropriated funds as of December 31, 2024 must be returned to the granting agency. The City has made the following prior period adjustment to properly record the remaining ARPA grant funds as of December 31, 2021 as unearned revenues:

	STATEMENT OF ACTIVITIES	BALANCE SHEET
Net Position, Fund Balance, December 31, 2021	$ 14,447,125	$ 4,061,805
To correct fund balance in the ARPA Fund since the revenue under this grant is earned when the funds are expended.	(319,683)	(319,683)
Net Position, Fund Balance, December 31, 2021, adjusted	$ 14,127,442	$ 3,742,122

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, 2022, no fund of the City had a deficit fund balance.

B. Excess of revenues and expenditures over budget - The City had no departments 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, 2022

	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total to Date
PROJECT -					
Capital outlay -					
Administrative Facilities	$ 170,625	$ 170,625	$ 11,757	$ 4,609	$ 16,366
Streets, Roads & Bridges	863,463	863,463	1,104,131	-	1,104,131
Total	$ 1,034,088	$ 1,034,088	$ 1,115,888	$ 4,609	$ 1,120,497

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, 2022

	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total to Date
PROJECT -					
Capital outlay -					
Administrative Facilities	$ 259,710	$ 259,710	$ 1,000	$ -	$ 1,000
Public Safety Facilities and Equipment	64,927	64,927	-	8,037	8,037
Streets, Roads & Bridges and Related Equipment	1,530,432	1,530,432	1,082,303	1,625	1,083,928
Total	$ 1,855,069	$ 1,855,069	$ 1,083,303	$ 9,662	$ 1,092,965

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