

In the opinion of Bond Counsel, under current law and subject to the conditions and limitations described under the caption "TAX MATTERS" herein, interest on the Series 2023A Bonds (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) may have to be taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations, and (4) is exempt from present State of Georgia income taxation. See "TAX MATTERS" herein. See the proposed form of the approving opinion of Bond Counsel in Appendix D hereto.

\$88,550,000**URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA
REVENUE BONDS, SERIES 2023A****Dated: Date of Issuance****Due: July 1, as shown on the inside cover**

The Urban Redevelopment Agency of the City of Brookhaven, Georgia (the "Agency"), a public body corporate and politic of the State of Georgia, is issuing its Revenue Bonds, Series 2023A (the "Series 2023A Bonds") in fully registered form and in denominations of \$5,000, or any integral multiple thereof, for the purpose of (a) paying all or a portion of the costs of urban redevelopment projects (the "Projects") identified in the Urban Redevelopment Plan described herein, and (b) paying the costs of issuing the Series 2023A Bonds. See "PLAN OF FINANCING."

The Series 2023A Bonds are special limited obligations of the Agency payable solely from amounts paid to the Agency pursuant to an Intergovernmental Contract, expected to be dated as of March 1, 2023 (the "Contract"), between the Agency and the City of Brookhaven, Georgia (the "City"). Under the Contract, the Agency has agreed to, among other things, issue the Series 2023A Bonds, and the City has agreed to, among other things, (a) acquire, construct, equip and operate the Projects, (b) pay the Agency amounts sufficient to enable the Agency to pay the debt service on the Series 2023A Bonds (the "Contract Payments") and (c) levy an ad valorem property tax ("SSD Tax Moneys"), unlimited as to rate, on all taxable property located within the boundaries of the Special Service District described herein, as may be necessary to produce funds sufficient to enable it to make the Contract Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A BONDS."

The Agency has reserved the right to issue Additional Bonds under certain circumstances. If such Additional Bonds are issued, they will be secured by a lien on the Contract as amended (to require payments covering such Additional Bonds), the Contract Payments and the moneys and investments on deposit in the sinking fund and the project fund with respect to the Series 2023A Bonds and any such Additional Bonds (the "Security") on a parity with the Series 2023A Bonds and any other Additional Bonds authorized to be issued. The City has agreed not to enter into any additional intergovernmental contracts relating to debt issued or incurred by other parties or consent to the issuance of any Additional Bonds unless, among other things, the maximum amount being capable of being produced by SSD Tax Moneys is at least equal to the amount needed to pay the combined maximum annual debt service. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A BONDS" herein.

Interest on the Series 2023A Bonds is payable semiannually on January 1 and July 1 of each year (each such date, an "Interest Payment Date"), commencing January 1, 2024, by U.S. Bank Trust Company, National Association, as Paying Agent, to the owners thereof as shown on the registration books maintained by U.S. Bank Trust Company, National Association, as Bond Registrar. The Series 2023A Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "THE SERIES 2023A BONDS – Description." The Series 2023A Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2023A BONDS – Redemption."

The Series 2023A Bonds will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2023A Bonds. Purchases will be made only in book-entry form through the Direct Participants and Indirect Participants (as herein defined), and no physical delivery of the Series 2023A Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest on the Series 2023A Bonds will be made to Beneficial Owners by DTC through its Direct Participants and Indirect Participants. As long as Cede & Co. is the registered owner of the Series 2023A Bonds, as nominee of DTC, references herein to the holders of the Series 2023A Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2023A Bonds. See "THE SERIES 2023A BONDS – Book-Entry Only System."

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SERIES 2023A BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2023A Bonds are offered when, as, and if issued by the Agency and accepted by the Underwriter, subject to prior sale, to the withdrawal or modification of the offer without notice, and to the approving opinion of Hunton Andrews Kurth LLP, Atlanta, Georgia, as Bond Counsel and Disclosure Counsel to the City. Certain matters will be passed upon for the Agency and for the City by Balch Law Group, Atlanta, Georgia. Davenport & Company LLC is acting as the City's financial advisor. The Series 2023A Bonds are expected to be delivered through DTC in New York, New York on or about March 7, 2023.

Dated: February 15, 2023

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NOS.

<u>Maturity July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.[†]</u>
2024	\$ 70,000	5.000%	2.800%	113077AA9
2025	420,000	5.000	2.600	113077AB7
2026	525,000	5.000	2.430	113077AC5
2027	635,000	5.000	2.360	113077AD3
2028	755,000	5.000	2.320	113077AE1
2029	885,000	5.000	2.300	113077AF8
2030	1,015,000	5.000	2.260	113077AG6
2031	1,160,000	5.000	2.220	113077AH4
2032	1,310,000	5.000	2.240	113077AJ0
2033	1,475,000	5.000	2.300	113077AK7
2034	1,645,000	5.000	2.500 ^C	113077AL5
2035	1,830,000	5.000	2.690 ^C	113077AM3
2036	2,020,000	5.000	2.880 ^C	113077AN1
2037	2,225,000	5.000	3.020 ^C	113077AP6
2038	2,445,000	5.000	3.120 ^C	113077AQ4
2039	2,675,000	5.000	3.200 ^C	113077AR2
2040	2,920,000	5.000	3.250 ^C	113077AS0
2041	3,175,000	5.000	3.300 ^C	113077AT8
2042	3,455,000	4.000	3.950 ^C	113077AU5
2043	3,710,000	4.000	4.030	113077AV3
2044	3,980,000	4.000	4.080	113077AW1
2045	4,260,000	4.000	4.130	113077AX9

\$14,605,000 4.000% Term Bond due July 1, 2048, Priced to Yield 4.200%, CUSIP No. [†] 113077BA8

\$31,355,000 4.000% Term Bond due July 1, 2053, Priced to Yield 4.250%, CUSIP No. [†] 113077BF7

^C Yield calculated to July 1, 2033 call date.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services (CGS) which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP numbers listed above have been assigned by an independent company not affiliated with the Agency, the City or the Underwriter and are intended solely for the convenience of the holders of the Series 2023A Bonds. The Agency, the City and the Underwriter are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness now or at any time in the future on the Series 2023A Bonds as indicated above. The CUSIP number for a specific Series 2023A Bond is subject to change after the issuance of the Series 2023A Bonds as a result of various subsequent actions.

URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA

John A. Ernst, Jr., Chairman
Linley Jones, Vice Chairman
John J. Funny
John Park
Madeleine Simmons
Susan Hiott, Secretary
Steven Chapman II, Treasurer

CITY OF BROOKHAVEN, GEORGIA

Mayor and City Council

John A. Ernst, Jr., Mayor
Linley Jones, Mayor Pro Tem
John J. Funny
John Park
Madeleine Simmons

City Staff

Christian Sigman, City Manager
Steven Chapman II, Deputy City Manager/Chief Financial Officer
Patrice S. Ruffin Dowdell, Assistant City Manager
Oscar Medina, Finance Director

COUNSEL TO THE CITY AND THE AGENCY

Balch Law Group
Atlanta, Georgia

CITY AUDITOR

Mauldin & Jenkins, LLC
Atlanta, Georgia

BOND COUNSEL AND DISCLOSURE COUNSEL

Hunton Andrews Kurth LLP
Atlanta, Georgia

FINANCIAL ADVISOR

Davenport & Company LLC
Atlanta, Georgia

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the Agency, the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2023A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are deemed to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed this Official Statement in accordance with, and as part of, its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the City since the date hereof.

THE PRICES AT WHICH THE SERIES 2023A BONDS ARE OFFERED TO THE PUBLIC MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE SERIES 2023A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “project,” “forecast,” “anticipate,” “intend,” “believe,” “plan,” “expect,” “estimate,” “budget” or the negative thereof or other similar words and include, but are not limited to, statements under the caption “THE SPECIAL SERVICE DISTRICT – Projected Debt Service Coverage.” Such forward-looking information addresses certain events and matters subject to risks and uncertainties. As a result, events and matters may significantly differ from those expressed in this Official Statement. Potential investors are cautioned that such statements are only predictions and that actual events or results may differ materially. Investors should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements. The City does not plan to issue any updates or revisions to such forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

THE SERIES 2023A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF ANY SERIES 2023A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AGENCY, THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2023A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

SUMMARY STATEMENT	1
The Agency	1
The City	1
The Special Service District	1
Purpose of the Series 2023A Bonds	1
Security and Sources of Payment for the Series 2023A Bonds	1
Description of the Series 2023A Bonds	2
Tax Matters	2
Bond Registrar, Paying Agent and Custodian	3
Professionals Involved in the Offering	3
Authority for Issuance	3
Offering and Delivery of the Series 2023A Bonds	3
Continuing Disclosure	3
Other Information	4
THE AGENCY	4
THE SERIES 2023A BONDS	5
Description	5
Redemption	6
Book-Entry Only System	7
PLAN OF FINANCING	7
Sources and Applications of Funds	7
Projects	7
Investment of Bond Proceeds	8
Annual Debt Service Requirements	10
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A BONDS	10
General	10
The Resolution	11
The Contract	11
The Special Service District	11
Additional Debt Supported by SSD Tax Moneys	12
CERTAIN BONDHOLDERS' RISKS	12
Changes in Special Service District Boundaries and Tax Digest	12
No Pledge of Full Faith and Credit of the City	13
Enforceability of Remedies	13
Coronavirus/COVID-19	13
THE CITY	14
Introduction	14
City Administration and Officials	14
Employees	15
Retirement Plans and Other Post-Employment Benefits	15
Demographic Information	16
Economic Information	17
Coronavirus/COVID-19	21
Cybersecurity	21
CITY FINANCIAL MANAGEMENT	21
Audited Financial Statements	21

Financial Policies	22
Insurance Coverage and Governmental Immunity	22
Investment of Funds	23
THE SPECIAL SERVICE DISTRICT	23
General	23
Special Service District Ad Valorem Property Tax Digest	25
Special Service District Tax Digest as a Percentage of City Tax Digest.....	25
Special Service District Property Tax Collections	26
Special Service District Budget.....	26
Projected Debt Service Coverage.....	27
Economic Development	27
CITY DEBT STRUCTURE	28
Summary of City Direct and Overlapping Debt by Category	28
Tax Supported Debt Ratios	28
Limitations on City Debt.....	29
Proposed Debt	29
Debt Service on City Debt.....	30
CITY AD VALOREM TAXATION	30
Introduction	30
Property Subject to Taxation	31
Motor Vehicles.....	32
Assessed Value.....	32
Annual Tax Levy.....	32
Property Tax Collections.....	33
Property Tax Millage Rates.....	33
Ad Valorem Property Tax Digest.....	34
Tax Collections	34
Ten Largest Taxpayers	35
FORWARD LOOKING STATEMENTS	35
LEGAL MATTERS	35
Pending Litigation.....	35
Validation Proceedings.....	36
Closing Certificates	36
TAX MATTERS	36
Opinion of Bond Counsel.....	36
Alternative Minimum Tax.....	37
Original Issue Discount	37
Original Issue Premium.....	37
Other Tax Matters	38
MISCELLANEOUS	38
Ratings.....	38
Competitive Sale of Bonds.....	38
Independent Auditors	39
Financial Advisor	39
Additional Information.....	39
CERTIFICATION	40

APPENDIX A:	Map of Brookhaven Special Service District
APPENDIX B:	Audited Financial Statements of the City for the Fiscal Year Ended December 31, 2021
APPENDIX C:	Forms of the Principal Documents
APPENDIX D:	Form of Opinion of Bond Counsel
APPENDIX E:	Form of Continuing Disclosure Certificate
APPENDIX F:	Book-Entry Only System

This page intentionally left blank.

\$88,550,000
URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA
REVENUE BONDS, SERIES 2023A

SUMMARY STATEMENT

The following information is furnished solely to provide limited introductory information regarding the terms of the Series 2023A Bonds (as hereinafter defined) and does not purport to be comprehensive. Such information is qualified in its entirety by reference to the more detailed descriptions appearing in the Official Statement. No person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Capitalized terms used and not defined herein have the same meaning ascribed to them in the Resolution and Contract. Certain defined terms are set forth in Appendix C.

The Agency

The Urban Redevelopment Agency of the City of Brookhaven, Georgia (the “Agency”), the issuer of the Series 2023A Bonds, is a public body corporate and politic of the State of Georgia (the “State”), created pursuant to the Urban Redevelopment Law (Section 36-61-1, et seq. of the Official Code of Georgia Annotated), as amended (the “Act”). The City of Brookhaven, Georgia (the “City” or “Brookhaven”) delegated the power to exercise certain “urban redevelopment project powers” to the Agency pursuant to a resolution adopted on June 14, 2022 (the “Activating Resolution”). See “THE AGENCY.”

The City

The City is a municipal corporation of the State. The City is located in the northwest suburbs of the City of Atlanta and is the largest city in DeKalb County, Georgia (the “County” or “DeKalb County”). The City had an estimated population of 55,366 as of July 1, 2021 (the most recent information available). See “THE CITY.”

The Special Service District

Pursuant to Article 9, Section 2, Paragraph 6 of the Constitution of the State of Georgia and an ordinance adopted by the City on December 14, 2021, as amended by an ordinance adopted on December 30, 2021 and as further amended by an ordinance adopted on May 10, 2022, the City created a special service district within the geographic limits of the City (the “Special Service District”) and established a special improvement tax in the form of an ad valorem property tax to be levied on all taxable property located within the Special Service District to be used to pay, in whole or in part, certain infrastructure and connectivity improvements for the benefit of the Special Service District. The boundaries of the Special Service District include the Projects and comprise most, but not all, commercial and industrial properties within the current geographical limits of the City. See “THE SPECIAL SERVICE DISTRICT.”

Purpose of the Series 2023A Bonds

The Agency is issuing its Revenue Bonds, Series 2023A (the “Series 2023A Bonds”) for the purpose of (a) paying all or a portion of the costs of the urban redevelopment projects (the “Projects”) described in the Brookhaven Urban Redevelopment Plan (as described herein, and as amended from time to time, the “Urban Redevelopment Plan”), including in particular a new City Hall, and (b) paying certain costs of issuing the Series 2023A Bonds. The Projects are all public facilities and infrastructure of the City. See “PLAN OF FINANCING.”

Security and Sources of Payment for the Series 2023A Bonds

The Series 2023A Bonds are special limited obligations of the Agency payable solely from amounts paid to the Agency pursuant to an Intergovernmental Contract, expected to be dated as of March 1, 2023 (the “Contract”), between the Agency and the City. Under the Contract, the Agency has agreed to, among other things, issue the Series 2023A Bonds, and the City has agreed to, among other things, (a) acquire, construct, equip and operate the

Projects, (b) pay the Agency amounts sufficient to enable the Agency to pay the debt service on the Series 2023A Bonds (the “Contract Payments”) and (c) levy an ad valorem property tax, unlimited as to rate, on all taxable property located within the boundaries of the Special Service District (the “SSD”), as may be necessary to produce funds sufficient to enable it to make such Contract Payments.

Pursuant to the Resolution, the Agency has pledged all of its rights, title and interest (except for its right to receive notices and to indemnification) in the Contract, the Contract Payments and the funds and investments on deposit in the Project Fund and the Sinking Fund (the “Security”) as security for the Series 2023A Bonds. The Agency has reserved the right to issue Additional Bonds under certain circumstances, including that the City satisfies the maximum annual debt service coverage test set forth in the Contract (the “Coverage Test”). If such Additional Bonds are issued, they will be secured by a lien on and pledge of the Security on a parity with the Series 2023A Bonds and any other Additional Bonds authorized to be issued.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A BONDS,” “THE SPECIAL SERVICE DISTRICT” and Appendix C.

Description of the Series 2023A Bonds

Redemption. The Series 2023A Bonds are subject to redemption prior to their respective maturities. See “THE SERIES 2023A BONDS – Redemption.”

Denominations. The Series 2023A Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Book-Entry Bonds. The Series 2023A Bonds will be issued in book-entry form (“Book-Entry Form”) and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the “Securities Depository”). The Securities Depository will act as securities depository for the Series 2023A Bonds. Purchases will be made only through the Participants (as herein defined) in the Securities Depository, and no physical delivery of the Series 2023A Bonds will be made to Beneficial Owners (as hereinafter defined). Payment of principal of and interest on the Series 2023A Bonds will be made to Beneficial Owners by the Securities Depository through its Participants. Registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository. See “THE SERIES 2023A BONDS – Book-Entry Only System” and Appendix F.

Payments. Interest on the Series 2023A Bonds will be payable semiannually on January 1 and July 1 of each year until maturity (each an “Interest Payment Date”), commencing January 1, 2024. Principal of the Series 2023A Bonds will be payable at the times and in the amounts shown on the inside front cover of this Official Statement. When in book-entry form, payment of the principal of and interest on the Series 2023A Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct Participants and Indirect Participants and thereafter to Beneficial Owners of the Series 2023A Bonds. See “THE SERIES 2023A BONDS – Book-Entry Only System.”

For a more complete description of the Series 2023A Bonds, see “THE SERIES 2023A BONDS.”

Tax Matters

In the opinion of Bond Counsel, under current law and subject to the conditions and limitations under the caption “TAX MATTERS” herein, interest on the Series 2023A Bonds (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) may have to be taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations, and (4) is exempt from present State of Georgia income taxation. See “TAX MATTERS” herein. See Appendix D hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2023A Bonds.

Bond Registrar, Paying Agent and Custodian

U.S. Bank Trust Company, National Association will act as Bond Registrar and as Paying Agent for the Series 2023A Bonds and will also act as the Project Fund Custodian. The corporate trust office of U.S. Bank Trust Company, National Association in Atlanta is located in Atlanta, Georgia.

Professionals Involved in the Offering

Certain legal matters pertaining to the Agency and its authorization and issuance of the Series 2023A Bonds are subject to the approving opinion of Hunton Andrews Kurth LLP, Bond Counsel and Disclosure Counsel to the City. Copies of the opinion will be available at the time of delivery of the Series 2023A Bonds, and a copy of the proposed form of the opinion is attached hereto as Appendix D. Certain legal matters will be passed on for the Agency and the City by Balch Law Group. See “LEGAL MATTERS.”

Davenport & Company LLC is acting as the City’s financial advisor (the “Financial Advisor”). The financial statements of the City for the fiscal year ended December 31, 2021 attached hereto as Appendix B have been audited by Mauldin & Jenkins, LLC, to the extent and for the period indicated in its report thereon which appears in Appendix B hereto. See “MISCELLANEOUS – Financial Advisor and “– Independent Auditors.”

Authority for Issuance

The Series 2023A Bonds are being issued pursuant to (a) the Act, (b) the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 *et seq.*) as amended, and (c) a resolution adopted by the Board of Commissioners of the Agency on December 13, 2022, as supplemented on February 15, 2023 (the “Resolution”).

The Contract was executed and delivered pursuant to the Constitution of the State of Georgia, the Act, the Resolution, and a resolution adopted by the Mayor and City Council of the City on December 13, 2022, as supplemented on February 15, 2023 (the “City Resolution”).

Offering and Delivery of the Series 2023A Bonds

The Series 2023A Bonds are offered when, as, and if issued by the Agency and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice and to the approval of legality by Hunton Andrews Kurth LLP as Bond Counsel and Disclosure Counsel to the City. The Series 2023A Bonds in definitive form are expected to be delivered through the Securities Depository in New York, New York, on or about March 7, 2023.

Continuing Disclosure

The Agency has determined that no financial or operating data concerning the Agency is material to any decision to purchase, hold or sell the Series 2023A Bonds, and the Agency will not provide any such information. The City has undertaken all responsibilities for any continuing disclosure to Beneficial Owners of the Series 2023A Bonds as described below, and the Agency will have no liability to the Beneficial Owners of the Series 2023A Bonds or any other person with respect to such disclosures.

The City has covenanted in the Contract and a Continuing Disclosure Certificate (the “Disclosure Certificate”) for the benefit of the owners of the Series 2023A Bonds to provide (a) certain financial information and operating data relating to the City (the “Operating and Financial Data”) to the Municipal Securities Rulemaking Board’s (the “MSRB”) Electronic Municipal Market Access System (“EMMA”) by not later than September 27 after the end of each fiscal year of the City, commencing with fiscal year ending December 31, 2022, and (b) notices of the occurrence of certain events (the “Material Event Notices”) to EMMA within 10 business days of their occurrence. The form of the Disclosure Certificate is attached as Appendix E hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The City has previously entered into continuing disclosure undertakings pursuant to the Rule in connection with the City of Brookhaven Public Facilities Authority Revenue Bonds (Peachtree Creek Greenway Project), Series 2018 issued in the original aggregate principal amount of \$12,640,000 and the City of Brookhaven General Obligation Bonds, Series 2019 issued in the original aggregate principal amount of \$38,855,000 (the “Prior Undertakings”). Pursuant to the Prior Undertakings, the City agreed to provide certain operating and financial data not later than 270 after the end of the City’s fiscal year. During the past five years, the City has failed to comply with its Prior Undertakings, as described below.

The City failed to file the operating and financial data for fiscal year ending December 31, 2018. The City did not file the required operating and financial data for fiscal years 2019 and 2020 until August 19, 2022, more than a year after the filing deadline for each such fiscal year.

The City filed its audited financial report for fiscal year 2018, which includes the required operating and financial data, on January 20, 2023 and simultaneously filed a Notice of Failure to File on January 20, 2023. The City filed its audited financial report for fiscal year 2021 within the requisite 270 days following the end of fiscal year 2021, and expects to be in compliance with its continuing disclosure obligations going forward.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement contains forecasts, projections and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Agency and the City disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Agency, the City, the Series 2023A Bonds, and the security and sources of payment for the Series 2023A Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Resolution, and other documents are intended as summaries only and are qualified in their entirety by reference to such laws and documents, and references herein to the Series 2023A Bonds are qualified in their entirety to the form thereof included in the Resolution. Copies of the Resolution and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing and handling, from City of Brookhaven, Georgia, 4362 Peachtree Road, Brookhaven, Georgia 30319, Attention: Chief Financial Officer, telephone: (404) 637-0620. During the period of the offering of the Series 2023A Bonds, copies of such documents are available, upon request and upon payment to the Financial Advisor of a charge for copying, mailing and handling, from Davenport & Company LLC, 515 East Crossville, Suite 380, Roswell, Georgia 30075, telephone: (404) 825-9467.

THE AGENCY

The Agency is a body corporate and politic of the State created pursuant to the Act and activated by the Activating Resolution. The Agency has been vested with all such urban redevelopment project powers of the City conferred in the Act by action of the City. Under the terms of the Act, the Agency has the power to (a) acquire, construct, improve or modify, redevelop or rehabilitate, and to cause to be placed into operation and operated, “urban redevelopment projects” within the City and (b) pay all or part of the cost of any urban redevelopment projects from proceeds of revenue bonds issued by the Agency. An urban redevelopment project may include undertakings or activities of a municipality, including the City, in an urban redevelopment area for the elimination

and for the prevention of the development or spread of pockets of blight and may involve pocket of blight clearance and redevelopment in an urban redevelopment area, rehabilitation or conservation in an urban redevelopment area, the implementation of public improvements, including, but not limited to, surface transportation projects, or any combination or part thereof, in accordance with an urban redevelopment plan adopted by the City in accordance with the Act. The City adopted its Urban Redevelopment Plan in 2022, designating certain urban redevelopment areas and approving certain urban redevelopment projects described therein; in August 2022 the City approved the final list of Projects to be undertaken by the Agency and financed from taxes collected from the Special Service District, and, as part of the Resolution, the City updated the urban redevelopment plan to incorporate such Projects.

The powers of the Agency are exercised by or under the authority of, and the business and affairs of the Agency are managed and conducted under the direction of, a Board of Commissioners. The Board of Commissioners consists of five members who shall be the Mayor and City Council members by virtue of holding such offices and the terms of office of the Commissioners are coterminous with the Commissioners' terms of office on the City Council.

Information concerning the current members of the Board of Commissioners of the Agency is set forth below.

<u>Name and Office Held</u>	<u>Principal Occupation</u>	<u>Expiration of Term</u>
John A. Ernst, Jr., Chairman	Attorney	12/31/2023
Linley Jones, Vice Chair	Trial Lawyer	12/31/2023
John J. Funny	President/CEO – Planning and Engineering Firm	12/31/2025
John Park	Technical Architect/Consultant	12/31/2025
Madeleine Simmons	Attorney	12/31/2023

The Agency has authorized the use of this Official Statement but has not participated in the preparation of this Official Statement and, except for the information under the caption "THE AGENCY," the Agency has not provided or made any investigation with respect to any of the information contained in this Official Statement, and does not assume any responsibility for the accuracy or completeness of the information contained herein.

THE AGENCY HAS NO TAXING POWER AND HAS NO LEGAL RIGHT TO RECEIVE APPROPRIATIONS OR OTHER PAYMENTS FROM THE CITY OR ANY GOVERNMENTAL BODY THAT MAY BE APPLIED TO THE SERIES 2023A BONDS EXCEPT FOR THE PAYMENTS THE CITY HAS CONTRACTED TO MAKE UNDER THE CONTRACT.

THE SERIES 2023A BONDS

Description

The Series 2023A Bonds will be dated their date of issuance and will bear interest at the rates specified on the cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of issuance). Interest will be payable semiannually on each Interest Payment Date, commencing January 1, 2024. The principal amount of the Series 2023A Bonds is payable at the times and in the amounts set forth on the cover page of this Official Statement. Both the principal of and interest on the Series 2023A Bonds shall be payable in lawful money of the United States of America.

When in book-entry form, payment of the principal of and interest on the Series 2023A Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct

Participants and Indirect Participants and thereafter to Beneficial Owners of the Series 2023A Bonds. See “THE SERIES 2023A BONDS – Book-Entry System Only.”

When not in book-entry form, the principal of the Series 2023A Bonds shall be payable at maturity upon presentation and surrender thereof at the designated corporate trust office of the Paying Agent. When not in book-entry form, payments of interest on the Series 2023A Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on each Record Date, and such payments of interest shall be mailed to the registered owner at the address shown on the bond registration book.

Redemption

Optional Redemption. The Series 2023A Bonds maturing on or after July 1, 2034 are subject to optional redemption in whole or in part at any time on or after July 1, 2033, in the order of maturities selected by the City, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2023A Bonds maturing on July 1, 2048 are subject to mandatory sinking fund redemption prior to their maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amounts and on the dates set forth below (the July 1, 2048 amount to be paid rather than redeemed):

<u>July 1 of the Year</u>	<u>Amount</u>
2046	\$4,550,000
2047	4,865,000
2048	5,190,000

The Series 2023A Bonds maturing on July 1, 2053 are subject to mandatory sinking fund redemption prior to their maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amounts and on the dates set forth below (the July 1, 2053 amount to be paid rather than redeemed):

<u>July 1 of the Year</u>	<u>Amount</u>
2049	\$5,525,000
2050	5,880,000
2051	6,255,000
2052	6,645,000
2053	7,050,000

At its option, to be exercised on or before the 45th day next preceding such scheduled maturity redemption date, the Agency may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2023A Bonds subject to scheduled mandatory redemption that are delivered to the Paying Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2023A Bonds that prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Paying Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Series 2023A Bond so delivered or previously redeemed shall be credited by the Paying Agent, at the principal amount thereof, to the obligation of the Agency on such scheduled mandatory redemption date and the principal amount of the Series 2023A Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

Partial Redemption. If the Series 2023A Bonds are called for redemption in part, then the particular maturity or maturities to be redeemed shall be selected by the City. If less than all of the Series 2023A Bonds of a maturity are to be called for redemption, then Series 2023A Bonds within each maturity so called for redemption shall be selected (a) in the manner designated by the Securities Depository when the Series 2023A Bonds are held in Book-Entry Form and (b) by lot when the Series 2023A Bonds are not held in Book-Entry Form.

Notice of Redemption. Notice of any redemption of the Series 2023A Bonds, identifying the Series 2023A Bonds (or any portion of the respective principal sums thereof) to be redeemed, shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of DTC when the Series 2023A Bonds are in book-entry form and (b) by first-class mail, postage prepaid to all registered owners of the Series 2023A Bonds to be redeemed when the Series 2023A Bonds are no longer in book-entry form. Failure of any holder of any Bond to receive any such notice, or any defect in the notice, shall not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2023A Bonds so designated for redemption after the redemption date.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent moneys sufficient to redeem all Series 2023A Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

Book-Entry Only System

The Series 2023A Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by DTC. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of the Series 2023A Bonds and, except as otherwise provided herein with respect to tenders by beneficial owners of beneficial ownership interests, beneficial owners will not be or be considered to be, and will not have any rights as, owners or holders of the Series 2023A Bonds.

The information set forth in Appendix F about the book-entry only system applicable to the Series 2023A Bonds has been supplied by DTC. Neither the City nor the Underwriter makes any representations, warranties or guarantees with respect to its accuracy or completeness.

PLAN OF FINANCING

Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Series 2023A Bonds are set forth below.

Sources of Funds:	
Par Amount of Bonds	\$88,550,000.00
Plus: Net Original Issue Premium	<u>2,815,451.95</u>
Total Sources of Funds	<u>91,365,451.95</u>
Application of Funds:	
Projects	90,029,153.87
Costs of Issuance ⁽¹⁾	<u>1,336,298.08</u>
Total Application of Funds	<u>\$91,365,451.95</u>

⁽¹⁾ Includes Underwriter's discount, legal and accounting fees, rating agency fees, printing costs, validation court costs and other costs of issuance.

Projects

General. A portion of the proceeds of the Series 2023A Bonds will be used to finance all or a portion of the construction of a new City Hall and other Projects identified in the Urban Redevelopment Plan. The purpose of the Projects is to provide for, and enhance, connectivity to the City center and corridor improvements to improve mobility and aesthetics. The proceeds of the Series 2023A Bonds that will be used to pay the costs of the Projects and the costs of issuing the Series 2023A Bonds will be deposited into a segregated Project Fund created by the Resolution and held by the Project Fund Custodian. Prior to the expenditure of the proceeds of the Series 2023A

Bonds in the Project Fund, such moneys will be invested as described herein. A brief summary of the Projects to be financed in whole or in part with proceeds of the Series 2023A Bonds is provided below.

City Hall. The City is currently renting its City Hall facility and has reached its growth capacity in its present space. The City seeks to construct a new City Hall that it would own within the City center footprint, and not only accommodate current needs, but also the needs of the City in years to come as anticipated growth takes place. The City has engaged the architect, engineering and construction firms for the design and construction of the new City Hall, with an expectation that the project will break ground in fourth quarter 2023 and be completed in December 2025.

Roads, Bridges and Streetscape Improvement Projects. The Projects include, among other things, (a) improvements to turn lanes, construction of a pedestrian island and improvement to the intersection skew in the Ashford Dunwoody Corridor; (b) completion of the multiuse path on the east side of North Druid Hills Road and streetscape improvements on North Druid Hills Road between Buford Highway and Roxboro Road; (c) streetscape improvements along Peachtree Road, including intersection and operational improvements such as medians, turn lanes, and inter-parcel access; (d) completion of a continuous sidewalk along the north side of Dresden Drive from Apple Valley Road to Clairmont Road, with a total project length of approximately 8,700 feet with an estimated construction of 4,000 feet of new sidewalk; (e) completion of the multiuse path on the east side of North Druid Hills Road from the existing multiuse path south of Sylvan Circle to the Brookhaven MARTA Station at Apple Valley Road; (f) a replacement vehicular bridge that was previously closed in 2022 due to safety concerns identified in the biennial bridge inspection; and (g) a vehicular flyover bridge over I-85 to provide an additional/alternative route accessing the southern part of the City and a second vehicular access point to Emory University's Executive Park.

Other Projects. The City has identified other potential streetscape, bridge, road, trail, and beautification projects within the Urban Redevelopment Plan that may be approved in the future. In addition, the Agency may amend the Urban Redevelopment Plan from time to time, subject to approval by the City of substantial modifications in accordance with the Act.

Investment of Bond Proceeds.

The moneys in the Project Fund will be invested pending their disbursement. Section 36-82-7 of the Official Code of Georgia Annotated provides that the proceeds of the Series 2023A Bonds may be invested and reinvested by the governing authority of the City in the following investments:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;
- (2) bonds or obligations of the City, or of the State of Georgia or other states and bonds or obligations of other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;
- (4) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence, provided however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
- (5) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(6) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds, provided the portion of the certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(a) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in paragraph (3) and (4) above and repurchase agreements fully collateralized by any such obligations,

(b) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,

(c) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and

(d) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(8) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

[Remainder of Page Intentionally Left Blank]

Annual Debt Service Requirements

The following table sets forth the principal and interest payment requirements with respect to the Series 2023A Bonds in each of the fiscal years shown below. The Series 2023A Bonds are currently the only debt payable from SSD Tax Moneys. The Series 2023A Bonds are not payable from any other City taxes or its general fund.

Fiscal Year Ended December 31	Series 2023A Bonds		Total Debt Service
	Principal	Interest	
2024	\$ 70,000	\$ 5,021,569.17	\$ 5,091,569.17
2025	420,000	3,810,350.00	4,230,350.00
2026	525,000	3,789,350.00	4,314,350.00
2027	635,000	3,763,100.00	4,398,100.00
2028	755,000	3,731,350.00	4,486,350.00
2029	885,000	3,693,600.00	4,578,600.00
2030	1,015,000	3,649,350.00	4,664,350.00
2031	1,160,000	3,598,600.00	4,758,600.00
2032	1,310,000	3,540,600.00	4,850,600.00
2033	1,475,000	3,475,100.00	4,950,100.00
2034	1,645,000	3,401,350.00	5,046,350.00
2035	1,830,000	3,319,100.00	5,149,100.00
2036	2,020,000	3,227,600.00	5,247,600.00
2037	2,225,000	3,126,600.00	5,351,600.00
2038	2,445,000	3,015,350.00	5,460,350.00
2039	2,675,000	2,893,100.00	5,568,100.00
2040	2,920,000	2,759,350.00	5,679,350.00
2041	3,175,000	2,613,350.00	5,788,350.00
2042	3,455,000	2,454,600.00	5,909,600.00
2043	3,710,000	2,316,400.00	6,026,400.00
2044	3,980,000	2,168,000.00	6,148,000.00
2045	4,260,000	2,008,800.00	6,268,800.00
2046	4,550,000	1,838,400.00	6,388,400.00
2047	4,865,000	1,656,400.00	6,521,400.00
2048	5,190,000	1,461,800.00	6,651,800.00
2049	5,525,000	1,254,200.00	6,779,200.00
2050	5,880,000	1,033,200.00	6,913,200.00
2051	6,255,000	798,000.00	7,053,000.00
2052	6,645,000	547,800.00	7,192,800.00
2053	7,050,000	282,000.00	7,332,000.00
Total	<u>\$88,550,000</u>	<u>\$80,248,369.17</u>	<u>\$168,798,369.17</u>

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A BONDS" below.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A BONDS

General

The Series 2023A Bonds are special limited obligations of the Agency payable solely from the Contract Payments. The Agency has no taxing power and no other sources of revenue. The Series 2023A Bonds are not secured by any lien on or pledge of the Projects or any other real estate.

THE SERIES 2023A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE, THE CITY OR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON

INDEBTEDNESS. NO OWNER OF THE SERIES 2023A BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE, THE CITY OR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE TO PAY THE SAME OR THE INTEREST THEREON. HOWEVER, THE CITY'S TAXING POWER WITHIN THE SPECIAL SERVICE DISTRICT HAS BEEN PLEDGED TO THE PAYMENT OF THE CONTRACT PAYMENTS.

No other obligations of any kind will be issued after the Series 2023A Bonds which are payable from or enjoy a lien on the Security prior to the lien of the Series 2023A Bonds. The Agency has reserved the right to issue Additional Bonds, subject to certain conditions, including that the City satisfy the maximum debt service coverage test of the Contract. If such Additional Bonds are issued, they will be secured by a lien on and pledge of the Security on a parity with the lien thereon securing the Series 2023A Bonds.

The Resolution

Pursuant to the Resolution, the Agency has pledged all of its rights, title and interest (except for its right to receive notices and to indemnification) in the Security as security for the Series 2023A Bonds.

The Agency has reserved the right to issue Additional Bonds under certain circumstances, including that the City satisfies the maximum annual debt service coverage test set forth in the Contract. If such Additional Bonds are issued, they will be secured by a lien on and pledge of the Security on a parity with the Series 2023A Bonds and any Additional Bonds authorized to be issue. The Series 2023A Bonds and any Additional Bonds hereafter issued are referred to herein as the "Bonds."

For a more complete description of the Resolution, the Agency's obligations thereunder, and a description of the terms and conditions under which Additional Bonds may be issued, see Appendix C.

The Contract

General. Pursuant to the Contract, the City has agreed to, among other things, (a) acquire, construct, equip and operate the Projects, (b) pay to the Agency the Contract Payments and (c) levy an ad valorem property tax, unlimited as to rate, on all taxable property located within the Special Service District in order to make such Contract Payments. The obligations of the City to make the Contract Payments and to perform and observe various other agreements contained in the Contract are absolute and unconditional. The Agency has directed the City to make the Contract Payments directly to the Sinking Fund Custodian.

Coverage Test. The City has covenanted that it will not enter into any Additional Contracts or consent to the issuance of any Additional Bonds unless the maximum amount capable of being produced by the moneys collected from the levy an ad valorem property tax within the Special Service District (the "SSD Tax Moneys") (using the most recent tax digest and then-current millage rate for the Special Service District) for the current fiscal year or the following fiscal year, is at least equal to the amount needed to pay the maximum annual debt service payment on the existing and new debt covered by the Contract, all existing Additional Contracts, and the proposed Additional Contract. Any Additional Contract shall be an amendment to the Contract.

For a more complete description of the Contract and the City's obligations under the Contract, see Appendix C.

The Special Service District

Pursuant to Article 9, Section 2, Paragraph 6 of the Constitution of the State of Georgia, local governments are authorized to establish special service districts to provide certain local governmental services within such districts, and to levy and collect within such districts fees, assessments and taxes to pay, in whole or in part, the cost of providing such services and to construct and maintain facilities for the special service districts.

The City created the Special Service District within the geographic limits of the City by an ordinance adopted on December 14, 2021, as amended by an ordinance adopted on December 30, 2021 and as further amended by an ordinance adopted on May 10, 2022, and established a special improvement tax in the form of an ad valorem

property tax to be levied on all taxable property located within the Special Service District to be used to pay, in whole or in part, certain infrastructure and connectivity improvements for the benefit of the Special Service District. The current boundaries of the Special Service District include the Projects and comprise most, but not all, commercial and industrial properties within the City.

The City is authorized to levy and collect an ad valorem property tax on all property within the Special Service District subject to such tax without limitation as provided by the City's municipal charter (2012 Ga. Laws p. 5527, as amended) (the "Charter"), as amended pursuant to O.C.G.A. Section 36-35-3 to reflect the original intent of the Charter by Ordinance 2022-06-01 (the "Charter Amendment Ordinance") adopted by the City Council on June 28, 2022. On June 28, 2022, the City set the 2022 millage rate for the Special Service District at 4.000 mills and the DeKalb County Tax Commissioner certified the 2022 tax digest for the Special Service District reflecting approximately \$6.6 million in Special Service District taxes billed for 2022. Special Service District taxes are billed and collected simultaneously and on the same basis as regular City taxes.

Pursuant to the City Resolution, the City has provided for an annual review of the boundaries of the Special Service District and, if recommended by proper officers, employees and agents of the City and approved by the City Council, an amendment to the boundaries of the Special Service District to exclude properties that have changed classification from commercial or industrial to a different classification subsequent to the date of the City Resolution and to include commercial and industrial properties annexed into the City subsequent to the date of the City Resolution.

See the map of the Special Service District attached as Appendix A. See "THE SPECIAL SERVICE DISTRICT" below.

Additional Debt Supported by SSD Tax Moneys

Under the Resolution, the Agency authorized the issuance of Urban Redevelopment Agency of the City of Brookhaven, Georgia Revenue Bonds, Series 2023 Bonds in one or more subseries in an aggregate principal amount not to exceed \$125,000,000 (the "Series 2023 Bonds"). The Series 2023A Bonds comprise a subseries of the Series 2023 Bonds, and upon issuance of the Series 2023A Bonds, \$36,450,000 in principal amount of Series 2023 Bonds will remain authorized for future issuance, in one or more subseries, secured by a lien on the Security on a parity with the Series 2023A Bonds. The issuance of any additional Series 2023 Bonds is subject to certain conditions under the Resolution generally as if issued as Additional Bonds.

CERTAIN BONDHOLDERS' RISKS

Changes in Special Service District Boundaries and Tax Digest

The City has covenanted that while any Series 2023A Bonds are outstanding, the City shall not terminate the Special Service District or revoke or repeal the related legislation. However, pursuant to the City Resolution, the City will review the boundaries of the Special Service District no later than 90 calendar days following the end of each tax year, to determine whether (i) the classification of any tax parcel within the Special Service District changed from commercial or industrial property after the date of the City Resolution to any category other than commercial or industrial property for purposes of the then current tax year (the "Newly Residential Properties") or (ii) any commercial or industrial tax parcel annexed into the City after the date of the City Resolution should be included in the Special Service District ("New Commercial Properties"). Any amendment of the Special Service District boundaries to exclude such Newly Residential Properties and/or to include such New Commercial Properties shall be subject to approval by the City Council, after notice and public hearing to the extent required by law, prior to July 1 of each year.

Although commercial and industrial properties within the Special Service District are generally subject to zoning restrictions that reduce the likelihood of a taxable property within the Special Service District becoming a Newly Residential Property, there can be no assurance that a change in the Special Service District boundaries to exclude Newly Residential Properties will not materially reduce the total assessed value of taxable property within

the Special Service District for such tax year. A material reduction in the total assessed value will result in a material reduction in Special Service District tax collections for such tax year and future tax years.

There can be no assurance that the City will annex any additional commercial or industrial property into the City limits, and even if the City does annex additional property, there can be no assurance that the City will approve an expansion of the Special Service District boundaries to include such commercial or industrial property as New Commercial Properties. See “THE SPECIAL SERVICE DISTRICT – General” for a discussion of the City’s annexation policy.

No Pledge of Full Faith and Credit of the City

The City’s obligation to make payments under the Contract is limited to amounts it receives from the collection of the Special Service District Tax, and such obligation shall not constitute a general obligation of the City nor a full faith and credit obligation of the City, nor an obligation to levy its taxing power, other than with respect to the Special Service District Tax.

Enforceability of Remedies

Enforceability. The realization of value from the pledge of the taxing power of the City within the Special Service District upon any default will depend upon the exercise of various remedies specified by the Resolution and the Contract. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The various legal opinions to be delivered concurrently with the delivery of the Series 2023A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors’ rights generally.

No Acceleration. The remedy of acceleration is not available to holders of the Series 2023A Bonds upon an Event of Default. The sole remedies available to holders of the Series 2023A Bonds are (a) specific performance of any covenant or agreement and (b) the enforcement of any proper legal or equitable remedy that the holders shall deem most effectual to protect and enforce their rights.

Bankruptcy. Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or the laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, city council, board of trustees, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of Georgia of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

Coronavirus/COVID-19

In response to the circulating COVID-19 virus, beginning in early March 2020 the Governor of the State (the “Governor”) and local health agencies took actions that resulted in the closure of schools and most businesses in the State and the City except those businesses providing Essential Services (as defined in the Governor’s orders). Many retail and other businesses had already temporarily closed in response to the spread of the virus. In late April 2020, the Governor authorized the phased reopening of businesses with occupancy limitations and other requirements/restrictions in place and most restrictions have been lifted as of the date of this Official Statement. On June 30, 2021, due to the continuing negative impacts of COVID-19 on the State’s economy, supply chain and healthcare infrastructure, the Governor issued an executive order declaring a State of Emergency for Continued COVID-19 Economic Recovery, which was extended through various executive orders until it expired April 15,

2022. On April 14, 2022, the Governor issued an executive order declaring a State of Emergency for Supply Chain Disruptions, which has been extended multiple times and is currently scheduled to expire on March 11, 2023 unless renewed by the Governor.

As of the date of this Official Statement, the City is unable to predict (a) the continued extent or duration of the COVID-19 pandemic, (b) the extent or duration of existing and/or future quarantines, travel restrictions, business closures and other measures related to the COVID-19 pandemic, and (c) whether and to what extent the COVID-19 pandemic may disrupt the local and global economy, manufacturing or supply chain, or whether any such disruption may materially adversely affect the amount of tax and other revenue received by the City or the Special Service District, as well as the operations of the City and the commercial and industrial properties within the Special Service District. Given the evolving nature of the spread of COVID-19 and the response of governments, businesses and individuals, the City is unable to accurately predict the future impact of COVID-19 on the City or the Special Service District, ad valorem tax revenues or the financial condition of the City or the Special Service District.

See “THE CITY – Coronavirus/COVID-19” for a discussion of the impact of COVID-19 on the financial condition and operations of the City.

THE CITY

Introduction

The City is a municipal corporation of the State. After a July 31, 2012 voter referendum approving the establishment of Brookhaven, the City officially became the largest city in DeKalb County, Georgia on December 17, 2012. The City has a current estimated population of 55,366 as of July 1, 2021. Brookhaven is located in the northeast suburbs of the City of Atlanta and is bounded by the Fulton County line to its west, just south of interstate I-85 to its south, the City of Dunwoody at interstate I-285 to its north, and the City of Chamblee to its east. At 11.6 square miles, the area has developed rapidly over the past three decades, and is home to affluent neighborhoods, numerous work-play communities, quality restaurants and shopping.

City Administration and Officials

Under the Charter of the City, the Council is comprised of a mayor and four council members who enact local legislation, determine policies, adopt the City's annual budget and millage rates. The Mayor and Councilmembers are elected for four-year terms with two Councilmembers' terms expiring on odd-numbered years on an alternating basis with the other two Councilmembers' terms.

The City is divided into four council districts. One member is elected from each district, and the Mayor is elected from the City at large. The Mayor is recognized as the head of the City government for all ceremonial purposes and serves as the chair of all meetings of the City Council. The Mayor votes only in the case of a tie or in the case where his or her vote will provide the number of votes necessary for approval of a matter.

Certain other information concerning the City Council members is set forth below:

<u>Name and Office Held</u>	<u>District</u>	<u>Years in Office</u>	<u>Principal Occupation</u>
John A. Ernst, Jr., Mayor	At-Large	7	Attorney
Linley Jones, Mayor Pro Tem	1	7.6	Trial Lawyer
John J. Funny	4	1	President/CEO – Planning and Engineering Firm
John Park	2	8.3	Technical Architect/Consultant
Madeleine Simmons	3	3	Attorney

The City Manager is appointed by the Mayor and confirmed by the City Council and is responsible for implementing the policies set forth by the Council, overseeing all City employees, and managing the day to day operations of the City. The City Manager is the chief administrative officer of the City and is responsible to the City Council for the proper administration of all affairs of the City. The Deputy City Manager and Assistant City Manager are appointed by the City Manager.

Christian Sigman, City Manager, was appointed as City Manager on May 10, 2016. He has served in various leadership roles within several cities and counties including Hamilton County, Ohio, City of Cincinnati, and the District of Columbia. Mr. Sigman has also served as a strategy consultant with Booz Allen Hamilton. He began his 30+ year public service career as a police officer for Indiana University where he double majored in Psychology and Criminal Justice and went on to earn his MPA at the Paul H. O'Neill School of Public and Environmental Affairs. He has attended the Senior Executives in State and Local Government Program at Harvard University. Mr. Sigman is a Credentialed Manager with the International City/County Management Association and has served as a guest lecturer on local government leadership and management at Indiana University, University of Cincinnati, The George Washington University, Xavier University, and the University of Georgia.

Steven Chapman II, Deputy City Manager and Chief Financial Officer, was appointed Deputy City Manager on August 1, 2021 after serving as Assistant City Manager and Chief Financial Officer since joining the City in September 2016. Mr. Chapman started his career with a small investment bank in Atlanta and has since served in many roles with federal, county and city governments over his 34 year career which cumulated with being recognized as the "CFO of the Year" in 2021 by the Atlanta Business Chronicle for the governmental/non-profit category. Mr. Chapman is currently working on his PhD dissertation in Public Administration from Florida Atlantic University. Mr. Chapman holds an MS in Finance from Georgia State University's Jack M. Robinson School of Business and a BS in Management from the Georgia Institute of Technology. Mr. Chapman has been a prolific speaker on the topic of government finance and leadership at various national, state and local conferences as well as teaching classes at the university level. He previously served six years as a committee member for the GFOA Governmental Budget and Fiscal Policy committee where he championed the most recent best practice in fund balance policy. Mr. Chapman has been on many boards including serving on the Florida League of Cities Pension Investment Advisory Committee.

Patrice S. Ruffin Dowdell, AICP, Assistant City Manager, appointed as Assistant City Manager in August 2021. Ms. Ruffin is an urban planning practitioner with over 15 years of experience gained through a variety of program and leadership positions and community development consulting work with local governments in the southeast. The start-up of newly incorporated municipalities, zoning administration, and long-range planning have been her career focus. She was appointed as Assistant City Manager of the City after having served as Director of Community Development since January 2017. As Assistant City Manager, she is responsible for several enterprise-wide initiatives, including sustainability and community engagement. Ms. Ruffin has earned a juris doctor degree from Georgia State University and bachelor's and master's degrees in urban and regional planning from Alabama A&M University.

Employees

The City employed 185 full-time and 11.6 full-time equivalent (part-time) employees in all departments of government as of December 31, 2022. No employees of the City are represented by labor organizations or are covered by collective bargaining agreements, and the City is not aware of any union organizing efforts at the present time. Georgia is a "right-to-work" state and employees cannot be required to join a union or make payments to a union as a condition of employment. The City believes that employee relations are good.

Retirement Plans and Other Post-Employment Benefits

Defined Contribution Pension Plan. Brookhaven offers two retirement plans for City employees. The 401(a) and 457 plan are defined contribution plans established by Brookhaven for all full-time employees. City Council has the authority to establish and amend the plan provisions as well as the contribution for the plan. For the 457 plan, the City matches full-time employee contributions at a two to one (2:1) rate up to a maximum of 10%. Employees are eligible on the first day of the month, following 30 days of employment and are fully vested after 12 months. At December 31, 2021 there were 129 employees participating in the plan who contributed \$964,101 while

the City's contributions totaled \$1,020,775. The City also contributes the social security withholding amount (6.2% for 2021) to a social security replacement plan for each eligible employee. All participants are fully vested in the social security replacement plan at all times. At December 31, 2021 there were 146 employees participating in the plan with total contributions from the City of \$723,111.

Other Post-Employment Benefits. The City does not currently offer other post-employment benefits than those set forth above.

Demographic Information

Population. Set forth below is the estimated total population of the City and the County for the years 2017-2021, the most current data available.

<u>Year</u>	<u>City</u>	<u>County</u>
2021	55,366	757,718
2020	55,119	763,831
2019	55,554	759,297
2018	54,029	754,906
2017	53,630	751,176

Source: U.S. Census Bureau, Population Estimates for 2017-2021.

Population By Age; Median Age. The following table presents estimated population by age for the City for calendar year 2021, the most recent information available. The median age of residents of the City in 2021 was 34.6.

<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
23.9%	44.2%	21.9%	9.9%

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Population by Race. The following table presents estimated population by race for the City for the calendar year 2021, the most recent information available.

<u>White⁽¹⁾</u>	<u>Black or African American⁽¹⁾</u>	<u>American Indian and Alaska Native⁽¹⁾</u>	<u>Asian⁽¹⁾</u>	<u>Other⁽¹⁾</u>	<u>Two or More Races</u>	<u>Hispanic or Latino⁽²⁾</u>
67.3%	12.4%	3.4%	5.4%	0%	7.4%	19.6%

⁽¹⁾ Includes persons reporting only one race.

⁽²⁾ Hispanics may be of any race, so also are included in applicable race categories.

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Educational Attainment. The following table presents the estimated level of education of the population aged 25 years and over for the City for the year 2021, the most recent information available.

Less than 9 th grade	5.1%
9 th to 12 grade, no diploma	3.1
High school graduate (including equivalency)	10.3
Some college, no degree	8.3
Associate degree	3.7
Bachelor's degree	40.2
Graduate or professional degree	<u>29.3</u>
	<u>100.0%</u>
Percent high school graduate or higher	91.8%
Percent bachelor's degree or higher	69.5%

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Commuting Characteristics. The following table presents the estimated percentages of the City's population employed at jobs located within the County and those employed at jobs located outside of the County for the calendar year 2021, the most recent information available.

Residents of the City Employed:

Inside the County	46.2%
Outside the County	53.1

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the City. Where information related to the City is not available, information for the County has been provided instead. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the City, the County or the Underwriter.

Per Capita Personal Income. The following table reflects the estimated per capita personal income (mean) for the City, the State and the United States for the calendar years 2017 through 2021, the most recent information available.

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State of Georgia</u>	<u>United States</u>
2021	\$67,388	\$39,994	\$34,516	\$37,638
2020	63,704	37,523	32,427	35,384
2019	60,163	36,077	31,067	34,103
2018	57,001	34,100	29,523	32,621
2017	52,144	32,110	28,015	31,177

Source: U.S. Census Bureau, 2021, 2020, 2019, 2018 and 2017 American Community Survey 5-Year Estimates.

Median and Mean Household Income. The following table contains an estimate of the median and mean household incomes in the City, the County, the State and the United States for the year 2021, the most recent information available.

	<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
Median	\$105,464	\$ 69,423	\$65,030	\$69,021
Mean	154,064	101,277	91,082	97,196

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Poverty Levels. The following table contains an estimate of the percentage of all people that were living below the poverty level in the City, the County, the State and the United States for the year 2021, the most recent information available.

<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
11.6%	13.8%	14.0%	12.8%

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Household Income Distribution. The following table reflects the estimated income distribution of all households in the City for the calendar year 2021 (the most recent information available).

<u>Income</u>	<u>Percent of Population</u>
Less than \$10,000	3.9%
\$10,000 to \$14,999	2.8
\$15,000 to \$24,999	5.5
\$25,000 to \$34,999	3.7
\$35,000 to \$49,999	7.2
\$50,000 to \$74,999	14.0
\$75,000 to \$99,999	10.9
\$100,000 to \$149,999	17.6
\$150,000 to \$199,999	8.9
\$200,000 or more	<u>25.5</u>
	<u>100.0%</u>

Source: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates.

Median Home Values. The following table contains the median home value for the City, the County, the State and the United States for 2017 - 2021, the most recent information available.

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2021	\$562,700	\$255,600	\$226,600	\$268,800
2020	542,400	234,100	208,900	251,700
2019	489,200	216,600	192,700	239,100
2018	461,700	192,100	179,500	226,900
2017	435,200	175,400	169,200	214,500

Source: U.S. Census Bureau, 2021, 2020, 2019, 2018, and 2017 American Community Survey 5-Year Estimates.

Building Permits Summary. The following table reflects the number of commercial and residential building permits issued in Brookhaven for the last five full fiscal years. The number of permits issued includes both commercial and residential, with each category including new construction, additions, alterations and conversions.

<u>Year</u>	<u>Building Permits Issued</u>
2022	3,656
2021	3,715
2020	3,790
2019	3,670
2018	3,572

Source: City of Brookhaven City Manager's Office.

Banking Deposits. The following table contains the number of banking institutions and the total banking deposits (in thousands) for all FDIC-insured institutions in the County for the last five years ended June 30, the most current information available. Comparable information for the City is not available.

<u>Year</u>	<u>Number of Institutions</u>	<u>Total Deposits (In Thousands)</u>
2022	115	\$17,772,880
2021	122	16,644,637
2020	130	14,103,508
2019	130	12,481,873
2018	129	12,278,737

Source: Federal Deposit Insurance Corporation.

Largest Employers. Set forth below are the 10 largest employers located in the City for the fiscal year ended December 31, 2021 (the most recent information available), their type of business and estimated number of employees. There can be no assurance that any employer listed below will continue to be located in the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability of the financial condition of the companies listed.

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
AT&T Mobility Services, LLC	Telecommunications	1,296
AT&T Services, Inc.	Telecommunications	1,143
Autotrader	Automobile sales	495
Kroger Company	Groceries	260
ABM	Building maintenance and facility services	200
Publix Super Markets #1363	Groceries	188
Rooms to Go	Furniture retail	168
Publix Super Markets #601	Groceries	124
SSC Atlanta Operating CO, LLC	Healthcare	117
Costco Wholesale #1084	Groceries	110

Source: City of Brookhaven, December 31, 2021 Comprehensive Annual Financial Report.

Labor Statistics. The following table reflects the unemployment rates in the City, the County, the State and the United States for the calendar years 2017 through 2021 and for November 2022 (the most recent information available).

	<u>2022⁽¹⁾</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Brookhaven Unemployment Rate	1.8%	2.3%	4.0%	2.3%	2.6%	3.1%
County Unemployment Rate	2.9	4.6	8.0	3.6	4.1	4.8
State Unemployment Rate	2.8	3.9	6.5	3.6	4.0	4.8
United States Unemployment Rate	3.6	5.4	8.1	3.7	3.9	4.4

⁽¹⁾ Reflects labor statistics for the month of November 2022 (data for Brookhaven and County are preliminary).

Source: United States Department of Labor; Bureau of Labor Statistics.

Industry Mix. The following table sets forth an estimate of the industry mix within the County, based upon the average number of employees employed in the indicated industry covered by the State Trust Fund (unemployment insurance) as of the 2nd quarter of 2022 (the most current information available). The estimates include persons employed on a job site in the County regardless of where they reside. Comparable information for the City is not available.

<u>Industry</u>	<u>Number of Firms</u>	<u>Number of Employees</u>
Agricultural, forestry, fishing and hunting	8	*
Mining	6	93
Construction	999	10,079
Manufacturing	586	13,305
Utilities	25	943
Wholesale trade	1,102	11,167
Retail trade	2,318	31,960
Transportation and warehousing	527	12,614
Information	471	10,806
Finance and insurance	946	15,138
Real estate and rental and leasing	1,050	4,658
Professional, scientific and technical services	3,314	18,959
Management of companies and enterprises	94	5,429
Administrative and support and waste management and remediation	1,197	22,323
Educational services	363	20,620
Health care and social assistance	2,392	46,022
Arts, entertainment and recreation	349	3,434
Accommodation and food services	1,693	22,321
Other service (except public administration)	1,626	8,191
Unclassified – industry not assigned	2,676	1,521
Total – Private Sector	21,742	259,705
Total – Government	381	41,949
Federal government	56	11,375
State government	108	7,898
Local government	<u>217</u>	<u>22,675</u>
All Industries⁽¹⁾	22,123	301,653

Figures may not sum accurately due to rounding as all figures presented represent annually prepared averages.

*Denotes confidential data relating to individual employers and cannot be released.

Source: Georgia Department of Labor.

Category of Land Use. The following table reflects the categories of land use in the City for the calendar year 2022.

<u>Land Type</u>	<u>Percentage⁽¹⁾</u>
Residential	72.56%
Commercial	26.38
Industrial	1.00
Brownfield	<u>0.06</u>
TOTAL	<u>100.00%</u>

⁽¹⁾ Percentages are based on the number of acres excluding exempt property.
Source: DeKalb County Tax Commissioner, 2022 Tax Digest Consolidated Summary.

Coronavirus/COVID-19

In response to the circulating COVID-19 virus, beginning in early March 2020 the Governor of the State (the “Governor”) and local health agencies took actions that resulted in the closure of most businesses in the City except those providing Essential Services (as defined in the Governor’s orders). Many retail and other businesses had already temporarily closed in response to the spread of the virus. In late April 2020, the Governor authorized the phased reopening of businesses with occupancy limitations and other requirements/restrictions in place and most restrictions have been lifted as of the date of this Official Statement. On June 30, 2021, due to the continuing negative impacts of COVID-19 on the State’s economy, supply chain and healthcare infrastructure, the Governor issued an executive order declaring a State of Emergency for Continued COVID-19 Economic Recovery, which was extended through various executive orders until it expired April 15, 2022. On April 14, 2022, the Governor issued an executive order declaring a State of Emergency for Supply Chain Disruptions, which has been extended multiple times and is currently scheduled to expire on March 11, 2023 unless renewed by the Governor.

To date, the City has not experienced a material adverse impact to its financial condition as a result of the COVID-19 pandemic. The City saw a drop in hotel/motel tax revenues beginning in fiscal year 2020, but hotel/motel tax revenues have increased as travel restrictions have eased and for 2023, the City is projecting hotel/motel tax revenues to be near 2019 levels. The City’s ad valorem property tax digest increased modestly in 2020, 2021 and 2022 and the City expects that trend to continue. The City takes a conservative approach to its budgeting and financial management practices as protection against unexpected economic and financial headwinds; however, the City cannot predict whether or to what extent the COVID-19 pandemic will again become more problematic or whether or to what extent any evolution of the pandemic may impact the City.

Cybersecurity

In light of ever changing and continuing cybersecurity threats faced by governmental entities, the City information technology department (“IT”) has completed installation of a network monitoring system that will be monitored 24/7 by a security company called Artic Wolf, in partnership with the City’s primary vendor Carousel Industries. If anything suspicious is detected, an alert or phone call (depending on severity) is made to IT staff for investigation. Carousel is also available to assist if needed. Also included in the monitoring program is a quarterly external scan of the City’s network to look for vulnerabilities. This adds another layer of protection to the City’s digital assets. Implementation of this network monitoring system was a recommendation from the 2019 IT Strategic Plan and last year’s financial audit.

CITY FINANCIAL MANAGEMENT

Audited Financial Statements

The audited financial statements of the City for Fiscal Year ended December 31, 2021 attached as Appendix B are provided as general information only. The Series 2023A Bonds are not payable from, or secured by, the general fund of the City and are not general obligations of the City. The Series 2023A Bonds are payable solely

from the Special Service District taxes collected from the Special Service District. The City expects to include the Special Service District as a separate fund in its financial statements beginning with fiscal year ending December 31, 2022.

See Note 1 of the audited financial statements of the City for a detailed description of the City's significant accounting policies.

Financial Policies

The City maintains financial policies to establish guidance for developing its financial goals and objectives, making financial decisions, reporting the financial status of the organization and managing the organization's assets. The financial policies of the City are reviewed on an annual basis or as needed. Certain of the City financial policies are summarized below.

Operating Budget Policy. The City's budget fiscal year begins on January 1 and ends on December 31. The adopted budget is prepared by the City Manager and the Finance Director, with the cooperation and input of all City departments, consistent with the City charter, State budget laws, and generally accepted accounting principles. A proposed budget is subject to public hearing and comment. A final budget is approved by ordinance of City Council and approved each fund/department level. With respect to revenues, the operating budget policy strives for simplicity, equity, adequacy, diversification and stability, and conservative estimates. Revenues received are compared to budgeted revenues and significant variances are investigated by the Finance Department.

Fund Balance Policy. The City has adopted a fund balance policy to ensure that the City maintains adequate fund balances and reserves to:

- Provide sufficient cash flow for daily financial needs;
- Secure and maintain investment grade bond ratings;
- Offset significant economic downturns or revenue shortfalls;
- Provide funding for unforeseen expenditures related to emergencies, and
- Provide funding for other commitments made by the City Council.

Compliance with the fund balance policy is reviewed as part of the annual budget adoption process.

Debt Management Policy. The debt management policy sets forth the parameters for all debt issued by or for the benefit of the City and its related entities, and to manage outstanding debt, consistent with all federal and state laws, rules and regulations related to the issuance of such debt. When the issuance of debt by or for the benefit of the City and its related entities is proposed, the City will consider its legal debt margin, debt service in governmental funds as a percentage of operating expenditures in governmental funds, debt burden (overall net debt as a percentage of full valuation, and the ten-year payout ratio).

Insurance Coverage and Governmental Immunity

Under Georgia law, the defense of sovereign immunity is available to the City, except for actions for the breach of written contracts and actions for the recovery of damage for any claim for which liability insurance protection has been provided, but only to the extent of the liability insurance provided. The City, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the City in the exercise of its delegated powers.

The City carries commercial insurance for risks of losses related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. Settled claims in the last three fiscal years have not exceeded the City's coverages. See Note 4 to the City's audited financial statements attached hereto as Appendix B.

Investment of Funds

O.C.G.A. Section 36-80-3 provides that the governing body of the City may invest and reinvest money subject to its control and jurisdiction in:

- (1) obligations of the United States and of its agencies and instrumentalities,
- (2) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities, and
- (3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

O.C.G.A. Section 36-83-4 provides that the governing body of the City may invest and reinvest money subject to its control and jurisdiction in:

- (1) obligations of the State of Georgia or other states,
- (2) obligations issued by the United States government,
- (3) obligations fully insured or guaranteed by the United States government or United States government agency,
- (4) obligations of any corporation of the United States government;
- (5) prime banker's acceptances,
- (6) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated,
- (7) repurchase agreements, and
- (8) obligations of other political subdivisions of the State of Georgia.

See Note 4 of the audited financial statements of the City for information regarding investment risk and policies.

THE SPECIAL SERVICE DISTRICT

General

Pursuant to Article 9, Section 2, Paragraph 6 of the Constitution of the State of Georgia, local governments are authorized to establish special service districts to provide certain local governmental services within such districts, and to levy and collect within such districts fees, assessments and taxes to pay, in whole or in part, the cost of providing such services and to construct and maintain facilities for the special service districts.

The City created the Special Service District within the geographic limits of the City by an ordinance adopted on December 14, 2021, as amended by an ordinance adopted on December 30, 2021 and as further amended by an ordinance adopted on May 10, 2022, and established a special improvement tax in the form of an ad valorem property tax to be levied on all taxable property located within the Special Service District to be used to pay, in whole or in part, certain infrastructure and connectivity improvements for the benefit of the Special Service District.

The current boundaries of the Special Service District include the Projects and comprise most, but not all, commercial and industrial properties within the City.

The City is authorized to levy and collect an ad valorem property tax on all property within the Special Service District subject to such tax without limitation as provided by the City's municipal charter (2012 Ga. Laws p. 5527, as amended) (the "Charter"), as amended pursuant to O.C.G.A. Section 36-35-3 to reflect the original intent of the Charter by Ordinance 2022-06-01 (the "Charter Amendment Ordinance") adopted by the City Council on June 28, 2022. On June 28, 2022, the City set the 2022 millage rate for the Special Service District at 4.000 mills and the DeKalb County Tax Commissioner certified the 2022 tax digest for the Special Service District reflecting approximately \$6.6 million in Special Service District taxes billed for 2022. Special Service District taxes are billed simultaneously with regular City taxes.

Pursuant to the City Resolution, the City has provided for an annual review of the boundaries of the Special Service District and, if recommended by proper officers, employees and agents of the City and approved by the City Council, an amendment to the boundaries of the Special Service District to exclude properties that have changed classification from commercial or industrial to a different classification subsequent to the date of the City Resolution and to include commercial and industrial properties annexed into the City subsequent to the date of the City Resolution.

The City has adopted an annexation policy, last amended by resolution of the City Council in December 2021, providing, among other things, that a special tax district will be created matching any area requesting annexation into the City, meaning that any such annexed area will be taxed separately from the City-wide tax digest and the Special Service District until the City has completed the capital improvements and public infrastructure upgrades determined necessary in the annexed area.

See the map of the current boundaries of the Special Service District attached hereto as Appendix A.

Currently, 554 tax parcels, including multifamily residential, commercial, industrial and vacant properties, are included in the Special Service District. An estimate of the percentage of tax parcels by category is summarized below.

	<u>% of Total Parcels</u>
Multifamily Residential	16%
Commercial	61
Industrial	14
Vacant	5
<hr/>	
Source: City of Brookhaven.	

[Remainder of Page Intentionally Left Blank]

Special Service District Ad Valorem Property Tax Digest

The property tax digest of the Special Service District for 2022 and as estimated for the properties within the Special Service District boundaries for the last four years are set forth below.

<u>Property Type⁽¹⁾</u>	<u>2022⁽²⁾</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Residential ⁽³⁾	\$ 2,300,000	\$ —	\$218,640	\$545,120	\$803,920
Commercial	1,693,217,253	1,527,292,525	\$1,448,394,929	\$1,349,288,535	\$1,229,543,124
Industrial	21,768,165	17,258,618	16,885,229	15,616,449	15,717,289
Gross Digest	1,717,285,418	1,544,551,143	1,465,498,798	1,365,450,104	1,246,064,333
M&O Exemptions	<u>65,599,380</u>	<u>77,376,558</u>	<u>104,066,342</u>	<u>101,141,666</u>	<u>108,644,269</u>
Net M&O Digest	<u>1,651,686,038</u>	<u>1,467,174,585</u>	<u>1,361,432,456</u>	<u>1,264,308,438</u>	<u>1,137,420,064</u>
Bond Exemptions	<u>65,599,380</u>	<u>77,376,558</u>	<u>104,066,342</u>	<u>101,141,666</u>	<u>108,388,389</u>
Net Bond Digest	<u>1,651,686,038</u>	<u>1,467,174,585</u>	<u>1,361,432,456</u>	<u>1,264,308,438</u>	<u>1,137,675,944</u>
Estimated Actual Value ⁽⁴⁾	\$4,293,213,545	\$3,861,377,858	\$3,663,746,995	\$3,413,625,260	\$3,113,160,833

(1) Residential property, commercial property and industrial property are assessed at 40% of its fair market value. Residential, Commercial and Industrial numbers include real and personal property.

(2) The number of taxable parcels within the Special Service District was 554 for the 2022 tax digest. Assuming the same boundaries in 2021, 2020, 2019, and 2018, the estimated digest numbers are based on 552, 541, 527, and 522 taxable parcels, respectively.

(3) Reflects multifamily apartment complexes that are categorized as residential for purposes of the tax digest.

(4) Based on Gross Digest.

Source: DeKalb County Tax Commissioner

Special Service District Tax Digest as a Percentage of City Tax Digest

The percentage of Special Service District tax digest to City tax digest for 2022 and as estimated for the last four years are set forth below.

<u>Property Type⁽¹⁾</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial	93%	85.0%	81.0%	79.0%	79.0%
Industrial	97.0	78.0	75.0	56.0	56.0
Gross Digest	31.7	31.0	31.0	30.0	30.0
M&O Exemptions	5.1	7.6	11.0	12.0	13.0
Net M&O Digest	39.9	37.0	35.0	35.0	34.0
Bond Exemptions	5.1	7.6	11.0	12.0	83.0
Net Bond Digest	39.9	37.0	35.0	35.0	28.0
Estimated Actual Value ⁽³⁾	31.7%	31.0%	31.0%	30.0%	30.0%

See "CITY AD VALOREM TAXATION – Ad Valorem Property Tax Digest."

Special Service District Property Tax Collections

The following table sets forth the tax levy collections record of the Special Service District for the fiscal year shown.

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year⁽¹⁾</u>	<u>Collections within the Fiscal Year of Levy⁽²⁾</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years⁽³⁾</u>	<u>Total Collections to Date</u>	<u>Percentage of Levy</u>
2022	\$6,606,744	\$6,007,105	91.0%	\$1,730	\$6,008,835	91.0%

⁽¹⁾ Represents taxes levied for real and personal property.

⁽²⁾ Collections within that fiscal year.

⁽³⁾ Collections in 2023 through January 31, 2023.

Source: DeKalb County Tax Commissioner and City of Brookhaven tax reports.

Special Service District Budget

The following table sets forth a proposed budget for the Special Service District for the fiscal year ending December 31, 2023. The City expects to include a budget for the Special Service District in the City's overall budget each year as part of the City's budgetary process. See Note 3 of the audited financial statements of the City for a description of its budgetary process.

Revenues:	
SSD Taxes	<u>\$6,600,000</u>
Operating Revenues	\$6,600,000
Expenditures:	
Infrastructure	\$4,620,000
Professional Services	1,161,900
Allocation of Costs	<u>818,100</u>
Operating Expenditures	\$6,600,000

[Remainder of Page Intentionally Left Blank]

Projected Debt Service Coverage

The following table projects debt service coverage for the Series 2023A Bonds for the fiscal years shown. The projections are based on certain assumptions, described below, that may not occur. Actual results may vary given changes in economic conditions.

	Fiscal Year				
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenues ⁽¹⁾	\$6,606,744	\$6,738,879	\$6,873,656	\$7,011,130	\$7,151,352
Debt Service	-	5,091,569	4,230,350	4,314,350	4,398,100
Balance Available for Operating Expenditures / Pay-Go Projects	6,606,744	1,647,310	2,643,306	2,696,780	2,753,252
Debt Service Coverage ⁽²⁾	N/A	1.32	1.62	1.63	1.63

Source: City of Brookhaven.

⁽¹⁾ Revenue Assumptions:

- Millage Rate Remains at 4 mills
- Tax Digest grows at 2.00% annually
- No material changes in district map/size
- FY 2023 is based upon actual revenues levied.

⁽²⁾ Revenues Over Debt Service.

Source: City of Brookhaven.

Economic Development

Below is a brief description of anticipated development within the Special Service District for which building permits have been issued or are currently under review by the City.

Emory Executive Park. Emory University has located an executive park at the interchange of I-85 and North Druid Hills Road intended to be a “live-work-play health innovation district”. The district includes legacy health facilities such as Emory’s Brain Health Center and more recently opened health facilities such as the Hawks High Performance Training Facility and Emory’s Musculoskeletal Institute. Also within the executive park district is the Cortland Oleander Multifamily Housing, comprising approximately 350 units, that was completed around 2020. Emory is working with third parties to invest in additional projects in the district, including a Greystar Multifamily Housing project that is under construction and estimated to be completed in late 2023.

Manor Druid Hills Mixed-use Project. The Manor Druid Hills project is a mixed-use project comprising high-end medical office space, hotel space for patients and their families obtaining medical care from Children’s Healthcare of Atlanta and Emory Healthcare, and multifamily housing to be marketed to healthcare and public service employees.

Solis Dresden Village. Construction of the Solis Dresden Village project commenced in summer of 2022. The project is expected to feature 183 residential units and walkable street retail. The project is expected to be completed in May 2024.

Children’s Healthcare of Atlanta. In 2017, Children’s Healthcare of Atlanta (“CHOA”) announced a master plan for its new North Druid Hills Campus in the City. When complete, CHOA’s main campus is expected to include a replacement hospital, a Center for Advanced Pediatrics, support buildings and over 20 acres of greenspace, including walking trails and parks. The plan also anticipates investments to improve transportation in the area, such as redesigning the I-85/North Druid Hills intersection, increasing access points and improving nearby arterial roads. Construction on the North Druid Hills Campus began in 2020, with completion anticipated in 2024.

CITY DEBT STRUCTURE

Summary of City Direct and Overlapping Debt by Category

The following table sets forth the outstanding tax-supported debt of the City and certain overlapping governmental entities as of December 31, 2022, and assumes the issuance of the Series 2023A Bonds. Although the City has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity that has this information available, and the amounts are based on information supplied by others. The information set forth below should be read in conjunction with the City's audited financial statements included as Appendix A and the notes thereto.

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>% Applicable to City of Brookhaven</u>	<u>Amount of Debt Applicable to City of Brookhaven</u>
Direct:			
General Obligation Bonds ⁽¹⁾	\$38,530,831	100.00	\$38,530,831
Intergovernmental Contracts ⁽³⁾	109,687,215	100.00	109,687,215
Notes Payable ⁽⁴⁾	<u>3,964,710</u>		<u>3,964,710</u>
Total Direct Debt	\$148,218,046		\$148,218,046
Overlapping Entities ⁽²⁾			
The County	210,590,000	12.9	26,484,700
Fulton-DeKalb Hospital Authority	33,630,000	12.9	4,229,453
DeKalb County Board of Education	<u>218,089,000</u>		<u>27,427,806</u>
Total Overlapping Debt	<u>\$462,309,000</u>	12.9	\$58,141,959
Total Direct and Overlapping Debt	<u>\$610,527,046</u>		<u>\$206,360,005</u>

⁽¹⁾ General obligation bonds are general obligations of the issuer to which its full faith and credit and taxing powers are pledged and constitute debt for purposes of a constitutional debt limit of 10% of the assessed value of property subject to taxation for general obligation general obligation bond purposes.

⁽²⁾ The percentage of each overlapping entity's outstanding debt chargeable to property in the City is calculated by dividing the gross assessed valuation of property in the City by the gross assessed valuation of property in the unincorporated County.

⁽³⁾ The obligations under intergovernmental contracts are general obligations of the governmental entity to which its full faith and credit and taxing powers are pledged, but do not constitute debt for purposes of the constitutional debt limit.

⁽⁴⁾ GEFA loans that are expected to be paid from system revenues.

Source: City of Brookhaven.

Tax Supported Debt Ratios

The following table sets forth certain tax-supported debt ratios assuming the issuance of the Series 2023A Bonds.

	<u>Direct Debt*</u>	<u>Overlapping Debt</u>	<u>Total Tax Supported Debt*</u>
Per Capita Debt ⁽¹⁾	\$2,677.06	\$1,050.14	\$3,727.20
Percentage of Net M&O Tax Digest ⁽²⁾	3.58%	1.40%	4.98%
Percentage of Estimated Fair Market Value ⁽³⁾	1.10	0.43	1.52
Per Capita Debt as Percentage of Per Capita Income ⁽⁴⁾	3.97	1.56	5.53

⁽¹⁾ Based upon 2021 estimated population figure of 55,366.

⁽²⁾ Based upon 2022 Net M&O Tax Digest of \$4,142,309,083.

⁽³⁾ Based on 2022 estimated actual fair market value of \$13,550,340,120.

⁽⁴⁾ Based upon 2021 per capita income figure for the City of \$67,388.

Limitations on City Debt

General Obligation Debt. The Constitution of the State of Georgia provides that the City may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of such governmental entity voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City and the other governmental entities within the City may not incur long-term obligations payable out of general property taxes in excess of ten percent of the assessed value of all taxable property within such governmental entity.

As computed in the table below, based upon its 2022 gross bond digest, the City could incur (upon necessary voter approval) approximately \$503,482,774 of additional long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin

2022 Gross Bond Digest	\$5,420,136,048
Debt Limit (10% of Assessed Value)	542,013,605
Amount of Debt Applicable to Debt Limit	<u>38,530,831</u>
Legal Debt Margin	<u>\$503,482,774</u>

Source: City of Brookhaven

Other Debt. Short-term obligations (those payable within the same calendar year in which they are incurred and intergovernmental obligations are not subject to the legal limitations described above. Georgia law provides that no lease or installment purchase contract subject to annual appropriation may be delivered if the principal portion of such contract, when added to the amount of debt subject to the debt limitation described above, exceeds 10 percent of the assessed value of all taxable property within the City. Georgia law also provides that no lease or installment purchase contract subject to annual appropriation with respect to real property may (with certain exceptions) be executed or renewed, refinanced, or restructured if the lesser of either of the following is exceeded:

- (a) the average annual payments on the aggregate of all such outstanding contracts exceed 7.5 percent of the governmental fund revenues of the City for the calendar year preceding the delivery of such contract plus any available special County one percent sales and use tax proceeds collected; or
- (b) the outstanding principal balance on the aggregate of all such outstanding contracts exceeds \$25 million.

Proposed Debt

Under the Resolution, the Agency authorized the issuance of Urban Redevelopment Agency of the City of Brookhaven, Georgia Revenue Bonds, Series 2023 Bonds in one or more subseries in an aggregate principal amount not to exceed \$125,000,000 (the "Series 2023 Bonds"). The Series 2023A Bonds comprise a subseries of the Series 2023 Bonds, and upon issuance of the Series 2023A Bonds, \$36,450,000 in principal amount of Series 2023 Bonds will remain authorized for future issuance, in one or more subseries, secured by Contract Payments secured by a lien on the Security on a parity with the Series 2023A Bonds. The issuance of any additional Series 2023 Bonds is subject to certain conditions under the Resolution, generally, as if issued as Additional Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023A Bonds" for a discussion of the sources of payment for the Series 2023 Bonds, including the Series 2023A Bonds.

In November 2017, a majority of voters in DeKalb County approved a special purpose local option sales tax ("SPLOST") for the County, including the City. In 2018 and 2020, the City issued direct placement bonds in aggregate principal amount of \$27,000,000 payable from the City's share of such SPLOST revenues. The City anticipates a referendum to be held in November 2023 to continue the SPLOST and, if the referendum passes, to issue additional short-term bonds payable from such future SPLOST revenues. The City does not expect such potential additional debt to exceed \$15,000,000. The City does not expect to issue any other debt within the next five years.

Debt Service on City Debt

The following table sets forth the principal and interest payment requirements with respect to debt of the City (other than the Series 2023A Bonds) in each of the fiscal years shown below. The debt service reflected below is not payable from SSD Tax Moneys.

<u>FY Ended December 31</u>	<u>GEFA</u>	<u>PFA Bonds</u>	<u>SPLOST GO Bonds</u>	<u>GO Bonds Series 2019</u>	<u>GO Bonds Series 2020</u>	<u>Total ⁽¹⁾</u>
2023	\$283,922	\$672,981	\$2,110,000	\$2,166,100	\$3,737,078	\$8,970,081
2024	283,922	680,731	2,055,000	2,166,600	1,557,115	6,743,368
2025	283,922	697,481	-	2,165,100	-	3,146,503
2026	283,922	707,731	-	2,166,600	-	3,158,253
2027	283,922	726,731	-	2,165,850	-	3,176,503
2028	283,922	738,981	-	2,167,850	-	3,190,753
2029	283,922	754,731	-	2,162,350	-	3,201,003
2030	283,922	778,731	-	2,149,600	-	3,212,253
2031	283,922	794,781	-	2,151,750	-	3,230,453
2032	283,922	814,931	-	2,146,550	-	3,245,403
2033	283,922	839,031	-	2,139,750	-	3,262,703
2034	283,922	861,219	-	2,148,450	-	3,293,591
2035	283,922	887,156	-	2,155,800	-	3,326,878
2036	283,922	915,869	-	2,160,175	-	3,359,966
2037	260,266	942,075	-	2,163,144	-	3,365,485
2038	-	970,650	-	2,167,969	-	3,138,619
2039	-	997,300	-	2,166,169	-	3,163,469
2040	-	1,032,025	-	2,166,050	-	3,198,075
2041	-	1,059,475	-	2,167,325	-	3,226,800
2042	-	1,029,824	-	2,166,675	-	3,196,499
2043	-	-	-	2,169,100	-	2,169,100
2044	-	-	-	2,169,425	-	2,169,425
2045	-	-	-	2,167,650	-	2,167,650
2046	-	-	-	2,168,775	-	2,168,775
2047	-	-	-	2,167,625	-	2,167,625
2048	-	-	-	2,169,200	-	2,169,200
2049	=	=	=	<u>2,168,325</u>	=	<u>2,168,325</u>
Total	<u>\$4,235,174</u>	<u>\$16,902,434</u>	<u>\$4,165,000</u>	<u>\$58,389,957</u>	<u>\$5,294,193</u>	<u>\$88,986,758</u>

Source: City of Brookhaven, Georgia.

CITY AD VALOREM TAXATION*

Introduction

An important source of revenue to fund the operations of the City is ad valorem property taxes. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

* Only SSD Taxes (e.g., ad valorem taxes levied within the boundaries of the Special Service District) are available to make Contract Payments which are pledged as security for the Series 2023A Bonds.

Property Subject to Taxation

Ad valorem property taxes are levied on the assessed value of real and personal property within the City limits. There are, however, certain classes of property which are exempt from taxation, including the following: (a) public property, (b) places of burial, (c) places of religious worship, (d) property owned by religious groups and used only for single-family residences, (e) property of nonprofit hospitals used in connection with patient care, the delivery of healthcare services or training or educating physicians, nurses and other health care personnel, (f) buildings erected for and used as a college, incorporated academy or other seminary of learning, (g) funds or property held or used as endowment by colleges, nonprofit hospitals, incorporated academies or other seminaries of learning when the funds or property are not invested in real estate, (h) real and personal property of public libraries and literary associations, (i) all books, philosophical apparatus, paintings and statuary of any company or association which are kept in a public hall and which are not held as merchandise or for purposes of sale or gain, (j) certain air or water pollution control property, (k) property of a nonprofit home for the aged used in connection with the provision of residential or health care services for the aged, (l) property of any nonprofit home for the mentally disabled used in connection with the provision of residential or healthcare services for the mentally disabled, (m) property which is owned by and used exclusively as the headquarters, post home or similar facility of a veterans organization, (n) property which is owned by and used exclusively by any veterans organization organized for the purpose of refurbishing and operating historic military aircraft, (o) property that is owned by a historical fraternal benefit association and which is used exclusively for charitable, fraternal and benevolent purposes, (p) certain qualified farm products and harvested agricultural products, (q) personal property used within the home, (r) certain other personal property including personal property valued at less than \$7,500 and (s) certain fertilizers.

Cities and counties are not permitted under Georgia law to reduce or abate a company's property taxes. When a community wants to offer economic incentives to a company in order to create or retain jobs, the company's property is transferred to a development authority and leased back to the company. The authority's fee ownership interest in the property becomes "public property" exempt from ad valorem taxation as described above. The company may or may not be taxed on the value of its leasehold interest. The City does not control the willingness of the Brookhaven Development Authority to accept title to property that may be removed from the City's digest in order to provide economic incentives. Therefore, property could be removed from the City's digest without the City's consent.

For purposes of reducing the burden of ad valorem taxation on property owned and occupied by a taxpayer as his or her legal residence, Georgia general law grants several types of homestead exemptions. In addition, the City by virtue of a local law offers a basic homestead exemption and additional homestead exemptions for senior citizens and the disabled who meet certain income limits and for surviving spouses of service members.

The City is authorized by law to exempt (a) (i) inventories of goods in the process of manufacture or production, (ii) inventory of finished goods manufactured or produced in Georgia held by the manufacturer or producer for a period not to exceed 12 months, (iii) inventory of finished goods which, on January 1, are stored in a warehouse, dock or wharf and which are destined for shipment to a final destination outside of Georgia and inventory of finished goods which are shipped into Georgia from outside of Georgia and stored for the transshipment to a final destination outside of Georgia for a period not to exceed 12 months and (iv) stock in trade of a fulfillment center which, on January 1, are stored in a fulfillment center and which are made available to remote purchasers who may make such purchases by electronic, internet, telephonic or other remote means and where such stock in trade of a fulfillment center will be shipped from the fulfillment center and delivered to the purchaser at a location other than the location of the fulfillment center for a period not to exceed 12 months (the "Freeport Exemption") and (b) goods, wares and merchandise of every character and kind constituting business inventory which would not otherwise qualify for the Freeport Exemption (the "Business Inventory Exemption"). Both the Freeport Exemption and the Business Inventory Exemption must be approved by the voters and exempt 20%, 40%, 60%, 80% or 100% of the property. Once approved by the voters the Freeport Exemption and the Business Inventory Exemption remain in effect until they are repealed by the voters. The City has not approved a Freeport Exemption or a Business Inventory Exemption.

Motor Vehicles

House Bill 386 eliminated the ad valorem taxation of vehicles and replaced it with a one-time title tax (the “Title Tax”) that is levied whenever the title to a vehicle is registered to a new owner (except if a transfer is made between immediate family members). The Title Tax is based upon the value of the vehicle and is levied at a rate of 6.6% in 2023. The rate may be adjusted in future years; provided, however, the rate may not exceed 9%. The revenues will be shared among the State and local governments by formula.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40 percent of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40 percent of the property’s fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75 percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued at their “current use value” (as opposed to fair market value). Standing timber is assessed at 100% of its fair market value.

The chief appraiser of DeKalb County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the City to the DeKalb County Board of Tax Assessors. The City is required to present the tax returns of the City to the DeKalb County Board of Tax Assessors. The DeKalb County Board of Tax Assessors is required to complete its revision and assessment of returns by August 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the DeKalb County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the City, which bills these taxes to the utilities.

Annual Tax Levy

Generally. The City determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its territorial limits, will produce the necessary amount of property tax revenues. The City’s Charter limits the millage that can be levied for maintenance and operations purposes to 3.35 mills unless a higher limit is recommended by resolution of the City Council and approved by a majority of the voters. There is no limit on the millage for general obligation bond purposes or on the millage assessed in special tax districts or special service districts. The City then levies its ad valorem property taxes.

Procedural Requirements. Effective January 1, 2000, the General Assembly of the State of Georgia enacted Senate Bill 177, Act 431, known as The Property Taxpayer’s Bill of Rights (the “Taxpayer’s Act”). The purpose of the Taxpayer’s Act was to prevent indirect tax increases resulting from increases to existing property values due purely to inflation. The Taxpayer’s Act requires that each taxing jurisdiction located within the State (including local governments, such as the City), roll back (or reduce) the millage rate in each year to offset any inflationary increases in the tax digest of such taxing jurisdiction that have occurred since the last tax year. Any local government or taxing jurisdiction that elects to set the millage rate higher than the rollback rate must follow certain requirements to notify the public of such increase, including three public hearings, the publication of a notice of the increase in the local newspaper and the publication of a press release to explain the intent of the increase in taxes. The Taxpayer’s Act also requires that the notice of assessment sent to any taxpayer who receives a 15% increase or greater in their property value contains a simple, non-technical description of the basis for the increased assessment

and permits taxpayers to have access to records used in preparing the increased assessment and to record any meetings or hearings held in connection with an appeal of their property tax assessment. The Taxpayer's Act also entitles any taxpayer who wins an appeal by demonstrating a property value that is 85% or less than the proposed assessed value (80% for commercial property) to recover litigation costs and reasonable attorney's fees.

Impact of Foreclosures on Assessment Procedures. In 2009, the Georgia legislature enacted Senate Bill 55, codified as Official Code of Georgia Annotated, Section 48-5-2, which requires county tax assessors to consider foreclosure sales, bank sales, sales by other financial institutions, distressed sales and the decreased value of property subject to conservation easements in determining the fair market value of real property.

Property Tax Collections

Property taxes are levied on property values assessed as of January 1. The City contracts with DeKalb County to bill and collect Brookhaven property taxes. The taxes are levied on or before August 1 based on the assessed value of property as listed on the previous January 1 and are due on November 15 of each year, with a lien date of January 1 of the following year. Property taxes are recorded as receivables and unavailable revenues when assessed. Revenues are recognized when available.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed. The lien normally becomes enforceable 30 days after notification. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, an execution for nonpayment of taxes may be issued. A notice of the sale is then published in a local newspaper weekly for four weeks and gives the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made on the first Tuesday of the month after the required notices are given.

Property Tax Millage Rates

The following table sets forth the millage rate (*i.e.*, the tax rates per \$1,000 of assessed value) of the various taxing entities located within the City (including the City itself) for the current year and for the last four fiscal years.

Calendar Year	<u>Direct Rates (City)</u>			<u>Overlapping</u>			Total Direct & Overlapping Rates
	<u>M&O</u>	<u>Bond</u>	<u>Total City Millage</u>	<u>County⁽¹⁾</u>	<u>School</u>	<u>State</u>	
2022	2.740	0.570	3.310	13.964	23.080	0.000	40.354
2021	2.740	0.570	3.310	12.964	23.080	0.000	39.354
2020	2.740	0.570	3.310	13.709	23.080	0.000	40.099
2019	2.740	0.680	3.420	13.614	23.080	0.000	40.114
2018	2.740	-	2.740	13.784	23.180	0.000	39.704

⁽¹⁾ Includes County M&O, Bond, Fire District, and Hospital.

Source: Georgia Department of Revenue.

Ad Valorem Property Tax Digest

The property tax digest of the City for 2022 and for the last four fiscal years are set forth below.

<u>Property Type</u> ⁽¹⁾	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Residential	\$3,533,113,805	\$3,120,451,414	\$2,954,594,552	\$2,731,976,571	\$2,511,473,694
Commercial	1,818,906,307	1,791,245,010	1,768,366,407	1,705,555,970	1,556,171,879
Industrial	22,321,427	21,926,221	22,391,994	27,790,063	27,844,152
Brownfield	5,610,320	3,315,360	3,315,360	3,315,360	3,315,360
Utilities	32,824,449	31,592,678	29,870,584	27,904,818	26,441,934
Motor Vehicle	<u>7,359,740</u>	<u>8,987,470</u>	<u>11,979,940</u>	<u>16,582,860</u>	<u>22,420,340</u>
Gross Digest	5,420,136,048	4,977,518,153	4,790,518,837	4,513,125,642	4,147,667,359
M&O Exemptions	<u>1,277,826,965</u>	<u>1,011,861,788</u>	<u>927,815,129</u>	<u>873,969,644</u>	<u>824,159,366</u>
Net M&O Digest	<u>\$4,142,309,083</u>	<u>\$3,965,656,365</u>	<u>\$3,862,703,708</u>	<u>\$3,639,155,998</u>	<u>\$3,323,507,993</u>
Bond Exemptions	<u>1,277,826,965</u>	<u>1,011,861,788</u>	<u>927,815,129</u>	<u>873,969,644</u>	<u>130,216,470</u>
Net Bond Digest	<u>\$4,142,309,083</u>	<u>\$3,965,656,365</u>	<u>\$3,862,703,708</u>	<u>\$3,639,155,998</u>	<u>\$4,017,450,889</u>
Estimated Actual Value ⁽²⁾	\$13,550,340,120	\$12,443,795,383	\$11,976,297,093	\$11,282,814,105	\$10,369,168,398

⁽¹⁾ Most real property other than timber is assessed at 40% of its fair market value. Standing timber is assessed at 100% of its fair market value and is subject to taxation even if the underlying land is exempt from taxation. Residential, Commercial, and Industrial numbers include real and personal property.

⁽²⁾ Based on Gross Digest.

Source: Georgia Department of Revenue and DeKalb County Tax Commissioner.

Tax Collections

The following table sets forth the real and personal property tax levy and collection record of the City for the last five fiscal years.

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u> ⁽¹⁾	<u>Collections within the Fiscal Year of Levy</u> ⁽²⁾	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	<u>Percentage of Levy</u>
2022	\$14,313,953	\$14,051,483	98.2%	-	\$14,051,483	98.2%
2021	13,818,687	13,473,682	97.5	200,549	13,674,231	98.95
2020	13,056,554	12,860,526	98.5	9,926	13,147,623	98.57
2019	12,659,916	12,103,757	97.2	106,792	12,410,927	98.03
2018	10,175,123 ⁽³⁾	9,942,376	97.7	-	9,942,376	97.71

⁽¹⁾ Represents taxes levied for real and personal property (excludes motor vehicles, utilities and mobile homes). Includes adjustments made from the original levy.

⁽²⁾ Collections within that fiscal year. Excludes collections from prior levies.

⁽³⁾ For Fiscal Year 2018, taxes levied was adjusted to reflect billing adjustments made by DeKalb County.

Source: DeKalb County Tax Commissioner and City of Brookhaven tax reports.

[Remainder of Page Intentionally Left Blank]

Ten Largest Taxpayers

Set forth below are the 10 largest taxpayers of the City for the fiscal year ending December 31, 2022, based upon the assessed valuation of property within the City. A determination of the largest taxpayers within the City can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table below. Furthermore, the taxpayers shown in the table below may own additional parcels within the City. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. The ten largest taxpayers listed below for the City are also the ten largest taxpayers within the Special Service District.

<u>Taxpayer</u>	<u>2022 Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Valuation⁽¹⁾</u>
Development Authority of DeKalb County ⁽¹⁾	\$ 83,125,562	2.01%
BOF GA Lenox Park LLC ⁽¹⁾	76,907,880	1.86
EUEP LLC ⁽¹⁾	50,228,593	1.21
20 Perimeter Summit, LLC	40,014,635	0.97
Goodwynn Owner LLPC	36,000,000	0.87
BLP Apartments Owner LLC	36,000,000	0.87
Lion Gables Realty LP	34,400,000	0.83
3450 Blair Circle LLC ⁽¹⁾	32,910,000	0.79
Development Authority of DeKalb County ⁽¹⁾	32,818,480	0.79
Mid America Apartments LP ⁽¹⁾	<u>29,622,360</u>	<u>0.72</u>
	<u>\$452,027,510</u>	10.91%

⁽¹⁾ May comprise multi-tenant developments.

⁽²⁾ Based upon 2022 Net M&O digest of \$4,142,309,083.

Source: DeKalb County Tax Commissioner.

FORWARD LOOKING STATEMENTS

Any statements made in this Official Statement, including appendices involving estimates, projections or matters of opinion, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates, projections or matters of opinion will be realized.

The use of the words “shall” or “will” in this Official Statement to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled. The statements contained in this Official Statement that are not purely historical, are “forward looking statements.” Such statements generally are identifiable by terminology such as “project,” “forecast,” “anticipate,” “intend,” “believe,” “plan,” “expect,” “estimate,” “budget” or the negative thereof or other similar words. Readers should not place undue reliance on forward looking statements. All forward looking statements included or incorporated by reference in this Official Statement are based upon information available on the date hereof and neither the Agency nor City assumes any obligation to update any such forward looking statements. It is important to note that the actual results could differ materially from those in such forward looking statements.

LEGAL MATTERS

Pending Litigation

Each of the Agency and the City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. Each of the Agency and the City, after reviewing the current status of

all pending and threatened litigation with its attorney, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Agency, the City or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Agency or the City.

There is no litigation now pending or, to the knowledge of the Agency or the City, threatened against the Agency or the City, respectively, which (a) restrains or enjoins the issuance or delivery of the Series 2023A Bonds, the levy of an ad valorem tax for the payment of the Series 2023A Bonds or the use of the proceeds of the Series 2023A Bonds or (b) questions or contests the validity of the Series 2023A Bonds, the proceedings and authority under which they are to be issued or the security for the Series 2023A Bonds. Neither the creation, organization, or existence of the Agency or the City, nor the title of the present members or other officials of the City to their respective offices, is being contested or questioned.

Validation Proceedings

The Agency caused proceedings to be instituted in the Superior Court of DeKalb County, Georgia to validate the Series 2023A Bonds, and the Series 2023A Bonds were validated on January 23, 2023. The order is not being appealed or contested. Georgia law provides that the judgment of the Superior Court of DeKalb County validating the issuance of the Series 2023A Bonds and the Security therefor, shall be forever conclusive as to the validity of the Series 2023A Bonds against the Agency and the City.

Closing Certificates

Each of the Agency and the City will deliver to the Underwriter a certificate that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Series 2023A Bonds, the levy and collection of an ad valorem tax to pay the Series 2023A Bonds, or on the financial condition of the Agency or the City, respectively. In addition, the Agency and the City will represent to the Underwriter in the Bond Purchase Agreement that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel and in accordance with customary opinion practice, under current law, interest, including accrued original issue discount (“OID”), if any, on the Series 2023A Bonds (a) is not included in gross income for Federal income tax purposes, (b) is not an item of tax preference for purposes of the Federal alternative minimum tax, (c) may have to be taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations for tax years, and (d) is exempt from income taxation by the State of Georgia. Except as discussed below regarding OID, no other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2023A Bonds.

Bond Counsel’s opinion is given in reliance upon certifications by representatives of the Agency and the City as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and is subject to the condition that there is compliance subsequent to the issuance of the Series 2023A Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for Federal income tax purposes. The Agency and the City have covenanted to comply with the provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2023A Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2023A Bonds. Failure by the Agency and the City to comply with such covenants, among other things, could cause interest, including accrued OID, if any, on the Series 2023A Bonds to be included in gross income for Federal income tax purposes retroactively to their date of issue.

Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Service or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, limitations and exclusions that are a part of the conclusions therein. See "*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*," 63 Bus. Law. 1277 (2008), and "*Legal Opinion Principles*," 53 Bus. Law. 831 (May 1998). Purchasers of the Series 2023A Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Series 2023A Bonds.

No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or receipt or accrual of interest on the Series 2023A Bonds.

Alternative Minimum Tax

Individuals – Bond Counsel's opinion states that under current law interest on the Series 2023A Bonds is not an item of preference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations – Bond Counsel's opinion also states that under current law interest on the Series 2023A Bonds may have to be taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an "applicable corporation" generally is a corporation with average annual adjusted financial statement income for a 3-taxable-year period ending after December 31, 2021, that exceeds \$1 billion.

Original Issue Discount

The initial offering prices of the Series 2023A Bonds maturing in the years 2043 through 2045, 2048 and 2053 (the "OID Bonds"), will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of each maturity of OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of such Series 2023A Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of such Series 2023A Bonds are sold.

Under the Code, for purposes of determining the holder's adjusted basis in an OID Bond, OID treated as having accrued while the holder holds the Series 2023A Bond will be added to the holder's basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of the OID Bonds should consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of such Series 2023A Bonds.

Original Issue Premium

Series 2023A Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for Federal income tax purposes as having amortizable bond premium. A holder's basis in such a Series 2023A Bond must be reduced by the amount of premium which accrues while such Series 2023A Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2023A Bonds while so held. Purchasers of such Series 2023A Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Series 2023A Bonds.

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the 2022 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2023A Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Current and future legislative proposals, if enacted into law, may cause interest on the Series 2023A Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by certain individuals.

The Internal Revenue Service (the “Service”) has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for Federal income tax purposes. If the Service does audit the Series 2023A Bonds, under current Service procedures, the Service will treat the Agency as the taxpayer and the owners of the Series 2023A Bonds will have only limited rights, if any, to participate.

There are many events that could affect the value and liquidity or marketability of the Series 2023A Bonds after their issuance, including but not limited to public knowledge of an audit of the Series 2023A Bonds by the Service, a general change in interest rates for comparable securities, a change in Federal or state income tax rates, Federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Series 2023A Bonds who purchase Series 2023A Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Series 2023A Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2023A Bonds.

Prospective purchasers of the Series 2023A Bonds should consult their own tax advisors as to the status of interest on the Series 2023A Bonds under the tax laws of any state other than Georgia.

MISCELLANEOUS

Ratings

Moody’s Investors Service, Inc. (“Moody’s”) has assigned the Series 2023A Bonds the rating of “Aaa” and S&P Global Ratings Inc. (“S&P”) has assigned the Series 2023A Bonds the rating of “AAA.” Any desired explanation of the significance of such ratings should be obtained from Moody’s and S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the City to Moody’s and S&P. Generally, the rating agencies base their ratings on the information and materials so furnished and on its respective investigations, studies and assumptions. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

There is no assurance that the ratings will be maintained for any given period of time or that they will not be lowered or withdrawn entirely if, in the judgment of Moody’s or S&P circumstances so warrant. Any such change in or withdrawal of such ratings could have an adverse effect on the market price or the marketability of the Series 2023A Bonds.

Competitive Sale of Bonds

The Series 2023A Bonds were offered by the Agency at a competitive sale on February 15, 2023. The Series 2023A Bonds are being purchased by Jefferies LLC (the “Underwriter”), as the successful bidder pursuant to

a competitive sale. The Underwriter has agreed to purchase the Series 2023A Bonds at a purchase price of \$90,804,153.87 (representing par, plus net original issue premium of \$2,815,451.95, less an underwriting discount of \$561,298.08). The Underwriter's obligation to purchase the Series 2023A Bonds is subject to certain conditions precedent set forth in the Official Notice of Sale. The Underwriter will be obligated to purchase all of the Series 2023A Bonds if any are purchased. The offering prices or yields of the Series 2023A Bonds may be changed by the Underwriter after the Series 2023A Bonds are released for sale, and the Series 2023A Bonds may be offered and sold by the Underwriter at prices other than the initial offering prices, including sales to dealers who may sell the Series 2023A Bonds to investment accounts. All other information concerning the notice and terms of any re-offering should be obtained from the underwriter, not the Agency or the City.

Independent Auditors

The financial statements of the City for the fiscal year ended December 31, 2021 included in Appendix A to this Official Statement have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia (the "Auditor"), certified public accountants, for the period indicated in its report. **The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in its report included in this Official Statement.** The Auditor also has not performed any procedures relating to this Official Statement.

Financial Advisor

Davenport & Company LLC, Atlanta, Georgia, serves as Financial Advisor to the City and has no underwriting responsibility to the City with respect to this transaction. As Financial Advisor, Davenport & Company LLC has advised the City in matters relating to the planning, structuring and issuance of the Series 2023A Bonds, assisted the City with the preparation of this Official Statement and provided to the City other advice with respect to the issuance and sale of the Series 2023A Bonds. The Financial Advisor's fee will be paid from proceeds of the Series 2023A Bonds.

Although Davenport & Company LLC has assisted in the preparation of the Official Statement, Davenport & Company LLC is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Additional Information

Use of the words "shall" or "will" in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2023A Bonds.

[Remainder of Page Intentionally Left Blank]

CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Agency and the City.

URBAN REDEVELOPMENT AGENCY OF THE CITY OF
BROOKHAVEN, GEORGIA

By: /s/ Linley Jones
Vice Chairman

CITY OF BROOKHAVEN, GEORGIA

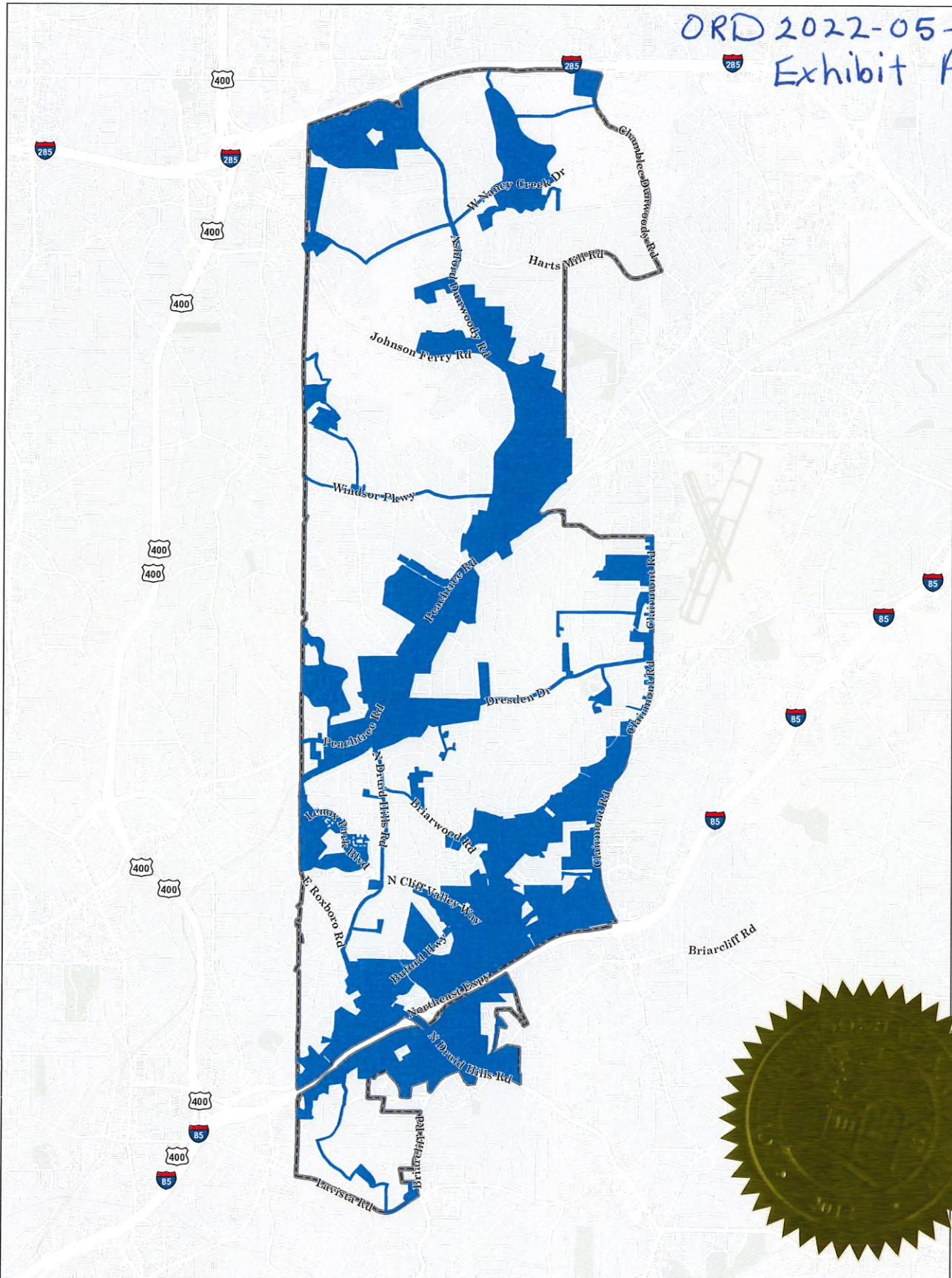
By: /s/ John A. Ernst, Jr.
Mayor

APPENDIX A

Map of Special Service District

This page intentionally left blank.

ORD 2022-05-02
Exhibit A



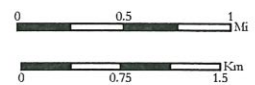
Special Service District

- Municipal Boundaries
- Special Services District

2022

Coordinate System: NAD 1983 StatePlane Georgia West FIPS 1002 Feet

Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, Esri, CGLAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS



This page intentionally left blank.

APPENDIX B

Financial Statements of the City for Fiscal Year Ended December 31, 2021

THE FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED DECEMBER 31, 2021 ARE PROVIDED AS GENERAL INFORMATION ONLY. THE SERIES 2023A BONDS ARE NOT PAYABLE FROM, NOR SECURED BY, THE GENERAL FUND OF THE CITY AND ARE NOT GENERAL OBLIGATIONS OF THE CITY. THE SERIES 2023A BONDS ARE PAYABLE SOLELY FROM THE CONTRACT PAYMENTS BY THE CITY DERIVED FROM THE SPECIAL SERVICE DISTRICT TAXES COLLECTED FROM THE SPECIAL SERVICE DISTRICT.

This page intentionally left blank.

CITY OF BROOKHAVEN, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by:
Finance Department

This page intentionally left blank.

CITY OF BROOKHAVEN, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION (UNAUDITED)	
Letter of Transmittal.....	1-7
List of Principal Officials	8
Organizational Chart.....	9
Certificate of Achievement for Excellence in Financial Reporting	10
FINANCIAL SECTION	
Independent Auditor's Report.....	11-14
Management's Discussion and Analysis	15-28
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position.....	29
Statement of Activities.....	30
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	31
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Net Position – Proprietary Fund	34
Statement of Revenues, Expenses, and Changes in Fund Net	
Position – Proprietary Fund	35
Statement of Cash Flows – Proprietary Fund	36
Notes to Financial Statements	37-63
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (GAAP Basis)	64 and 65
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Nonmajor Governmental Funds.....	67
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Debt Service Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Confiscated Assets Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – ARPA Fund.....	70
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Grant Fund	71

CITY OF BROOKHAVEN, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

	Page Number
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Financial Statements and Schedules (Continued):	
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Special Tax District No. 1 Fund.....	72
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Lavista Park Special Tax District Fund.....	73
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Hotel/Motel Tax Fund	74
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Streetlight Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual (GAAP Basis) – Emergency 911 Fund	76
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds..	77
Balance Sheet – Component Unit – Convention and Visitors Bureau	78
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Convention and Visitors Bureau	79
Balance Sheet – Component Unit – Development Authority.....	80
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Development Authority.....	81
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	82
Changes in Net Position	83 and 84
Fund Balances of Governmental Funds	85
Changes in Fund Balances of Governmental Funds.....	86
Assessed Value and Estimated Actual Value - All Taxable Property	87
Property Tax Rates – Direct and Overlapping Governments.....	88
Principal Taxpayers – Current and Seven Years Ago	89
Property Tax Levies and Collections	90
Ratios of Outstanding Debt by Type	91
Summary of Debt Service on Outstanding City Obligations.....	92
Direct and Overlapping Governmental Activities Debt	93
Legal Debt Margin Information – Current Year and Last Year.....	94
SPLOST Bonds Revenue Coverage – Last Three Fiscal Years.....	95
Demographic and Economic Statistics.....	96
Principal Employers	97
Full Time Equivalent City Government Employees by Function.....	98
Operating Indicators by Function.....	99 and 100
Capital Assets Statistics by Function	101

INTRODUCTORY SECTION



August 2, 2022

Honorable Mayor, Members of the City Council,
City Manager, Deputy City Manager, and Assistant City Manager
City of Brookhaven, Georgia

The Finance Department of the City of Brookhaven (the "City") is pleased to submit the Annual Comprehensive Financial Report of the City of Brookhaven, Georgia for the fiscal year ended December 31, 2021. The purpose of the report is to provide the Mayor, City Council, management, staff, the public and other interested parties with detailed information reflecting the City's financial condition.

THE REPORT

State law and independently ordinances require that every general-purpose local government publish a complete set of audited financial statements each fiscal year. This report has been prepared in accordance with State statutes set forth in the Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved March 28, 1968 (p.464), and as amended by the Act approved April 21, 1968 (GA Laws 1977, p.883). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position of the City of Brookhaven. We also believe all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The management of the City of Brookhaven has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Brookhaven's financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Because the cost of internal controls should not outweigh their benefits, the City of Brookhaven's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Brookhaven's financial statements have been audited by Mauldin & Jenkins, LLC. The responsibility of the independent auditor was to provide reasonable assurance that the financial statements of the City of Brookhaven for the fiscal year ended December 31, 2021 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Brookhaven's financial statements for the fiscal year ended December 31, 2021 are fairly presented in conformity with GAAP. The auditors do not express an opinion on the effectiveness of the City's internal controls. However, they do provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations. The independent auditor's report is presented as the first component of the financial section of this report.

Also included in the report is the Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview, and analysis. The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the City of Brookhaven as a single entity, as well as the individual funds that account for the City's various governmental and business-type activities.

PROFILE OF THE CITY

After a July 31, 2012, voter referendum, approving the establishment of the City of Brookhaven, the City officially became the largest city in DeKalb County, Georgia on December 17, 2012. Brookhaven is in the northeast suburbs of Atlanta and is bounded by the Fulton County line to its west, just south of interstate I-85 to its south, the City of Dunwoody at interstate I-285 to its north, and the City of Chamblee to its east. At 11.6 square miles, the area has developed rapidly over the past three decades, and is home to affluent neighborhoods, numerous work-play communities, scores of quality restaurants, quality shopping, and a large diverse international population.

Under the Charter, the Council is comprised of a Mayor and four Councilmembers who enact local legislation, determine policies, adopt the City's annual budget and millage rates. The Mayor and Councilmembers are elected for four-year terms with the Mayor and two Councilmembers alternating with the other two Councilmembers on odd-numbered years. The City Manager is appointed by the Mayor and confirmed by the City Council and is responsible for implementing the policies set forth by the Council, overseeing all City employees, and managing the day-to-day operations of the City.

The City provides a range of municipal services including general government, public safety (police), streets, parks and recreation, planning and zoning, code enforcement, and stormwater management. Sanitation collection services, fire protection, and emergency medical services are provided to residents via an intergovernmental agreement with DeKalb County. DeKalb County also provides water and sewer services to all municipalities, within its borders, including Brookhaven.

The annual budget of the City of Brookhaven serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager, transmitted to the City Council by the Mayor, and adopted by the City Council in accordance with policies and procedures established by the Brookhaven Charter and council ordinances. The appropriated budget is prepared and presented by fund, department (e.g. police) or function (e.g. debt service), and major cost category (e.g., personnel services). All expenditures of the City are made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Brookhaven Code ordinance. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Transfers among expenditure accounts in one department may occur with the approval of the Finance Director. Transfers between operating departments may occur with the approval of the City Council. Transfers between funds accomplished via budget amendment must be approved by the City Council. Budget amendments, increasing or decreasing fund appropriations, must also be approved by the City Council.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For all governmental funds with appropriated annual budgets, this comparison is presented in the required supplementary information (RSI) or combining fund section of this report.

ECONOMIC CONDITION AND OUTLOOK

Some of the factors, which will contribute to the future growth and development of the City of Brookhaven, are listed below:

Improved Transportation System

The City of Brookhaven is home to a heavy rail rapid transit station operated by the Metropolitan Atlanta Rapid Transit Authority (MARTA). Opening in 1984, the Brookhaven station is a heavily travelled station with connections north and south. Transportation systems have a major impact on the growth and development of any community. With access to I-85 and I-285, the City's major local thoroughfares include Buford Highway (GA 13), Ashford Dunwoody Road, and the Peachtree Road. Also, the City has paved over 21.9 lane-miles during the last three years, while a total of over 7,405 linear feet of new sidewalks have been added during the same period.

Redevelopment of Existing Land/Properties

With most of the land/property in the City developed, the City's growth has been redevelopment in nature. This redevelopment includes mixed-use (commercial and residential), medical campuses, multiple family residences, and larger, modern homes. With an estimated population of 55,935 (Source: U.S. Census Bureau), the Community Development Department continues to work with developers and builders on projects promoting live-work-play communities, bike and pedestrian mobility, and neighborhood character preservation. Continuous measures have been implemented to make the City of Brookhaven aesthetically pleasing for its citizens and business owners such as design standards and overlay districts.

Recent Economic Development

The City continues its growth through mixed-use development, zoning improvements, and business attraction and retention.

Emory University announced its master plan for the Executive Park office park located on the City's Southern gateway near I-85 in 2018. The master plan calls for over 2 million square feet of new development totaling \$1 Billion in investment. The master plan will include a hospital, multi-family housing, and a hotel. As part of this effort, Emory University and the City of Brookhaven executed a Community Investment Agreement between the two organizations. The City's partnership with Emory places an emphasis on solving issues surrounding transit connectivity and alternate modes of transit for pedestrians and vehicles, and several other infrastructure priorities. The City plans to use the tax proceeds from the Emory Executive Park build-out to fund two pedestrian bridges - one over North Druid Hills and the other over I-85 – further enhancing the connectivity and prioritizing within the corridor. Despite the challenges of the COVID-19 pandemic, Emory University has managed to push forward on their construction schedule, with the first building, the Musculoskeletal Building being completed in 2021. With confidence that the project will move forward as planned within the anticipated phasing timeline, the Economic Development Department moved forward with leading conceptual design efforts for the North Druid Hills Pedestrian Bridge.

Children's Healthcare of Atlanta (CHOA), recognized by US News and World Reports as one of the top pediatric hospitals in the country, opened its 300,000 square foot Center for Advanced Pediatrics in late summer of 2018. Similar to Emory, Children's faced challenges as a result of the COVID-19 pandemic but has continued to forge ahead on its construction plans to complete two new hospital towers, new parking facilities, and more medical offices at their corporate campus in Brookhaven. The facility was in the area annexed into the City in 2014, and is expected to service 300,000 patients annually, provide for ancillary health services, and treat children with complex and chronic illnesses. At completion, the new hospital and its supporting buildings will total \$1.3 Billion in investment.

In 2020, 4004 Perimeter Summit, an 18-story, 355,000 square foot office tower in the Perimeter Parkway office development, became home to Rooms to Go's Atlanta area Headquarters and ~150 new employees; while construction and engineering firm Burns & McDonnell also announced its relocation to the building. Both organizations will be joining accounting firm Carr, Riggs, and Ingram, the 4004 Building's first tenant that announced its relocation to Brookhaven in 2019. Perimeter Summit is an 83-acre master planned development in the northern, I-285 area of the City currently consisting of three office buildings providing a total of more than 1.3 million square feet of Class A office space, two hotels (Hyatt Regency Villa Christina and Hilton Garden Inn) and residential housing. The Perimeter Summit development has over 300 residential condominiums and almost 200 hotel rooms.

Lastly, the City's Economic Development Department led the effort to complete the 5-year plan update for the Buford Highway Strategic and Economic Development Plan, which highlighted the need for a continued emphasis on increased housing options for all socioeconomic backgrounds, and the wide range of opportunity for impactful commercial redevelopment throughout the Buford Highway Corridor.

Budgetary Controls

The City of Brookhaven maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Governmental Fund Activities of the General Fund, SPLOST Fund, ARPA Fund, Confiscated Funds, Special Tax District Fund, Hotel/Motel Tax Fund, Streetlight Fund, E911 Fund, Grant Fund, Vehicle Capital Project Fund, Capital Project Fund, and Debt Service Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the department level.

A copy of the City of Brookhaven's annual budget can be obtained from the City of Brookhaven's Finance Department by calling (404) 637-0479. Copies of the annual budget or the various master plans can also be accessed through the respective department's web page at www.brookhavenga.gov.

Financial Policies

The City's Financial Management Policy guides management in the preparation of its annual budget and daily financial operations. The Policy provides standards for the use of contingencies, unexpected expenditures, the establishment of an unassigned fund balance reserve of 25% of annually budgeted following year expenditures in the General Fund, cash and investment management, grant management, purchasing policies, and internal control policies.

Internal accounting controls are business processes to provide reasonable assurance that the city is operating efficiently, reporting is reliable and that the City is in compliance with the applicable regulations and internal procedures as well as, preparing financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Long-Term Financial Planning

The City actively engages in multi-year financial planning. The City has developed several master plans including parks, transportation and sidewalks, and stormwater infrastructure. The 2021 budget funded substantial progress on the City's master plan. As part of the annual five-year capital improvement program, future capital acquisitions and capital asset replacements are

considered in the strategic plan. The City uses various data in forecasts for future operating and capital needs in the preparation of the City's annual budget document.

MAJOR INITIATIVES

The 33,385 sq. ft. Public Safety Building broke ground on September 13, 2019 and is expected to be completed in 2022. Located on the banks of the Peachtree Creek Greenway within the Briarwood Road trail head, this City-owned facility will meet the current and future needs of the Police Department and Municipal Court, while also providing budgetary savings by avoiding annual lease expenses of approximately \$240,000.

The Park Bond Capital Improvement Program (funded with a \$40 Million G.O. bond issuance) continued through 2021. The Lynwood Park Recreation Center and the Briarwood Park Recreation Center improvements were both completed during the year using SPLOST revenue. Murphey Candler Park Athletic Facilities and the resurfacing of six tennis courts at Blackburn Park were also completed in 2021. The remaining master plan park projects in the Park Bond Program continued through design and permitting with plans to go to construction in 2022. Additional information about the Park Bond Program can be found at <https://www.brookhavenga.gov/parks-bond-ref>.

Peachtree Creek Greenway Project

The Peachtree Creek Greenway is a 12-mile multi-city trail project beginning just outside of I-285, following the North Fork of Peachtree Creek to its confluence with the South Fork, and linking with regional trails including the Atlanta Beltline. Brookhaven is leveraging the project to provide transportation and recreation alternatives, while encouraging development facing the creek. Plans call for a 2.7-mile multi-use trail and linear park featuring a series of paved multi-purpose and promenade trails near a revitalized corridor dotted with residences, offices, restaurants, bike rental stands, coffee shops, and picnic areas. Phase I of the Peachtree Greenway (Briarwood Road to North Druid Hills Road) opened in December 2019. Design for Phase II (North Druid Hills Road to the City of Atlanta line) began during 2020 and is underway. The amount of funding needed for the land acquisition for Phase II has not yet been approved, however the City is working closely with the Atlanta Regional Commission (ARC) as the project progresses to the next stage of development. Design of Phase III will be started in 2022 and continue into 2023.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* is the highest form of recognition for excellence in state and local government financial reporting. To be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized ACFR

whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements. The City is submitting our fiscal year 2021 report expecting to receive the award for a sixth consecutive year.

I would like to thank all members of the Finance Department as well as all other departments who assisted with assembling the information presented in this report. I would like to acknowledge the City's auditors, Mauldin & Jenkins, LLC, with the assistance they provided in meeting the deadlines established for publication of the document.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Oscar Medina", with a stylized flourish at the end.

Oscar Medina
Finance Director

CITY OF BROOKHAVEN, GEORGIA

LIST OF PRINCIPAL OFFICIALS

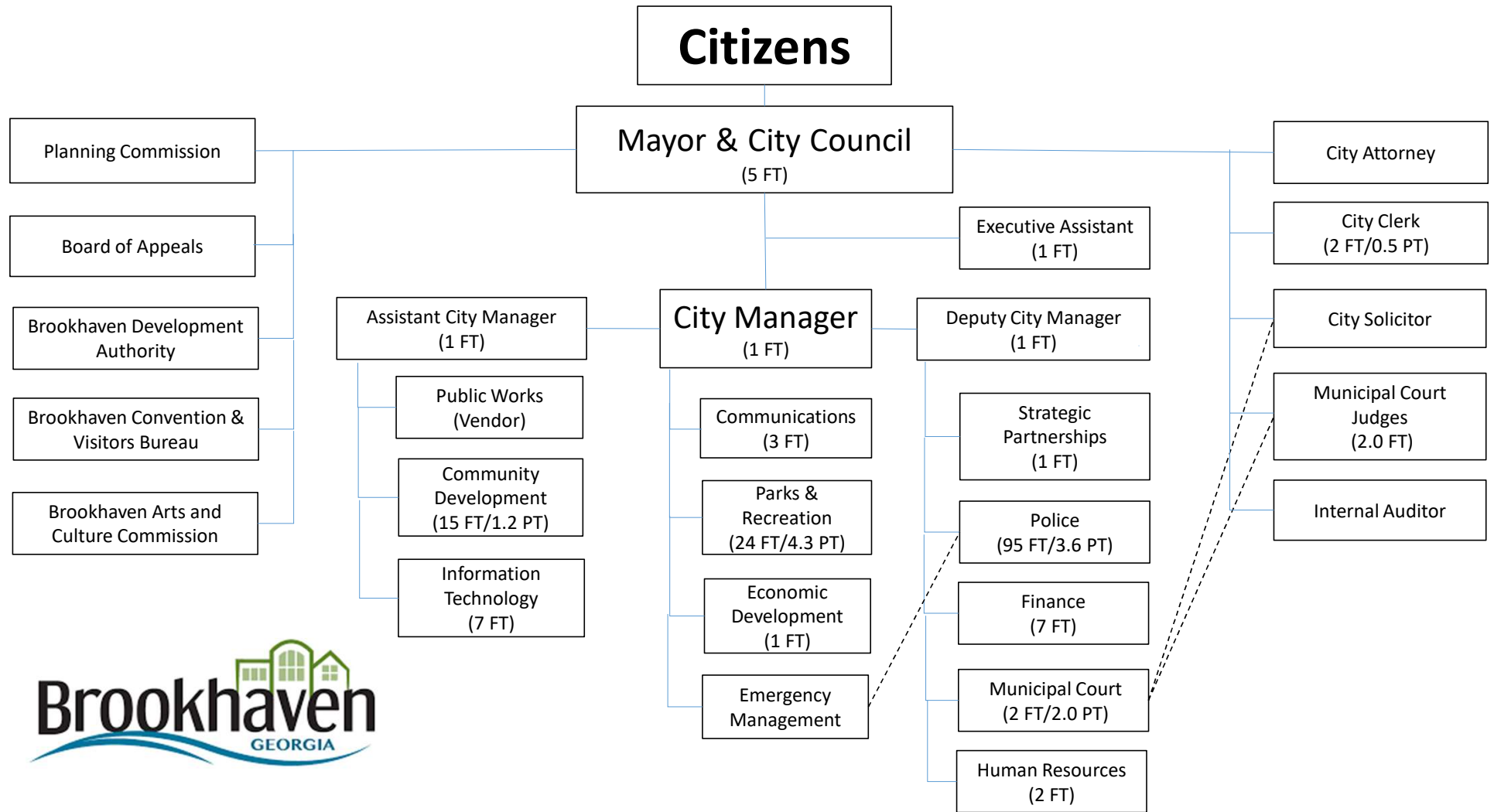
DECEMBER 31, 2021

LEGISLATIVE BRANCH

Mayor	John A. Ernst, Jr.
Council Member – District 1	Linley Jones
Council Member – District 2	John Park
Council Member – District 3	Madeleine Simmons
Council Member – District 4	John Funny

MANAGEMENT STAFF

City Manager	Christian Sigman
Deputy City Manager/CFO	Steve Chapman II
Assistant City Manager	Patrice Ruffin
City Clerk	Susan Hiott
Director of Human Resources	Lillian Young
Director of Finance	Oscar Medina
Communications Director	Burke Brennan
Director of Information Technology	Robert Mullis
Municipal Court Administrator	Shirley Archer
Police Chief	Gary Yandura
Director of Public Works	Don Sherrill
Director of Parks & Recreation	Brian Borden
Director of Community Development	Linda Abaray
Director of Economic Development	Shirlynn Brownell
Director of Strategic Partnerships	Patty Hansen





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Brookhaven
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Brookhaven, Georgia** (the "City"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 15 through 28) and the budgetary comparison information for the General Fund (on pages 64 through 65) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, 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 combining and individual fund financial statements and schedules and schedule of projects constructed with special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 2, 2022

CITY OF BROOKHAVEN, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Brookhaven (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2021. We encourage readers to consider the information presented in conjunction with the basic financial statements, notes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City's finances.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal period by \$163,196,487. Of this amount, unrestricted net position of \$46,335,025 is available to meet the ongoing obligations of the government.
- As of the close of the fiscal period, the City's governmental funds reported combined ending fund balances of \$79,605,312.
- The City has increased the overall net position by \$17,128,137 in 2021.

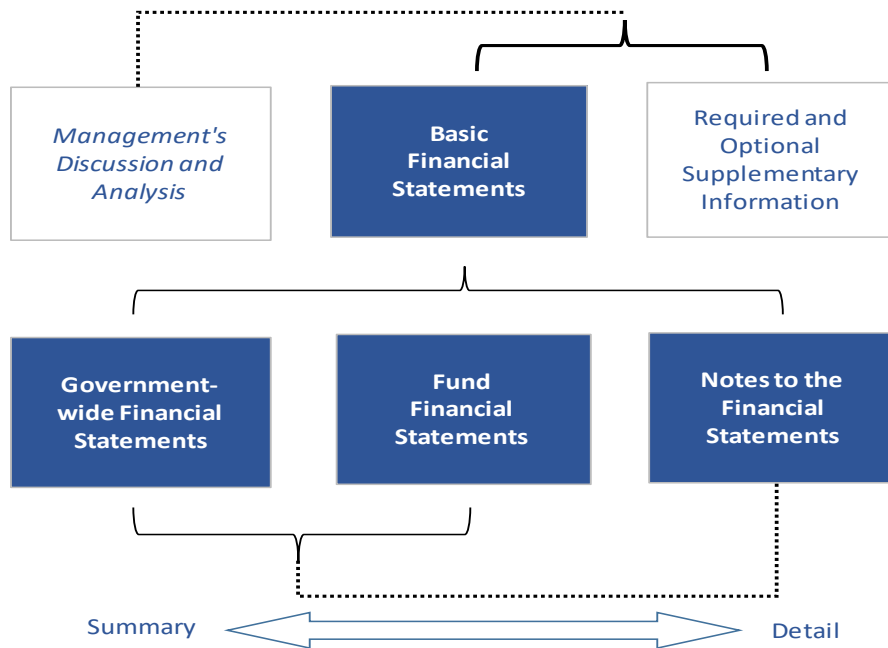
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is comprised of four segments as dictated by generally accepted accounting principles (GAAP); *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the City and are comprised of the following four components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements
- 4) Other supplementary information in addition to the basic financial statements

The aforementioned financial statements focus on both the City as a whole (government-wide) and on the major individual funds. The following graph shows the relationship between the Annual Comprehensive Financial Report and the basic financial statements and the Required Supplementary information ("RSI").

Relationship Between Annual Comprehensive
Financial Report
and
Basic Financial Statements and Required
Supplementary Information (RSI)



Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City'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 and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal period. 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 (e.g., uncollected taxes and earned but unused vacation leave).

Major Features of the City of Brookhaven's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government	Activities of the City that are not proprietary, such as police, zoning, and parks	Activities the City operates similar to private business; stormwater utility
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balance	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes (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 include general government, judicial, public safety, public works, housing and development, economic development and recreation. The business-type activities of the City include stormwater.

The government-wide financial statements contain not only the City itself (known as the primary government), but also a legally separate development authority and a legally separate convention and visitors bureau for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 29 and 30 of this report.

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 can be divided into governmental funds or proprietary 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 the City'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 City'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 governmental funds and governmental activities.

The City maintains four major governmental funds. The City's major governmental funds are the General Fund, Special Purpose Local Option Sales Tax (SPLOST) Fund, Capital Projects Fund, and Debt Service Fund. 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 these major funds.

The City adopts an annual appropriated budget for its General, special revenue, and debt service funds. A project length budget is adopted for the capital project fund. A budgetary comparison statement has been provided for the General fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31 through 33 of this report.

Proprietary Funds. Under GASB Statement No. 34, governments report two types of proprietary funds if applicable. The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Stormwater fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 34 through 36 of this report.

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 can be found on pages 37 through 63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedule for the General fund as presented on a generally accepted accounting principal basis in this section. This schedule is intended to demonstrate the City's compliance with the legally adopted and amended budget. Required supplementary information can be found on pages 64 and 65 of this report.

The combining fund financial statements for the nonmajor governmental funds are presented immediately following the required supplementary information. They can be found on pages 66 and 67 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City of Brookhaven, Georgia Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Current assets	\$ 92,276,083	\$ 99,213,995	\$ 952,665	\$ 129,652	\$ 93,228,748	\$ 99,343,647
Capital assets, net	140,954,101	123,477,267	12,662,778	10,556,057	153,616,879	134,033,324
Total assets	233,230,184	222,691,262	13,615,443	10,685,709	246,845,627	233,376,971
Liabilities						
Current liabilities	11,898,442	8,538,837	87,346	137,744	11,985,788	8,676,581
Long-term liabilities	71,663,352	78,632,040	-	-	71,663,352	78,632,040
Total liabilities	83,561,794	87,170,877	87,346	137,744	83,649,140	87,308,621
Net Position						
Net investment in capital assets	97,992,025	88,049,917	12,662,778	10,556,057	110,654,803	98,605,974
Restricted	6,206,659	6,466,986	-	-	6,206,659	6,466,986
Unrestricted	45,469,706	41,003,482	865,319	(8,092)	46,335,025	40,995,390
Total net position	\$ 149,668,390	\$ 135,520,385	\$ 13,528,097	\$ 10,547,965	\$ 163,196,487	\$ 146,068,350

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$163,196,487 at the close of the most recent fiscal year.

By far the largest portion of the City's net position 67.8% reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$6,206,659 (3.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$46,335,025 or 28.4% may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental activities.

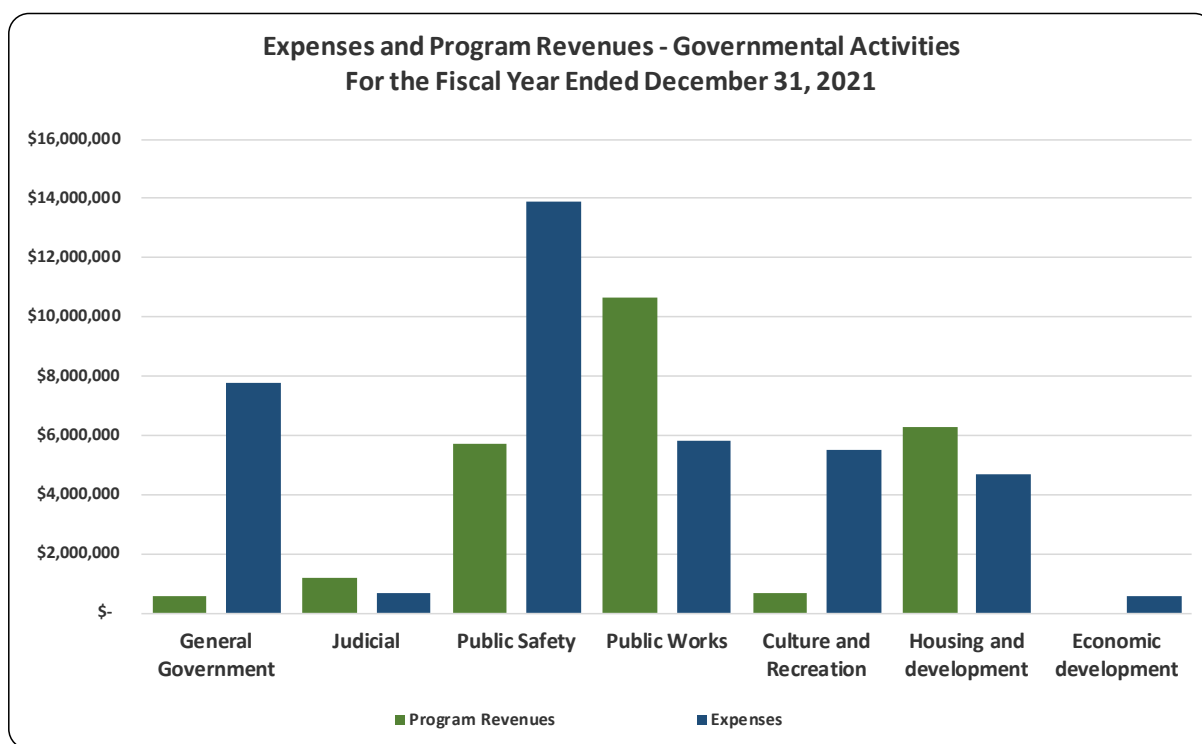
Governmental Activities. Governmental activities increased the City of Brookhaven's net position by \$14,148,005, thereby accounting for 82.6% of the total increase in the net position of the City. Key elements of this increase are shown in detail in the table below.

City of Brookhaven, Georgia
Change in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 10,081,293	\$ 13,234,887	\$ 3,356,815	\$ 2,356,884	\$ 13,438,108	\$ 15,591,771
Operating grants & contributions	4,235,578	6,300,934	-	-	4,235,578	6,300,934
Capital grants & contributions	10,726,532	9,500,996	855,545	-	11,582,077	9,500,996
General revenues:						
Property taxes	16,647,451	14,096,790	-	-	16,647,451	14,096,790
Hotel/Motel tax	2,277,493	1,539,795	-	-	2,277,493	1,539,795
Franchise taxes	3,420,434	3,332,292	-	-	3,420,434	3,332,292
Business tax	5,753,831	5,749,738	-	-	5,753,831	5,749,738
Alcohol and excise taxes	1,653,881	1,575,639	-	-	1,653,881	1,575,639
Unrestricted						
Investment earnings	167,067	477,860	-	-	167,067	477,860
Miscellaneous	423,859	153,211	-	-	423,859	153,211
Gain on sale of capital assets	63,351	34,984	-	-	63,351	34,984
Total revenues	55,450,770	55,997,126	4,212,360	2,356,884	59,663,130	58,354,010
Expenses:						
General government	7,772,660	10,295,903	-	-	7,772,660	10,295,903
Judicial	682,042	637,769	-	-	682,042	637,769
Public safety	13,893,886	14,959,546	-	-	13,893,886	14,959,546
Public works	5,810,581	4,172,745	-	-	5,810,581	4,172,745
Housing and development	4,681,868	4,039,212	-	-	4,681,868	4,039,212
Culture and recreation	5,506,366	5,966,164	-	-	5,506,366	5,966,164
Economic development	542,679	267,860	-	-	542,679	267,860
Interest on long-term debt	2,090,519	2,213,432	-	-	2,090,519	2,213,432
Stormwater	-	-	1,554,392	1,722,331	1,554,392	1,722,331
Total expenses	40,980,601	42,552,631	1,554,392	1,722,331	42,534,993	44,274,962
Transfers	(322,164)	98,323	322,164	(98,323)	-	-
Changes in net position	14,148,005	13,542,818	2,980,132	536,230	17,128,137	14,079,048
Net position, beginning of year	135,520,385	121,977,567	10,547,965	10,011,735	146,068,350	131,989,302
Net position, end of year	\$ 149,668,390	\$ 135,520,385	\$ 13,528,097	\$ 10,547,965	\$ 163,196,487	\$ 146,068,350

- Charges for services decreased by \$3,153,594 or 23.8% due to significant decrease in building permits revenue collected in 2021. Most of the decrease is attributable to hospital building and trade permits issued to the Children's Healthcare of Atlanta in 2020.
- Operating Grants and Contributions in 2021 decreased by \$2,065,356 or 32.8% compared to the prior fiscal year. The decrease is due to the CARES Act funds received by the City in 2020.
- Capital Grants and Contributions for governmental activities are up \$1,225,536 or 12.9% primarily due to the federal and state grant revenue received for the Hazard Mitigation Grant Program and Georgia Department of Transportation Highway Planning and Construction Grants.

- Property Tax revenues for the year increased primarily due to 2020 refunds for prior year property tax reassessments approved by the Board of Appeals and changes in the State of Georgia taxation for Motor Vehicles. In general, 2021 increases in property tax revenues is due to digest growth.
- Hotel/Motel tax revenues for 2021 increased by \$737,698 compared to the prior fiscal year. This 47.9% increase was due to the impact of the COVID-19 pandemic to the leisure and hospitality industries in 2020.
- The City's unrestricted investment earnings decreased by \$310,793 or 65.0% due to lower interest rates and portion of the investments used to cover capital project costs.

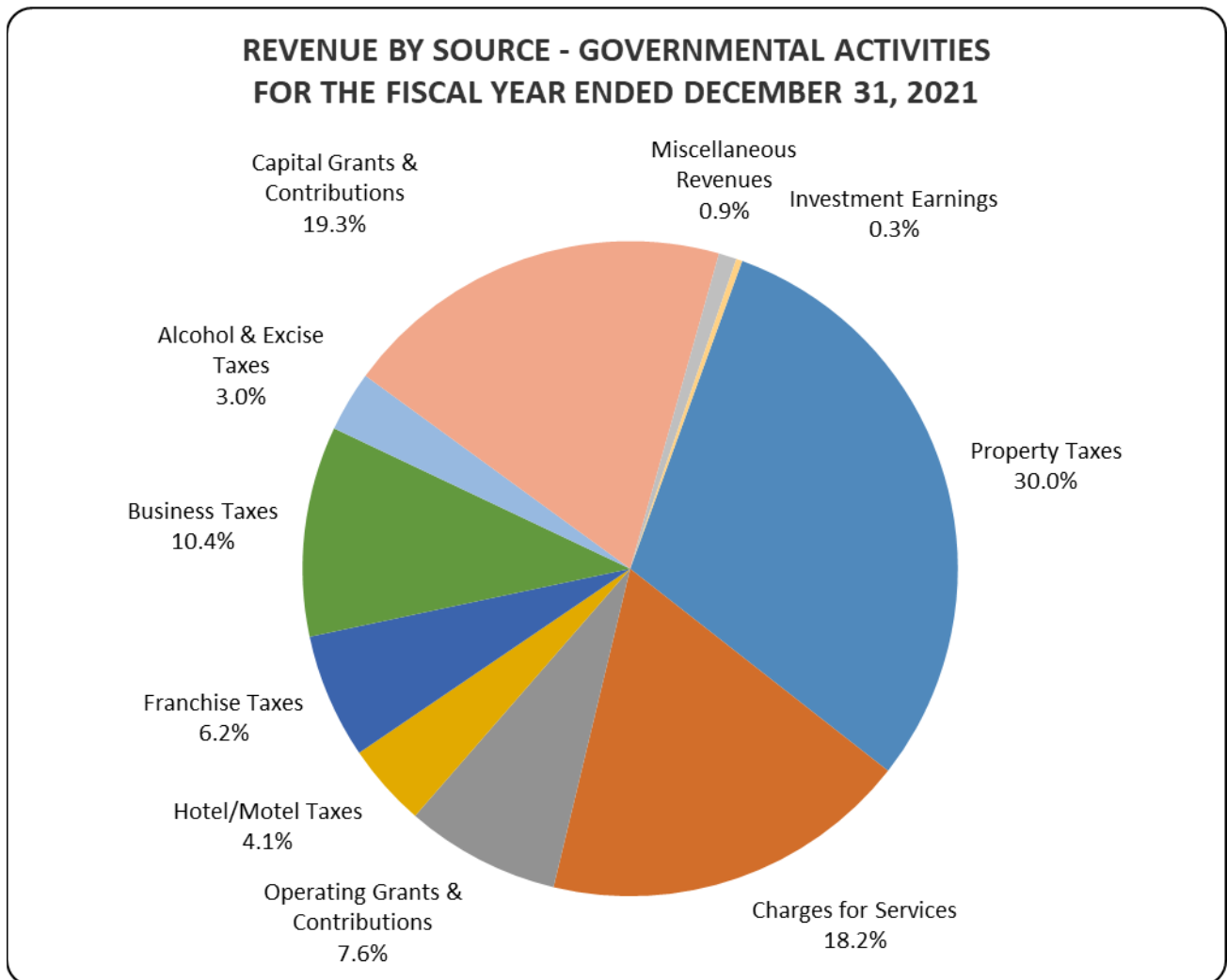


The decrease in governmental activities expenses of \$1,572,030 is attributed to the following major changes:

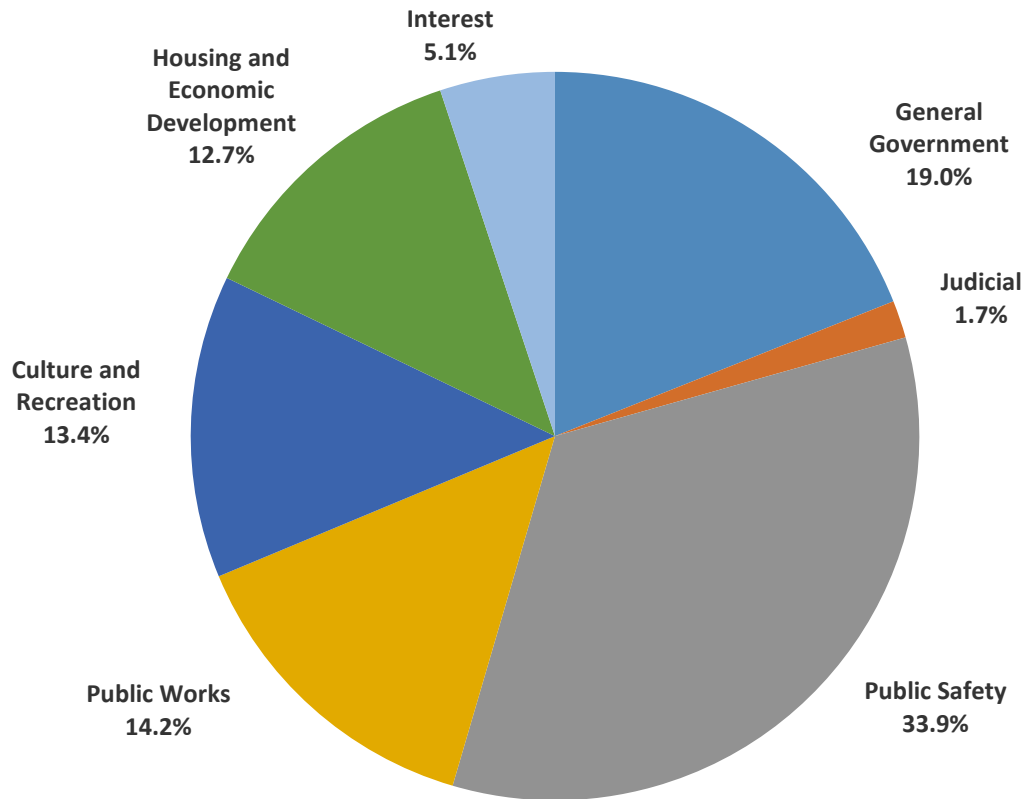
- General government expenses decreased by \$2,523,243 or 24.5% compared to the prior fiscal year. This decrease is primarily due to land acquisition in 2020.
- In 2021, the expenses for public safety decreased by \$1,065,660 or 7.1%. This change was due to several reasons among which CARES Act funding used for eligible costs.
- Housing and development expenses increased by \$642,656 or 15.9% from those for 2020. This difference is principally attributed to an increase to the leisure and hospitality industries in 2021 which resulted in a significant increase in hotel/motel revenue collections transferred over to the Brookhaven Convention and Visitors Bureau.

- Public works expenses increased by \$1,637,836 or 39.3% in 2021. This resulted primarily due to increases in activities requiring the use of current financial resources.
- Interest and fiscal charges on long-term debt decreased by \$122,913 or 5.6% compared to 2020. The decrease was primarily due to the reduction of outstanding debt.
- Economic development expenses increased by \$274,819 or 102.6% in 2021. This was primarily due to increases in professional services attributable to this function.

The charts on the next two pages denote the source of the City's governmental revenues and expenses.



**EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**



Business-Type Activities. Business-type activities increased the City's net position by \$2,980,132, thereby accounting for 17.4% of the total increase in the net position of the City. The sole business-type activity is its stormwater operations, which are accounted for in its Stormwater Fund. This fund is used to facilitate the repair, maintenance, and improvements to the City's stormwater facilities.

Stormwater Fund Operations							
		Operating Revenues		Operating Expenses		Income from Operations	
		2021	2020	2021	2020	2021	2020
Fund:							
Stormwater		\$3,356,815	\$2,356,884	\$1,554,392	\$1,722,331	\$1,802,423	\$634,553
Totals		\$3,356,815	\$2,356,884	\$1,554,392	\$1,722,331	\$1,802,423	\$634,553

Total operating revenues for the Stormwater Fund increased by \$999,931 or 42.4% from the previous year. The increase is mainly attributable to the increase in the stormwater annual rate of \$66 in 2020 to \$94 in 2021.

Stormwater assessment fees (computed based on a property's impervious surface area) were \$3,356,815; Capital grants increased \$855,545 for the Hazard Mitigation Grant Program. Depreciation on the capital assets accounted for 15.6% of the operating expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$79,605,312.

<u>Government Fund Balance</u>		<u>Purpose</u>	<u>2021</u>	<u>2020</u>	<u>Diff.</u>
UNRESTRICTED FUND BALANCE	Non-spendable "inherently non-expendable "such as deposits or inventory"	Prepaid Expenses	\$ 405,250	\$ 494,307	\$ (89,057)
		Advances to other funds	1,660,562	517,938	1,142,624
	Restricted External "legal limitations" on use	Streetlighting	191,605	250,986	(59,381)
		Law Enforcement	838,889	968,721	(129,832)
		Public Safety	166,338	166,338	-
		Recreation	-	319,914	(319,914)
		Capital Projects	32,588,333	46,813,185	(14,224,852)
		Police Donations	67,561	67,561	-
	Committed "Self-imposed" limitations on use	Debt Service	2,482,279	2,983,927	(501,648)
	Assigned Limitations resulting from "intended use"	Subsequent year's budget: appropriation of fund balance	782,811	837,749	(54,938)
		Capital Projects	15,893,018	16,477,590	(584,572)
		Future Capital Improvements	11,966,511	11,377,680	588,831
		Tree Conservation	63,735	63,735	-
		Recreation	159,880	-	159,880
		Sidewalk bank	518,347	518,347	-
		Public safety	157,651	150,000	7,651
	Unassigned "Residual" net resources	General Fund	11,662,542	7,720,621	3,941,921
TOTALS FOR GOVERNMENTAL FUNDS			<u>\$ 79,605,312</u>	<u>\$ 89,728,599</u>	<u>\$ (10,123,287)</u>

General Fund. The General Fund is the primary operating fund of the City. At the end of the current fiscal period, unassigned fund balance was \$11,662,542 while total fund balance was \$27,127,298. This balance includes \$405,229 in prepaid expenses and \$1,660,562 in advances to other funds as nonspendable fund balance, and \$67,561 in police donations as restricted fund balance. Additionally, \$13,331,404 was assigned for other purposes. This includes \$11,966,511 for future capital improvements, \$63,735 for tree conservation, \$518,347 for the sidewalk bank, and \$782,811 for subsequent year's budget. The fund balance increased by \$5,529,360 over the prior year primarily from a significant increase in transfers in from nonmajor governmental funds related to ARPA grant reimbursement of eligible expenditures recorded in the General Fund. The primary use of the fund balance will be for future capital improvements capital. The Unassigned Reserve accounts for 36.64% of FY 2022 approved budgetary expenditures which is above the 25% target set by the City's fund balance policy as approved by the City Council.

Special Purpose Local Option Sales Tax Fund (SPLOST). The SPLOST fund was set up to account for receipt of SPLOST sales tax revenues and associated expenditures for capital improvements. The City recognized \$8,867,549 (\$8,832,394 in intergovernmental revenues, and \$35,155 in investment income), while a total of \$13,663,919 was expended on SPLOST projects found on page 77 of this report. An improvement in general economic conditions from the COVID-19 pandemic effect in 2020 accounted for the increase in revenue over prior year.

Capital Projects Fund. The Capital Projects Fund was set up to capture the costs related to major projects that include, public safety, public works and recreation. The projects were funded using transfers from other funds, as well as, proceeds from issuance of revenue bonds in 2019. There was \$3.5 million spent on capital outlay with the bulk of the expenditures used for street paving, sidewalk projects, and park improvements. Expenditures decreased slightly from the prior year as there were fewer projects funded with Capital Project outlays in 2021. The total fund balance remains at \$39.1 million at the end of 2021 to be used for ongoing and future capital projects.

Debt Service Fund. The Debt Service Fund is used to account for the debt service expenditures of the City. Fund balance decreased by \$501,627 from the prior year. This was primarily the result of debt repayments exceeding transfers in the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City utilized a conservative approach focusing on core services and accounting for the unknown while creating the budget. Emphasis was given to ensuring financial stability for the current period as well as long-term stability.

The City employs an annual mid-year budget process in order to re-align appropriations made during the annual budget process with significant unexpected trends. This ensures adjustments facilitating appropriations to be in alignment with expected resources. Throughout the year the City funded several purchases using fund balance to maintain a balanced budget.

The General Fund 2021 actual revenues were \$4.1 million or 14.1% greater than the amended budget. This variance is principally attributed to the \$3.7 million in building permit revenues received in excess of the amended budget. The 2021 expenditures were \$3.6 million or 10.9% less than the amended budget. Details of the original General fund budget and the amended budget are contained on pages 64 and 65 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities at December 31, 2021, amounts to \$153,616,879 (net of accumulated depreciation). This investment in capital assets includes land, structures, vehicles, as well as infrastructure assets such as streets, curbs, sidewalks, culverts and drainage ponds. The majority of the infrastructure assets were transferred to the City from DeKalb County. The City continues to work on projects and improvements.

The following table summarizes the capital assets (net of depreciation) for governmental activities, business-type activities and the total for the primary government.

City of Brookhaven, Georgia
Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 27,957,792	\$ 25,986,956	\$ 2,279,091	\$ 1,272,566	\$ 30,236,883	\$ 27,259,522
Construction in progress	41,693,440	24,065,773	557,117	306,712	42,250,557	24,372,485
Improvements	10,967,185	11,831,092	-	-	10,967,185	11,831,092
Buildings	1,495,937	1,232,270	-	-	1,495,937	1,232,270
Machinery and equipment	2,899,920	2,751,643	-	-	2,899,920	2,751,643
Infrastructure	55,939,827	57,609,533	-	-	55,939,827	57,609,533
Stormwater infrastructure	-	-	9,826,570	8,976,779	9,826,570	8,976,779
Totals	\$ 140,954,101	\$ 123,477,267	\$ 12,662,778	\$ 10,556,057	\$ 153,616,879	\$ 134,033,324

Additional information on the City's capital assets can be found in Note 6 on pages 51 and 52 of this report.

Long-Term Debt. At December 31, 2021, the City's long-term debt amounted to \$71,663,352. Parks General Obligation Bonds, Public Facilities Authority Revenue Bonds, Special Purpose Local Option Sales Tax (SPLOST) General Obligation Bonds, Notes Payable and any accrued compensated absences in the amount of \$1,013,729 make up these debt obligations. At the end of the fiscal year direct placement bonds amounted to \$14,939,350 and all of it resulted from the SPLOST General Obligation Bonds issuance in 2018 and 2020. Additionally, direct borrowings amounted for \$4,212,153 at the end of 2021 and all resulted from loan discussed in the paragraph below.

In 2017 the City took out a Georgia Environmental Finance Authority (GEFA) loan in the amount of \$5.2 million for the purchase of greenspace near the Peachtree DeKalb Airport utilizing a low interest rate loan acquired through the Clean Water State Revolving Fund. The principal balance at the end of 2021 was approximately \$4.2 million.

The City issued four bonds, the Parks General Obligation Bonds, the Public Facilities Authority Revenue Bonds, and the SPLOST General Obligation Bonds (issuance in 2018 and 2020) in the amount of \$38.9 million, \$12.6 million, \$12 million, and \$15 million, respectively. The Parks Bonds were issued to finance the cost of City Council approved Parks and Recreational Master Plans and other related park amenities, equipment, and real and personal property useful or desirable in connection therewith. The Public Facilities Authority Revenue Bonds were issued for the construction of the Peachtree Creek Greenway project, Phase I. The 2018 SPLOST General Obligation Bonds were issued to build the public safety/municipal court building. The 2020 SPLOST General Obligation Bonds were issued to fund various projects among which transportation improvements, pavement management, and existing capital asset maintenance.

Additional information on the City's long-term debt can be found in Note 7 on pages 53 through 58 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's management and elected officials considered many factors when adopting the budget for the fiscal year ending December 31, 2022.

- The City has an operating millage rate cap of 3.35 mills that is set by City Charter. The 2022 budget was prepared using the same rate as in FY 2021 of 2.740 mills. In 2019 the City added debt service millage rate of 0.680 mills to fund the Park Bonds that were approved on the voter ballot in November 2018. The adopted debt millage rate in 2021 was 0.570 mills.
- The 2022 preliminary consolidation and evaluation of digest report provided by DeKalb County anticipates a 6.67% net tax increase in the City operating tax digest and 6.67% net tax increase in the debt service tax digest over 2021.
- The City sees the biggest challenge in the upcoming budget year as continuing to strive to provide excellent customer service to citizens, while executing on completion of budgeted capital improvements throughout the City. Another major challenge in the FY 2022 budget year would be the revenue shortfalls due to the COVID-19 pandemic.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Brookhaven's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of Brookhaven, 4362 Peachtree Road, Brookhaven, Georgia, 30319, or by calling (404) 637-0500.

CITY OF BROOKHAVEN, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Convention and Visitors Bureau	Development Authority
ASSETS					
Cash and cash equivalents	\$ 83,867,590	\$ 1,066,510	\$ 84,934,100	\$ 971,966	\$ 199,895
Accounts receivable	3,482,484	986,335	4,468,819	142,706	-
Property taxes receivable, net	624,710	-	624,710	-	-
Due from other governments	1,280,911	-	1,280,911	-	-
Other receivables	36	-	36	-	-
Due from primary government	-	-	-	-	55,000
Intergovernmental receivable from component unit	1,514,922	-	1,514,922	-	-
Internal balances	1,100,180	(1,100,180)	-	-	-
Prepaid items	405,250	-	405,250	-	-
Security deposit	-	-	-	6,328	-
Real estate held for development	-	-	-	-	3,795,285
Capital assets:					
Nondepreciable	69,651,232	2,836,208	72,487,440	-	-
Depreciable, net of accumulated depreciation	71,302,869	9,826,570	81,129,439	44,512	-
Total assets	233,230,184	13,615,443	246,845,627	1,165,512	4,050,180
LIABILITIES					
Accounts payable	8,203,993	87,346	8,291,339	43,586	1,000
Retainage payable	1,603,886	-	1,603,886	-	-
Due to component unit	55,000	-	55,000	-	-
Accrued liabilities	1,506,535	-	1,506,535	6,188	-
Unearned revenue	529,028	-	529,028	6,985	-
Compensated absences, due within one year	1,013,729	-	1,013,729	23,166	-
Direct placement bonds payable, due within one year	5,677,576	-	5,677,576	-	-
Direct placement bonds payable, due in more than one year	9,261,774	-	9,261,774	-	-
Bonds payable, due within one year	990,000	-	990,000	-	-
Bonds payable, due in more than one year	50,508,120	-	50,508,120	-	-
Intergovernmental payable - primary government, due within one year	-	-	-	-	252,487
Intergovernmental payable - primary government, due in more than one year	-	-	-	-	1,262,435
Note payable from direct borrowing, due within one year	247,442	-	247,442	-	-
Note payable from direct borrowing, due in more than one year	3,964,711	-	3,964,711	150,000	-
Total liabilities	83,561,794	87,346	83,649,140	229,925	1,515,922
NET POSITION					
Net investment in capital assets	97,992,025	12,662,778	110,654,803	44,512	-
Restricted for streetlight service	220,094	-	220,094	-	-
Restricted for law enforcement	851,880	-	851,880	-	-
Restricted for public safety	166,338	-	166,338	-	-
Restricted for police donations	67,561	-	67,561	-	-
Restricted for economic development	-	-	-	891,075	-
Restricted for capital projects	4,900,786	-	4,900,786	-	-
Unrestricted	45,469,706	865,319	46,335,025	-	2,534,258
Total net position	\$ 149,668,390	\$ 13,528,097	\$ 163,196,487	\$ 935,587	\$ 2,534,258

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

CITY OF BROOKHAVEN, 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
Primary government:				
Governmental activities:				
General government	\$ 7,772,660	\$ 578,359	\$ -	\$ -
Judicial	682,042	1,174,675	-	-
Public safety	13,893,886	1,472,596	4,235,578	-
Public works	5,810,581	354,031	-	10,274,045
Housing and development	4,681,868	6,046,621	-	252,487
Culture and recreation	5,506,366	455,011	-	200,000
Economic development	542,679	-	-	-
Interest and fiscal charges	2,090,519	-	-	-
Total governmental activities	40,980,601	10,081,293	4,235,578	10,726,532
Business-type activities:				
Stormwater	1,554,392	3,356,815	-	855,545
Total primary government	\$ 42,534,993	\$ 13,438,108	\$ 4,235,578	\$ 11,582,077
Component units:				
Convention and Visitors Bureau	\$ 1,168,184	\$ -	\$ 1,352,412	\$ -
Development Authority	89,137	337,900	-	-
Total component units	\$ 1,257,321	\$ 337,900	\$ 1,352,412	\$ -
General revenues:				
Property taxes				
Hotel/Motel taxes				
Franchise taxes				
Business taxes				
Alcohol & excise taxes				
Unrestricted investment earnings				
Miscellaneous revenues				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Convention and Visitors Bureau	Development Authority
\$ (7,194,301)	\$ -	\$ (7,194,301)	\$ -	\$ -
492,633	-	492,633	-	-
(8,185,712)	-	(8,185,712)	-	-
4,817,495	-	4,817,495	-	-
1,617,240	-	1,617,240	-	-
(4,851,355)	-	(4,851,355)	-	-
(542,679)	-	(542,679)	-	-
(2,090,519)	-	(2,090,519)	-	-
(15,937,198)	-	(15,937,198)	-	-
-	2,657,968	2,657,968	-	-
(15,937,198)	2,657,968	(13,279,230)	-	-
-	-	-	184,228	-
-	-	-	-	248,763
-	-	-	184,228	248,763
16,647,451	-	16,647,451	-	-
2,277,493	-	2,277,493	-	-
3,420,434	-	3,420,434	-	-
5,753,831	-	5,753,831	-	-
1,653,881	-	1,653,881	-	-
167,067	-	167,067	3,030	57
423,859	-	423,859	-	-
63,351	-	63,351	-	-
(322,164)	322,164	-	-	-
30,085,203	322,164	30,407,367	3,030	57
14,148,005	2,980,132	17,128,137	187,258	248,820
135,520,385	10,547,965	146,068,350	748,329	2,285,438
\$ 149,668,390	\$ 13,528,097	\$ 163,196,487	\$ 935,587	\$ 2,534,258

CITY OF BROOKHAVEN, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2021

	General Fund	SPLOST Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 25,245,028	\$ 19,599,600	\$ 32,662,987	\$ 2,450,068	\$ 3,909,907	\$ 83,867,590
Accounts receivable	3,274,725	-	-	-	207,759	3,482,484
Taxes receivable, net of allowance	317,580	-	-	62,803	244,327	624,710
Intergovernmental receivable	-	866,633	130,000	-	284,278	1,280,911
Other receivables	-	-	36	-	-	36
Due from other funds	196,863	-	12,830,660	-	-	13,027,523
Prepaid items	405,229	-	-	21	-	405,250
Advances to other funds	1,660,562	-	-	-	-	1,660,562
Total assets	<u>\$ 31,099,987</u>	<u>\$ 20,466,233</u>	<u>\$ 45,623,683</u>	<u>\$ 2,512,892</u>	<u>\$ 4,646,271</u>	<u>\$ 104,349,066</u>
LIABILITIES						
Accounts payable	\$ 2,702,239	\$ 35,177	\$ 5,009,566	\$ -	\$ 457,011	\$ 8,203,993
Retainage payable	-	-	1,487,197	-	116,689	1,603,886
Accrued liabilities	488,012	-	-	-	-	488,012
Due to other funds	-	12,830,660	-	-	132,121	12,962,781
Due to component unit	55,000	-	-	-	-	55,000
Advances from other funds	-	-	-	-	625,124	625,124
Unearned revenue	529,028	-	-	-	-	529,028
Total liabilities	<u>3,774,279</u>	<u>12,865,837</u>	<u>6,496,763</u>	<u>-</u>	<u>1,330,945</u>	<u>24,467,824</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	198,410	-	-	30,592	46,928	275,930
Total deferred inflows of resources	<u>198,410</u>	<u>-</u>	<u>-</u>	<u>30,592</u>	<u>46,928</u>	<u>275,930</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	405,229	-	-	21	-	405,250
Advances to other funds	1,660,562	-	-	-	-	1,660,562
Restricted:						
Law enforcement	-	-	-	-	838,889	838,889
Public safety	-	-	-	-	166,338	166,338
Streetlight service	-	-	-	-	191,605	191,605
Police donations	67,561	-	-	-	-	67,561
Capital projects	-	7,600,396	24,987,937	-	-	32,588,333
Committed:						
Debt service	-	-	-	2,482,279	-	2,482,279
Assigned:						
Future capital improvements	11,966,511	-	-	-	-	11,966,511
Subsequent year's budget, appropriations of fund balance	782,811	-	-	-	-	782,811
Tree fund activities	63,735	-	-	-	-	63,735
Sidewalk bank	518,347	-	-	-	-	518,347
Public safety	-	-	-	-	157,651	157,651
Recreation	-	-	-	-	159,880	159,880
Capital projects	-	-	14,138,983	-	1,754,035	15,893,018
Unassigned	11,662,542	-	-	-	-	11,662,542
Total fund balances	<u>27,127,298</u>	<u>7,600,396</u>	<u>39,126,920</u>	<u>2,482,300</u>	<u>3,268,398</u>	<u>79,605,312</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,099,987</u>	<u>\$ 20,466,233</u>	<u>\$ 45,623,683</u>	<u>\$ 2,512,892</u>	<u>\$ 4,646,271</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.						140,954,101
Long-term intergovernmental receivable is not due and payable in the current period and, therefore, is not reported in the governmental funds.						1,514,922
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.						(72,681,875)
Some revenues are not available in the current period and, therefore, are not reported in the governmental funds.						275,930
Net position of governmental activities						<u>\$ 149,668,390</u>

The accompanying notes are an integral part of these statements.

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

	General Fund	SPLOST Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 12,629,314	\$ -	\$ -	\$ 2,196,840	\$ 1,796,715	\$ 16,622,869
Hotel/Motel taxes	-	-	-	-	2,277,493	2,277,493
Franchise taxes	3,420,434	-	-	-	-	3,420,434
Alcohol excise taxes	1,329,170	-	-	-	-	1,329,170
Business taxes	5,753,831	-	-	-	-	5,753,831
Excise taxes	324,711	-	-	-	-	324,711
Licenses and permits	6,867,049	-	-	-	-	6,867,049
Intergovernmental	449,226	8,832,394	130,000	-	5,567,822	14,979,442
Charges for services	720,823	-	-	-	1,318,746	2,039,569
Fines and forfeitures	1,015,707	-	-	-	158,968	1,174,675
Contributions	37,670	-	200,000	-	-	237,670
Interest earned	33,358	35,155	133,237	-	472	202,222
Miscellaneous	386,189	-	-	-	-	386,189
Total revenues	<u>32,967,482</u>	<u>8,867,549</u>	<u>463,237</u>	<u>2,196,840</u>	<u>11,120,216</u>	<u>55,615,324</u>
Expenditures:						
Current:						
General government	7,629,025	-	3,116	-	-	7,632,141
Judicial	682,638	-	-	-	-	682,638
Public safety	10,775,024	310,304	423,065	-	2,439,624	13,948,017
Public works	1,447,764	233,291	440,822	-	1,689,516	3,811,393
Recreation	4,001,873	-	1,175,750	-	-	5,177,623
Housing and development	3,650,319	-	-	-	996,403	4,646,722
Economic development	541,533	-	-	1,146	-	542,679
Capital outlay	945,785	13,120,324	3,526,765	-	2,364,282	19,957,156
Debt service:						
Principal	-	-	-	6,832,804	-	6,832,804
Interest	-	-	-	2,248,625	-	2,248,625
Total expenditures	<u>29,673,961</u>	<u>13,663,919</u>	<u>5,569,518</u>	<u>9,082,575</u>	<u>7,489,825</u>	<u>65,479,798</u>
Excess (deficiency) of revenues over expenditures	3,293,521	(4,796,370)	(5,106,281)	(6,885,735)	3,630,391	(9,864,474)
Other financing sources (uses):						
Transfers in	5,559,208	-	2,021,398	6,384,108	2,480,987	16,445,701
Transfers out	(3,357,218)	(5,957,078)	-	-	(7,453,569)	(16,767,865)
Proceeds from sale of capital assets	33,849	-	-	-	29,502	63,351
Total other financing sources (uses)	<u>2,235,839</u>	<u>(5,957,078)</u>	<u>2,021,398</u>	<u>6,384,108</u>	<u>(4,943,080)</u>	<u>(258,813)</u>
Net change in fund balances	5,529,360	(10,753,448)	(3,084,883)	(501,627)	(1,312,689)	(10,123,287)
Fund balances, beginning of year	<u>21,597,938</u>	<u>18,353,844</u>	<u>42,211,803</u>	<u>2,983,927</u>	<u>4,581,087</u>	<u>89,728,599</u>
Fund balances, end of year	<u>\$ 27,127,298</u>	<u>\$ 7,600,396</u>	<u>\$ 39,126,920</u>	<u>\$ 2,482,300</u>	<u>\$ 3,268,398</u>	<u>\$ 79,605,312</u>

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

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

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

Net change in fund balances - total governmental funds	\$ (10,123,287)
--	-----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	17,476,834
---	------------

The receipt of the principal of long-term intergovernmental receivable provides current financial resources to governmental funds. However, this transactions does not have any effect on net position.	(252,487)
---	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	24,582
---	--------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the effect of principal retirement and amortization of bond premiums during the current year.	6,937,235
--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	85,128
---	--------

Change in net position - governmental activities	\$ 14,148,005
--	---------------

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

CITY OF BROOKHAVEN, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2021

ASSETS		Stormwater Fund
CURRENT ASSETS		
Cash	\$	1,066,510
Accounts receivable, net of allowance		986,335
Total current assets		<u>2,052,845</u>
NONCURRENT ASSETS		
Capital assets, non-depreciable		2,836,208
Capital assets, depreciable		11,441,521
Accumulated depreciation		<u>(1,614,951)</u>
Total capital assets, net		<u>12,662,778</u>
Total assets		<u>14,715,623</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities		87,346
Due to other funds		<u>64,742</u>
Total current liabilities		<u>152,088</u>
NONCURRENT LIABILITIES		
Advances from other funds		<u>1,035,438</u>
Total liabilities		<u>1,187,526</u>
NET POSITION		
Investment in capital assets		12,662,778
Unrestricted		<u>865,319</u>
Total net position	\$	<u>13,528,097</u>

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

CITY OF BROOKHAVEN, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Stormwater Fund
OPERATING REVENUE	
Stormwater fees	\$ 3,356,815
Total operating revenues	<u>3,356,815</u>
OPERATING EXPENSES	
Cost of services	1,312,135
Depreciation	<u>242,257</u>
Total operating expenses	<u>1,554,392</u>
Operating income	1,802,423
NONOPERATING INCOME	
Intergovernmental	<u>855,545</u>
Income before transfers	2,657,968
Transfers in	<u>322,164</u>
Change in net position	2,980,132
Total net position, beginning	<u>10,547,965</u>
Total net position, ending	<u><u>\$ 13,528,097</u></u>

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

CITY OF BROOKHAVEN, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,460,334
Payments to suppliers	(1,362,533)
Net cash provided by operating activities	<u>1,097,801</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(2,348,978)
Receipt of capital grants	855,545
Net cash used in capital and related financing activities	<u>(1,493,433)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in from other funds	322,164
Advances from other funds	575,000
Repayment of advances from other funds	(57,500)
Net cash provided by noncapital financing activities	<u>839,664</u>
Net change in cash	444,032
Cash, beginning of year	<u>622,478</u>
Cash, end of year	<u><u>\$ 1,066,510</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 1,802,423
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	242,257
Change in assets and liabilities:	
Increase in accounts receivable	(896,481)
Decrease in accounts payable	(50,398)
Net cash provided by operating activities	<u><u>\$ 1,097,801</u></u>

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

CITY OF BROOKHAVEN, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City, which was incorporated in 2012, operates under a charter adopted December 17, 2012, as a municipal corporation governed by an elected mayor and a four-member council. The government provides such services as police protection, cultural and recreational activities, community development, economic and housing development, and public works.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Blended Component Units

The Brookhaven Government Finance Corporation (the "BGFC") has been included as a blended component unit in the accompanying financial statements. The City appoints the four member board. Although it is legally separate from the City, its sole purpose is to finance construction and acquisitions of the City. The debt and assets of the BGFC have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City. Separate financial statements for the BGFC are not prepared. The City reports the BGFC as a debt service fund.

The Brookhaven Public Facilities Authority (the "BPFA") has been included as a blended component unit in the accompanying financial statements. All members of the City Council serve as members for the Authority. Although it is legally separate from the City, its sole purpose is to serve as a financing partner for major City developments. The debt and assets of the BPFA have been reported as a form of the City's debt and assets and all activity is reported as activity of the City. Separate financial statements for the BPFA are not prepared. The City reports the BPFA as a capital projects fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

The Brookhaven Convention and Visitors Bureau (the "CVB") has been included as a discretely presented component unit in the accompanying financial statements. The CVB was formed in September 2015 as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(6). The CVB was formed to develop strategies and initiatives for promoting Brookhaven as a preferred destination for tourism. The City has the ability to impose its will on the CVB by significantly influencing the activities performed by the organization. Separate financial statements for the CVB are not prepared.

The Brookhaven Development Authority (the "DA") has been included as a discretely presented component unit in the accompanying financial statements. The DA is a public body corporate and politic organized under the Development Authorities Law OCGA 36-62-1, as amended, and pursuant to a resolution of the City Council adopted on April 9, 2013. The DA was formed to promote trade, commerce, industry and employment opportunities with the City. The DA operates under the direction of the City's Economic Development Director and meets on an as-needed basis. There are seven positions available on the DA's Board of Directors, and members are appointed by the City of Brookhaven's Mayor and Council. Members serve four year terms. The City has the ability to impose its will on the Development Authority by significantly influencing the activities performed by the organization. Separate financial statements for the Development Authority are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues except for grant revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers grant revenues to be available if collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for services provided. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accounting and reporting for its proprietary operations, the City applies all Governmental Accounting Standards Board (GASB) pronouncements. The City applies GASB Statement No. 62, *Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance on or before November 30, 1989.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **SPLOST Fund** is used to account for the special purpose local option sales tax revenue collected and payments made for capital project expenditures of those funds for major capital projects.

The **Capital Projects Fund** is used to account for the expenditures of money for major capital projects.

The **Debt Service Fund** is used to account for the debt service expenditures of the City.

The City reports the following major proprietary fund:

The **Stormwater Fund** is used to account for the charges and expenses of maintaining the City's stormwater infrastructure.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues which are either legally restricted or committed to expenditures for particular purposes.

The **Capital Projects Funds** are used to account for the expenditures of money for major capital projects. These funds are general in nature and may be used to finance any capital project that the City Council designates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, special revenue funds, debt service fund, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund and each Special Revenue Fund each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the Capital Projects Funds. During the fiscal year ended December 31, 2021, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Certificates of deposit are non-participating interest earning investment contracts and are valued at cost. All other investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayments schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Improvements	15-40 years
Buildings	50 years
Machinery and equipment	3-20 years
Infrastructure	7-60 years

J. Deferred Inflows of Resources

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. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond payables are reported net of the applicable premium.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures. Issuance costs are expenses when incurred.

M. Fund Equity

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed through a resolution of the City Council. Only the City Council may modify or rescind the commitment, also through a resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The Fund Balance Policy, as adopted by the City Council, delegates the authority to the City manager or his or her designee to assign fund balance for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. In the event that funds other than the General Fund include an unassigned fund balance, it would be a deficit.

The City's policy is to obtain and then maintain a minimum General Fund balance reserve equal to three months (25%) of annual budgeted expenditures.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

The City applies restricted resources first to fund outlays for which both restricted and unrestricted net position is available.

N. Use of Estimates

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

O. Real Estate Held for Development

The City's real estate held for development consists of real estate properties held by the Development Authority. These properties are held with the intention of future development within the City's downtown area and are not held for income or profit purposes. As such, these assets are recorded at cost.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$72,681,875 difference are as follows:

Bonds payable, net	\$ (66,437,470)
Notes payable	(4,212,153)
Accrued interest payable	(1,018,523)
Compensated absences (i.e., vacation)	<u>(1,013,729)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (72,681,875)</u></u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$17,476,834 difference are as follows:

Capital outlay	\$ 21,929,996
Depreciation expense	<u>(4,453,162)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 17,476,834</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” This amount is the net effect of these differences in the treatment of long-term debt. The details of this \$6,937,235 difference are as follows:

Principal payments	\$ 6,832,804
Amortization of bond premiums	<u>104,431</u>

Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 6,937,235</u></u>
---	----------------------------

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$85,128 difference are as follows:

Compensated absences	\$ 31,453
Accrued interest	<u>53,675</u>

Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 85,128</u></u>
---	-------------------------

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

For fiscal year 2021, the City spent more than the budgeted amount in the following departments:

General Fund:

General government - human resources	\$	2,976
Recreation - park operations		27,705
Recreation - recreation programming		38,740
Housing and development - code enforcement		2,175
Economic development		35,217
Transfers out		5,863

Debt Service Fund:

Economic development		1,146
Debt service - interest		940

The excess of expenditures over budget noted above were funded by expending less than budget in other departments and use of other financing sources.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties or municipalities of the State of Georgia. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. At December 31, 2021 the City's bank balances were under-collateralized by \$30,230,367.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with DeKalb County to bill and collect City of Brookhaven property taxes. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on November 15 of each year, with a lien date of January 1 of the following year. Property taxes are recorded as receivables and unavailable revenues when assessed. Revenues are recognized when available.

Receivables at December 31, 2021, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	SPLOST Fund	Capital Projects Fund
Receivables:			
Accounts	\$ 3,274,725	\$ -	\$ -
Taxes	333,713	-	-
Intergovernmental	-	866,633	130,000
Other receivables	-	-	36
Total receivables	3,608,438	866,633	130,036
Less allowance for uncollectibles	(16,133)	-	-
Net total receivable	<u>\$ 3,592,305</u>	<u>\$ 866,633</u>	<u>\$ 130,036</u>
		Nonmajor Governmental	
	Debt Service Fund	Funds	Stormwater
Receivables:			
Accounts	\$ -	\$ 207,759	\$ 1,005,493
Taxes	65,179	254,918	-
Intergovernmental	-	284,278	-
Other receivables	-	-	-
Total receivables	65,179	746,955	1,005,493
Less allowance for uncollectibles	(2,376)	(10,591)	(19,158)
Net total receivable	<u>\$ 62,803</u>	<u>\$ 736,364</u>	<u>\$ 986,335</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Primary Government

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 25,986,956	\$ 1,970,836	\$ -	\$ -	\$ 27,957,792
Construction in progress	24,065,773	18,616,359	-	(988,692)	41,693,440
Total	<u>50,052,729</u>	<u>20,587,195</u>	<u>-</u>	<u>(988,692)</u>	<u>69,651,232</u>
Capital assets, being depreciated:					
Improvements	16,132,159	-	-	315,719	16,447,878
Buildings	4,133,241	-	-	402,548	4,535,789
Machinery and equipment	11,315,608	1,342,801	(162,471)	-	12,495,938
Infrastructure	70,510,637	-	-	270,425	70,781,062
Total	<u>102,091,645</u>	<u>1,342,801</u>	<u>(162,471)</u>	<u>988,692</u>	<u>104,260,667</u>
Less accumulated depreciation for:					
Improvements	(4,301,067)	(1,179,626)	-	-	(5,480,693)
Buildings	(2,900,971)	(138,881)	-	-	(3,039,852)
Machinery and equipment	(8,563,965)	(1,194,524)	162,471	-	(9,596,018)
Infrastructure	(12,901,104)	(1,940,131)	-	-	(14,841,235)
Total	<u>(28,667,107)</u>	<u>(4,453,162)</u>	<u>162,471</u>	<u>-</u>	<u>(32,957,798)</u>
Capital assets, net depreciation	<u>73,424,538</u>	<u>(3,110,361)</u>	<u>-</u>	<u>988,692</u>	<u>71,302,869</u>
Governmental activities capital assets, net	<u>\$ 123,477,267</u>	<u>\$ 17,476,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,954,101</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,272,566	\$ 1,006,525	\$ -	\$ 2,279,091
Construction in progress	306,712	1,306,940	(1,056,535)	557,117
Total	<u>1,579,278</u>	<u>2,313,465</u>	<u>(1,056,535)</u>	<u>2,836,208</u>
Capital assets, being depreciated:				
Infrastructure	10,349,473	35,513	1,056,535	11,441,521
Less accumulated depreciation for:				
Infrastructure	(1,372,694)	(242,257)	-	(1,614,951)
Capital assets, net depreciation	<u>8,976,779</u>	<u>(206,744)</u>	<u>1,056,535</u>	<u>9,826,570</u>
Business-type activities capital assets, net	<u>\$ 10,556,057</u>	<u>\$ 2,106,721</u>	<u>\$ -</u>	<u>\$ 12,662,778</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:	
General government	\$ 81,615
Public safety	923,592
Public works	1,957,981
Culture and recreation	1,452,437
Housing and development	37,537
Total depreciation expense - governmental activities	<u>\$ 4,453,162</u>
Business-type activities:	
Stormwater	<u>\$ 242,257</u>

Component Unit – Convention and Visitors Bureau

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Leasehold improvements	\$ 67,019	\$ -	\$ -	\$ 67,019
Furniture and fixtures	33,253	-	-	33,253
Total	<u>100,272</u>	<u>-</u>	<u>-</u>	<u>100,272</u>
Less accumulated depreciation for:				
Leasehold improvements	(17,872)	(26,808)	-	(44,680)
Furniture and fixtures	(4,432)	(6,648)	-	(11,080)
Total	<u>(22,304)</u>	<u>(33,456)</u>	<u>-</u>	<u>(55,760)</u>
Total capital assets being depreciated, net	<u>\$ 77,968</u>	<u>\$ (33,456)</u>	<u>\$ -</u>	<u>\$ 44,512</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity of the City for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Direct placement					
Bonds payable	\$ 20,586,904	\$ -	\$ (5,647,554)	\$ 14,939,350	\$ 5,677,576
Bonds payable	50,870,000	-	(940,000)	49,930,000	990,000
Plus: premium	1,672,551	-	(104,431)	1,568,120	-
Total bonds payable	73,129,455	-	(6,691,985)	66,437,470	6,667,576
Note payable					
from direct borrowing	4,457,403	-	(245,250)	4,212,153	247,442
Compensated absences	1,045,182	714,747	(746,200)	1,013,729	1,013,729
Governmental activity					
long-term liabilities	<u>\$ 78,632,040</u>	<u>\$ 714,747</u>	<u>\$ (7,683,435)</u>	<u>\$ 71,663,352</u>	<u>\$ 7,928,747</u>

For governmental activities, compensated absences are liquidated by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Bonds payable

In May 2018, the City issued \$12,000,000 of direct placement Sales Tax Bonds for the purpose of financing capital projects improvements. The issuance of these bonds was approved by a Special Purpose Local Option Sales Tax (SPLOST) referendum in November 2017. Pursuant to Georgia Law, these bonds will be repaid with the proceeds of a one percent sales tax. Principal payments on the bonds are due annually commencing on July 1, 2019 until maturity July 1, 2024. Interest payments on the bonds are due semiannually commencing on January 1, 2019 until maturity at an interest rate of 2.75%.

In March 2020, the City issued \$15,000,000 of direct placement Sales Tax Bonds for the purpose of financing capital projects improvements. The issuance of these bonds was approved by a Special Purpose Local Option Sales Tax (SPLOST) referendum in November 2017. Pursuant to Georgia Law, these bonds will be repaid with the proceeds of a one percent sales tax. The bonds bear interest at a rate of 0.82%, and principal and interest payments on the bonds are due monthly commencing on May 1, 2020 until maturity May 1, 2024.

The sales and use tax proceeds received by the City in any year in which the bonds are outstanding must first be used to make debt service payments, and then may be used for City projects. Failure by the City to make debt service payments constitutes an event of default, however there are no acceleration clauses associated with the bonds.

The total debt service requirements to maturity for the City's direct placement bonds payable are as follows:

Year ending December 31,	Principal	Interest	Total
2022	\$ 5,677,576	\$ 224,502	\$ 5,902,078
2023	5,707,846	139,232	5,847,078
2024	3,553,928	58,187	3,612,115
Total	<u>\$ 14,939,350</u>	<u>\$ 421,921</u>	<u>\$ 15,361,271</u>

In October 2018, the Brookhaven Public Facilities Authority issued \$12,640,000 of Series 2018 Revenue Bonds for the purpose of financing the construction of the multi-modal transportation system of trails, parks, and other facilities. Principal payments are due annually commencing on July 1, 2019 until maturity July 1, 2042. Interest payments are due semi-annually commencing on January 1, 2019 until maturity at an interest rate ranging from 3.00–5.00%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Bonds payable (Continued)

The bonds are payable from and secured by ad valorem taxes levied by the City based on the dedicated millage rate authorized by law. Failure by the City to make contract payments to the Public Facilities Authority constitutes an event of default, however there are no acceleration clauses associated with the bonds.

In January 2019, the City issued \$38,855,000 of Series 2019 General Obligation Bonds for the purpose of financing capital project improvements, specifically parks and recreational master plans as well as other related park amenities, equipment and real property. Principal payments are due annually commencing on July 1, 2020 until maturity July 1, 2049. Interest payments are due semi-annually commencing on January 1, 2020 until maturity at an interest rate ranging from 3.00–5.00%.

The bonds are payable from and secured by ad valorem taxes levied by the City based on the dedicated millage rate authorized by law. Failure by the City to make contract payments on the bonds constitutes an event of default, however there are no acceleration clauses associated with the bonds.

The total debt service requirements to maturity for the City's bonds payable are as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 990,000	\$ 1,853,581	\$ 2,843,581
2023	1,035,000	1,804,081	2,839,081
2024	1,095,000	1,752,331	2,847,331
2025	1,165,000	1,697,581	2,862,581
2026	1,235,000	1,639,331	2,874,331
2027-2031	7,370,000	7,221,355	14,591,355
2032-2036	9,350,000	5,718,931	15,068,931
2037-2041	11,790,000	4,042,181	15,832,181
2042-2046	9,825,000	2,046,450	11,871,450
2047-2049	6,075,000	430,150	6,505,150
Total	<u>\$ 49,930,000</u>	<u>\$ 28,205,972</u>	<u>\$ 78,135,972</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Note payable from Direct Borrowing

On May 1, 2017, the City issued a note payable to borrow a total of \$5,700,000 from the Georgia Environmental Finance Authority (GEFA) for the purpose of acquiring a greenspace at the Peachtree DeKalb Airport. Additionally, the agreement with GEFA included a principal forgiveness component equal to approximately 8.77% of the face value of the note, or \$500,000. Principal and interest payments totaling \$23,660 are paid each month beginning June 1, 2017 through November 1, 2037 at an interest rate of .89%. The amortization schedule was revised after the Authority extended a six month, deferral period, during fiscal year 2020, requiring no debt service payments to be made by the City to alleviate the effects of COVID-19.

The total debt service requirements to maturity for the City's note payable from direct borrowing are as follows:

Year ending December 31,	Principal	Interest	Total
2022	\$ 247,442	\$ 36,480	\$ 283,922
2023	249,653	34,269	283,922
2024	251,884	32,038	283,922
2025	254,135	29,787	283,922
2026	256,406	27,516	283,922
2027-2031	1,316,813	102,799	1,419,612
2032-2036	1,376,712	42,900	1,419,612
2037	259,108	1,154	260,262
Total	<u>\$ 4,212,153</u>	<u>\$ 306,943</u>	<u>\$ 4,519,096</u>

B. Discretely Presented Component Unit – Development Authority

The following is a summary of long-term debt activity for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Intergovernmental payable - primary government	\$ 1,767,409	\$ -	\$ (252,487)	\$ 1,514,922	\$ 252,487
Total intergovernmental payable	<u>\$ 1,767,409</u>	<u>\$ -</u>	<u>\$ (252,487)</u>	<u>\$ 1,514,922</u>	<u>\$ 252,487</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Development Authority (Continued)

Intergovernmental payable from Direct Borrowing

The City of Brookhaven has issued a no-interest loan to the Brookhaven Development Authority in the original amount of \$1,712,370 for the sale of real property previously purchased by the City. The property was acquired by the Development Authority for strategic economic development purposes within the City. Payments are due annually through December 2027. The outstanding balance on the loan as of December 31, 2021 is \$1,027,422. This amount is recorded as an intergovernmental receivable by the City at December 31, 2021.

In February 2020, the City of Brookhaven issued a no-interest loan to the Brookhaven Development Authority in the amount of \$650,000 in order to finance the Development Authority's purchase of a property located at 2068 Druid Hills Road. The property was acquired by the Development Authority for strategic economic development purposes within the City. Payments are due annually through December 2027. The outstanding balance on the loan as of December 31, 2021 is \$487,500. This amount is also recorded as an intergovernmental receivable by the City at December 31, 2021.

C. Discretely Presented Component Unit – Convention and Visitors Bureau (CVB)

Notes payable from Direct Borrowing

The following is a summary of long-term debt activity for the year ended December 31, 2021:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable from direct borrowing	\$ 150,000	\$ 159,000	\$ (159,000)	\$ 150,000	\$ -
Compensated absences	24,440	25,990	(27,264)	23,166	23,166
Total long-term liabilities	<u>\$ 174,440</u>	<u>\$ 184,990</u>	<u>\$ (186,264)</u>	<u>\$ 173,166</u>	<u>\$ 23,166</u>

On June 16, 2020, the CVB entered into a disaster assistance loan agreement with the U.S. Small Business Administration for a total of \$150,000 for the purpose of alleviating economic injury caused by disaster occurring in the month of January 31, 2020 and continuing thereafter. Principal payments are due monthly from June 16, 2025 through June 16, 2050, and interest payments are due monthly beginning January 16, 2023 through June 16, 2050 at an interest rate of 2.75%. The outstanding balance on the loan as of December 31, 2021 is \$150,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Convention and Visitors Bureau (CVB) (Continued)

Notes payable from Direct Borrowing (Continued)

On January 23, 2021, the CVB entered into a note payable agreement of \$79,500 with the Small Business Administration (SBA) through the Paycheck Protection Program provision created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The program was implemented by the Small Business Administration with the support from the Department of the Treasury to provide the resources required by small business to maintain their payroll, hire back employees who may have been laid off because of COVID-19, and cover applicable overhead. On June 14, 2021, under provisions of the program, the \$79,500 loan balance, as well as accrued interest of \$300, was forgiven by the Small Business Administration.

On April 1, 2021, the CVB entered into a second note payable agreement of \$79,500 with the Small Business Administration (SBA) through the Paycheck Protection Program provision created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). On August 10, 2021, under provisions of the program, the \$79,761 loan balance, including accrued interest of \$261, was forgiven by the Small Business Administration.

The total debt service requirements to maturity for the CVB's note payable from direct borrowing are as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ -	\$ -
2023	-	8,297	8,297
2024	-	8,297	8,297
2025	2,217	6,080	8,297
2026	4,287	4,010	8,297
2027-2031	23,293	18,193	41,486
2032-2036	26,722	14,764	41,486
2037-2041	30,656	10,830	41,486
2042-2046	35,169	6,316	41,485
2047-2050	27,656	1,382	29,038
Total	<u>\$ 150,000</u>	<u>\$ 78,169</u>	<u>\$ 228,169</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2021, is as follows:

Due to/from other funds and advances to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 64,742
General Fund	Nonmajor governmental funds	132,121
Capital Projects Fund	SPLOST Fund	12,830,660
		<u>\$ 13,027,523</u>

<u>Advances from</u>	<u>Advances to</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 1,035,438
General Fund	Nonmajor governmental funds	625,124
		<u>\$ 1,660,562</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The advance from the General Fund to the nonmajor governmental funds is being used to fund a capital paving project. The advance from the General Fund to the Stormwater Fund is comprised of two loans: one related to a capital project and one for stormwater repairs, maintenance and operations.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 5,559,208
Capital Projects Fund	General Fund	876,231
Capital Projects Fund	Nonmajor governmental funds	1,145,167
Debt Service Fund	SPLOST Fund	5,957,078
Debt Service Fund	Nonmajor governmental funds	427,030
Nonmajor governmental funds	General Fund	2,480,987
Stormwater Fund	Nonmajor governmental funds	322,164
		<u>\$ 16,767,865</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) move SPLOST proceeds to the Debt Service to fund debt service as allowed in the referendum.

Due to/from primary government and component unit:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Brookhaven Development Authority	General Fund	\$ 55,000

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OPERATING LEASES

The government leases the office facilities (city hall, police station and municipal court) under non-cancelable operating leases. The City accrues rent expense in an amount such that the total rent expense under the lease is recognized ratably over the lease term. The lease expense for the city hall facility and the police station/municipal court were \$335,261 and \$244,997, respectively for the year ended December 31, 2021.

The future minimum lease payments for these leases are as follows:

Year Ending December 31,	City Hall	Police Station/ Municipal Court	Total
2022	\$ 335,057	\$ 251,016	\$ 586,073
2023	343,433	257,364	600,797
2024	352,019	-	352,019
Total lease payments	<u>\$ 1,030,509</u>	<u>\$ 508,380</u>	<u>\$ 1,538,889</u>

The CVB leases its office facility under a non-cancelable operating lease. The CVB accrues rent expense in an amount such that the total rent expense under the lease is recognized ratably over the lease term. The lease expense for the CVB's office was \$77,330 for the year ended December 31, 2021. The future minimum lease payments for this lease is as follows

Year Ending December 31,	CVB Office
2022	\$ 79,297
2023	20,296
Total lease payments	<u>\$ 99,593</u>

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. The total range of amounts for these cases that is reasonably possible of resulting in a liability is \$1,000 to \$6,200,000.

The City has entered several public/private contractual partnerships for outsourced services and operations. Through these contracts with private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, these contracts are approximately \$3.9 million annually. The contracts were bid for four annual service periods and run through the year ending December 31, 2022.

As of December 31, 2021, construction commitments on uncompleted contracts were \$15,149,990.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The City of Brookhaven offers two Retirement Plans for City employees. The 401(a) and 457 plans are defined contribution plans established by Brookhaven for all full-time employees. City Council has the authority to establish and amend the plan provisions as well as the contribution for the plan. The City matches employee contributions for the 457 plan at a two to one (2:1) rate up to a maximum of 10%. Employees are eligible on the first day of the month, following thirty days of employment and are fully vested after twelve months. On December 31, 2021 there were 129 employees participating in the plan who contributed \$964,101, while the City's contributions totaled \$1,020,775.

Part-time employees are eligible on the first day of the month, following thirty days of employment to contribute to the 457 plan, however there is no City Match contribution to the 401(a) plan. On December 31, 2021, there were 3 employees participating in the plan who contributed \$12,030.

The City also contributes the Social Security withholding amount (6.2% for 2021) to a social security replacement 401(a) plan for each eligible employee. All participants are fully vested in their social security replacement plan at all times. On December 31, 2021 there were 146 employees participating in the plan with total contributions from the City of \$723,111.

NOTE 12. JOINT VENTURE

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

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax. The Official Code of Georgia Annotated (O.C.G.A) 48-13-51 requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended December 31, 2021, the City received \$2,277,493 in hotel/motel taxes. Of this amount, \$2,277,493 or 100% was used for the promotion of tourism, conventions, or trade shows and/or remitted to the Brookhaven Convention and Visitors Bureau in accordance with O.C.G.A 48-13-51 as of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the previous three years.

NOTE 15. TAX ABATEMENTS

For the year ended December 31, 2021, City property tax revenues were reduced by \$217,791 under agreements entered into by the DeKalb County Development Authority and Brookhaven Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

Company	Taxes Owed	Taxes Paid	Amount Abated	Abatement Ends
Town Brookhaven	\$ 172,682	\$ 131,607	\$ 41,075	2024
Perimeter Summit	348,493	247,746	100,747	2024-2033
The Prelude at Clairmont	73,647	50,816	22,831	2024
Joint Development Authority	78,912	25,774	53,138	2030
	<u>\$ 673,734</u>	<u>\$ 455,943</u>	<u>\$ 217,791</u>	

NOTE 16. RESTATEMENTS

In accordance with GASB Statement No. 84, *Fiduciary Activities*, management of the City has determined that the activity of the City's Municipal Court Fund should be consolidated and reported within the City's General Fund. As a result, the previously reported net position of the Municipal Court Fund as of December 31, 2020 is restated to be zero. The City's municipal court activity is properly accounted for within the City's General Fund as of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENTS (CONTINUED)

Management has determined that a restatement to opening net position of the Convention and Visitors Bureau (CVB) was required for the year ended December 31, 2021. In the prior year, the CVB did not include its compensated absences balance as a liability in accordance with GASB. A prior period adjustment was required for fiscal year 2021 to restate the opening balance of net position for the CVB.

In addition, management has determined that a restatement to opening fund balance of the CVB and net position was required for the year ended December 31, 2021 to properly record the CVB's revenues which were overstated in the prior year.

The restatements are as follows:

Beginning net position, CVB, as previously reported	\$ 860,889
Record compensated absences liability	(24,440)
To correct revenues that were previously overstated	<u>(88,120)</u>
Beginning net position, CVB, as restated	<u><u>\$ 748,329</u></u>
Beginning fund balance, CVB, as previously reported	\$ 933,710
To correct revenues that were previously overstated	<u>(88,120)</u>
Beginning fund balance, CVB, as restated	<u><u>\$ 845,590</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKHAVEN, GEORGIA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 11,962,560	\$ 11,962,560	\$ 12,629,314	\$ 666,754
Franchise taxes	3,625,000	3,625,000	3,420,434	(204,566)
Alcohol excise taxes	1,196,398	1,196,398	1,329,170	132,772
Business taxes	5,684,573	5,684,573	5,753,831	69,258
Excise taxes	376,149	376,149	324,711	(51,438)
Licenses and permits	2,947,100	3,155,100	6,867,049	3,711,949
Intergovernmental	252,487	449,226	449,226	-
Charges for services	483,873	483,873	720,823	236,950
Fines and forfeitures	1,225,000	1,561,895	1,015,707	(546,188)
Contributions	-	-	37,670	37,670
Interest earned	50,000	50,000	33,358	(16,642)
Miscellaneous	86,000	356,000	386,189	30,189
Total revenues	27,889,140	28,900,774	32,967,482	4,066,708
Expenditures:				
Current:				
General government:				
Mayor and council	275,350	442,350	388,410	53,940
District 1 (1)	43,226	43,226	40,154	3,072
District 2 (1)	34,784	34,784	31,916	2,868
District 3 (1)	26,665	26,665	23,114	3,551
District 4 (1)	35,536	35,536	33,026	2,510
Mayor (1)	49,891	49,891	45,248	4,643
City manager	664,024	855,983	852,040	3,943
City clerk	386,112	400,385	368,602	31,783
Finance and administration	2,505,687	2,388,051	2,145,798	242,253
Legal	560,000	878,200	878,191	9
Data processing	1,665,630	1,719,294	1,648,549	70,745
Human resources	297,869	355,869	358,845	(2,976)
Public information	529,514	529,514	493,137	36,377
Contingency	502,487	861,921	321,995	539,926
Total general government	7,576,775	8,621,669	7,629,025	992,644
Judicial	1,034,261	1,371,156	682,638	688,518
Public safety:				
Police	4,064,614	4,078,774	3,619,009	459,765
Police patrol	6,047,845	6,046,604	5,562,904	483,700
Police CID	1,576,227	1,596,289	1,593,111	3,178
Total public safety	11,688,686	11,721,667	10,775,024	946,643
Public works	1,600,554	1,615,554	1,447,764	167,790
Recreation				
Parks and recreation administration	990,937	1,775,376	1,607,987	167,389
Park operations	1,596,956	1,508,560	1,536,265	(27,705)
Recreation programming	524,920	588,920	627,660	(38,740)
Aquatics	225,801	250,101	229,961	20,140
Total recreation	3,338,614	4,122,957	4,001,873	121,084

(1) - Represents charter mandated salaries and benefits

Continued

CITY OF BROOKHAVEN, GEORGIA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Housing and development				
Community development	\$ 1,060,540	\$ 997,235	\$ 658,542	\$ 338,693
Planning and zoning	364,170	653,191	492,333	160,858
Land development	402,101	402,101	392,986	9,115
Building	1,041,860	1,249,860	1,141,198	108,662
Code enforcement	528,000	528,000	530,175	(2,175)
Fire	446,376	495,942	435,085	60,857
Total housing and development	3,843,047	4,326,329	3,650,319	676,010
Economic development	197,203	506,316	541,533	(35,217)
Capital Outlay	419,750	1,000,733	945,785	54,948
Total expenditures	29,698,890	33,286,381	29,673,961	3,612,420
Excess (deficiency) of revenues over expenditures	(1,809,750)	(4,385,607)	3,293,521	7,679,128
Other financing sources (uses):				
Transfers in	1,575,000	1,400,000	5,559,208	4,159,208
Transfers out	(200,000)	(3,351,355)	(3,357,218)	(5,863)
Proceeds from sales of capital assets	-	-	33,849	33,849
Total other financing sources (uses)	1,375,000	(1,951,355)	2,235,839	4,187,194
Net change in fund balance	(434,750)	(6,336,962)	5,529,360	11,866,322
Fund balance, beginning of year	21,597,938	21,597,938	21,597,938	-
Fund balance, end of year	\$ 21,163,188	\$ 15,260,976	\$ 27,127,298	\$ 11,866,322

NONMAJOR GOVERNMENTAL FUNDS

Confiscated Assets Fund – To account for the use of the City's share of monies that have been forfeited through the court system and are restricted for law enforcement purposes.

The **ARPA Fund** is used to account for the American Rescue Plan Act ("ARPA") grant revenue received by the City for COVID-19 relief.

Grant Fund – To account for federal and state funded initiatives and projects that are restricted for the specific purposes of those initiatives and projects.

Special Tax District No. 1 Fund – To account for the cost of providing public safety services in the Special Tax District created by the City, which is restricted by City ordinance.

Lavista Park Special District Tax Fund – To account for the cost of providing services in the Lavista Park Special Tax District created by the City, which is restricted by City ordinance.

Hotel/Motel Tax Fund – To account for the 8% lodging tax levied in the City, which is restricted by State law.

Streetlight Fund – To account for special assessments to defray the costs of operating, maintaining and repairing the street lighting system in the City and are restricted for these purposes.

Emergency 911 Fund – To account for the monthly 911 charges that are required to be spent on the cost of providing emergency 911 services as restricted by State law.

Vehicle Capital Project Fund – To account for the resources needed to purchase vehicles for the City's fleet. These amounts are assigned by City Council.

Public Facilities Authority – To account for the financing and funding for local and public facilities for the City.

CITY OF BROOKHAVEN, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2021

ASSETS	Special Revenue Funds								Capital Projects Funds		Total Nonmajor Governmental Funds
	Confiscated Assets Fund	ARPA Fund	Grant Fund	Special Tax District No. 1 Fund	Lavista Park Special District Tax Fund	Hotel/Motel Tax Fund	Streetlight Fund	E-911 Fund	Vehicle Capital Project Fund	Public Facilities Authority	
Cash and cash equivalents	\$ 666,601	\$ -	\$ -	\$ -	\$ 898,398	\$ -	\$ 293,705	\$ 123,622	\$ 1,927,581	\$ -	\$ 3,909,907
Accounts receivable	-	-	-	-	-	-	-	207,759	-	-	207,759
Taxes receivable, net of allowance	-	-	-	26,621	8,743	168,553	40,410	-	-	-	244,327
Intergovernmental receivable	-	-	284,278	-	-	-	-	-	-	-	284,278
Total assets	<u>\$ 666,601</u>	<u>\$ -</u>	<u>\$ 284,278</u>	<u>\$ 26,621</u>	<u>\$ 907,141</u>	<u>\$ 168,553</u>	<u>\$ 334,115</u>	<u>\$ 331,381</u>	<u>\$ 1,927,581</u>	<u>\$ -</u>	<u>\$ 4,646,271</u>
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ 19,346	\$ -	\$ -	\$ 142,706	\$ 114,021	\$ 7,392	\$ 173,546	\$ -	\$ 457,011
Retainage payable	-	-	-	-	116,689	-	-	-	-	-	116,689
Due to other funds	-	-	106,274	-	-	25,847	-	-	-	-	132,121
Advances from other funds	-	-	-	-	625,124	-	-	-	-	-	625,124
Total liabilities	-	-	125,620	-	741,813	168,553	114,021	7,392	173,546	-	1,330,945
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - property taxes	-	-	-	12,991	5,448	-	28,489	-	-	-	46,928
Total deferred inflows of resources	-	-	-	12,991	5,448	-	28,489	-	-	-	46,928
FUND BALANCES											
Restricted:											
Law enforcement	666,601	-	158,658	13,630	-	-	-	-	-	-	838,889
Public safety	-	-	-	-	-	-	-	166,338	-	-	166,338
Streetlight service	-	-	-	-	-	-	191,605	-	-	-	191,605
Assigned:											
Public safety	-	-	-	-	-	-	-	157,651	-	-	157,651
Recreation	-	-	-	-	159,880	-	-	-	-	-	159,880
Capital projects	-	-	-	-	-	-	-	-	1,754,035	-	1,754,035
Total fund balances	<u>666,601</u>	<u>-</u>	<u>158,658</u>	<u>13,630</u>	<u>159,880</u>	<u>-</u>	<u>191,605</u>	<u>323,989</u>	<u>1,754,035</u>	<u>-</u>	<u>3,268,398</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 666,601</u>	<u>\$ -</u>	<u>\$ 284,278</u>	<u>\$ 26,621</u>	<u>\$ 907,141</u>	<u>\$ 168,553</u>	<u>\$ 334,115</u>	<u>\$ 331,381</u>	<u>\$ 1,927,581</u>	<u>\$ -</u>	<u>\$ 4,646,271</u>

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

	Special Revenue Funds							Capital Projects Funds		Total Nonmajor Governmental Funds
	Confiscated Assets Fund	ARPA Fund	Grant Fund	Special Tax District No. 1 Fund	Lavista Park Special District Tax Fund	Hotel/Motel Tax Fund	Streetlight Fund	E-911 Fund	Vehicle Capital Project Fund	Public Facilities Authority Fund
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ 951,737	\$ 414,341	\$ -	\$ 430,637	\$ -	\$ -	\$ -
Hotel/Motel taxes	-	-	-	-	-	2,277,493	-	-	-	-
Intergovernmental	-	4,235,578	1,332,244	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	1,318,746	-	-
Fines and forfeitures	158,968	-	-	-	-	-	-	-	-	-
Interest earned	397	-	75	-	-	-	-	-	-	-
Total revenues	159,365	4,235,578	1,332,319	951,737	414,341	2,277,493	430,637	1,318,746	-	-
Expenditures										
Current:										
Public safety	31,472	-	50,021	947,036	-	-	-	1,411,095	-	-
Public works	-	-	-	-	1,199,498	-	490,018	-	-	-
Housing and development	-	-	-	-	-	996,403	-	-	-	-
Capital outlay	-	-	7,823	-	-	-	-	-	1,000,595	1,355,864
Total expenditures	31,472	-	57,844	947,036	1,199,498	996,403	490,018	1,411,095	1,000,595	1,355,864
Excess (deficiency) of revenues over expenditures	127,893	4,235,578	1,274,475	4,701	(785,157)	1,281,090	(59,381)	(92,349)	(1,000,595)	(1,355,864)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	1,025,123	-	-	100,000	-	1,355,864
Transfers out	-	(4,235,578)	(1,536,901)	-	(400,000)	(1,281,090)	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	29,502	-
Total other financing sources (uses)	-	(4,235,578)	(1,536,901)	-	625,123	(1,281,090)	-	100,000	29,502	1,355,864
Net change in fund balances	127,893	-	(262,426)	4,701	(160,034)	-	(59,381)	7,651	(971,093)	-
Fund balances, beginning of year	538,708	-	421,084	8,929	319,914	-	250,986	316,338	2,725,128	-
Fund balances, end of year	\$ 666,601	\$ -	\$ 158,658	\$ 13,630	\$ 159,880	\$ -	\$ 191,605	\$ 323,989	\$ 1,754,035	\$ -

CITY OF BROOKHAVEN, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 2,524,505	\$ 2,524,505	\$ 2,196,840	\$ (327,665)
Total revenues	<u>2,524,505</u>	<u>2,524,505</u>	<u>2,196,840</u>	<u>(327,665)</u>
Expenditures:				
Current:				
Economic development	-	-	1,146	(1,146)
Debt service:				
Principal	6,833,898	6,833,898	6,832,804	1,094
Interest	2,247,685	2,247,685	2,248,625	(940)
Total expenditures	<u>9,081,583</u>	<u>9,081,583</u>	<u>9,082,575</u>	<u>(992)</u>
Deficiency of revenues over expenditures	(6,557,078)	(6,557,078)	(6,885,735)	(328,657)
Other financing sources:				
Transfers in	6,557,078	6,557,078	6,384,108	(172,970)
Total other financing sources	<u>6,557,078</u>	<u>6,557,078</u>	<u>6,384,108</u>	<u>(172,970)</u>
Net change in fund balances	-	-	(501,627)	(501,627)
Fund balances, beginning of year	<u>2,983,927</u>	<u>2,983,927</u>	<u>2,983,927</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,983,927</u>	<u>\$ 2,983,927</u>	<u>\$ 2,482,300</u>	<u>\$ (501,627)</u>

CITY OF BROOKHAVEN, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	\$ 50,050	\$ 50,050	\$ 158,968	\$ 108,918
Interest	-	-	397	397
Total revenues	50,050	50,050	159,365	109,315
Expenditures:				
Public safety	50,050	50,050	31,472	18,578
Capital outlay	-	80,000	-	80,000
Total expenditures	50,050	130,050	31,472	98,578
Net change in fund balances	-	(80,000)	127,893	207,893
Fund balances, beginning of year	538,708	538,708	538,708	-
Fund balances, end of year	<u>\$ 538,708</u>	<u>\$ 458,708</u>	<u>\$ 666,601</u>	<u>\$ 207,893</u>

CITY OF BROOKHAVEN, GEORGIA

ARPA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,235,578	\$ 4,235,578	\$ 4,235,578	\$ -
Total revenues	4,235,578	4,235,578	4,235,578	-
Excess of revenues over expenditures	4,235,578	4,235,578	4,235,578	-
Other financing uses:				
Transfers out	(4,235,578)	(4,235,578)	(4,235,578)	-
Total other financing uses	(4,235,578)	(4,235,578)	(4,235,578)	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKHAVEN, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,588,037	\$ 2,249,983	\$ 1,332,244	\$ (917,739)
Interest	-	-	75	75
Total revenues	1,588,037	2,249,983	1,332,319	(917,664)
Expenditures:				
Public safety	-	71,379	50,021	21,358
Capital outlay	-	59,362	7,823	51,539
Total expenditures	-	130,741	57,844	72,897
Excess of revenues over expenditures	1,588,037	2,119,242	1,274,475	(844,767)
Other financing uses:				
Transfers out	(1,588,037)	(2,119,242)	(1,536,901)	582,341
Total other financing uses	(1,588,037)	(2,119,242)	(1,536,901)	582,341
Net change in fund balances	-	-	(262,426)	(262,426)
Fund balances, beginning of year	421,084	421,084	421,084	-
Fund balances, end of year	\$ 421,084	\$ 421,084	\$ 158,658	\$ (262,426)

CITY OF BROOKHAVEN, GEORGIA
SPECIAL TAX DISTRICT NO. 1 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	\$ 982,759	\$ 982,759	\$ 951,737	\$ (31,022)
Total revenues	982,759	982,759	951,737	(31,022)
Expenditures:				
Public safety	982,759	982,759	947,036	35,723
Total expenditures	982,759	982,759	947,036	35,723
Net change in fund balances	-	-	4,701	4,701
Fund balances, beginning of year	8,929	8,929	8,929	-
Fund balances, end of year	<u>\$ 8,929</u>	<u>\$ 8,929</u>	<u>\$ 13,630</u>	<u>\$ 4,701</u>

CITY OF BROOKHAVEN, GEORGIA
LAVISTA PARK SPECIAL TAX DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 400,000	\$ 400,000	\$ 414,341	\$ 14,341
Total revenues	400,000	400,000	414,341	14,341
Expenditures:				
Public works	400,000	1,345,038	1,199,498	145,540
Total expenditures	400,000	1,345,038	1,199,498	145,540
Deficiency of revenues over expenditures	-	(945,038)	(785,157)	159,881
Other financing sources (uses):				
Transfers in	-	1,025,124	1,025,123	(1)
Transfers out	-	(400,000)	(400,000)	-
Total other financing sources	-	625,124	625,123	(1)
Net change in fund balances	-	(319,914)	(160,034)	159,880
Fund balances, beginning of year	319,914	319,914	319,914	-
Fund balances, end of year	<u>\$ 319,914</u>	<u>\$ -</u>	<u>\$ 159,880</u>	<u>\$ 159,880</u>

CITY OF BROOKHAVEN, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 3,200,000	\$ 3,200,000	\$ 2,277,493	\$ (922,507)
Total revenues	3,200,000	3,200,000	2,277,493	(922,507)
Expenditures:				
Housing and development	1,400,000	1,400,000	996,403	403,597
Total expenditures	1,400,000	1,400,000	996,403	403,597
Excess of revenues over expenditures	1,800,000	1,800,000	1,281,090	(518,910)
Other financing uses:				
Transfers out	(1,800,000)	(1,800,000)	(1,281,090)	518,910
Total other financing uses	(1,800,000)	(1,800,000)	(1,281,090)	518,910
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF BROOKHAVEN, GEORGIA
STREETLIGHT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	\$ 422,000	\$ 422,000	\$ 430,637	\$ 8,637
Total revenues	422,000	422,000	430,637	8,637
Expenditures:				
Public works	460,000	493,572	490,018	3,554
Total expenditures	460,000	493,572	490,018	3,554
Net change in fund balances	(38,000)	(71,572)	(59,381)	12,191
Fund balances, beginning of year	250,986	250,986	250,986	-
Fund balances, end of year	<u>\$ 212,986</u>	<u>\$ 179,414</u>	<u>\$ 191,605</u>	<u>\$ 12,191</u>

CITY OF BROOKHAVEN, GEORGIA
E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	\$ 1,126,039	\$ 1,126,039	\$ 1,318,746	\$ 192,707
Total revenues	1,126,039	1,126,039	1,318,746	192,707
Expenditures:				
Public safety	1,426,039	1,445,754	1,411,095	34,659
Total expenditures	1,426,039	1,445,754	1,411,095	34,659
Deficiency of revenues over expenditures	(300,000)	(319,715)	(92,349)	227,366
Other financing sources:				
Transfers in	100,000	100,000	100,000	-
Total other financing sources	100,000	100,000	100,000	-
Net change in fund balances	(200,000)	(219,715)	7,651	227,366
Fund balances, beginning of year	316,338	316,338	316,338	-
Fund balances, end of year	<u>\$ 116,338</u>	<u>\$ 96,623</u>	<u>\$ 323,989</u>	<u>\$ 227,366</u>

CITY OF BROOKHAVEN, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2021

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST:						
Pavement management	\$ 14,000,000	\$ 14,000,000	\$ 6,554,791	\$ 14,635	\$ 6,569,426	46.92 %
Existing capital asset maintenance	7,078,569	7,078,569	2,262,558	306,091	2,568,649	36.29
Transportation improvements	11,111,889	11,111,889	9,103,322	1,763,008	10,866,330	97.79
Public safety facilities and equipment	15,000,000	15,796,671	4,216,486	11,580,185	15,796,671	100.00
Total SPLOST	<u>\$ 47,190,458</u>	<u>\$ 47,987,129</u>	<u>\$ 22,137,157</u>	<u>\$ 13,663,919</u>	<u>\$ 35,801,076</u>	

COMPONENT UNITS

CITY OF BROOKHAVEN, GEORGIA

BALANCE SHEET COMPONENT UNIT - CONVENTION AND VISITORS BUREAU DECEMBER 31, 2021

ASSETS

Cash	\$ 971,966
Accounts receivable	142,706
Security deposit	<u>6,328</u>
Total assets	<u>\$ 1,121,000</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 43,586
Deferred lease liability	<u>6,985</u>
Total liabilities	<u>50,571</u>

FUND BALANCE

Restricted for economic development	<u>1,070,429</u>
Total liabilities and fund balance	<u>\$ 1,121,000</u>

CITY OF BROOKHAVEN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION AND VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES

Intergovernmental	\$ 1,352,412
Interest	<u>3,030</u>
Total revenues	<u>1,355,442</u>

EXPENDITURES

Economic development	<u>1,130,603</u>
Total expenditures	<u>1,130,603</u>

Net change in fund balance	224,839
----------------------------	---------

FUND BALANCE, beginning of year, as restated	<u>845,590</u>
---	----------------

FUND BALANCE, end of year	<u><u>\$ 1,070,429</u></u>
----------------------------------	----------------------------

CITY OF BROOKHAVEN, GEORGIA

BALANCE SHEET COMPONENT UNIT - DEVELOPMENT AUTHORITY DECEMBER 31, 2021

ASSETS	
Cash	\$ 199,895
Land held for redevelopment	3,795,285
Due from primary government	<u>55,000</u>
Total assets	<u>\$ 4,050,180</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 1,000</u>
Total liabilities	<u>1,000</u>
FUND BALANCE	
Unassigned	<u>4,049,180</u>
Total liabilities and fund balance	<u>\$ 4,050,180</u>

CITY OF BROOKHAVEN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES

Charges for services	\$ 337,900
Interest	<u>57</u>
Total revenues	<u>337,957</u>

EXPENDITURES

Housing and development	89,137
Debt service-principal	<u>252,487</u>
Total expenditures	<u>341,624</u>

Net change in fund balance	(3,667)
----------------------------	---------

FUND BALANCE, beginning of year	<u>4,052,847</u>
--	------------------

FUND BALANCE, end of year	<u><u>\$ 4,049,180</u></u>
----------------------------------	----------------------------

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	82
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	87
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	91
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	98
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year. Note that 2013 was the first year of operations.

CITY OF BROOKHAVEN, GEORGIA

NET POSITION BY COMPONENT LAST NINE YEARS (accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities									
Net investment in capital assets	\$ 97,992,025	\$ 88,049,917	\$ 79,892,779	\$ 83,202,488	\$ 72,013,003	\$ 64,370,907	\$ 65,484,793	\$ 66,691,916	\$ 60,658,099
Restricted	6,206,659	6,466,986	11,695,428 ⁽¹⁾	2,720,707	2,724,544	2,405,177	2,202,746	1,573,334	1,428,776
Unrestricted	45,469,706	41,003,482	30,389,360	29,553,636	23,830,990	19,974,759	13,305,139	9,000,585	3,551,798
Total governmental activities net position	<u>\$ 149,668,390</u>	<u>\$ 135,520,385</u>	<u>\$ 121,977,567</u>	<u>\$ 115,476,831</u>	<u>\$ 98,568,537</u>	<u>\$ 86,750,843</u>	<u>\$ 80,992,678</u>	<u>\$ 77,265,835</u>	<u>\$ 65,638,673</u>
Business-type activities									
Investment in capital assets	\$ 12,662,778	\$ 10,556,057	\$ 8,498,288	\$ 8,227,377	\$ 7,412,334	\$ 7,146,150	\$ 6,860,091	\$ 6,825,621	\$ 6,487,443
Unrestricted	865,319	(8,092) ⁽²⁾	1,513,447	1,247,610	1,693,080	1,864,710	1,805,995	1,349,322	1,079,849
Total business-type activities net position	<u>\$ 13,528,097</u>	<u>\$ 10,547,965</u>	<u>\$ 10,011,735</u>	<u>\$ 9,474,987</u>	<u>\$ 9,105,414</u>	<u>\$ 9,010,860</u>	<u>\$ 8,666,086</u>	<u>\$ 8,174,943</u>	<u>\$ 7,567,292</u>
Primary government									
Net investment in capital assets	\$ 110,654,803	\$ 98,605,974	\$ 88,391,067	\$ 91,429,865	\$ 79,425,337	\$ 71,517,057	\$ 72,344,884	\$ 73,517,537	\$ 67,145,542
Restricted	6,206,659	6,466,986	11,695,428	2,720,707	2,724,544	2,405,177	2,202,746	1,573,334	1,428,776
Unrestricted	46,335,025	40,995,390	31,902,807	30,801,246	25,524,070	21,839,469	15,111,134	10,349,907	4,631,647
Total primary government net position	<u>\$ 163,196,487</u>	<u>\$ 146,068,350</u>	<u>\$ 131,989,302</u>	<u>\$ 124,951,818</u>	<u>\$ 107,673,951</u>	<u>\$ 95,761,703</u>	<u>\$ 89,658,764</u>	<u>\$ 85,440,778</u>	<u>\$ 73,205,965</u>

(1) Additional SPLOST collections not spent.

(2) Increase in capital assets.

CITY OF BROOKHAVEN, GEORGIA

CHANGES IN NET POSITION LAST NINE YEARS (accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses									
Governmental activities:									
General government	\$ 7,772,660	\$ 10,295,903	\$ 6,849,657	\$ 6,374,028	\$ 5,896,748	\$ 5,101,706	\$ 4,525,493	\$ 5,211,523	\$ 3,942,196
Judicial	682,042	637,769	926,444	552,602	580,297	584,753	601,508	508,592	468,589
Public safety	13,893,886	14,959,546	12,734,669	11,808,133	11,552,258	10,595,386	11,301,632	7,876,343	6,324,863
Public works	5,810,581	4,172,745	5,325,777	5,163,842	6,628,683	4,295,145	4,225,043	5,614,702	3,070,672
Housing and development	4,681,868	4,039,212	6,471,942	4,869,152	4,644,383	3,736,194	2,898,485	2,442,100	1,272,777
Culture and recreation	5,506,366	5,966,164	5,533,860	4,205,797	5,695,736	4,423,411	3,506,276	1,766,940	595,935
Community development	542,679	267,860	287,647	316,878	-	146,983	146,642	76,515	11,794
Interest and fiscal charges	2,090,519	2,213,432	2,821,100 ⁽¹⁾	708,232	95,950	28,226	61,895	101,252	81,633
Total governmental activities expenses	40,980,601	42,552,631	40,951,096	33,998,664	35,094,255	28,911,804	27,266,974	23,597,967	15,768,459
Business-type activities:									
Stormwater	1,554,392	1,722,331	1,549,238	1,429,534	1,853,950	1,488,786	1,122,485	1,206,891	441,792
Total business-type activities expenses	1,554,392	1,722,331	1,549,238	1,429,534	1,853,950	1,488,786	1,122,485	1,206,891	441,792
Total primary government expenses	\$ 42,534,993	\$ 44,274,962	\$ 42,500,334	\$ 35,428,198	\$ 36,948,205	\$ 30,400,590	\$ 28,389,459	\$ 24,804,858	\$ 16,210,251
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 578,359	\$ 636,156	\$ 643,698	\$ 549,408	\$ 142,787	\$ 530,353	\$ 836,595	\$ 499,051	\$ 438,665
Judicial	1,174,675	954,672	1,774,371	1,242,168	979,400	1,332,434	1,395,173	1,354,603	359,364
Public safety	1,472,596	1,514,585	1,633,572	1,323,529	1,320,894	1,538,695	771,697	356,111	1,700
Public works	354,031	331,045	331,045	74,674	-	-	412,402	429,769	362,219
Housing and development	6,046,621	9,577,148 ⁽⁴⁾	3,336,286	5,228,029	3,150,238	2,995,110	1,523,186	2,237,592	1,652,368
Culture and recreation	455,011	221,281	496,685	467,052	327,676	470,656	240,247	127,830	26,856
Capital grants and contributions	10,726,532	9,500,996	8,717,845	6,366,880	2,492,933	326,032	400,655	2,147,621	-
Operating grants and contributions	4,235,578	6,300,934 ⁽³⁾	-	-	-	-	-	-	-
Total governmental activities program revenues	25,043,403	29,036,817	16,933,502	15,251,740	8,414,128	7,193,280	5,579,955	7,152,577	2,841,172
Business-type activities:									
Charges for services:									
Stormwater	3,356,815	2,356,884	2,018,424	1,999,107	1,988,504	1,581,760	1,613,628	1,538,632	1,466,735
Capital grants and contributions	855,545	-	-	-	-	251,800	-	275,910	-
Total business-type activities program revenues	4,212,360	2,356,884	2,018,424	1,999,107	1,988,504	1,833,560	1,613,628	1,814,542	1,466,735
Total primary government program revenues	\$ 29,255,763	\$ 31,393,701	\$ 18,951,926	\$ 17,250,847	\$ 10,402,632	\$ 9,026,840	\$ 7,193,583	\$ 8,967,119	\$ 4,307,907

(continued)

CITY OF BROOKHAVEN, GEORGIA

CHANGES IN NET POSITION LAST NINE YEARS (accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (expense)/revenue									
Governmental activities	\$ (15,937,198)	\$ (13,515,814)	\$ (24,017,594)	\$ (18,746,924)	\$ (26,680,127)	\$ (21,718,524)	\$ (21,687,019)	\$ (16,445,390)	\$ (12,927,287)
Business-type activities	2,657,968	634,553	469,186	569,573	134,554	344,774	491,143	607,651	1,024,943
Total primary government net expense	<u>\$ (13,279,230)</u>	<u>\$ (12,881,261)</u>	<u>\$ (23,548,408)</u>	<u>\$ (18,177,351)</u>	<u>\$ (26,545,573)</u>	<u>\$ (21,373,750)</u>	<u>\$ (21,195,876)</u>	<u>\$ (15,837,739)</u>	<u>\$ (11,902,344)</u>
General Revenues and Other Changes in Net Position									
Governmental activities:									
Property taxes	\$ 16,647,451	\$ 14,096,790	\$ 13,873,420	\$ 10,090,399	\$ 9,454,749	\$ 7,684,986	\$ 6,516,128	\$ 6,594,450	\$ 5,747,333
Sales taxes	-	-	- (2)	1,631,933	6,691,614	6,911,336	5,738,333	6,360,077	5,201,601
Hotel/Motel taxes	2,277,493	1,539,795	3,753,577	3,758,787	2,948,420	1,950,677	1,918,124	1,646,793	1,296,841
Franchise taxes	3,420,434	3,332,292	4,001,898	2,661,917	4,630,027	4,111,311	4,398,368	3,056,603	1,472,669
Business taxes	5,753,831	5,749,738	5,818,439	5,834,215	5,367,889	5,008,501	5,352,681	4,584,705	1,761,762
Alcohol & excise taxes	1,653,881	1,575,639	1,792,340	1,688,504	1,468,069	1,396,966	1,109,297	881,643	741,592
Insurance premium	-	-	-	-	-	-	-	-	57,663
Unrestricted investment earnings	167,067	477,860	1,101,288	181,473	43,259	9,677	3,166	4,782	2,607
Miscellaneous	423,859	153,211	220,442	276,355	424,329	403,235	377,765	73,955	30,986
Gain on sale of capital asset	63,351	34,984	-	9,331,635	7,429,465	-	-	-	-
Special item - donation of infrastructure at incorporation	-	-	-	-	-	-	-	-	62,252,906
Transfers	(322,164)	98,323	(43,074)	200,000	40,000	-	-	-	-
Total governmental activities	<u>30,085,203</u>	<u>27,058,632</u>	<u>30,518,330</u>	<u>35,655,218</u>	<u>38,497,821</u>	<u>27,476,689</u>	<u>25,413,862</u>	<u>23,203,008</u>	<u>78,565,960</u>
Business-type activities:									
Special item - donation of infrastructure at incorporation	-	-	-	-	-	-	-	-	6,542,349
Unrestricted investment earnings	-	-	24,488	-	-	-	-	-	-
Transfers	322,164	(98,323)	43,074	(200,000)	(40,000)	-	-	-	-
Total business-type activities	<u>322,164</u>	<u>(98,323)</u>	<u>67,562</u>	<u>(200,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,542,349</u>
Total primary government	<u>\$ 30,407,367</u>	<u>\$ 26,960,309</u>	<u>\$ 30,585,892</u>	<u>\$ 35,455,218</u>	<u>\$ 38,457,821</u>	<u>\$ 27,476,689</u>	<u>\$ 25,413,862</u>	<u>\$ 23,203,008</u>	<u>\$ 85,108,309</u>
Change in Net Position									
Governmental activities	\$ 14,148,005	\$ 13,542,818	\$ 6,500,736	\$ 16,908,294	\$ 11,817,694	\$ 5,758,165	\$ 3,726,843	\$ 6,757,618	\$ 65,638,673
Business-type activities	2,980,132	536,230	536,748	369,573	94,554	344,774	491,143	607,651	7,567,292
Total primary government	<u>\$ 17,128,137</u>	<u>\$ 14,079,048</u>	<u>\$ 7,037,484</u>	<u>\$ 17,277,867</u>	<u>\$ 11,912,248</u>	<u>\$ 6,102,939</u>	<u>\$ 4,217,986</u>	<u>\$ 7,365,269</u>	<u>\$ 73,205,965</u>

(1) The City began making debt service payments on SPLOST, Revenue and General Obligation bonds in 2019.

(2) The HOST program collections ended in 2018.

(3) Receipt of COVID-19 CRF Funds in 2020.

(4) Hospital building and trade permits issued to Children's Healthcare of Atlanta.

CITY OF BROOKHAVEN, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST NINE YEARS

(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund									
Nonspendable:									
Prepaid items	\$ 405,229	\$ 494,307	\$ 441,756	\$ 502,823	\$ 697,283	\$ 431,443	\$ 425,023	\$ 227,320	\$ 165,450
Advances to other funds	1,660,562	517,938	-	-	-	-	-	-	-
Restricted:									
Streetlight service	-	-	-	-	-	-	368,189	415,981	377,994
Police donations	67,561	67,561	45,732	30,928	30,928	31,569	-	-	-
Committed:									
Brookhaven heights land purchase	-	-	1,100,000	-	-	-	-	-	-
Assigned:									
Tree fund activities	63,735	63,735	53,312	54,837	43,969	21,369	27,086	-	-
Future capital improvements	11,966,511	11,377,680	3,264,105	1,867,906	933,953	933,953	-	-	-
Assigned for subsequent year budget	782,811	837,749	340,880	731,443	173,719	550,043	-	-	-
Development Authority loan for land purchase	-	-	650,000	-	-	-	-	-	-
Sidewalk bank	518,347	518,347	405,719	74,674	-	-	-	-	-
Capital projects	-	-	-	592,022	-	-	-	-	-
Unassigned	11,662,542	7,720,621	9,485,378	9,761,810	8,565,833	6,253,311	4,553,079	1,104,971	(108,876)
Total general fund	<u>\$ 27,127,298</u>	<u>\$ 21,597,938</u>	<u>\$ 15,786,882</u>	<u>\$ 13,616,443</u>	<u>\$ 10,445,685</u>	<u>\$ 8,221,688</u>	<u>\$ 5,373,377</u>	<u>\$ 1,748,272</u>	<u>\$ 434,568</u>
All other governmental funds									
Nonspendable:									
Prepaid items	\$ 21	\$ -	\$ 137,500	\$ 198,917	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:									
Law enforcement	838,889	968,721	986,929	690,401	300,353	194,165	21,665	13,748	-
E-911 operations	-	-	-	-	-	167,434	54,460	54,460	-
Capital projects	32,588,333	46,813,185	51,191,153 (1)	-	-	-	-	-	-
Public safety	166,338	166,338 (3)	-	12,073,120	-	-	-	-	-
Tourism	-	-	-	1,513,801	1,485,020	1,660,476	1,758,432	1,089,145	543,839
Streetlight service	191,605	250,986	297,391	327,538	335,582	337,995	-	-	506,943
Public works	-	-	197,257	140,541	562,446	-	-	-	-
Recreation	-	319,914	-	-	-	-	-	-	-
Debt service	-	-	577,691	-	-	-	-	-	-
Multi-modal transportation projects	-	-	- (2)	12,577,699	-	-	-	-	-
Committed:									
Debt service	2,482,279	2,983,927	3,067,712	1,615,613	1,194,763	-	-	-	-
Assigned:									
HOST activities	-	-	545,069	113,127	1,661,404	9,486,486	8,699,500	7,115,659	3,740,069
Capital projects	15,893,018	16,477,590	10,779,757	14,330,684	10,975,319	3,028,983	-	-	-
Public works	-	-	-	200,000	-	-	-	-	-
Recreation	159,880 (4)	-	-	-	-	-	-	-	-
Public safety	157,651	150,000	271,829	174,961	286,966	-	-	-	-
Unassigned	-	-	-	-	-	(76,521)	(288,119)	-	-
Total all other governmental funds	<u>\$ 52,478,014</u>	<u>\$ 68,130,661</u>	<u>\$ 68,052,288</u>	<u>\$ 43,956,402</u>	<u>\$ 16,801,853</u>	<u>\$ 14,799,018</u>	<u>\$ 10,245,938</u>	<u>\$ 8,273,012</u>	<u>\$ 4,790,851</u>

- (1) The City issued Series 2019 General Obligation Bonds in 2019.
- (2) The City spent remaining bond proceeds on its outstanding Revenue Bonds in 2019.
- (3) Change in accounting for E911 collections resulted in fund balance being reported as restricted in 2020.
- (4) Reclassification of fund balance in 2021.

CITY OF BROOKHAVEN, GEORGIA

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues									
Property taxes	\$ 16,622,869	\$ 14,315,223	\$ 13,686,421	\$ 10,093,068	\$ 9,425,609	\$ 8,100,863	\$ 7,515,590	\$ 6,627,845	\$ 5,682,476
Sales taxes	-	-	- (4)	1,631,933	6,691,614	6,911,336	5,738,333	6,360,077	5,201,601
Hotel/Motel taxes	2,277,493	1,539,795	3,753,577	3,758,787	2,948,420	1,950,677	1,918,124	1,646,793	1,296,841
Franchise taxes	3,420,434	3,332,292	4,001,898 (3)	2,661,917 (3)	4,630,027	4,111,311	3,961,934	2,050,890	1,472,669
Alcohol excise taxes	1,329,170	1,296,488	1,323,470	1,155,312	1,138,944	1,089,937	818,244	810,836	741,592
Business taxes	5,753,831	5,749,738	5,818,439	5,834,215	5,367,889	5,008,501	5,352,681	4,584,705	1,761,762
Excise taxes	324,711	279,151	468,870	533,192	329,125	307,029	291,053	70,807	57,663
Licenses and permits	6,867,049	10,439,887	4,199,025	5,745,897	3,207,348	3,445,759	2,043,013	2,667,375	2,033,031
Intergovernmental	14,979,442	15,793,911 (7)	8,643,412	6,186,413 (2)	2,492,933 (1)	316,032	300,655	300,041	-
Charges for services	2,039,569	1,840,328	2,242,261	1,896,795	1,734,627	2,206,972	1,847,239	1,030,145	442,827
Fines and forfeitures	1,174,675	954,672	1,774,371	1,242,168	979,220	1,214,517	1,289,048	1,307,436	359,364
Contributions	237,670	257,450	41,168	134,271	37,239	74,283	137,658	30,250	-
Interest earned	202,222	538,366	1,307,784	261,940	43,259	9,677	3,166	4,782	2,607
Miscellaneous	386,189	95,761	179,274	242,084	387,090	328,952	240,107	43,705	36,936
Total revenues	<u>55,615,324</u>	<u>56,433,062</u>	<u>47,439,970</u>	<u>41,377,992</u>	<u>39,413,344</u>	<u>35,075,846</u>	<u>31,456,845</u>	<u>27,535,687</u>	<u>19,089,369</u>
Expenditures									
General government	7,632,141	10,581,290	6,741,648	6,324,000	5,775,672	4,740,681	4,420,143	5,107,867	4,129,445
Judicial	682,638	634,502	922,688	555,029	576,361	565,815	582,977	489,077	478,426
Public safety	13,948,017	14,129,307	11,973,669	10,914,971	10,505,639	9,342,980	8,978,542	7,256,316	8,167,651
Public works	3,811,393	2,378,566	2,830,775	2,758,917	4,562,868	2,093,179	2,176,941	2,757,346	1,139,744
Culture and recreation	5,177,623	4,790,917	4,434,946	3,179,824	5,426,618	2,633,492	2,266,481	1,734,171	595,935
Housing and development	4,646,722	4,655,073	6,458,587	4,859,290	4,631,453	3,713,479	2,883,570	2,443,380	1,259,431
Community development	-	-	-	-	-	-	100,560	76,515	11,794
Economic development	542,679	267,860	289,495	316,878	-	-	-	-	-
Capital outlay	19,957,156	20,406,743	23,907,407 (5)	16,378,130	12,933,727	3,778,129	3,735,866	2,097,406	917,693
Debt service									
Principal	6,832,804	4,844,905	2,556,999 (6)	494,368	664,080	773,391	764,022	672,157	35,840
Interest	2,248,625	2,899,751	760,926	48,977	40,656	33,309	65,968	105,587	22,879
Issuance cost	-	91,966	760,934	347,884	57,000	-	-	-	-
Total expenditures	<u>65,479,798</u>	<u>65,680,880</u>	<u>61,638,074</u>	<u>46,178,268</u>	<u>45,174,074</u>	<u>27,674,455</u>	<u>25,975,070</u>	<u>22,739,822</u>	<u>16,758,838</u>
Excess (deficiency) of revenues over (under) expenditures	(9,864,474)	(9,247,818)	(14,198,104)	(4,800,276)	(5,760,730)	7,401,391	5,481,775	4,795,865	2,330,531
Other financing sources (uses)									
Proceeds from sale of capital assets	63,351	38,924	33,380	10,000,000	4,747,562	-	-	-	21,915
Issuance of financed purchase	-	-	-	-	-	-	116,256	-	2,872,973
Issuance of note payable	-	-	-	-	5,200,000	-	-	-	-
Issuance of bonds	-	15,000,000	38,855,000	24,640,000	-	-	-	-	-
Issuance of bonds premium	-	-	1,619,123	285,583	-	-	-	-	-
Transfers in	16,445,701	10,231,394	19,922,762	11,156,025	20,105,500	5,475,295	2,292,461	1,734,906	2,459,475
Transfers out	(16,767,865)	(10,133,071)	(19,965,836)	(10,956,025)	(20,065,500)	(5,475,295)	(2,292,461)	(1,734,906)	(2,459,475)
Total other financing sources (uses)	<u>(258,813)</u>	<u>15,137,247</u>	<u>40,464,429</u>	<u>35,125,583</u>	<u>9,987,562</u>	<u>-</u>	<u>116,256</u>	<u>-</u>	<u>2,894,888</u>
Net change in fund balances	<u>\$ (10,123,287)</u>	<u>\$ 5,889,429</u>	<u>\$ 26,266,325</u>	<u>\$ 30,325,307</u>	<u>\$ 4,226,832</u>	<u>\$ 7,401,391</u>	<u>\$ 5,598,031</u>	<u>\$ 4,795,865</u>	<u>\$ 5,225,419</u>
Debt service as a percentage of noncapital expenditures	20.85%	17.14%	8.62%	0.89%	2.18%	3.09%	3.35%	3.65%	0.45%

(1) Intergovernmental revenues increased during 2017 as a result of additional State funding for road improvements.

(2) Intergovernmental revenues increased during 2018 as a result of the new SPLOST program.

(3) Franchise tax revenues decreased during 2018 as a result of an overpayment in prior years by Atlanta Gas Light, but increased in 2019 as Atlanta Gas Light remitted 2019 franchise revenues to the City after correction on overpayment calculation.

(4) The HOST program collections ended in 2018.

(5) The City incurred significant capital outlay expenditures on the Peachtree Creek Greenway project in 2019.

(6) The City began making principal payments on its outstanding SPLOST and Revenue Bonds in 2019.

(7) The City collected approximately \$6.3 million of CARES grant funding due to the COVID-19 pandemic.

CITY OF BROOKHAVEN, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY LAST NINE YEARS

Fiscal Year	Real Property			Personal Property	
	Residential	Commercial	Industrial	Motor Vehicle	Other (1)
2013	\$ 1,523,386,393	\$ 649,523,762	\$ 12,668,560	\$ -	\$ 72,178,713
2014	1,733,667,148	750,897,616	13,633,280	82,633,320	200,673,125
2015	2,060,648,765	864,293,618	20,659,330	67,891,300	218,557,894
2016	2,180,835,535	1,092,206,786	19,896,863	47,578,450	150,094,412
2017	2,318,323,246	1,215,555,686	21,372,467	40,040,890	158,162,722
2018	2,511,412,782	1,559,080,844	30,815,467	22,420,340	157,409,307
2019	2,731,917,283	1,883,878,228	36,157,554	16,582,860	147,905,844
2020	2,954,535,264	1,931,492,642	26,063,955	11,979,940	150,957,833
2021	3,252,997,905	1,835,968,402	19,834,958	8,987,470	141,133,115

Source: Georgia Department of Revenue

(1) Includes aircraft, boats, equipment and other miscellaneous personal property.

Public Utility	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ -	\$ 254,330,508	\$ 2,003,426,920	2.850	\$ 5,008,567,300	40%
14,644,304	432,899,327	2,363,249,466	2.795	5,908,123,665	40%
17,710,345	646,602,506	2,603,158,746	2.740	6,507,896,865	40%
20,281,585	728,901,965	2,781,991,666	2.740	6,954,979,165	40%
24,103,976	760,277,266	3,017,281,721	2.740	7,543,204,303	40%
26,441,934	824,190,700	3,483,389,974	2.740	8,708,474,935	40%
27,904,818	874,002,733	3,970,343,854	3.420	9,925,859,635	40%
29,870,584	953,916,175	4,150,984,043	3.310	10,377,460,108	40%
31,592,678	1,041,762,260	4,248,752,268	2.740	10,621,880,670	40%

CITY OF BROOKHAVEN, GEORGIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Per \$1000 of Assessed Value) LAST NINE YEARS

Calendar Year	City of Brookhaven			DeKalb County					DeKalb County Schools Millage	State	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Fire District Millage	Hospital Millage	Total County Millage			
2013	2.850	-	2.850	10.710	1.920	2.820	0.800	16.250	23.980	0.150	43.230
2014	2.795	-	2.795	8.220	1.680	2.870	0.800	13.570	23.900	0.100	40.365
2015	2.740	-	2.740	10.390	0.640	2.750	0.890	14.670	23.730	0.050	41.190
2016	2.740	-	2.740	8.760	0.490	2.570	0.740	12.560	23.730	-	39.030
2017	2.740	-	2.740	8.693	0.794	3.080	0.740	13.307	23.280	-	39.327
2018	2.740	-	2.740	9.638	0.733	2.687	0.726	13.784	23.180	-	39.704
2019	2.740	0.680	3.420	9.304	0.953	2.709	0.648	13.614	23.080	-	40.114
2020	2.740	0.570	3.310	9.366	0.909	2.792	0.642	13.709	23.080	-	40.099
2021	2.740	0.570	3.310	9.108	0.504	2.996	0.356	12.964	23.080	-	39.354

Source: DeKalb County Tax Commissioner

The City's operating legal millage rate is capped at 3.35.

CITY OF BROOKHAVEN, GEORGIA

PRINCIPAL TAXPAYERS CURRENT AND EIGHT YEARS AGO

Taxpayer	2021			2013		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
DEVELOPMENT AUTHORITY DEKALB	\$ 77,945,439	1	1.83 %	\$ 20,196,001	4	1.01 %
BOF GA LENOX PARK LLC	76,907,880	2	1.81			
EUEP LLC	47,430,422	3	1.12			
20 PERIMETER SUMMIT LLC	38,978,600	4	0.92	27,118,720	3	1.35
GOODWYNN OWNER LLC	36,000,000	5	0.85	19,620,000	5	0.98
LION GABLES REALTY LP	35,842,600	6	0.84			
PERIMETER SUMMIT PARCEL 2 LP	34,400,000	7	0.81			
3450 BLAIR CIRCLE LLC	32,910,000	8	0.77			
DEVELOPMENT AUTH OF DEKALB	30,616,960	9	0.72			
DEVELOPMENT AUTHORITY	30,608,520	10	0.72			
AT&T MOBILITY, LLC				35,585,501	1	1.78
CRAFT LLC				31,234,985	2	1.56
50 LINCOLN COURT, LLC				16,400,000	6	0.82
POST GLEN, LLC				15,760,000	7	0.79
MID AMERICA APARTMENTS LP				14,344,520	8	0.72
BIR LENOX, LLC				13,800,000	9	0.69
MANUFACTURERS LIFE INSURANCE				12,320,200	10	0.61
	<u>\$ 441,640,421</u>		<u>10.39 %</u>	<u>\$ 206,379,927</u>		<u>10.30 %</u>

Source: DeKalb County Tax Commissioner

CITY OF BROOKHAVEN, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST NINE YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 5,595,364	\$ 5,501,908	98.3%	\$ 89,525	\$ 5,591,433	99.93%
2014	6,373,661	6,299,520	98.8%	68,403	6,367,923	99.91%
2015	7,054,126	6,975,703	98.9%	65,197	7,040,900	99.81%
2016	8,004,716	7,848,448	98.0%	156,268	8,004,716	100.00%
2017	8,802,942	8,641,016	98.2%	159,123	8,800,139	99.97%
2018	10,175,123 (1)	9,942,376	97.7%	-	9,942,376	97.71%
2019	12,659,916	12,304,135	97.2%	106,792	12,410,927	98.03%
2020	13,056,554	12,860,526	98.5%	9,926	12,870,452	98.57%
2021	13,818,687	13,473,682	97.5%	200,549	13,674,231	98.95%

Source: DeKalb County Tax Commissioner

(1) 2018 Tax Levy was adjusted to reflect billing adjustments made by DeKalb County.

CITY OF BROOKHAVEN, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST NINE YEARS

Fiscal Year	Governmental Activities					Total	Percentage of Personal Income (1)	Per Capita (1)
	Financed	Revenue Bonds Payable	Direct Placement	General	Notes			
	Purchases From		SPLOST Bonds	Obligation Bonds	Payable From			
	Direct Borrowings		Payable	Payable	Direct Borrowings			
2013	\$ 2,872,973	\$ -	\$ -	\$ -	\$ -	\$ 2,872,973	0.09%	\$ 61
2014	2,200,816	-	-	-	-	2,200,816	0.06%	44
2015	1,553,050	-	-	-	-	1,553,050	0.04%	30
2016	779,659	-	-	-	-	779,659	0.03%	15
2017	254,512	-	-	-	5,061,067	5,315,579	0.13%	101
2018	-	12,925,583	-	12,000,000	4,821,211	29,746,794	1.18%	556
2019	-	12,595,990	10,000,000	40,397,878	4,579,212	67,573,080	2.19%	1,248
2020	-	12,367,036	20,586,904	40,175,515	4,457,403	77,586,858	2.32%	1,397
2021	-	12,128,513	14,939,350	39,369,607	4,212,153	70,649,623	1.98%	1,263

(1) See the Demographic and Economic Statistics for personal income and population data.

CITY OF BROOKHAVEN, GEORGIA

SUMMARY OF DEBT SERVICE DUE ON OUTSTANDING CITY OBLIGATIONS DECEMBER 31, 2021

Date	GEFA	Public Facilities Bond	SPLOST GO Bond	GO Bond Series 2019	GO Bond Series 2020	Total	% of Debt Service Remaining
12/31/2022	\$ 283,922	\$ 674,731	\$ 2,165,000	\$ 2,168,850	\$ 3,737,078	\$ 9,029,581	90.79%
12/31/2023	283,922	672,981	2,110,000	2,166,100	3,737,078	8,970,081	81.64%
12/31/2024	283,922	680,731	2,055,000	2,166,600	1,557,115	6,743,368	74.76%
12/31/2025	283,922	697,481	-	2,165,100	-	3,146,503	71.55%
12/31/2026	283,922	707,731	-	2,166,600	-	3,158,253	68.32%
12/31/2027	283,922	726,731	-	2,165,850	-	3,176,503	65.08%
12/31/2028	283,922	738,981	-	2,167,850	-	3,190,753	61.83%
12/31/2029	283,922	754,731	-	2,162,350	-	3,201,003	58.56%
12/31/2030	283,922	778,731	-	2,149,600	-	3,212,253	55.28%
12/31/2031	283,922	794,781	-	2,151,750	-	3,230,453	51.99%
12/31/2032	283,922	814,931	-	2,146,550	-	3,245,403	48.68%
12/31/2033	283,922	839,031	-	2,139,750	-	3,262,703	45.35%
12/31/2034	283,922	861,219	-	2,148,450	-	3,293,591	41.99%
12/31/2035	283,922	887,156	-	2,155,800	-	3,326,878	38.59%
12/31/2036	283,922	915,869	-	2,160,175	-	3,359,966	35.17%
12/31/2037	260,266	942,075	-	2,163,144	-	3,365,485	31.73%
12/31/2038	-	970,650	-	2,167,969	-	3,138,619	28.53%
12/31/2039	-	997,300	-	2,166,169	-	3,163,469	25.30%
12/31/2040	-	1,032,025	-	2,166,050	-	3,198,075	22.04%
12/31/2041	-	1,059,475	-	2,167,325	-	3,226,800	18.75%
12/31/2042	-	1,029,824	-	2,166,675	-	3,196,499	15.49%
12/31/2043	-	-	-	2,169,100	-	2,169,100	13.27%
12/31/2044	-	-	-	2,169,425	-	2,169,425	11.06%
12/31/2045	-	-	-	2,167,650	-	2,167,650	8.85%
12/31/2046	-	-	-	2,168,775	-	2,168,775	6.64%
12/31/2047	-	-	-	2,167,625	-	2,167,625	4.43%
12/31/2048	-	-	-	2,169,200	-	2,169,200	2.21%
12/31/2049	-	-	-	2,168,325	-	2,168,325	0.00%
	<u>\$ 4,519,096</u>	<u>\$ 17,577,165</u>	<u>\$ 6,330,000</u>	<u>\$ 60,558,807</u>	<u>\$ 9,031,271</u>	<u>\$ 98,016,339</u>	

Note: Total payments above represent principal and interest for each outstanding debt.

CITY OF BROOKHAVEN, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2021

<u>Governmental Unit</u>	<u>Net Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City of Brookhaven (1)</u>	<u>Amount Applicable to City of Brookhaven</u>
Debt repaid with property taxes:			
DeKalb County	\$ 210,590,000	12.90%	\$ 27,165,266
Fulton-DeKalb Hospital Authority	33,630,000	12.90%	4,338,135
DeKalb County Board of Education	<u>218,089,000</u>	12.90%	<u>28,132,607</u>
Total overlapping debt	462,309,000		59,636,008
City direct debt			
Bonds payable	66,437,470	100.00%	66,437,470
Notes payable	<u>4,212,153</u>	100.00%	<u>4,212,153</u>
Total direct and overlapping debt	<u>\$ 532,958,623</u>		<u>\$ 130,285,631</u>

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from DeKalb County's Finance Department.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Brookhaven, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

CITY OF BROOKHAVEN, GEORGIA

LEGAL DEBT MARGIN INFORMATION

LAST THREE FISCAL YEARS

(amounts expressed in thousands)

	Fiscal Year		
	2021	2020	2019
Debt Limit	\$ 529,051	\$ 510,490	\$ 484,435
Total Net Debt Applicable to Limit	39,370	40,176	40,398
Legal Debt Margin	<u>\$ 489,681</u>	<u>\$ 470,315</u>	<u>\$ 444,037</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.44%	7.87%	8.34%
Assessed Value	\$ 4,248,752	\$ 4,150,984	\$ 3,970,344
Add Back: Exempt Real Property	<u>1,041,762</u>	<u>953,916</u>	<u>874,003</u>
Total Assessed Value	5,290,514	5,104,900	4,844,347
Debt Limit (10% of Total Assessed Value)	529,051	510,490	484,435
Debt Applicable to Limit:			
General Obligation Debt	39,370	40,176	40,398
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>-</u>	<u>-</u>	<u>(614)</u>
Total Net Debt Applicable to Limit	<u>39,370</u>	<u>40,176</u>	<u>39,784</u>
Legal Debt Margin	<u>\$ 489,681</u>	<u>\$ 470,315</u>	<u>\$ 444,651</u>

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Note: The City had no General Obligation debt prior to 2019.

CITY OF BROOKHAVEN, GEORGIA

SPLOST BONDS REVENUE COVERAGE

LAST FOUR FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Operating Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Bond Coverage Ratio
				Principal	Interest	Total	
2018	\$ 5,562,331	\$ 4,363,371	\$ 1,198,960	\$ -	\$ -	\$ -	-
2019	7,755,244	6,198,532	1,556,712	2,000,000	363,917	2,363,917	66%
2020	7,395,695	11,667,220	(4,271,525)	4,413,096	353,290	4,766,386	-90%
2021	8,867,549	13,663,919	(4,796,370)	5,647,554	309,524	5,957,078	-81%

(1) Total revenues include interest.

(2) Represents principal and interest for SPLOST bonds only.

CITY OF BROOKHAVEN, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST NINE YEARS

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (1b)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2013	47,253	\$ 3,288,667	\$ 69,597	32.8	7,591	6.2%
2014	50,181	3,408,093	67,916	33.3	7,903	4.5%
2015	51,910	3,596,169	69,277	33.6	8,117	N/A
2016	52,444	2,582,710	71,743	33.4	7,804	3.4%
2017	52,382	4,131,002	78,863	34.1	7,910	4.1%
2018	53,518	2,521,661	47,118	33.4	8,198	2.1%
2019	54,145	3,086,319	57,001	34.1	7,932	1.8%
2020	55,554	3,342,295	60,163	34.2	7,668	3.0%
2021	55,935	3,563,283	63,704	34.5	7,664	1.8%

(1) Source: U.S. Census Bureau

(1b) Source: BEA.gov Regional Bearfacts

(2) Source: DeKalb County Schools

(3) Source: Bureau of Labor Statistics for regional data

N/A - Not Available

CITY OF BROOKHAVEN, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND SIX YEARS AGO

Employer	2021			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
AT&T Mobility Services, LLC	1,296	1	11.65 %	1,606	1	11.12 %
AT&T Services, Inc.	1,143	2	10.28	1,430	2	9.90
Autotrader	495	3	4.45			
Kroger Company	260	4	2.34			
ABM	200	5	1.80			
Publix Super Markets #1363	188	6	1.69			
Rooms To GO	168	7	1.51			
Publix Super Markets #601	124	8	1.12			
SSC Atlanta Operating CO LLC	117	9	1.05			
Costco Wholesale #1084	110	10	0.99			
Carr Riggs & Ingram LLC				387	7	2.68
Insight Global, LLC				270	9	1.87
Cox Communications				1,142	3	7.90
Verizon Telematics, Inc				629	4	4.35
Crawford and Company				554	5	3.83
SAP America, Inc				454	6	3.14
United Healthcare Services				372	8	2.57
NDC Health Corporation				251	10	1.74
	<u>4,101</u>		<u>36.88 %</u>	<u>7,095</u>		<u>49.11 %</u>

Source: 2021 and 2015 individual employer's business filings.

Note: Data prior to 2015 is not available.

CITY OF BROOKHAVEN, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST NINE YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	26	27	24	24	26	21	12	9	7
Judicial	-	3	1	3	3	5	7	4	1
Public safety									
Police officers	70	76	72	74	76	75	75	59	57
Civilians	14	14	11	8	8	11	6	6	6
Public works	-	-	-	-	-	-	2	-	-
Culture and recreation	21	7	7	10	7	11	10	7	-
Housing and development	13	15	11	12	11	12	11	7	3
Total	<u>144</u>	<u>142</u>	<u>126</u>	<u>131</u>	<u>131</u>	<u>135</u>	<u>123</u>	<u>92</u>	<u>74</u>

Source: City of Brookhaven Human Resources Department

CITY OF BROOKHAVEN, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST NINE YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government									
Ordinances approved	75	81	78	57	47	26	38	63	68
Resolutions	52	57	40	68	45	35	36	31	38
Open records requests	732	496	473	477	408	346	349	261	140
Information system service calls	2,459	2,230	1,742	2,786	2,165	2,168	2,921	2,312	N/A
Facebook "likes"	9,165	8,671	6,799	6,002	4,136	4,153	1,837	N/A	N/A
Constant contact (eBlast)	4,801	4,507	4,291	3,927	3,277	3,161	2,516	2,338	1,716
Judicial									
Municipal court									
Case filings:	6,663	5,312 (1)	8,648	7,194	5,146	5,848	9,148	10,512	5,338
City Code	330	308	310	830	789	867	922	730	819
Misdemeanors	904	663	777	30	11	27	39	211	349
Parking	304	165	173	245	113	254	261	156	3
Traffic	5,125	4,176	7,388	6,089	4,233	4,700	7,926	9,415	4,167
Number of Court Dockets	185	119	100	103	105	119	175	257	103
Number of Defendants on Docket	5,142	3,620	5,577	5,146	6,559	4,751	6,582	10,403	3,282
Public Safety									
Police									
Calls for service	85,811	91,159	94,046	80,827	46,512	54,000	59,494	N/A	N/A
Custodial arrests	1,681	2,281	3,061	2,278	1,868	2,271	2,177	1,116	427
Traffic citations issued	12,276	11,364	8,395	6,815	8,757	5,559	8,070	8,324	3,753
Average response time (all calls)	5m46s	6m25s	7m11s	6m11s	6m33s	6m15s	7m20s	7m18s	N/A
Average response time (high priority calls)	3m34s	3m49s	3m53s	4m20s	4m34s	4m12s	3m58s	3m40s	N/A
Public Works									
Lane-miles paved	10.1	4.9	6.9	13.8	26.1	9.4	20.2	20.2	N/A
Linear feet new sidewalks	2,495	3,523	1,387	13,900	4,810	4,330	2,610	5,230	N/A
Street maintenance work orders completed	226	211	369	288	478	267	133	229	132
Stormwater work orders completed	151	190	192	190	130	160	134	84	50
Signal/sign work orders completed	180	190	170	137	199	235	235	182	23
Right-of-way work orders completed	137	170	178	77	139	110	61	129	62

Continued

CITY OF BROOKHAVEN, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST NINE YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013
Culture and Recreation									
Park acres maintained	340	341	335	332	276	271	224	224	224
Program participants	2,500	1,712	9,091	10,515	7,283	2,866	2,949	2,666	40
Aquatics program participants	20,500	4,074 (1)	23,872	20,683	11,589	8,851	10,499	N/A	N/A
Athletic program participants	9,206	9,486	12,602	7,498	6,715	6,775	6,775	4,013	N/A
Community Development									
Special land use permits (SLUPS)	1	1	1	7	6	3	12	6	2
Variances	67	69	55	74	72	68	74	79	54
Code enforcement inspections	18,649	16,376	13,948	5,169	6,271	6,620	7,751	8,905	N/A
Building inspections	13,469	12,102	11,507	10,946	10,490	9,254	8,905	15,697	998
Development inspections	3,276	3,609	3,593	3,201	4,150	4,084	2,511	2,653	N/A
Tree removal permits	538	476	539	538	419	378	265	115	N/A
Land disturbance permits issued	47	40	38	44	36	28	20	9	N/A
Plat reviews	30	65	67	58	56	66	58	31	N/A
Plats approved	16	21	16	15	26	21	19	15	N/A

(1) Decrease attributable to temporary shutdown and delayed operations as a result of COVID-19 in 2020.

Source: Various City departments

N/A: Not Available

CITY OF BROOKHAVEN, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST NINE YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government									
Buildings (1)	1	1	1	1	1	1	1	1	1
Vehicles	-	-	-	-	-	-	1	1	1
Judicial									
Building (1)	1	1	1	1	1	1	1	1	1
Public Safety									
Police stations (1)	1	1	1	1	1	1	1	1	1
Police substations	-	-	1	1	1	1	1	1	1
Police vehicles	128	109	101	97	65	65	60	54	49
Patrol zones	8	8	6	6	6	6	10	10	10
Public Works									
Miles of streets (lane miles)	260.4	260.4	260.4	120.0	120.0	120.0	119.2	117.4	117.4
Miles of sidewalks	78.1	78.1	76.0	70.0	67.4	66.5	64.6	63.0	63.0
Number of traffic signals	53	53	51	51	51	50	50	47	47
Miles of storm sewer	113	113	113	113	113	113	113	113	113
Culture and Recreation									
Parks acreage	340 (2)	341	335	332	332	271	224	224	224
Parks	19	19	18	15	14	14	11	11	11
Tennis courts	26	26	28	28	28	28	30	30	30
Soccer fields	4	2	2	2	2	2	2	2	2
Baseball/Softball fields	14	14	14	14	14	14	14	14	14
Multipurpose fields	3	3	3	5	5	5	5	5	5
Community centers	3	3	3	2	2	2	3/2	3/2	3/2
Swimming pools	3	3	3	3	3	3	3	3	3
Vehicles	8	3	3	3	2	2	2	2	2
Housing and Development									
Vehicles	10	10	7	6	5	5	3	1	-

Source: Various City departments

(1) Reflects building operating lease

(2) Park acreage decrease was due to an updated survey

This page intentionally left blank.

APPENDIX C

Forms of the Principal Documents

This page intentionally left blank.

BOND RESOLUTION

A RESOLUTION TO PROVIDE FOR THE ISSUANCE OF URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA REVENUE BONDS, SERIES 2023 IN AN AGGREGATE AMOUNT NOT TO EXCEED \$125,000,000; TO PROVIDE FOR THE CREATION AND MAINTENANCE OF CERTAIN FUNDS; TO PROVIDE FOR THE ISSUANCE OF ADDITIONAL PARITY REVENUE BONDS; TO PROVIDE REMEDIES FOR THE OWNERS OF SAID BONDS; TO AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL CONTRACT; AND FOR OTHER PURPOSES

Adopted on
December 13, 2022

This document was prepared by:

Hunton Andrews Kurth LLP
600 Peachtree Street, NE
Suite 4100
Atlanta, GA 30308
Telephone: (404) 888-4000

BOND RESOLUTION

TABLE OF CONTENTS

Article I	DEFINITIONS; FINDINGS	4
Section 101.	Definitions	4
Section 102.	Rules of Construction	8
Section 103.	Findings	9
Article II	THE SERIES 2023 BONDS	10
Section 201.	Authorization	10
Section 202.	Terms of Series 2023 Bonds.....	10
Section 203.	Optional Redemption.....	11
Section 204.	Mandatory Sinking Fund Redemption	11
Section 205.	Form of Series 2023 Bonds	11
Article III	THE BONDS	21
Section 301.	Execution	21
Section 302.	Required Authentication; Proof of Ownership	21
Section 303.	Bond Registrar; Transfer and Exchange.....	21
Section 304.	Lost, Destroyed, Mutilated Bonds	22
Section 305.	Blank Bonds	22
Section 306.	No Preference or Priority.....	22
Section 307.	Certifications	22
Section 308.	Global Form; Securities Depository; Ownership of Bonds.....	23
Section 309.	Procedure and Notice of Redemption.....	24
Section 310.	Purchase in Open Market	25
Section 311.	Effect of Call for Redemption	25
Section 312.	Effect of Additional Bonds.....	25
Section 313.	Defeasance	25
Article IV	CUSTODY AND APPLICATION OF PROCEEDS; PROJECT FUND.....	26
Section 401.	Application of Series 2023 Bond Proceeds	26
Section 402.	Project Fund.....	26
Section 403.	Investment of Project Fund Moneys.....	27
Article V	SINKING FUND; PLEDGE OF SECURITY; ADDITIONAL BONDS.....	28
Section 501.	Sinking Fund.....	28
Section 502.	Pledge of Security.....	28
Section 503.	No Liens; Additional Bonds	28
Section 504.	Sinking Fund Investments	29
Article VI	DEPOSITORIES OF MONEYS AND SECURITIES FOR DEPOSITS; APPOINTMENT OF SUCCESSOR CUSTODIANS, PAYING AGENT AND BOND REGISTRAR	30
Section 601.	Depository; Sinking Fund Custodian; Security for Deposits	30
Section 602.	Successor Custodians and Depositories.....	30

Section 603.	Successor Paying Agent and Bond Registrar	30
Article VII	PARTICULAR COVENANTS	31
Section 701.	Payment	31
Section 702.	Tax Exemption	31
Section 703.	Separate Accounts	31
Article VIII	EVENTS OF DEFAULT; REMEDIES	32
Section 801.	Events of Default	32
Section 802.	Remedies	32
Section 803.	Restoration	32
Section 804.	Equal Benefit	32
Section 805.	Non Exclusivity of Remedies	33
Section 806.	No Waiver.....	33
Article IX	SUPPLEMENTAL PROCEEDINGS	34
Section 901.	Adoption of Supplemental Proceedings	34
Section 902.	Notice.....	34
Section 903.	Required Approval	34
Section 904.	Legal Action	35
Section 905.	Incorporation.....	35
Section 906.	Proof of Ownership	35
Article X	MISCELLANEOUS PROVISIONS.....	37
Section 1001.	Severability	37
Section 1002.	Resolution Constitutes a Contract	37
Section 1003.	Validation	37
Section 1004.	Repealer.....	37
Section 1005.	Contract	37
Section 1006.	General Authority; Ratification.....	38
Section 1007.	Appointment of Paying Agent, Bond Registrar and Custodians	38
Section 1008.	Paying Agency Agreement.....	38
Section 1009.	Custodial Agreement	38
Section 1010.	Approval of Urban Redevelopment Plan.....	39
Section 1011.	Waiver of Bond Audit	39
Section 1012.	Payments Due on Holiday	39
Section 1013.	Applicable Provisions of Law	39
Section 1014.	Distribution of Official Notice of Sale and Preliminary Official Statement	39
Section 1015.	Approval of Tax-Exempt Debt Policy.....	39

EXHIBIT A – Form of Contract
EXHIBIT B – Form of Requisition
EXHIBIT C – Urban Redevelopment Plan
EXHIBIT D – Form of Paying Agency Agreement
EXHIBIT E – Form of Custodian Agreement

BOND RESOLUTION

A RESOLUTION TO PROVIDE FOR THE ISSUANCE OF URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA REVENUE BONDS, SERIES 2023 IN AN AGGREGATE AMOUNT NOT TO EXCEED \$125,000,000; TO PROVIDE FOR THE CREATION AND MAINTENANCE OF CERTAIN FUNDS; TO PROVIDE FOR THE ISSUANCE OF ADDITIONAL PARITY REVENUE BONDS; TO PROVIDE REMEDIES FOR THE OWNERS OF SAID BONDS; TO AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL CONTRACT; AND FOR OTHER PURPOSES

WHEREAS, the Mayor and City Council (the “City Counsel”) of the City of Brookhaven, Georgia (the “City”) adopted Resolution 2022-04-07 on April 26, 2022 finding that one or more “pockets of blight” existed in the City, and the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas was necessary in the interest of the public health, safety, morals, or welfare of the residents of the City; and

WHEREAS, the City Council adopted Resolution 2022-06-04 on June 14, 2022 designating four areas within the City as “urban redevelopment areas” (each, an “Urban Redevelopment Area” and collectively, the “Urban Redevelopment Areas”) within the meaning of the Urban Redevelopment Law of the State of Georgia (O.C.G.A. Section 36-61-1 *et seq.*, as amended) (the “Act”); and

WHEREAS, after a public hearing in accordance with the Act, the City Council adopted Resolution 2022-06-04 on June 14, 2022 approving an urban redevelopment plan relating to the Urban Redevelopment Areas entitled “Brookhaven Urban Redevelopment Plan” (the “Original Urban Redevelopment Plan”), including an initial list of urban redevelopment projects as described therein; and

WHEREAS, the City Council adopted Resolution 2022-06-05 on June 14, 2022 creating the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the “Agency”); and

WHEREAS, the City Council adopted Resolution 2022-08-02 on August 23, 2022 approving a final list of urban redevelopment projects, substantially similar to the initial list included in the Original Urban Redevelopment Plan, to be undertaken by the Agency and financed from taxes of the Special Service District (described herein); and

WHEREAS, the Agency now proposes to update the Original Urban Redevelopment Plan (the Original Urban Redevelopment Plan, as so updated, and as may be further amended from time to time, is referred to as the “Urban Redevelopment Plan”) to incorporate the final list of urban redevelopment projects approved by the City Council, in form attached as Exhibit C hereto; and

WHEREAS, pursuant to the Act, the Agency has the power to (a) acquire, construct, improve or modify, redevelop or rehabilitate, and to cause to be placed into operation and operated, urban redevelopment projects within the City and (b) pay all or part of the cost of any projects from the proceeds of revenue bonds issued by the Agency; and

WHEREAS, the Agency proposes to issue, in one or more subseries, its Revenue Bonds, Series 2023, in an aggregate principal amount not to exceed \$125,000,000 (the “Series 2023 Bonds”), for the purpose of (a) paying all or a portion of the costs of the urban redevelopment projects identified in the Urban Redevelopment Plan (the “Projects”), in particular the construction of a new City Hall, and (b) paying certain costs of issuing the Series 2023 Bonds; and

WHEREAS, Article IX, Section II, Paragraph VI of the Constitution of the State of Georgia (the “Special Service District Law”) authorizes municipalities to create special service districts for the provision of local government services within such districts, and may levy and collect fees, assessments and taxes within such districts to pay, wholly or partially, the cost of providing such services and to construct and maintain facilities therefor; and

WHEREAS, pursuant to the authority granted to the City under the Special Service District Law, the City Council adopted Ordinance 2021-12-01 on December 14, 2021, as amended by Ordinance 2021-12-07 adopted on December 30, 2021, as further amended by Ordinance 2022-05-02 adopted on May 10, 2022, (collectively, the “SSD Ordinance”), creating a special service district (the “Special Service District” or “SSD”), the boundaries of which include the Projects and which encompass substantially all commercial properties within the City; and

WHEREAS, the City is authorized to levy and collect an ad valorem property tax on all property within the Special Service District subject to such tax without limitation (the “SSD Tax”) as provided by the City’s municipal charter, as amended by Ordinance 2022-06-01 adopted by the City Council on June 28, 2022; and

WHEREAS, the City has established a current rate of 4.00 mills for the SSD Tax and the City commenced a levy of the SSD Tax beginning in 2022; and

WHEREAS, pursuant to a resolution adopted by the City Council on December 13, 2022, the City has provided for an annual review of the boundaries of the Special Service District and, if necessary, an amendment to the boundaries of the Special Service District to exclude properties that have changed classification from commercial or industrial to a different classification after the date hereof (the “Newly Residential Properties”) and/or to include commercial or industrial properties annexed into the City after the date hereof (the “New Commercial Properties”); and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate

use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the City’s municipal charter, (2012 Ga. Laws, p. 5527, as amended) authorizes the City to provide, among other things, public buildings and to provide any other public improvements inside the corporate limits of the City; and

WHEREAS, Article IX, Section II, Paragraph III of the 1983 Constitution of the State of Georgia authorizes the City to provide, among other things, street, curb, sidewalks, street lights and devices to control the flow of traffic on streets and roads, parks, recreational areas, programs and facilities and public transportation; and

WHEREAS, the Agency and the City propose to enter into an Intergovernmental Contract, dated as of the first day of the month in which the Series 2023 Bonds are actually issued (the “Contract”), pursuant to which the Agency will agree to, among other things, issue the Series 2023 Bonds, and the City will agree to, among other things, (a) acquire, construct, equip and operate the Projects, (b) pay the Agency amounts sufficient to enable the Agency to pay the debt service on the Series 2023 Bonds (the “Contract Payments”), and (c) to levy the SSD Tax unlimited as to millage rate on all property within the Special Service District subject to such tax in order to make such Contract Payments; and

WHEREAS, the Series 2023 Bonds will be secured by a lien on the Contract and the Contract Payments; and

WHEREAS, the Agency proposes to provide for the issuance of Additional Bonds (hereinafter defined) ranking as to lien on the Contract and the Contract Payments on a parity with the lien thereon securing the Series 2023 Bonds; and

WHEREAS, the Agency proposes to adopt a policy relating to its tax-exempt debt (the “Tax-Exempt Debt Policy”).

NOW, THEREFORE, BE IT RESOLVED by the BOARD OF COMMISSIONERS OF THE URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA, and it is hereby resolved by authority of the same, as follows:

ARTICLE I

DEFINITIONS; FINDINGS

Section 101. Definitions.

In addition to the terms hereinabove defined, whenever the following terms are used in this Resolution, the same, unless the context shall clearly indicate another or different meaning or intent, shall be construed or used and are intended to have the meaning as follows:

“Act” means the Urban Redevelopment Law of the State of Georgia (O.C.G.A. Section 36-61-1 *et seq.*, as amended).

“Additional Bonds” means any revenue bonds of the Agency ranking on a parity with the Series 2023 Bonds which may hereafter be issued pursuant to Section 503 of this Resolution.

“Agency” means the Urban Redevelopment Agency of the City of Brookhaven, Georgia, and its successors or assigns.

“Agent Member” means a member of, or participant in, the Securities Depository.

“Authorized City Representative” means the person at the time designated to act on behalf of the City by written certificate furnished to the Agency and the Project Fund Custodian, containing the specimen signature of such person and signed on behalf of the City by its Mayor or Mayor Pro Tem. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Beneficial Owner” means the owners of a beneficial interest in the Bonds registered in Book-Entry Form.

“Bond Registrar” means the commercial bank appointed by the Agency to serve as Bond Registrar pursuant to this Resolution.

“Bonds” means the Series 2023 Bonds and any Additional Bonds hereafter issued pursuant to this Resolution.

“Book-Entry Form” or **“Book-Entry System”** means, with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds and bond service charges may be transferred only through book-entry and (b) physical Bonds in fully registered form are registered only in the name of a Securities Depository or a Securities Depository Nominee as holder, with physical Bonds in the custody of a Securities Depository or a Securities Depository Nominee.

“City” means the City of Brookhaven, Georgia, and its successors or assigns.

“Contract” means the Intergovernmental Contract, dated as of the first day of the month in which the Series 2023 Bonds are issued, between the Agency and the City, as amended from time to time.

“Contract Payments” means the amount sufficient to pay the principal of and interest on the Bonds and coming due on the next succeeding Interest Payment Date; provided, however, the City shall receive a credit against any Contract Payment to the extent moneys are on deposit in the Sinking Fund and not previously credited to the Contract Payments.

“Funds” means the Sinking Fund and the Project Fund.

“Government Obligations” means (a) obligations of the United States and (b) obligations fully insured or guaranteed by the United States.

“Interest Payment Date” means with respect to (a) the Series 2023 Bonds, each January 1 and July 1, commencing on such date as set forth in a supplemental resolution related to each subseries of Series 2023 Bonds, and (b) any Additional Bonds, the interest payment dates specified in the supplemental resolution authorizing such Additional Bonds.

“Paying Agent” means the commercial bank appointed by the Agency to serve as Paying Agent in accordance with the terms of this Resolution.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Agency funds:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(b) bonds or obligations of the City, or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence, provided however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States

government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any of the proceeds of the Bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, or with a trust office within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations referred to in paragraph (c) above, obligations of the agencies of the United States government referred to in paragraph (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) and (d) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through

the use of national or state banks having corporate trust powers and located within the State of Georgia;

(h) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(i) any other investments authorized by the laws of the State of Georgia from time to time.

“Projects” means the urban redevelopment projects identified in the Urban Redevelopment Plan, as the same may hereafter be amended from time to time, financed with the proceeds of the Series 2023 Bonds and any additional projects financed with the proceeds of Additional Bonds.

“Project Fund” means the Urban Redevelopment Agency of the City of Brookhaven, Georgia Project Fund created in Section 402 of this Resolution.

“Project Fund Custodian” means the commercial bank appointed by the Agency to maintain the Project Fund in accordance with the terms of this Resolution.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date.

“Resolution” means this Resolution, as supplemented from time to time.

“Revenue Bond Law” means the Revenue Bond Law of the State (O.C.G.A. Section 36-82-60 *et seq.*, as amended).

“Securities Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and shall initially mean Cede and Co., New York, New York, as nominee of The Depository Trust Company.

“**Security**” means the Contract, the Contract Payments and the moneys and investments on deposit in the Funds.

“**Series 2023 Bonds**” means the Agency’s Revenue Bonds, Series 2023, issued in one or more subseries.

“**Sinking Fund**” means the Urban Redevelopment Agency of the City of Brookhaven, Georgia Sinking Fund created in Section 501 of this Resolution.

“**Sinking Fund Custodian**” means the commercial bank appointed by the Agency to maintain the Sinking Fund in accordance with the terms of this Resolution.

“**Sinking Fund Investments**” means (a) Government Obligations and forward purchase agreements and repurchase agreements with respect thereto, (b) demand deposits or certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured and (c) the local government investment pool created by O.C.G.A. Section 36-83-8.

“**Sinking Fund Year**” means the period commencing on the 2nd day of January in each year and extending through the 1st day of January in the next year.

“**Special Service District**” or “**SSD**” means the Special Service District created by the City Council pursuant to the SSD Tax Resolution.

“**SSD Tax Resolution**” means an ordinance adopted on December 14, 2021, as amended by an ordinance adopted on December 30, 2021 and an ordinance adopted on May 10, 2022, establishing the Brookhaven Special Service District, as the same may be further amended from time.

“**State**” means the State of Georgia.

“**Urban Redevelopment Plan**” shall have the meaning assigned to such term in the recitals of this Resolution, as the same may be amended from time to time.

“**Unassigned Rights**” means the Agency’s right to receive notices and to indemnification.

Section 102. Rules of Construction.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “bond,” “owner,” and “person” shall include the plural, as well as the singular, number. The terms “herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Resolution and not solely to the particular portion hereof in which any such term is used.

The titles preceding each Section hereof are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Resolution. Reference herein to an Article number or to a Section number should be construed to be in reference to the designated Article number or Section number hereof unless the context or use clearly indicates another or different meaning or intent

Section 103. Findings.

The Projects are hereby found and declared to be “urban redevelopment projects” within the meaning of the Act. The issuance of the Series 2023 Bonds is hereby found and declared to be within the public purposes intended to be served by the Agency.

ARTICLE II

THE SERIES 2023 BONDS

Section 201. Authorization.

Under the authority of the Revenue Bond Law and the Act, there is hereby authorized to be issued revenue bonds, in one or more subseries, to be designated “Urban Redevelopment Agency of the City of Brookhaven, Georgia Revenue Bonds, Series 2023” in an aggregate principal amount not to exceed \$125,000,000. Each subseries of Series 2023 Bonds shall be further identified with a letter designation of A and upward (e.g., “Series 2023A”). The proceeds of each subseries of Series 2023 Bonds will be used for the purpose of (a) paying all or a portion of the costs of the Projects, and (b) paying the costs of issuing such subseries of Series 2023 Bonds. The Series 2023 Bonds are limited obligations of the Agency and shall be payable solely from the Security.

Section 202. Terms of Series 2023 Bonds.

Each subseries of Series 2023 Bonds shall be dated their date of issuance, shall be in the form of fully registered bonds without coupons, shall be in the denomination of \$5,000 or any integral multiple thereof, shall be transferable to subsequent owners as hereinafter provided, shall be numbered R-1 upward, shall bear interest (based on a 360-day year comprised of twelve 30-day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of original issuance) at rates per annum not to exceed 6.00%. The interest shall be payable on each Interest Payment Date and the principal shall mature on or before July 1, 2063. The maximum annual debt service on the Series 2023 Bonds in any Sinking Fund Year shall not exceed \$15,750,000. The principal amount of each subseries of Series 2023 Bonds maturing in each year (through the operation of a sinking fund or otherwise) and the interest rate on each such maturity shall be determined by the Agency in a supplemental resolution adopted by the Agency prior to the delivery of each subseries of Series 2023 Bonds.

The Series 2023 Bonds shall initially be issued in Book-Entry Form. As long as the Series 2023 Bonds are held in Book-Entry Form, both the principal of and the interest on the Series 2023 Bonds shall be payable in accordance with the rules of the Securities Depository.

If any subseries of Series 2023 Bonds are no longer held in Book-Entry Form, the principal of the Series 2023 Bonds shall be payable upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. If any subseries of Series 2023 Bonds are no longer held in Book-Entry Form, payments of interest on such subseries of Series 2023 Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on the Record Date, and such payments of interest shall be mailed by first class mail to the registered owner at the address shown on the bond registration book. Notwithstanding the foregoing, interest on such subseries

of Series 2023 Bonds shall be paid to any registered owner of more than \$1,000,000 in aggregate principal amount of such subseries of Series 2023 Bonds by wire transfer to such registered owner if written instructions are given to the Paying Agent prior to the Record Date, and interest shall continue to be so paid until such wire instructions are revoked in writing. Both the principal of and interest on the Series 2023 Bonds shall be payable in lawful money of the United States of America.

Section 203. Optional Redemption.

The optional redemption provisions for each subseries of Series 2023 Bonds shall be determined by the Agency in a supplemental resolution adopted by the Agency prior to the delivery of such subseries of Series 2023 Bonds.

Section 204. Mandatory Sinking Fund Redemption.

The mandatory sinking fund redemption provisions for each subseries of Series 2023 Bonds shall be determined by the Agency in a supplemental resolution adopted by the Agency prior to the delivery of such subseries of Series 2023 Bonds.

Section 205. Form of Series 2023 Bonds.

The Series 2023 Bonds, the certificate of authentication and registration, form of assignment and the certificate of validation to be endorsed upon the Series 2023 Bonds, shall be in substantially the following form, with such variations, omissions and insertions as are required or permitted by this Resolution:

[FORM OF SERIES 2023 BOND]

THIS BOND HAS BEEN ISSUED IN CONNECTION WITH AN URBAN
REDEVELOPMENT PROJECT, AS DEFINED IN PARAGRAPH (25) OF O.C.G.A.
SECTION 36-61-2.

No. R-_____ \$ _____

UNITED STATES OF AMERICA
STATE OF GEORGIA
URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA
REVENUE BOND,
SERIES 2023 _____

BOND DATE:	MATURITY DATE:	INTEREST RATE:	CUSIP:
_____, 20__	July 1, 20__	_____	_____

FOR VALUE RECEIVED, the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the "Agency"), a body corporate and politic created pursuant to the Urban Redevelopment Law of the State of Georgia (O.C.G.A. Section 36-61-1 *et seq.*, as amended) (the "Act"), hereby promises to pay solely from the special fund provided therefor, as hereinafter set forth, to Cede & Co., as nominee of The Depository Trust Company ("DTC"), or registered assigns, the principal sum shown above on the date specified above, unless redeemed prior thereto as hereinafter provided, and interest on the principal amount hereof at the rate per annum set forth above (computed on the basis of a 360-day year comprised of twelve 30-day months) from the Interest Payment Date (hereinafter defined) next preceding the date of authentication to which interest has been paid (unless the date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless the date of authentication is after a Record Date (hereinafter defined) but before an Interest Payment date, in which case from the next Interest Payment Date, or unless the date of authentication is before the first Interest Payment Date, in which case from the date of original issuance) until the payment of the principal amount hereof. The interest on this bond shall be paid on January 1 and July 1, commencing _____ 1, 20__ (each an "Interest Payment Date"), to the person in whose name this bond is registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date (each such date a "Record Date"). This bond shall initially be issued in book-entry form ("Book-Entry Form"). As long as this bond is held in Book-Entry Form, both principal of and interest on this bond shall be payable in accordance with the rules of DTC or its successor depository (the "Securities Depository"). If this bond is no longer held in Book-Entry Form, payments of principal and interest shall be made in accordance with the terms of the Resolution (hereinafter defined). Both the principal of and interest on this bond shall be payable in lawful money of the United States of America.

This bond is one of a duly authorized subseries issue of Urban Redevelopment Agency of the City of Brookhaven, Georgia Revenue Bonds, Series 2023, in the aggregate principal amount

of \$ _____, of like tenor, except as to designation, bond dates, numbers, denominations, interest rates, dates of maturity and redemption provisions (hereinafter sometimes referred to collectively as the "Series 2023 Bonds"), issued for the purpose of (a) paying all or a portion of the costs of the Projects, and (b) paying the costs of issuing the Series 2023 Bonds. The Series 2023 Bonds are issued under authority of the Constitution of the State of Georgia, the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*, as amended) and the Act and were duly authorized by a resolution of the Agency adopted on December 13, 2022, as supplemented, including by a supplemental resolution adopted on _____, 20__ (collectively, the "Resolution"). The Series 2023 Bonds are secured by a lien on the Intergovernmental Contract, dated as of _____ 1, 2023 (the "Contract"), between the Agency and the City of Brookhaven, Georgia (the "City"), the City's payment obligations (the "Contract Payments") thereunder and the moneys and investments on deposit in the funds created in the Resolution (collectively, the "Security"), as more fully described below. Reference to the Resolution is hereby made for a complete description of the fund charged with, and pledged to, the payment of the principal of and the interest on the Series 2023 Bonds, the nature and extent of the security therefor, a statement of rights, duties and obligations of the Agency and the rights of the owners of the Series 2023 Bonds, to all the provisions of which the owner hereof, by the acceptance of this bond, assents. All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until this bond shall have been authenticated and registered upon the bond registration book of the Agency kept for that purpose by the Bond Registrar, which authentication and registration shall be evidenced by the execution by the manual signature of a duly authorized officer of the Bond Registrar of the certificate hereon.

The Series 2023__ Bonds are being issued in Book-Entry Form, with actual Series 2023__ Bonds immobilized at the Securities Depository. Actual certificated Series 2023__ Bonds are not available for distribution to bondholders (the "Beneficial Owners"), except under the limited circumstances set forth in the Resolution. The principal, redemption premium (if any) and interest on the Series 2023__ Bonds are payable by the Paying Agent to the Securities Depository. Transfer of principal, redemption premium (if any) and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfers of principal, redemption premium (if any) and interest to Beneficial Owners by participants of the Securities Depository will be the responsibility of such participants and other nominees of Beneficial Owners. The Agency, the Paying Agent and the City are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants. As long as the Series 2023__ Bonds are held in Book-Entry Form, the Agency, the City and the Paying Agent may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Series 2023__ Bonds for all purposes whatsoever, including without limitation: (a) the payment of principal of, redemption premium (if any) and interest on such Series 2023__ Bonds; (b) giving notices of redemption and other matters with respect to such Series 2023__ Bonds; (c) registering transfers with respect to such Series 2023__ Bonds; (d) the selection of Series 2023__ Bonds for redemption; and (e) voting and obtaining consents under the Resolution.

The Bond Registrar shall keep the bond registration book for the registration of the Series 2023__ Bonds and for the registration of transfers of the Series 2023__ Bonds. As long as the Series 2023__ Bonds are held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository. If the Series 2023__ Bonds are no longer held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the terms of the Resolution.

The Agency and the City have entered into the Contract. Pursuant to the Contract, the City has obligated itself to make Contract Payments to the Agency in amounts sufficient to enable the Agency to pay the principal of, redemption premium (if any) and interest on the Series 2023 Bonds as same become due and payable. The Contract provides that the obligation of the City to pay the Contract Payments is absolute and unconditional. The City is required to levy the SSD Tax on all taxable property located within the Special Service District, unlimited as to rate, as may be necessary to produce funds sufficient to enable it to make the Contract Payments. Such Contract Payments are to be paid by the City directly to the Sinking Fund Custodian designated in the Resolution for the account of the Agency and deposited into the special fund created in the Resolution and designated "Urban Redevelopment Agency of the City of Brookhaven, Georgia Sinking Fund." The Security has been pledged under the Resolution to the payment of the principal of and interest on the Series 2023 Bonds. The Agency has the right to issue Additional Bonds pursuant to the Resolution, and if such Additional Bonds are issued, they will also be secured by a lien on the Security on a parity with the Series 2023 Bonds.

This bond is a limited obligation of the Agency payable solely from the Security. This bond shall not be deemed to constitute a debt or moral obligation of the State of Georgia or the City. No holder of this bond shall ever have the right to compel the exercise of the taxing power of the State of Georgia or the City to pay this bond or the interest hereon, nor to enforce payment hereof against any property of the State of Georgia or the City. However, the City has pledged its taxing powers to the payment of the Contract Payments as described above.

The Series 2023__ Bonds maturing on or after July 1, 20__ may be redeemed prior to their respective maturities at the direction of the City, either in whole or in part, in any order of maturities, on any date not earlier than July 1, 20__ at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

The Series 2023__ Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption prior to their maturity in part at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below (the July 1, 20__ amount to be paid rather than redeemed):

<u>July 1 of the Year</u>	<u>Amount</u>
---------------------------	---------------

At its option, to be exercised on or before the 45th day next preceding such scheduled maturity redemption date, the Agency, may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2023__ Bonds subject to scheduled mandatory redemption which are delivered to the Paying Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2023__ Bonds which prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Paying Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Bond so delivered or previously redeemed shall be credited by the Paying Agent, at the principal amount thereof, to the obligation of the Agency on such scheduled mandatory redemption date and the principal amount of the Series 2023__ Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

Notice of redemption shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2023__ Bonds are held in Book-Entry Form and (b) if the Series 2023__ Bonds are not held in Book-Entry Form, by first class mail, postage to all registered owners of the Series 2023__ Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice. Any defect in such notice shall not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2023__ Bonds so designated for redemption after the redemption date. Notice given in the manner set forth above shall be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent moneys sufficient to redeem all Series 2023__ Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

If the Series 2023__ Bonds are called for redemption in part, then the particular maturity or maturities to be redeemed shall be selected by the City. If less than all of the Series 2023__ Bonds of a maturity are to be called for redemption, then Series 2023__ Bonds within each maturity so called for redemption shall be selected (a) in the manner designated by the Securities Depository when the Series 2023__ Bonds are held in Book-Entry Form and (b) by lot when the Series 2023__ Bonds are not held in Book-Entry Form.

To the extent and in the manner permitted by the Resolution, modifications, alterations, amendments, additions and revisions of the provisions of the Resolution, the Series 2023 Bonds and the Contract may be made by the Agency without the consent of the owners of the Series 2023 Bonds in certain circumstances and with the consent of the owners of a majority of the principal amount of the Series 2023 Bonds outstanding in other circumstances.

This bond is issued with the intent that the laws of the State of Georgia shall govern its construction. In case of default, the owner of this bond shall be entitled to the remedies provided by the Resolution and the Revenue Bond Law and the Act.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed in due and legal form as required by law, and that provision has been made for the allocation from the anticipated revenues of the Agency of amounts sufficient to pay the principal of and the interest on this bond as the same become due.

IN WITNESS WHEREOF, the Agency has caused this bond to be executed by the manual signature of its Chairman and its official seal to be impressed hereon and attested by the manual signature of its Secretary, all as of the ____ day of _____, 20__.

URBAN REDEVELOPMENT AGENCY OF THE
CITY OF BROOKHAVEN, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This bond is one of the Revenue Bonds described in the resolution of the Urban Redevelopment Agency of the City of Brookhaven, Georgia adopted on December 13, 2022, as supplemented from time to time, including on _____, 20__.

US BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Bond Registrar

By: _____
Authorized Signatory

Date of Authentication and Registration: _____, 20__

VALIDATION CERTIFICATE

STATE OF GEORGIA)
)
COUNTY OF DEKALB)

The undersigned Clerk of the Superior Court of DeKalb County, State of Georgia, HEREBY CERTIFIES that this bond was validated and confirmed by judgment of the Superior Court of DeKalb County, Georgia, on the ____ day of _____, 2023, and that no intervention or objection was filed in the proceedings validating same and that no appeal from said judgment of validation has been taken.

WITNESS my signature and seal of the Superior Court of DeKalb County, Georgia.

Clerk, Superior Court of DeKalb County, Georgia

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please print or typewrite name and address including postal zip code of assignee) the within bond and all rights thereunder, hereby constituting and appointing _____ attorney to transfer this bond on the bond registration books kept for such purpose by the Bond Registrar, with full power of substitution in the premises.

DATED: _____

Notice: the signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

(END OF BOND FORM)

ARTICLE III

THE BONDS

Section 301. Execution.

The Bonds shall be executed on behalf of the Agency by the manual or facsimile signature of the Chairman or Vice Chairman and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Agency. The official seal of the Agency shall be impressed or imprinted thereon. The Bonds shall be authenticated by the manual signature of a duly authorized signatory of the Bond Registrar. The validation certificate to be printed on the Bond shall be executed by the manual or facsimile signature of the Clerk of the Superior Court of DeKalb County, and the official seal of such Court shall be impressed or imprinted thereon. In case any official whose signature shall appear on the Bonds shall cease to be such officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 302. Required Authentication; Proof of Ownership.

Only those Bonds which shall have endorsed thereon a certificate of authentication and registration substantially in the form hereinbefore set forth, duly executed by the manual signature of an authorized officer of the Bond Registrar shall be entitled to any benefit or security under this Resolution and such certificate upon any of such Bonds when duly executed shall be conclusive evidence that such Bond has been duly authenticated, registered and delivered. It shall not be necessary that the same authorized signatory of the Bond Registrar sign the certificate of authentication and registration on all of the Bonds that may be issued hereunder at any one time. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the payment of the principal and redemption premium (if any) and interest on the Bonds shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including redemption premium, if any, and the interest thereon to the extent of the sums so paid.

Section 303. Bond Registrar; Transfer and Exchange.

The Bond Registrar shall keep the bond registration book of the Agency for the registration of the Bonds and for the registration of transfers of the Bonds as herein provided. As long as the Bonds are held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository.

If the Bonds are no longer held in Book-Entry Form, the transfer of any Bond shall be registered upon the registration book upon the surrender and presentation of the Bond to the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or attorney duly authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond or Bonds so surrendered, a new Bond or Bonds registered in the name of the transferee, of any denomination or denominations

authorized by this Resolution, and in an aggregate principal amount or maturity amount equal to the aggregate principal amount or maturity amounts of the Bonds so surrendered and of the same maturity and series. If the Bonds are no longer held in Book-Entry Form, any Bond, upon presentation and surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or duly authorized attorney, in such form as may be satisfactory to the Bond Registrar, may be exchanged, at the option of the registered owner, for an aggregate principal amount of Bonds of the same maturity and series equal to the principal amount of the Bond so surrendered and of any authorized denomination or denominations. The Bond Registrar may make a charge for every exchange or registration of transfer of the Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to the owner for the privilege of exchanging or registering the transfer of Bonds under this Resolution.

Section 304. Lost, Destroyed, Mutilated Bonds.

If any of the Bonds shall become mutilated, the Bond Registrar in its discretion and at the expense of the owner of such Bond shall authenticate and deliver a new Bond of like tenor registered in the name of the owner in exchange and substitution for such mutilated Bond. If any Bond shall become lost, destroyed or wrongfully taken, evidence of such loss, destruction or wrongful taking within a reasonable time thereafter may be submitted to the Agency and if such evidence shall be satisfactory and indemnity of a character and in an amount satisfactory to the Agency shall be given, then the Agency shall at the expense of the owner cause a new Bond of like tenor registered in the name of the owner to be authenticated by the Bond Registrar and delivered to the registered owner.

Section 305. Blank Bonds.

The Agency shall make all necessary and proper provisions for the transfer and exchange of the Bonds by the Bond Registrar, and the Agency shall deliver or cause to be delivered to the Bond Registrar a sufficient quantity of blank Bonds duly executed on behalf of the Agency, together with the certificate of validation pertaining thereto duly executed by the Clerk of the Superior Court of DeKalb County, as herein provided in order that the Bond Registrar shall at all times be able to register and authenticate the Bonds at the earliest practicable time in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall be forthwith canceled by the Bond Registrar and a record thereof duly entered in the permanent records pertaining to the Bonds maintained by the Bond Registrar.

Section 306. No Preference or Priority.

All the Bonds herein authorized to be issued are of equal rank and dignity without preference, priority or distinction as to lien or otherwise on the Contract and the Contract Payments securing the payment thereof and interest thereon.

Section 307. Certifications.

The Chairman and Secretary of the Agency are hereby authorized and directed to execute, for and on behalf of the Agency, a certification, based upon facts, estimates and

circumstances, as to the reasonable expectations regarding the amount, expenditure and use of the proceeds of the Bonds, as well as such other documents as may be necessary or desirable in connection with the issuance and delivery of the Bonds.

Section 308. Global Form; Securities Depository; Ownership of Bonds.

(a) Upon initial issuance, Bonds may be held in Book-Entry Form. If Bonds are held in Book-Entry Form, Beneficial Owners will not receive Bonds from the Bond Registrar evidencing their ownership interests. If Bonds are held in Book-Entry Form, the Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Agency and the City or to a nominee of such successor Securities Depository.

(b) If Bonds are held in Book-Entry Form, the Agency, the City, the Paying Agent and the Bond Registrar shall have no responsibility or obligation to any Agent Member or Beneficial Owner. Without limiting the foregoing, the Agency, the City, the Paying Agent and the Bond Registrar shall have any responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository, the Securities Depository Nominee or any Agent Member with respect to any beneficial ownership interest in the Bonds;

(ii) the delivery to any Agent Member, any Beneficial Owner or any other person, other than the Securities Depository or the Securities Depository Nominee, of any notice with respect to the Bonds; or

(iii) the payment to any Agent Member, any Beneficial Owner or any other person, other than the Securities Depository or the Securities Depository Nominee, of any amount with respect to the principal, premium, if any, or interest on the Bonds.

So long as any Bonds are held in in Book-Entry Form, the Agency, the City and the Paying Agent may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Bonds for all purposes whatsoever, including without limitation:

(i) the payment of principal of, premium, if any, and interest on the Bonds;

(ii) giving notices of redemption and other matters with respect to such Bonds;

(iii) registering transfers with respect to such Bonds;

(iv) the selection of Bonds for redemption; and

(v) voting and obtaining consents under this Resolution.

So long as any Bonds are held in Book-Entry Form, the Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to the Securities Depository or the Securities Depository Nominee as shown in the bond register, and all such payments shall be valid and effective to fully discharge the Agency's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent so paid.

(c) If at any time (i) the Agency determines that the Securities Depository is incapable of discharging its responsibilities described herein, (ii) the Securities Depository notifies the Agency that it is unwilling or unable to continue as Securities Depository with respect to the Bonds, or (iii) the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934 or other applicable statute or regulation and a successor Securities Depository is not appointed by the Agency within 90 days after the Agency receives notice or becomes aware of such condition, as the case may be, then this Section 308 shall no longer be applicable and the Agency shall execute and the Bond Registrar shall authenticate and deliver bonds representing the Bonds to the owners of the Bonds. Bonds issued pursuant to this subsection (c) shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Member or otherwise, shall instruct the Bond Registrar. Upon exchange, the Bond Registrar shall deliver such certificates representing the Bonds to the persons in whose names such Bonds are so registered on the business day immediately preceding the date of such exchange.

Section 309. Procedure and Notice of Redemption.

If the Bonds are called for redemption in part, then the particular series and maturity or maturities to be redeemed shall be selected by the City. If less than all of the Bonds of a maturity are to be called for redemption, then Bonds within each maturity so called for redemption shall be selected (a) in the manner designated by the Securities Depository when the Bonds are held in Book-Entry Form and (b) by lot when the Bonds are not held in Book-Entry Form.

Notice of redemption shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Bonds are held in Book-Entry Form and (b) if the Bonds are not held in Book-Entry Form, by first class mail, postage to all registered owners of the Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice. Any defect in such notice shall not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Bonds so designated for redemption after the redemption date. Notice given in the manner set forth above shall be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent moneys sufficient to redeem all Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

Section 310. Purchase in Open Market.

Nothing herein contained shall be construed to limit the right of the Agency to purchase with any excess moneys the Bonds in the open market at a price not exceeding the callable price. Any such Bonds so purchased cannot be reissued and shall be canceled.

Section 311. Effect of Call for Redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the Bonds so designated for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price specified by the Agency in a supplemental resolution adopted prior to the delivery of the Bonds, and from and after the date of redemption so designated, unless default shall be made in the payment of the Bonds so designated for redemption, interest on the Bonds so designated for redemption shall cease to accrue.

Section 312. Effect of Additional Bonds.

It is expressly understood and agreed that should the Agency hereafter elect to issue any Additional Bonds, as herein authorized, it shall have the right to redeem the Bonds of any such future issue or issues before it redeems all or any subseries of Series 2023 Bonds, or it may redeem one or more subseries of Series 2023 Bonds before it redeems the Bonds of any such future issue or issues, or it may redeem some of a subseries of Series 2023 Bonds and some of the Bonds of any such future issue or issues at the same time.

Section 313. Defeasance.

When the Sinking Fund Custodian or the Paying Agent has sufficient moneys or Government Obligations, which, without any reinvestment thereof, will (based upon a verification report of an independent certified public accountant or firm thereof) provide for the payment of any outstanding Bonds and the interest due or to become due thereon, and any premium required to be paid should such Bonds be called for redemption, such Bonds shall be deemed to be paid. Upon such provision for payment, the owners of such Bonds shall no longer be entitled to the benefits of the security afforded by this Resolution, and such Bonds shall, except for the purposes of registration, exchange and transfer, no longer be deemed outstanding hereunder.

ARTICLE IV

CUSTODY AND APPLICATION OF PROCEEDS; PROJECT FUND

Section 401. Application of Series 2023 Bond Proceeds.

The underwriter shall retain its discount and shall wire (ii) the balance of the proceeds of the Series 2023 Bonds to the Project Fund Custodian for deposit into the Project Fund. The proceeds of the Series 2023 Bonds deposited into the Project Fund shall be used for the purpose of paying all or a portion of the costs of the Projects, including reimbursing the City for certain costs of the Projects incurred prior to the issuance of the Series 2023 Bonds, and the costs of issuing the Series 2023 Bonds. The exact application of funds for each subseries of Series 2023 Bonds shall be provided for in a supplemental resolution adopted by the Agency prior to the issuance of such subseries of Series 2023 Bonds or in a closing certificate of the Agency.

Section 402. Project Fund.

(a) A special trust fund is hereby created and designated as the "Urban Redevelopment Agency of the City of Brookhaven, Georgia Project Fund." The Project Fund shall be kept as a trust fund with the Project Fund Custodian separate from other deposits of the Agency.

As to any issue of Bonds requiring that moneys be deposited into the Project Fund, the Project Fund Custodian shall establish a separate special account for the Project Fund, each of which shall be designated as "Series _____ Capital Improvement Account" (hereinafter referred to as a "Capital Improvement Account"), and within each account, a separate subaccount for each subseries of Bonds.

Upon completion of the Project and after payment of all expenses with respect thereto, all moneys credited to the related Capital Improvement Account may, at the direction of the Agency, be (i) credited to any other Capital Improvement Account and used to complete the Projects with respect to which such Capital Improvement Account was created or (ii) credited to the Sinking Fund and used to pay debt service on the Bonds. Prior to such application, the Agency shall receive an opinion of nationally recognized bond counsel to the effect that such application is permitted under the laws of the State of Georgia and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any tax-exempt Bonds.

(b) All payments from the Project Fund shall be made by wire transfer or checks signed by the Project Fund Custodian or a duly authorized officer of the City (an "Authorized City Representative"). Before any such payments shall be made, there shall be filed with the Project Fund Custodian a requisition substantially in the form attached hereto as Exhibit B. All requisitions required by this Section shall be retained either by the Project Fund Custodian or by the City, subject at all times to inspection by any owner of the Bonds.

Section 403. Investment of Project Fund Moneys.

Any moneys held in the Project Fund shall be invested or reinvested at the direction of the City in Permitted Investments.

ARTICLE V

SINKING FUND; PLEDGE OF SECURITY; ADDITIONAL BONDS

Section 501. Sinking Fund.

There is hereby created a special trust fund designated as the "Urban Redevelopment Agency of the City of Brookhaven, Georgia Sinking Fund." The Sinking Fund shall be kept as a trust fund with the Sinking Fund Custodian separate from other deposits of the Agency. All Contract Payments shall be deposited into the Sinking Fund for the purpose of paying the principal of, redemption premium (if any) and interest on the Bonds as the same become due and payable.

Section 502. Pledge of Security.

Except for the Unassigned Rights, the Security is hereby pledged to the payment of the principal of, redemption premium (if any) and the interest on the Bonds. The Security so pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act; and the lien of this pledge shall be valid and binding against the Agency and against all parties having claims of any kind against the Agency, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

Section 503. No Liens; Additional Bonds.

No other obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Security prior to the lien created herein. It is expressly provided, however, that Additional Bonds may be issued by the Agency, from time to time, ranking as to lien on the Security on a parity with the Series 2023 Bonds and any Additional Bonds authorized to be issued, provided all of the following conditions are met:

- (a) Neither the Series 2023 Bonds nor any Additional Bonds then outstanding are in default as to principal or interest.
- (b) The Agency is in material compliance with this Resolution; and the Agency and the City are in material compliance with the Contract.
- (c) The City satisfies the provisions of Section 6.1 of the Contract.
- (d) The Agency shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to this Resolution. Any such proceeding or proceedings shall ratify and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such

Additional Bonds. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of this Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds.

- (e) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

Notwithstanding anything herein to the contrary, any subseries of Series 2023 Bonds for which a final, nonappealable validation order has been obtained may be issued hereunder subject to satisfaction of the conditions set forth above in subsections (a) through (e) as if such subseries were "Additional Bonds."

Section 504. Sinking Fund Investments.

Moneys on deposit in the Sinking Fund shall be invested or reinvested at the direction of the City only in Sinking Fund Investments.

ARTICLE VI

DEPOSITORIES OF MONEYS AND SECURITIES FOR DEPOSITS; APPOINTMENT OF SUCCESSOR CUSTODIANS, PAYING AGENT AND BOND REGISTRAR

Section 601. Depository; Sinking Fund Custodian; Security for Deposits.

(a) All moneys received by the Agency under the terms hereof shall, subject to the giving of security as hereinafter provided, be deposited with the Project Fund Custodian or with the Sinking Fund Custodian in the name of the Agency. All moneys deposited under the provisions hereof and not invested in securities shall be deposited in banks insured by the Federal Deposit Insurance Corporation, or any successor thereto, and such moneys shall be applied in accordance with the terms and for the purposes set forth in this Resolution and shall not be subject to lien or attachment or any type of security interest by any creditor of the Agency.

(b) All moneys on deposit with the Project Fund Custodian or the Sinking Fund Custodian shall be secured by (i) the State of Georgia Secure Deposits Program, or any successor thereto or (ii)(A) the Federal Deposit Insurance Corporation, or any successor thereto or (B) a pledge of obligations (1) authorized by O.C.G.A Section 50-17-59 or (2) issued or guaranteed by the United States of America in an amount of such deposit not insured by the Federal Deposit Insurance Corporation, or any successor thereto.

(c) In the event the Sinking Fund Custodian and the Paying Agent for all Bonds then outstanding is the same bank acting in both capacities, then said Sinking Fund Custodian shall, without any further direction on the part of or any further authorization from the Agency, use and disburse the moneys in said Sinking Fund as provided in this Resolution; except that, if, as provided under Article III of this Resolution, it redeems or buys any Bonds with moneys in the Sinking Fund, then proper authorization and direction from the Agency shall be furnished for such use and disbursement.

Section 602. Successor Custodians and Depositories.

The Agency may, from time to time, designate a successor Sinking Fund Custodian and Project Fund Custodian provided said custodians comply with all of the provisions of this Article and the applicable provisions of this Resolution.

Section 603. Successor Paying Agent and Bond Registrar.

The Agency may, from time to time, designate a successor Paying Agent and Bond Registrar provided said Paying and Bond Registrar complies with all of the applicable provisions of this Resolution.

ARTICLE VII

PARTICULAR COVENANTS

Section 701. Payment.

The Agency shall promptly pay the principal of, redemption premium (if any) and interest on the Bonds issued hereunder and secured hereby at the place, on the dates and in the manner herein and in the Bonds specified.

Section 702. Tax Exemption.

The Agency shall do all things necessary to ensure that the interest on any tax-exempt Bonds remains excludable from gross income for federal income tax purposes.

Section 703. Separate Accounts.

The Agency will keep the Funds separate from all other funds and accounts of the Agency, or any of its departments. The Agency will keep accurate records and accounts of the Funds. Such records and accounts shall be open to the inspection of the City, the owners of the Bonds and their duly authorized representatives at all reasonable times.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 801. Events of Default.

Each of the following events is hereby declared an “event of default,” that is to say, if: (a) payment of the principal of and any redemption premium on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or (b) payment of any installment of interest shall not be made when the same becomes due and payable; or (c) the Agency shall, for any reason, be rendered incapable of fulfilling its obligations hereunder; or (d) an “event of default” shall have occurred under the Contract; or (e) the Agency shall be in default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in this Resolution on the part of the Agency to be performed, and such default shall continue for 30 days after written notice, specifying such default and requiring same to be remedied, shall have been given to the Agency by any bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default hereunder if the Agency shall institute corrective action and diligently pursue it until the default is cured.

Section 802. Remedies.

Upon the happening and continuance of any event of default, as provided in Section 801 herein, then and in every such case any bondholder may proceed, subject to the provisions of Section 804 herein, to protect and enforce the rights of the bondholders hereunder by a suit, action or special proceedings in equity, or at law, for the special performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or contained in the Contract or granted in the Contract, or for the enforcement of any proper legal or equitable remedy as such bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Section 803. Restoration.

In case any proceeding taken by any bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such bondholder, then and in every such case the Agency and the bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the bondholders shall continue as though no such proceedings had been taken.

Section 804. Equal Benefit.

No one, or more, owners of the Bonds secured hereby shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

Section 805. Non Exclusivity of Remedies.

No remedy herein conferred upon the bondholders is intended to be exclusive of any other remedy, or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 806. No Waiver.

No delay or omission of any bondholder to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein and every power and remedy given by this Article to be owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IX

SUPPLEMENTAL PROCEEDINGS

Section 901. Adoption of Supplemental Proceedings.

(a) The Agency may, with the consent of the owners of the Bonds as provided in Section 903 below, adopt such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of the owners of all the Bonds: (i) the extension of the maturity of any Bond issued hereunder; (ii) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (iii) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; or (iv) the creation of any lien on the Security prior to or superior to the lien created thereon as the security for the payment of the Bonds.

(b) The Agency may, without the consent of the owners of the Bonds, adopt such resolution or resolutions supplemental hereto as shall be necessary or desirable to (i) cure any ambiguity or formal defect or omission in this Resolution or in any supplemental proceedings; (ii) provide for the issuance of Additional Bonds in accordance with the terms of this Resolution (including, without limitation, the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Agency); (iii) grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders by the Agency; (iv) further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (v) permit the qualification of this Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect; (vi) make the Bonds eligible for acceptance by the Securities Depository; (vii) preserve the tax-exempt status of the Bonds; or (viii) make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

Section 902. Notice.

After any supplemental resolution requiring the consent of the bondholders shall have been adopted, the Agency shall cause a notice of the adoption of such resolution to be mailed, postage prepaid, to all registered owners of Bonds appearing on the bond registration book kept by the Bond Registrar.

Section 903. Required Approval.

No supplemental resolution requiring the consent of the bondholders shall become effective unless the owners of at least a majority of the principal amount of Bonds outstanding shall have filed with the Agency within three months after the date of adoption of such

supplemental resolution properly executed instruments approving the adoption of such supplemental resolution, each such instrument to be accompanied by proof of ownership of the Bonds to which such instrument refers, which proof shall be such as is permitted by the provisions of Section 906 of this Resolution.

Section 904. Reserved.

Section 905. Incorporation.

Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article shall thereafter form a part of this Resolution and all conditions of this Resolution for any and all purposes, and shall be effective as to all owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Section 906. Proof of Ownership.

Any request, waiver, direction, consent or other instrument required by this Resolution to be signed or executed by bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the written appointment such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Agency with regard to any action taken under such instrument:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds shall be determined and proved by reference to the bond registration book kept by the Bond Registrar for such issue of Bonds and the Agency may conclusively assume that such ownership continues until written notice to the contrary is served upon the Agency.

Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Agency in pursuance of such request or consent.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 1001. Severability.

In case any one or more of the provisions of this Resolution, or the Bonds issued hereunder, shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 1002. Resolution Constitutes a Contract.

The provisions of this Resolution shall constitute a contract by and between the Agency, the City and the owners of the Bonds authorized to be issued hereunder, and after the issuance of the Series 2023 Bonds, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the owners of the Bonds, nor shall the Agency pass any proceedings in any way adversely affecting the rights of such owners or issuers, so long as any of the Bonds authorized by this Resolution, or the interest thereon, shall remain unpaid; provided, however, that this covenant shall not be construed as prohibiting modifications hereof or amendments hereto to the extent and in the manner as provided in Article IX hereof.

Section 1003. Validation.

The Series 2023 Bonds herein authorized shall be validated in the manner provided by law, and to that end notice of the adoption of this Resolution and a copy thereof shall be served upon the District Attorney of the Stone Mountain Judicial Circuit, in order that proceedings for the above purpose be instituted in the Superior Court of DeKalb County.

Section 1004. Repealer.

Any and all resolutions or parts of resolutions in conflict with this Resolution this day adopted be and the same are hereby repealed, and this Resolution shall be in full force and effect from and after its adoption.

Section 1005. Contract.

The execution, delivery and performance of the Contract are hereby authorized and approved. The Contract shall be executed by the Chairman or Vice Chairman of the Agency, and Secretary or Assistant Secretary may attest the same. The seal of the Agency may be impressed on the Contract. The Contract shall be in substantially the form attached hereto as Exhibit A, with such changes, insertions or omissions as may be approved by the person executing the same, and the execution of the Contract by the Chairman or Vice Chairman of the Agency and Secretary or any Assistant Secretary as hereby authorized shall be conclusive evidence of any such approval. The Contract is by this reference thereto incorporated herein and spread upon the minutes.

Section 1006. General Authority; Ratification.

Any officer of the Agency is hereby authorized to execute and deliver all other documents and certificates necessary to affect the transactions contemplated by this Resolution and to make covenants on behalf of the Agency. All actions heretofore taken and all documents heretofore executed in connection with the transactions contemplated by this Resolution are hereby ratified and approved. If the Chairman or the Secretary is unable or unwilling to carry out the transactions contemplated by the terms of this Resolution or to execute any documents authorized herein, including but not limited to the Bonds, the Vice Chairman and Assistant Secretary are hereby authorized to act/sign on behalf of the Chairman and Secretary, respectively.

Section 1007. Appointment of Paying Agent, Bond Registrar and Custodians.

U.S. Bank Trust Company, National Association, is hereby designated as Paying Agent, Bond Registrar, Sinking Fund Custodian, and Project Fund Custodian for the Series 2023 Bonds.

Section 1008. Paying Agency Agreement.

The execution, delivery and performance of a Paying Agency Agreement (the "Paying Agency Agreement"), dated as of the first day of the month in which the Series 2023 Bonds are issued and delivered, among the Agency, the City and the Paying Agent and Bond Registrar are hereby authorized and approved. The Paying Agency Agreement shall be executed by the Chairman or Vice Chairman of the Agency, and Secretary or Assistant Secretary may attest the same. The seal of the Agency may be impressed on the Paying Agency Agreement. The Paying Agency Agreement shall be in substantially the form attached hereto as Exhibit D, with such changes, insertions or omissions as may be approved by the person executing the same, and the execution of the Paying Agency Agreement by the Chairman or Vice Chairman of the Agency and Secretary or any Assistant Secretary as hereby authorized shall be conclusive evidence of any such approval. The Paying Agency Agreement is by this reference thereto incorporated herein and spread upon the minutes.

Section 1009. Custodial Agreement.

The execution, delivery and performance of Custodial Agreement (the "Custodial Agreement"), dated as of the first day of the month in which the Series 2023 Bonds are issued and delivered, among the Agency, the City and U.S. Bank Trust Company, National Association, in its capacity as Project Fund Custodian and as Sinking Fund Custodian, are hereby authorized and approved. The Custodial Agreement shall be executed by the Chairman or Vice Chairman of the Agency, and Secretary or Assistant Secretary may attest the same. The seal of the Agency may be impressed on the Custodial Agreement. The Custodial Agreement shall be in substantially the form attached hereto as Exhibit E, with such changes, insertions or omissions as may be approved by the person executing the same, and the execution of the Custodial Agreement by the Chairman or Vice Chairman of the Agency and Secretary or any Assistant Secretary as hereby authorized shall be conclusive evidence of any such approval. The

Custodian Agreement is by this reference thereto incorporated herein and spread upon the minutes.

Section 1010. Approval of Urban Redevelopment Plan.

The Projects and the revision of the Original Urban Redevelopment Plan to incorporate the Projects, in form attached hereto as Exhibit C, are hereby approved. The Urban Redevelopment Plan is by this reference thereto spread upon the minutes.

Section 1011. Waiver of Bond Audit.

The Agency hereby waives the audit referred to in O.C.G.A. Section 36-82-100.

Section 1012. Payments Due on Holiday.

In any case where the date of payment of the principal of or interest on the Bonds shall be a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of such principal or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of stated maturity, and no interest shall accrue for the period after such date.

Section 1013. Applicable Provisions of Law.

This Resolution shall be governed by and construed and enforced in accordance with the laws of the State.

Section 1014. Distribution of Official Notice of Sale and Preliminary Official Statement.

The preparation and distribution of an Official Notice of Sale and a Preliminary Official Statement relating to the Series 2023 Bonds are hereby authorized and approved. The Chairman or Vice Chairman is authorized to deem, on behalf of the Agency, the Preliminary Official Statement final, except for "Permitted Omissions," as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the underwriter or bond insurer and other terms of the Series 2023 Bonds and any underlying obligations depending on such matters, all with respect to the Series 2023 Bonds and any underlying obligations. The execution and delivery of a certificate deeming the Preliminary Official Statement final as required by the Rule are hereby authorized and approved. The formal award of the sale of the Series 2023 Bonds shall be determined by the Agency in a supplemental resolution adopted by the Agency prior to the delivery of the Series 2023 Bonds.

Section 1015. Approval of Tax-Exempt Debt Policy.

The Tax-Exempt Debt Policy presented at this meeting is hereby approved.

Adopted and approved on December 13, 2022.

EXHIBIT A

URBAN REDEVELOPMENT AGENCY OF THE
CITY OF BROOKHAVEN, GEORGIA

FORM OF CONTRACT

(SEAL)

By: _____
John Arthur Ernst, Jr.
Chairman

Attest:

Susan Hiott
Secretary

EXHIBIT B

FORM OF REQUISITION

U.S. Bank Trust Company, National Association
Atlanta, Georgia

Re: Direction to Make Disbursement from the Urban Redevelopment Agency of the City of Brookhaven, Georgia Project Fund [Series ____ Capital Improvement Account]

To the Addressee:

The Urban Redevelopment Agency of the City of Brookhaven, Georgia Project Fund [Series ____ Capital Improvement Account] (the "Project Fund") was created pursuant to a resolution adopted by the Urban Redevelopment Agency of the City of Brookhaven, Georgia on December 13, 2022, as supplemented on _____, 20__ (the "Resolution"). Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution. You are hereby directed to disburse from the Project Fund the amount set forth below in accordance with the instructions set forth below:

1. This is requisition number _____
2. The name and address of the person, firm or corporation to whom the disbursement is due is as follows:

[insert payees]

3. The amount to be disbursed is \$_____.

4. The purpose of the payment is as follows:

[insert purpose]

5. In connection herewith, the undersigned hereby certifies as follows:

a. That an obligation in the stated amount has been incurred, that the same is a proper charge against the Project Fund and has not been paid or the subject of a previous requisition, and that the bill or statement of account for such obligation is attached hereto or on file with the City;

b. That no notice of any vendors, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or any security interest, which should be satisfied or discharged before such payment has been made; and

c. That insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed, or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose.

This requisition shall be retained by you, subject at all times to inspection by any officer of the Agency or any owner of the Bonds.

Dated this _____ day of _____, 20__.

CITY OF BROOKHAVEN, GEORGIA

By: _____
Authorized City Representative

EXHIBIT C

URBAN REDEVELOPMENT PLAN

EXHIBIT D

FORM OF PAYING AGENCY AGREEMENT

EXHIBIT E

FORM OF CUSTODIAN AGREEMENT

STATE OF GEORGIA
COUNTY OF DEKALB
CITY OF BROOKHAVEN

RES 2022- ____ - ____

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the "Agency") DOES HEREBY CERTIFY that the foregoing pages constitute a true and correct copy of the resolution adopted by the Board of Commissioners of the Agency at a meeting duly called and assembled on December 13, 2022, which meeting was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution has been duly recorded in the Minute Book of the Agency, which Minute Book is in my custody and control.

WITNESS my hand and the official seal of the Agency, this ____ day of December, 2022.

(SEAL)

Susan Hiott
Secretary

INTERGOVERNMENTAL CONTRACT

between

**URBAN REDEVELOPMENT AGENCY
OF THE CITY OF BROOKHAVEN, GEORGIA**

and

CITY OF BROOKHAVEN, GEORGIA

Dated as of _____ 1, 2023

This document was prepared by:
Hunton Andrews Kurth LLP
600 Peachtree Street, NE
Suite 4100
Atlanta, GA 30308
(404) 888-4000

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS	4
Section 1.1. Definitions.....	4
ARTICLE II. REPRESENTATIONS.....	6
Section 2.1. Representations by the Agency.....	6
Section 2.2. Representations by the City.....	7
Section 2.3. Reliance by Bondholders.....	9
ARTICLE III. ISSUANCE OF THE SERIES 2023 BONDS; PROCEEDS.....	10
Section 3.1. Agreement to Issue Series 2023 Bonds.....	10
Section 3.2. Application of Bond Proceeds.....	10
ARTICLE IV. COMMENCEMENT AND COMPLETION OF THE PROJECTS.....	11
Section 4.1. Agreement to Construct the Projects.....	11
Section 4.2. In Event Bond Proceeds Insufficient.....	11
Section 4.3. Establishment of Completion Date.....	11
ARTICLE V. EFFECTIVE DATE AND DURATION OF THIS CONTRACT; PAYMENT PROVISIONS; SSD TAX LEVY AND LIENS	12
Section 5.1. Effective Date of this Contract; Duration of Contract Term.....	12
Section 5.2. Contract Payments.....	12
Section 5.3. Prepayment of Contract Payments.....	12
Section 5.4. Obligations of City Hereunder Absolute and Unconditional.....	12
Section 5.5. SSD Tax Levy to Pay Contract Payments; Lien on SSD Tax Moneys.....	13
ARTICLE VI. SPECIAL COVENANTS OF CITY.....	15
Section 6.1. Additional Contracts.....	15
Section 6.2. Operation of the Projects.....	15
Section 6.3. Insurance.....	15
Section 6.4. Paying Agent, Bond Registrar and Custodians.....	15
Section 6.5. Compliance with Resolution.....	15
Section 6.6. Indemnification.....	15
Section 6.7. Disclosure Certificates.....	16
Section 6.8. Continued Existence of Special Service District.....	16
ARTICLE VII. SPECIAL COVENANTS OF AGENCY AND CITY	17
Section 7.1. Further Assurances and Corrective Instrument, Recordings and Filings.....	17
Section 7.2. Tax Covenants.....	17
Section 7.3. Bonds Made Subject to this Contract.....	19
Section 7.4. Amounts Remaining in Funds.....	19

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES	20
Section 8.1. Events of Default Defined	20
Section 8.2. Remedies on Default.....	20
Section 8.3. No Remedy Exclusive.....	20
Section 8.4. Agreement to Pay Attorneys’ and Consultant’s Fees and Expenses.	21
Section 8.5. No Additional Waiver Implied by One Waiver.....	21
ARTICLE IX. MISCELLANEOUS	22
Section 9.1. Notices.....	22
Section 9.2. Binding Effect.....	22
Section 9.3. Severability.....	23
Section 9.4. Third-Party Beneficiaries.....	23
Section 9.5. Amendments, Changes and Modifications.....	23
Section 9.6. Execution Counterparts.....	23
Section 9.7. Captions.....	23
Section 9.8. Law Governing Construction of Contract.....	23

EXHIBIT A – Form of Amendment to Contract

INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT is entered into as of _____ 1, 2023 (this “Contract”), by and between the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the “Agency”), a body corporate and politic of the State of Georgia, and the City of Brookhaven, Georgia (the “City”), a municipal corporation of the State of Georgia.

WITNESSETH:

WHEREAS, the Mayor and City Council of the City (the “City Council”) adopted Resolution 2022-04-07 on April 26, 2022 finding that one or more “pockets of blight” (as defined in the Urban Redevelopment Law of the State of Georgia (O.C.G.A. Section 36-61-1 *et seq.*, as amended) (the “Act”) existed in the City, and the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas was necessary in the interest of the public health, safety, morals, or welfare of the residents of the City; and

WHEREAS, the City Council adopted Resolution 2022-06-04 on June 14, 2022 designating four areas within the City as “urban redevelopment areas” (each, an “Urban Redevelopment Area” and collectively, the “Urban Redevelopment Areas”) within the meaning of the Act; and

WHEREAS, after a public hearing held in accordance with the Act, the City Council adopted Resolution 2022-06-04 on June 14, 2022 approving an urban redevelopment plan relating to the Urban Redevelopment Areas entitled “Brookhaven Urban Redevelopment Plan” (the “Original Urban Redevelopment Plan”) including an initial list of urban redevelopment projects as described therein; and

WHEREAS, the City Council adopted a resolution on June 14, 2022 creating the Agency; and

WHEREAS, the City Council adopted Resolution 2022-08-02 on August 23, 2022 approving a final list of urban redevelopment projects, substantially similar to the initial list included in the Original Urban Redevelopment Plan (the “Projects”), to be undertaken by the Agency and financed from taxes of the Special Service District (described herein); and

WHEREAS, the Agency has updated the Original Urban Redevelopment Plan (the Original Urban Redevelopment Plan, as so updated, and as may be amended from time to time, is referred to as the “Urban Redevelopment Plan”) to incorporate the final list of urban redevelopment projects approved by the City Council; and

WHEREAS, pursuant to the Act, the Agency has the power to (a) acquire, construct, improve or modify, redevelop or rehabilitate, and to cause to be placed into operation and operated, urban redevelopment projects within the City and (b) pay all or part of the cost of any projects from the proceeds of revenue bonds issued by the Agency; and

WHEREAS, the Agency proposes to issue its Revenue Bonds, Series 2023 (the “Bonds”), in one or more subseries in an aggregate amount not to exceed \$125,000,000 for the purpose of (a) financing all or a portion of the costs of the urban redevelopment projects identified in the Urban Redevelopment Plan (the “Projects”), in particular the construction of a new City Hall, and (b) paying certain costs of issuing the Series 2023 Bonds; and

WHEREAS, Article IX, Section II, Paragraph VI of the Constitution of the State of Georgia (the “Special Service District Law”) authorizes municipalities to create special service districts for the provision of local government services within such districts, and may levy and collect fees, assessments and taxes within such districts to pay, wholly or partially, the cost of providing such services and to construct and maintain facilities therefor; and

WHEREAS, pursuant to the authority granted to the City under the Special Service District Law, the City Council adopted Ordinance 2021-12-01 on December 14, 2021, as amended by Ordinance 2021-12-07 adopted on December 30, 2021, as further amended by Ordinance 2022-05-02 adopted on May 10, 2022, as may hereafter be further amended (the “SSD Ordinance”), creating a special service district (the “Special Service District” or “SSD”), the boundaries of which include the Projects and which encompass substantially all commercial properties within the City; and

WHEREAS, the City is authorized to levy and collect an ad valorem property tax on all property within the Special Service District subject to such tax without limitation (the “SSD Tax”) as provided by the City’s municipal charter, as amended by Ordinance 2022-06-01 adopted by the City Council on June 28, 2022; and

WHEREAS, the City has established a current rate of 4.00 mills for the SSD Tax and the City commenced a levy of the SSD Tax beginning in 2022; and

WHEREAS, pursuant to a resolution adopted by the City Council on December 13, 2022 (the “City Resolution”), the City has provided for an annual review of the boundaries of the Special Service District and, if necessary, an amendment to the boundaries of the Special Service District to exclude properties that have changed classification from commercial or industrial to a different classification after the date hereof (the “Newly Residential Properties”) and/or to include commercial or industrial properties annexed into the City after the date hereof (the “New Commercial Properties”); and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the City’s municipal charter, (2012 Ga. Laws, p. 5527, as amended) (the “Charter”) authorizes the City to provide, among other things, public buildings and to provide any other public improvements inside the corporate limits of the City; and

WHEREAS, Article IX, Section II, Paragraph III of the 1983 Constitution of the State of Georgia authorizes the City to provide, among other things, street, curb, sidewalks, street lights and devices to control the flow of traffic on streets and roads, parks, recreational areas, programs and facilities and public transportation; and

WHEREAS, the Agency and the City propose to enter into this Contract, pursuant to which the Agency will agree to, among other things, issue the Series 2023 Bonds, and the City will agree to, among other things, (a) acquire, construct, equip and operate the Projects, (b) pay the Agency amounts sufficient to enable the Agency to pay the debt service on the Series 2023 Bonds (the “Contract Payments”) and (c) levy the SSD Tax, unlimited as to millage rate, on all property within the Special Service District subject to such tax in order to make such Contract Payments; and

WHEREAS, the Series 2023 Bonds will be secured by a first lien on the Contract and the Contract Payments; and

WHEREAS, the City’s obligation to make payments under this Contract is limited to amounts it receives from the collection of the SSD Tax, and such obligation shall not constitute a general obligation of the City nor a full faith and credit obligation of the City, nor an obligation to levy its taxing power, other than with respect to the SSD Tax.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agency and the City, hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Definitions.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution. The following words and terms shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

“Additional Contracts” means intergovernmental contracts executed by the City pursuant to Article IX, Section III, Paragraph I(a) of the Constitution of the State and relating to debt issued or incurred by the other parties to the intergovernmental contracts.

“Authorized Agency Representative” means the person at the time designated to act on behalf of the Agency by written certificate furnished to the Agency and the Project Fund Custodian, containing the specimen signature of such person and signed on behalf of the Agency by its Chairman or Vice Chairman. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized City Representative” means the person at the time designated to act on behalf of the City by written certificate furnished to the Agency and the Project Fund Custodian, containing the specimen signature of such person and signed on behalf of the City by its Mayor or Mayor Pro Tem. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Bond Counsel” means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, appointed by the City.

“Bond Year” means the period commencing on January 1 of a calendar year and ending on December 31 of the next succeeding calendar year, except that the first Bond Year will begin on the date the Series 2023 Bonds are issued and end on December 31, 2027.

“Charter” shall have the meaning assigned to such term in the preamble to this Contract.

“City Resolution” has the meaning assigned to such term in the preamble to this Contract.

“Code” means Internal Revenue Code of 1986, as amended and any applicable regulations thereunder.

“Completion Date” means the date that the Projects are completed as that date shall be certified as provided in Section 4.3 hereof.

“Contract Term” shall have the meaning specified in Section 5.1 hereof.

“Disclosure Certificate” means the written undertaking executed by the City in connection with the issuance of the Series 2023 Bonds as required by the Rule.

“New Commercial Properties” has the meaning assigned to such term in the preamble to this Contract.

“Newly Residential Properties” has the meaning assigned to such term in the preamble to this Contract.

“Operating Expenses” means all expenses intended to be covered by the SSD Tax Moneys, including, without limitation, the Contract Payments and payments under existing Additional Contracts.

“Projects” means the urban redevelopment projects described in the Urban Redevelopment Plan, as amended from time to time, and financed with proceeds of the Series 2023 Bonds.

“Project Fund” means the Project Fund established by the Resolution.

“Rebate Amount” means the rebatable arbitrage in connection with any Series 2023 Bonds that is payable to the United States Treasury pursuant to Section 148(f) of the Code and any Regulations proposed or promulgated in connection therewith.

“Resolution” means that certain resolution of the Agency dated December 13, 2022, as supplemented on _____, 2023, authorizing the issuance of the Series 2023 Bonds, as amended and supplemented from time to time.

“Rule” means Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“SSD Tax” has the meaning assigned to such term in the preamble to this Contract.

“SSD Tax Moneys” means the moneys produced from the levy of ad valorem property taxes within the Special Service District for the City.

ARTICLE II.

REPRESENTATIONS

Section 2.1. Representations by the Agency.

The Agency makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Agency is a body corporate and politic duly created and validly existing under the Constitution and laws of the State. The Agency is authorized under the Act and has the power to (i) adopt the Resolution and perform its obligations thereunder, (ii) issue, execute, deliver and perform its obligations under the Series 2023 Bonds and (iii) execute, deliver and perform its obligations under this Contract and the Resolution. The Resolution has been duly adopted and has not been modified or repealed.

(b) The Agency has duly authorized the (i) issuance, execution, delivery and performance of its obligations under the Series 2023 Bonds and (ii) the execution, delivery and performance of its obligations under this Contract. The Resolution, the Series 2023 Bonds and this Contract are valid, binding and enforceable obligations of the Agency.

(c) The Agency has been vested with all such urban redevelopment project powers of the City conferred in the Act by action of the City. The Act authorizes the Agency to issue bonds to finance or refinance the undertaking of any "urban redevelopment project" under the Act, which bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the Agency derived from or held in connection with its undertaking and carrying out of urban redevelopment projects under the Act. The Act authorizes the Agency to undertake and carry out within the territorial limits of the City "urban redevelopment projects," which are defined to include undertakings or activities of the Agency in an urban redevelopment area under the Act for the elimination and for the prevention of the development or spread of pockets of blight and may involve blight clearance and redevelopment in an urban redevelopment area, rehabilitation or conservation in an urban redevelopment area, or any combination or part thereof, in accordance with an urban redevelopment plan adopted pursuant to the Act. The Act authorizes a municipality to adopt, amend and revise a "redevelopment plan" and "redevelopment area" as provided in such Act. The Act authorizes the Agency to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the Act, to acquire, by purchase, grant, or otherwise, any real property (defined to include all lands, including improvements and fixtures thereon and property of any nature appurtenant thereto or used in connection therewith), to hold, improve, clear, or prepare for redevelopment any such property, to dispose of any real property, and to borrow money for the purposes of the Act and to give such security as may be required and to enter into and carry out contracts in connection therewith. No commissioner of the Agency has a direct or indirect interest in the Project or in any property included in or to be included in the Project or in any contract or proposed contract in connection therewith.

(d) No approval or other action by any governmental authority or agency or other person is required to be obtained by the Agency as of the date hereof in connection with the (i) adoption of the Resolution and the performance of its obligations thereunder, (ii) issuance, execution, delivery and performance of its obligations under the Series 2023 Bonds or (iii) execution, delivery and performance of its obligations under this Contract; provided, however, no representation is given with respect to any "blue sky" laws.

(e) The adoption of the Resolution and the performance of its obligations thereunder, the issuance, execution delivery and performance of its obligations under the Series 2023 Bonds and the execution, delivery and performance of its obligations under this Contract do not (i) violate the Act or the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the Agency or its property is subject or (ii) constitute a breach of or a default under or any agreement, indenture, mortgage, lease, note or other instrument to which the Agency is a party or by which it or its property is subject.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Agency, threatened against or affecting the Agency (or, to the knowledge of the Agency, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Agency from issuing the Series 2023 Bonds, (ii) contesting or questioning the existence of the Agency or the titles of the present officers of the Agency to their offices or (iii) wherein an unfavorable decision, ruling or finding would adversely affect the (1) enforceability of the Series 2023 Bonds, the Resolution or this Contract, (2) financial condition or results of operations of the Agency or (3) the transactions contemplated by this Contract.

(g) The Agency is not (i) in violation of the Act or the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the Agency or its property is subject or (ii) in breach of or default under any agreement, indenture, mortgage, lease, note or other instrument to which the Agency is a party or by which it or its property is subject.

(h) The Projects constitute urban redevelopment projects within the meaning of the Act. The issuance of the Series 2023 Bonds is within the public purposes intended to be served by the Agency.

The Agency makes no representation or warranty with respect to the (a) the condition or workmanship of any part of the Projects, (b) suitability of the Projects for the City's purposes, (c) financial condition of the City or (d) sufficiency of the Series 2023 Bond proceeds to pay the costs of the Projects.

Section 2.2. Representations by the City.

The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a municipal corporation duly created and validly existing under the Constitution and laws of the State. The City is authorized to and has the power to (i) acquire, construct and equip the Projects and (ii) execute, deliver and perform its obligations under this Contract. The City has duly authorized the execution, delivery and performance of its obligations under this Contract. This Contract is a valid, binding and enforceable obligation of the City.

(b) No approval or other action by any governmental authority or agency or other person is required to be obtained by the City as of the date hereof in connection with the (i) acquisition, construction and equipping of the Projects or (ii) execution, delivery and performance of its obligations under this Contract except as shall have been obtained; provided, however, no representation is given with respect to any “blue sky” laws.

(c) The acquisition, construction and equipping of the Projects and the execution, delivery and performance of its obligations under this Contract do not (i) violate its charter, the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the City or its property is subject or (ii) constitute a breach of or a default under or any agreement, indenture, mortgage, lease, note or other instrument to which the City is a party or by which it or its property is subject.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the City, threatened against or affecting any of the City (or, to the knowledge of the City, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent any of the Agency from issuing the Series 2023 Bonds or the City from acquiring, constructing and equipping the Projects, (ii) contesting or questioning the existence of the City or the titles of the present officers of the City to their respective offices or (iii) wherein an unfavorable decision, ruling or finding would adversely affect the (1) enforceability of this Contract, the existence of the Special Service District or the levy by the City of the SSD Tax, (2) financial condition or results of operations of the City or (3) transactions contemplated by this Contract.

(e) The Charter authorizes the City to levy the SSD Tax on all taxable property within the Special Service District at such rates, unlimited in amounts, necessary to make Contract Payments as provided in Section 5.2 hereof.

(f) The City is not (i) in violation of its charter, the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the City or its property is subject or (ii) in breach of or default under any agreement, indenture, mortgage, lease, note or other instrument to which the City is a party or by which it or its property is subject.

(g) The representations and warranties of the City set forth in the Non-Arbitrage Tax Certificate, dated the date of issuance and delivery of the Series 2023 Bonds, are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein, and are true and correct as of the date hereof.

The City makes no representation or warranty with respect to the financial condition of the Agency.

Section 2.3. Reliance by Bondholders.

The Agency and the City acknowledge and agree that the representations and warranties made in this Contract are made for the benefit of the Bondholders and may be relied upon by the Bondholders.

The Series 202 Bonds provide that no commissioner, member or officer of the Agency shall be subject to personal liability by reason of the issuance of the Series 202 Bonds, all such liability being expressly waived and released by the owner of each Series 2023 Bond.

ARTICLE III.

ISSUANCE OF THE SERIES 2023 BONDS; PROCEEDS

Section 3.1. Agreement to Issue Series 2023 Bonds.

The Agency agrees that it will validate and issue the Series 2023 Bonds. The Agency shall deliver a certified copy of the Resolution to the City promptly upon adoption thereof.

Section 3.2. Application of Bond Proceeds.

The proceeds from the sale of the Series 2023 Bonds shall be applied as provided in Section 401 of the Resolution, and the City hereby approves the issuance of the Series 2023 Bonds and the application of proceeds to pay costs of the Projects pursuant to requisitions submitted to the Project Fund Custodian from amounts on deposit in the related Capital Improvement Account.

ARTICLE IV.

COMMENCEMENT AND COMPLETION OF THE PROJECTS

Section 4.1. Agreement to Construct the Projects.

The Agency has appointed the City as its agent for the purpose of causing the Projects to be acquired, constructed and equipped. The City acknowledges and agrees that it shall be solely responsible for the acquisition, construction and equipping of the Projects, and the City shall prepare the requisitions and certifications and shall perform all acts required by Section 402 of the Resolution.

The City shall obtain all necessary approvals from any and all governmental agencies requisite to the acquisition, construction and equipping of the Projects. The Projects shall be acquired, constructed and equipped in compliance with all federal, state and local laws, ordinances and regulations applicable thereto. The City will take such action and institute such proceedings as it shall deem appropriate to cause and require all contractors and suppliers of materials to complete their contracts, including the correcting of any defective work, and may, from time to time, take such action as may be necessary or advisable, as determined by the City, to assure that the acquisition, construction and equipping of the Projects will proceed in an efficient and workmanlike manner.

The City shall acquire, construct and equip the Projects with all reasonable dispatch and shall use its best efforts to cause the acquisition, construction and equipping of the Projects to be completed as soon as may be practical, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the City excepted.

Section 4.2. In Event Bond Proceeds Insufficient.

The Agency does not make any warranty, either express or implied, that the proceeds derived from the sale of the Series 2023 Bonds will be sufficient to pay all the costs of the Projects. In the event that the proceeds derived from the sale of the Series 2023 Bonds are insufficient to pay all the costs of Projects, the City shall pay the remaining costs, and the City shall not be entitled to (a) any reimbursement therefor from the Agency or from the holders of any of the Series 2023 Bonds or (b) reduction in Contract Payments.

Section 4.3. Establishment of Completion Date.

The Completion Date shall be evidenced to the Project Fund Custodian and the Agency by a certificate signed by an Authorized City Representative stating that, except for amounts retained by the City to pay any costs of the Projects not then due and payable, the Projects have been completed and all costs of labor, services, materials and supplies have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

ARTICLE V.

**EFFECTIVE DATE AND DURATION OF THIS CONTRACT;
PAYMENT PROVISIONS; SSD TAX LEVY AND LIENS**

Section 5.1. Effective Date of this Contract; Duration of Contract Term.

This Contract shall become effective as of the execution and delivery of this Contract, and the obligations created by this Contract shall then begin, and, subject to the other provisions of this Contract, shall expire July 1, 2063, or if at said time and on said date all of the Series 2023 Bonds have not been paid in full then on such date as such payment shall have been made, but in no event in excess of 50 years from the date hereof.

Section 5.2. Contract Payments.

The City agrees to pay the Contract Payments. The Agency has assigned the Contract Payments to the owners of the Series 2023 Bonds, and the City consents to such assignment. The Agency hereby directs the City to make the Contract Payments directly to the Sinking Fund Custodian. In the event the City should fail to make any of the Contract Payments, the item or installment so in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City agrees to pay the same with interest thereon at the rate borne by the Series 2023 Bonds, to the extent permitted by law, from the date thereof.

The City's obligation to make the Contract Payments is limited to amounts it receives from collection of the SSD Tax, and such obligation shall not constitute a general obligation of the City, nor a full faith and credit obligation of the City, nor an obligation to levy its taxing power, other than with respect to the SSD Tax levied within the Special Service District. Notwithstanding the foregoing, the City has covenanted in Section 5.5 thereof, to levy an ad valorem tax, unlimited as to rate, on all taxable property located within the Special Service District as may be necessary to make Contract Payments.

Section 5.3. Prepayment of Contract Payments.

The City may prepay the Contract Payments in whole or in part at any time and may elect to apply such prepayments to redeem Series 2023 Bonds in accordance with the provisions of the Resolution.

Section 5.4. Obligations of City Hereunder Absolute and Unconditional.

The obligations of the City to make the Contract Payments and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, provided, however, the City's obligation to make Contract Payments hereunder are limited to amounts it collects from the levy of the SSD Tax, and the City has not pledged its full faith and credit or taxing power, except with respect to the SSD Tax, to make the payments required by this Contract. Until such time as the principal of and interest on the Series 2023 Bonds outstanding under the Resolution shall have been paid in full or provision for the payment thereof shall have been made in accordance with the Resolution, the City (a) will not suspend or

discontinue any Contract Payments except to the extent the same can be and have been prepaid, (b) will perform and observe all of its other agreements contained in this Contract and (c) will not terminate the Contract Term for any cause, including, without limiting the generality of the foregoing, failure of the City to complete the Projects, failure of the City's title in and to the Projects or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Projects, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Georgia or any political subdivision of either or any failure of the Agency to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Contract or the Resolution. Nothing contained in this Section shall be construed to release the Agency from the performance of any of the agreements on its part herein contained; and if the Agency should fail to perform any such agreement, the City may institute such action against the Agency as the City may deem necessary to compel performance as long as such action shall not do violence to or adversely affect the agreements on the part of the City contained in the preceding sentence and to make the Contract Payments.

Section 5.5. SSD Tax Levy to Pay Contract Payments; Lien on SSD Tax Moneys.

(a) The City covenants that it will exercise its power of taxation within the Special Service District, unlimited as to rate, to the extent necessary to make the Contract Payments and that it will make available and use for such Contract Payments all SSD Taxes levied and collected within the Special Service District for that purpose. Specifically, in each year that the Series 2023 Bonds are outstanding, the City will levy the SSD Tax at a rate which will produce in such year the aggregate amounts payable on the Series 2023 Bonds. The obligation of the City to make Contract Payments from SSD Tax collections shall constitute a general obligation of the Special Service District and a pledge of the full faith, credit and taxing power of the City within the Special Service District to provide funds required to fulfill the obligations under Section 5.2 hereof. The City covenants and agrees that it will set the millage rate for the Special Service District prior to July 1 of each year.

(b) The City further covenants and agrees that it will, in its revenue, appropriation, and budgetary measures whereby its SSD Tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to timely make the Contract Payments. The collection of the SSD Tax shall be pursued by the City in the same manner as the collection of taxes applied to general City purposes. The City agrees to take steps to enforce payment of the SSD Tax, as provided by law, with all deliberate speed.

(c) The City hereby creates and grants a lien on the SSD Tax Moneys (to the extent and in the amount required to make Contract Payments) in favor of the Agency in order to secure its obligations under this Contract. The City has not created any other liens on the SSD Tax Moneys and shall not create any other lien on the SSD Tax Moneys, except as set forth in (d) below.

(d) (i) The City may create liens on the SSD Tax Moneys on a parity with the lien created thereon pursuant to this Contract in connection with any Additional Contracts entered into pursuant to Section 6.1 hereof.

(ii) The City may create Liens on the SSD Tax Moneys that are subordinate to the lien created thereon pursuant to this Contract.

(e) For avoidance of doubt, the City may apply the proceeds of the SSD Tax not needed for deposit into the Sinking Fund created under the Resolution for Contract Payments for any other lawful purpose permitted by the Urban Redevelopment Plan and the Act.

ARTICLE VI.

SPECIAL COVENANTS OF CITY

Section 6.1. Additional Contracts.

The City shall not enter into any Additional Contract unless the maximum amount capable of being produced by the SSD Tax Moneys (using the most recent tax digest and then-current Special Service District millage rate) for the current fiscal year or the following fiscal year is at least equal to the amount needed to pay the maximum annual debt service payment on the existing and new debt covered by this Contract, all existing Additional Contracts, and the proposed Additional Contract. Any Additional Contract shall be an amendment to this Contract, in substantially the form as set forth in Exhibit A attached hereto.

Section 6.2. Operation of the Projects.

The City shall operate the Projects or shall cause the Projects to be operated and shall pay all costs of operating the Projects or shall cause all costs of operating the Projects to be paid, including, without limitation, salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Projects, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating the Projects in accordance with sound business practice.

Section 6.3. Insurance.

The City shall insure the Projects or shall cause the Projects to be insured in accordance with its customary insurance practices.

Section 6.4. Paying Agent, Bond Registrar and Custodians.

The City hereby agrees to pay the Paying Agent, the Bond Registrar, the Sinking Fund Custodian and the Project Fund Custodian for their services under the Resolution.

Section 6.5. Compliance with Resolution.

The City shall comply with all of its obligations under the Resolution.

Section 6.6. Indemnification.

To the extent permitted by law, the City hereby agrees to release the Agency from and to indemnify the Agency (and its commissioners) for any and all liabilities and claims against the Agency arising from the issuance of the Series 2023 Bonds and the acquisition, construction, equipping, ownership and operation of the Projects, including without limitation, (a) any condition of the Projects, (b) any breach or default on the part of the City in the performance of any of its obligations under this Contract, (c) any act or negligence of the City or of any of its agents, contractors, servants, employees or licensees, (d) any act or negligence of

any assignee or lessee of the City, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the City or (e) any material misstatement or omission by the City in connection with the sale of the Series 2023 Bonds. Notwithstanding the foregoing, the City shall not be required to indemnify the Agency for its gross negligence or willful misconduct.

If any such claim is asserted, the Agency or any individual indemnified herein, as the case may be, will give prompt written notice to the City, and the City will promptly assume the defense thereof, including the employment of counsel and payment of all expenses of such defense, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Agency shall have the right to approve in writing all counsel engaged by the City to conduct such defense, which approval shall not be unreasonably withheld.

The Agency shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the City shall not be required to pay the fees and expenses of such separate counsel unless the separate counsel is employed with the approval of the City. The City shall not unreasonably withhold its approval of such separate counsel.

Notwithstanding anything in this Contract to the contrary, the provisions of this Section 6.6 shall survive the termination of this Contract.

Section 6.7. Disclosure Certificates.

The City shall comply with its obligations under the Disclosure Certificate; provided, however, a failure of the City to comply with its obligations under the Disclosure Certificate shall not constitute a default or an event of default hereunder and the only action that may be taken hereunder is an action for specific performance by court order, to cause the City to comply with its obligations under the Disclosure Certificate.

Section 6.8. Continued Existence of Special Service District.

The City covenants and agrees that while any Series 2023 Bonds are outstanding, the City shall not terminate the Special Service District or revoke or repeal the related legislation. Notwithstanding the foregoing, the City may, but shall not be required to, amend the Special Service District boundaries to exclude Newly Residential Properties from time to time and/or to include New Commercial Properties as provided in the City Resolution.

ARTICLE VII.

SPECIAL COVENANTS OF AGENCY AND CITY

Section 7.1. Further Assurances and Corrective Instrument, Recordings and Filings.

The Agency and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Contract.

Section 7.2. Tax Covenants.

The Agency and the City agree to do all things necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2023 Bonds and not to do anything that would adversely affect such exclusion.

(a) Neither the Agency nor the City shall use or knowingly permit the use of any proceeds of any Series 2023 Bonds or any other funds of the Agency, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Agency or the Project Fund Custodian in any manner, and shall not take or permit to be taken any other action or actions, that would cause any Series 2023 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or which would otherwise cause interest on any of the Series 2023 Bonds to become subject to Federal income tax. The Agency and City shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Agency on the Series 2023 Bonds shall, for the purposes of Federal income tax, be exempt from all income taxation under any valid provision of law.

(b) The Agency and City covenant to either take actions to prevent its receipt of private payments which would cause the Series 2023 Bonds to be "private activity bonds," redeem the Series 2023 Bonds prior to receipt of such excess private payments or take remedial actions under the Code which would allow such payments to be received without adverse effect on the tax status of interest on the Series 2023 Bonds. Other than as provided in the preceding sentence, the Agency and City may only make contractual arrangements with respect to the use and payment therefor of the Projects such that the Series 2023 Bonds will not become "private activity bonds" under Section 141 of the Code provided such restrictions shall not apply if an opinion of bond counsel is delivered to the effect that interest on the Series 2023 Bonds will continue to be exempt from gross income for federal income tax purposes.

(c) Reference is made to the non-arbitrage certificate by the Agency delivered concurrently with the issuance of the Series 2023 Bonds; the representations and covenants made therein are hereby incorporated by reference as if contained herein and shall constitute part of this Agreement.

(d) In the event that at any time the Agency or the City is of the opinion that for purposes of this Section 7.2 it is necessary to dispose of any investment or to restrict or limit the yield on any investment held under the Resolution or otherwise, the Agency or the City, as the case may be, shall so instruct the Project Fund Custodian or the Sinking Fund Custodian in writing

(e) The City shall cause the Sinking Fund Custodian to create a “Rebate Fund” to be held under the Resolution and shall cause the Rebate Amount to be determined and pay such Rebate Amount, if any, from any legally available source. Such amount shall be paid to the Sinking Fund Custodian for deposit in the Rebate Fund for subsequent payment to the United States of America, as and when due, in accordance with the “rebate requirement” described in Section 148(f) of the code and in this Section and retain records of all such determinations until six (6) years after the payment of the Series 2023 Bonds.

(f) The City agrees that within 30 days after the initial installment computation date, the last day of the fifth Bond Year December 31, 2027, and at least once every five years thereafter, the City shall cause the preparation of a certificate (a “Rebate Amount Certificate”) setting forth the “Rebate Amount.” Such Rebate Amount Certificate shall be prepared or approved by (1) a person with experience in matters of governmental accounting for Federal income tax purposes, (2) a bona fide arbitrage rebate calculation reporting service, or (3) nationally recognized bond counsel. The City shall pay all costs associated with the preparation of the Rebate Amount Certificate.

(g) Not later than 60 days after the initial installment computation date, the City shall pay to the Sinking Fund Custodian for deposit in the Rebate Fund under the Bond Resolution, for subsequent payment to United States of America, at least 90% of the Rebate Amount as set forth in the Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before 60 days after the installment computation date that is the fifth anniversary of the initial installment computation date and on or before 60 days every fifth anniversary date thereafter until final payment of the Series 2023 Bonds, the City shall pay to the Sinking Fund Custodian for deposit in the Rebate Fund under the Bond Resolution, for subsequent payment to United States of America, not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to this Section. On or before 60 days after final payment of the Series 2023 Bonds, the City shall pay to the Sinking Fund Custodian for deposit in the Rebate Fund under the Bond Resolution, for subsequent payment to United States of America, the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of the Series 2023 Bonds exceed the aggregate of all payments theretofore made pursuant to this Section.

(h) Notwithstanding any provision of this Section to the contrary, no such calculation or payment shall be made if the City receives an opinion of bond counsel to the effect that (1) such payment is not required under the Code in order to prevent the Series 2023 Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code or (2) such payment should be calculated and paid on some alternative basis under the Code, and the City complies with such alternative basis.

The obligations created by this Section 7.2 shall survive the termination of this Contract. The Agency hereby delegates to the City the authority and responsibility for compliance with Section 148(f) of the Code.

Section 7.3. Bonds Made Subject to this Contract.

No additional revenue bonds of the Agency shall be subject to this Contract unless and until the City and the Agency shall execute an amendment to this Contract specifically incorporating the provisions for such additional revenue bonds.

Section 7.4. Amounts Remaining in Funds.

It is agreed by the parties hereto that any amounts remaining in the Sinking Fund, the Project Fund, or other funds provided for herein or in the Resolution upon expiration or sooner termination of this Contract, after payment in full of the Series 2023 Bonds (or provision for payment thereof having been made in accordance with the provisions of Section 313 of the Resolution), and all fees, charges, expenses or other sums due and owing to the Agency hereunder or under the Resolution, shall belong to and be paid to the City by the Agency as overpayment of amounts due hereunder.

ARTICLE VIII.

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined.

The following shall be “events of default” under this Contract and the terms “event of default” or “default” shall mean, whenever they are used in this Contract, any one or more of the following events:

(a) Failure by the City to make the Contract Payments required to be paid under Section 5.2 hereof when due; or

(b) Failure by any of the City or the Agency to observe and perform, in any material respect, any covenant, condition or agreement of this Contract on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the City or the Agency, as appropriate, by the non-defaulting party, the bondholders or any other assignee of the Agency, unless the non-defaulting party and the bondholders shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the 30-day period, the non-defaulting party and the bondholders will not unreasonably withhold their consent to an extension of such time if it is possible to correct such failure and corrective action is instituted within the applicable period and diligently pursued until the default is corrected; or

(c) Any representation in this Contract shall be untrue.

(d) An “Event of Default” shall have occurred under the Resolution.

Section 8.2. Remedies on Default.

Whenever any event of default referred to in Section 8.1 hereof shall have happened and be existing, the non-defaulting party or the owner of any of the Series 2023 Bonds may take any action and pursue any remedy available under the Resolution and the laws of the State of Georgia, including, without limitation, bringing an action for specific performance.

Section 8.3. No Remedy Exclusive.

No remedy herein conferred is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice or notices as may be herein expressly required. Such rights and remedies as are given to the Agency hereunder shall also extend to the

bondholders, and the bondholders shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 8.4. Agreement to Pay Attorneys’ and Consultant’s Fees and Expenses.

If an event of default shall occur hereunder and the non-defaulting party should employ attorneys or consultants or incur other expenses for or the enforcement of performance or observance of any obligation or agreement on the part of the City or the Agency herein contained, the defaulting party agrees that it shall on demand therefor pay to the non-defaulting party or the bondholders the reasonable fee of such attorneys and consultants and such other reasonable expenses so incurred by the non-defaulting party and the bondholders.

Section 8.5. No Additional Waiver Implied by One Waiver.

If any agreement contained in this Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX.

MISCELLANEOUS

Section 9.1. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, return receipt requested, postage prepaid.

If to the Agency: Urban Redevelopment Agency of
 The City of Brookhaven
 4362 Peachtree Road
 Brookhaven, Georgia 30319
 Attn: Chairman

with a copy to: Balch Law Group
 1270 Caroline Street, Suite D120-315
 Atlanta, Georgia 30312
 Attn: Chris Balch, Esq.

If to the City: City of Brookhaven, Georgia
 4362 Peachtree Road
 Brookhaven, Georgia 30319
 Attn: Mayor

with a copy to: Balch Law Group
 1270 Caroline Street, Suite D120-315
 Atlanta, Georgia 30312
 Attn: Chris Balch, Esq.

And with a copy to: Hunton Andrews Kurth LLP
 600 Peachtree Street, Suite 4100
 Atlanta, Georgia 30308
 Attn: Douglass P. Selby, Esq.

Section 9.2. Binding Effect.

This Contract shall inure to the benefit of and shall be binding upon the Agency and the City.

Section 9.3. Severability.

If any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.4. Third-Party Beneficiaries.

The owners of the Series 2023 Bonds secured by this Contract are third-party beneficiaries hereof.

Section 9.5. Amendments, Changes and Modifications.

This Contract may be amended, changed and modified without the consent of the owner of the Series 2023 Bonds to (a) cure any ambiguity or formal defect or omission in this Contract; (b) grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon bondholders by the City; (c) further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (d) conform to supplements to the Resolution; or (e) make any other amendments, changes and modifications that in the opinion of counsel are not materially adverse to the interest of the bondholders. Any other amendments, changes and modification in this Contract will become effective only with the consent of the owners of a majority in aggregate principal amount of the Series 2023 Bonds secured hereby. In no event, however, may any such amendments, changes and modifications permit (x) the reduction of Contract Payments required to be made to ensure the payment of the Series 2023 Bonds and the other obligations secured by the Resolution; or (y) the reduction of the percentage of the principal amount of the Series 2023 Bonds required for consent to any such amendment, change or modification.

Section 9.6. Execution Counterparts.

This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.7. Captions.

The captions and headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Contract.

Section 9.8. Law Govering Construction of Contract.

This Contract shall be governed by, and construed in accordance with, the laws of the State.

IN WITNESS WHEREOF, the Agency and the City have caused this Contract to be executed in their respective corporate names by their duly authorized officers and their respective seals to be hereunto affixed, all as of the date first above written.

**URBAN REDEVELOPMENT AGENCY OF
THE CITY OF BROOKHAVEN, GEORGIA**

(Seal)

By: _____
Linley Jones
Vice Chairman

Attest:

Susan Hiott
Secretary

(SEAL)

ATTEST:

Susan Hiott
City Clerk

CITY OF BROOKHAVEN, GEORGIA

By: _____
John Arthur Ernst, Jr.
Mayor

APPROVED AS TO FORM:

By: _____
Christopher D. Balch
City Attorney

(Intergovernmental Contract)

(Intergovernmental Contract)

EXHIBIT A
FORM OF AMENDMENT TO CONTRACT

[AMENDMENT NO.] AMENDMENT TO INTERGOVERNMENTAL CONTRACT

between

URBAN REDEVELOPMENT AGENCY
OF THE CITY OF BROOKHAVEN, GEORGIA

and

CITY OF BROOKHAVEN, GEORGIA

Dated as of _____ 1, 20____

This document was prepared by:
Hunton Andrews Kurth LLP
600 Peachtree Street, NE
Suite 4100
Atlanta, GA 30308
(404) 888-4000

(Intergovernmental Contract)

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS	2
Section 1.1. Ratification.....	2
Section 1.2. Additional Terms.	2
Section 1.3. Findings.....	2
ARTICLE II. REPRESENTATIONS.....	3
Section 2.1. Ratification.....	3
ARTICLE III. ISSUANCE OF THE SERIES 20__ BONDS; PROCEEDS.....	4
Section 3.1. Ratification.....	4
Section 3.2. Agreement to Issue Series 20__ Bonds.	4
Section 3.3. Application of Series 20__ Bond Proceeds.	4
ARTICLE IV. COMMENCEMENT AND COMPLETION OF THE PROJECTS.....	5
Section 4.1. Ratification.....	5
ARTICLE V. EFFECTIVE DATE AND DURATION OF THIS CONTRACT; PAYMENT PROVISIONS; SSD TAX LEVY AND LIENS	6
Section 5.1. Ratification.....	6
Section 5.2. Effective Date of this Contract Amendment; Duration of Contract Term.	6
Section 5.3. References to Series 2023 Bonds.....	6
ARTICLE VI. SPECIAL COVENANTS OF CITY.....	7
Section 6.1. Additional Contracts.	7
ARTICLE VII. SPECIAL COVENANTS OF AGENCY AND CITY	8
Section 7.1. Ratification.....	8
ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES	9
Section 8.1. Ratification.....	9
ARTICLE IX. MISCELLANEOUS	10
Section 9.1. Ratification.....	10
Section 9.2. General Incorporation.	10

[AMENDMENT NO.] AMENDMENT TO INTERGOVERNMENTAL CONTRACT

THIS [AMENDMENT NO.] AMENDMENT TO INTERGOVERNMENTAL CONTRACT is entered into as of _____ 1, 20__ (this “Contract Amendment”), by and between the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the “Agency”), a body corporate and politic of the State of Georgia, and the City of Brookhaven, Georgia (the “City”), a municipal corporation of the State of Georgia.

WITNESSETH:

WHEREAS, the Agency and the City executed an Intergovernmental Contract, dated as of _____ 1, 2023 (the “Original Contract”); and

WHEREAS, the Agency and the City desire to amend the Original Contract in connection with the issuance of Additional Bonds.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agency and the City, hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Ratification.

Except as provided in Sections 1.2 and 1.3 below, all terms and provisions of Article I of the Original Contract are hereby ratified.

Section 1.2. Additional Terms.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution. The following words and terms shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

“**Original Resolution**” means that certain resolution of the Agency dated December 13, 2022, as supplemented on _____, 2023, authorizing the issuance of the Series 2023 Bonds.

“**Parity Bond Resolution**” means the supplemental resolution adopted by the Agency on _____, 20__, supplementing the Original Resolution to authorize the issuance of the Series 20__ Bonds as Additional Bonds.

“**Projects**” as used herein means the urban redevelopment projects described in the Urban Redevelopment Plan, as amended from time to time, and financed with proceeds of the Series 20__ Bonds.

“**Series 20__ Bonds**” means the Agency’s Revenue Bonds, Series 20__, in an aggregate principal amount of \$_____, authorized to be issued pursuant to Article II of the Parity Bond Resolution.

Section 1.3. Findings.

This Contract Amendment constitutes a Contract amendment and an Additional Contract (as defined in the Original Contract). The City finds that in accordance with Section 9.5(b) of the Original Contract, this Contract Amendment does not require consent of the owners of the Bonds, as this Contract Amendment is made in connection with the issuance of Additional Bonds. The City further finds that the maximum amount capable of being produced by the SSD Tax Moneys (using the most recent tax digest and current Special Service District millage rate) for the [current fiscal year][following fiscal year] is at least equal to the amount needed to pay the maximum annual debt service payment on the existing and new debt covered by the Original Contract and this Contract Amendment. The City has not executed any other Additional Contracts.

ARTICLE II.

REPRESENTATIONS

Section 2.1. Reaffirmation of Representations by the Agency.

The Agency hereby reaffirms each of its representations contained in Section 2.1 of the Original Contract, except that all references therein to the “Series 2023 Bonds shall be deemed to include a reference to the “Series 20__ Bonds.”

Section 2.2. Reaffirmation of Representations by the City.

The City hereby reaffirms each of its representations contained in Section 2.2 of the Original Contract, except that all references therein to the “Series 2023 Bonds shall be deemed to include a reference to the “Series 20__ Bonds.”

ARTICLE III.

ISSUANCE OF THE SERIES 20__ BONDS; PROCEEDS

Section 3.1. Ratification.

Except as provided in Sections 2.2 and 2.3 below, all terms and provisions of Article III of the Original Contract are hereby ratified.

Section 3.2. Agreement to Issue Series 20__ Bonds.

The Agency agrees that it will validate and issue the Series 20__ Bonds. The Agency shall deliver a copy of the Parity Bond Resolution to the City promptly upon adoption thereof.

Section 3.3. Application of Series 20__ Bond Proceeds.

The proceeds from the sale of the Series 20__ Bonds shall be applied as provided in Section 401 of the Parity Bond Resolution, and the City hereby approves the issuance of the Series 20__ Bonds and the application of proceeds.

ARTICLE IV.

COMMENCEMENT AND COMPLETION OF THE PROJECTS

Section 4.1. Ratification.

All terms and provisions of Article IV of the Original Contract are hereby ratified.

ARTICLE V.

**EFFECTIVE DATE AND DURATION OF THIS CONTRACT;
PAYMENT PROVISIONS; SSD TAX LEVY AND LIENS**

Section 5.1. Ratification.

Except as provided in Sections 5.2 and 5.3 below, all terms and provisions of Article V of the Original Contract are hereby ratified.

Section 5.2. Effective Date of this Contract Amendment; Duration of Contract Term.

This Contract Amendment shall become effective as of its date of execution and delivery, and the obligations created by this Contract Amendment shall then begin, and, subject to the other provisions of the Original Contract, this Contract Amendment shall expire when the Series 20__ Bonds have been paid in full; provided, however, in no event shall the term of this Contract Amendment exceed 50 years from the date hereof.

Section 5.3. References to Series 2023 Bonds.

All references to the Series 2023 Bonds in Sections 5.2, 5.3, 5.4 and 5.5 of the Original Contract are hereby amended to mean “the Series 2023 Bonds and the Series 20__ Bonds.”

ARTICLE VI.

SPECIAL COVENANTS OF CITY

Section 6.1. Additional Contracts.

All terms and provisions of Article VI of the Original Contract are hereby ratified.

ARTICLE VII.

SPECIAL COVENANTS OF AGENCY AND CITY

Section 7.1. Ratification.

All terms and provisions of Article VII of the Original Contract are hereby
ratified.

ARTICLE VIII.

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Ratification.

All terms and provisions of Article VIII of the Original Contract are hereby
ratified.

ARTICLE IX.

MISCELLANEOUS

Section 9.1. Ratification.

All terms and provisions of Article IX of the Original Contract are hereby ratified.

Section 9.2. General Incorporation.

All references to the Contract shall include this Contract Amendment.

IN WITNESS WHEREOF, the Agency and the City have caused this Contract Amendment to be executed in their respective corporate names by their duly authorized officers and their respective seals to be hereunto affixed, all as of the date first above written.

**URBAN REDEVELOPMENT AGENCY OF
THE CITY OF BROOKHAVEN, GEORGIA**

(Seal)

By: _____
Vice Chairman

Attest:

Secretary

CITY OF BROOKHAVEN, GEORGIA

(SEAL)

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

(Intergovernmental Contract)

This page intentionally left blank.

APPENDIX D

Form of Opinion of Bond Counsel

This page intentionally left blank.

Set forth below is the proposed opinion of Bond Counsel. It is preliminary and subject to change prior to the issuance of the Series 2023A Bonds.

HUNTON ANDREWS KURTH LLP
SUITE 4100
600 PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30308-2216

TEL 404 • 888 • 4000
FAX 404 • 888 • 4190

March ____, 2023

Urban Redevelopment Agency of the
City of Brookhaven, Georgia
Brookhaven, Georgia

City of Brookhaven, Georgia
Brookhaven, Georgia

\$88,550,000

Urban Redevelopment Agency of the City of Brookhaven, Georgia
Revenue Bonds, Series 2023A

Ladies and Gentlemen:

We have examined applicable law, including, without limitation, the Urban Redevelopment Law of the State of Georgia (O.C.G.A. §36-61-1, *et seq.*), as amended (the “Urban Redevelopment Law”), the following resolutions related to the creation of the Urban Redevelopment Agency of the City of Brookhaven, Georgia (collectively referred to as the “Agency Creation Resolutions”):

- a resolution (Resolution 2022-04-07) of the Mayor and Council of the City of Brookhaven, Georgia (the “City Council”), adopted on April 26, 2022, finding that one or more pockets of blight exist within the City of Brookhaven, Georgia (the “City”), and the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the City (the “Resolution of Necessity”);
- a resolution (Resolution 2022-06-04) of the City Council, adopted on June 14, 2022, designating certain urban redevelopment areas within the meaning of the Urban Redevelopment Law and approving the Brookhaven Urban Redevelopment Plan (the “Original Urban Redevelopment Plan” and, as updated by the hereinafter defined Bond Resolution, the “Urban Redevelopment Plan”), including an initial list of urban redevelopment projects described therein (the “Original Plan Resolution”); and

Urban Redevelopment Agency of the City of Brookhaven, Georgia
City of Brookhaven, Georgia
March ____, 2023
Page 2

- a resolution (Resolution 2022-06-05) of the City Council, adopted on June 14, 2022 (the “Activating Resolution”) providing for the activation of the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the “Issuer”);

the following resolutions related to the creation of the Brookhaven Special Service District (collectively, the “SSD Resolutions”):

- an ordinance (Ordinance 2021-12-01) of the City Council adopted on December 14, 2021, as amended by an ordinance (Ordinance 2021-12-07) of the City Council adopted on December 30, 2021, as further amended by an ordinance (Ordinance 2022-05-02) adopted by the City Council on May 10, 2022 (collectively, the “SSD Ordinance”), creating the Brookhaven Special Service District (the “Special Service District”), the boundaries of which include the Projects described in the Urban Redevelopment Plan;
- an ordinance (Ordinance 2022-06-01) of the City Council adopted on June 28, 2022 (the “SSD Tax Levy Ordinance”), amending the City’s municipal charter to clarify the City’s authority to levy and collect an ad valorem property tax on all property within the Special Service District subject to such tax without limitation as to rate (the “SSD Tax”); and
- a resolution (Resolution 2022-12-04) of the City Council adopted on December 13, 2022 (the “City Resolution”), providing, among other things, (i) for an annual review of the boundaries of the Special Service District and, if approved by the City Council, an amendment to the boundaries of the Special Service District, and (ii) authorizing the execution and delivery by the City of the hereinafter defined Contract; and

certified copies of documents and proceedings relating to the organization of the Issuer and the issuance and sale by the Issuer of its \$88,550,000 Revenue Bonds, Series 2023A (the “Series 2023A Bonds”), including, without limitation, a certified copy of the validation proceeding in the Superior Court of DeKalb County, Georgia. Reference is made to the form of the Series 2023A Bonds for information concerning its details, including payment and redemption provisions, their purpose and the proceedings pursuant to which the Series 2023A Bonds are being issued. Capitalized terms used but not defined herein are defined in the Bond Resolution hereinafter described.

The Series 2023A Bonds are being issued pursuant to a bond resolution adopted by the Issuer on December 13, 2023 (the “Bond Resolution”), which assigns for the benefit of the

Urban Redevelopment Agency of the City of Brookhaven, Georgia
City of Brookhaven, Georgia
March ____, 2023
Page 3

holders of the Series 2023A Bonds and any Additional Bonds (as defined in the Bond Resolution) issued pursuant to the Bond Resolution: (a) all right, title and interest of the Issuer (except for its right to receive notices and to indemnification) in and to the Intergovernmental Contract, dated as of March 1, 2023 (the “Contract”), by and between the Issuer and the City, pursuant to which the Issuer will issue the Series 2023A Bonds, and the City will, among other things, (i) acquire, construct, equip and operate the Projects hereinafter defined, (ii) pay the Issuer amounts sufficient to enable the Issuer to pay the debt service on the Series 2023A Bonds (the “Contract Payments”), and (iii) levy the SSD Tax unlimited as to millage rate on all property within the Special Service District subject to such tax in order to make such Contract Payments; (b) all right, title and interest of the Issuer in the Contract Payments; and (c) all right, title and interest of the Issuer in and to amounts on deposit from time to time in the Project Fund or Sinking Fund held by any Project Fund Custodian or Sinking Fund Custodian as may be appointed in accordance with the Bond Resolution.

The Contract provides that the City’s obligation to make the Contract Payments from SSD Tax collections constitutes a general obligation of the City and a pledge of its full faith, credit and taxing power of the City within the Special Service District to provide sufficient funds to make the Contract Payments.

The Series 2023A Bonds are being issued for the benefit of the City in order to (a) finance all or a portion of the costs of the acquisition, construction, and equipping of the projects identified in the Urban Redevelopment Plan, including the construction of a new City Hall and certain roads, bridges and streetscape improvement projects identified in the Urban Redevelopment Plan (the “Projects”), and (b) pay certain costs of issuing the Series 2023A Bonds.

Reference is made to the opinions of Balch Law Group, Atlanta, Georgia, as City Attorney and as counsel for the Issuer, each dated today and addressed to you and to us, as to certain matters concerning the Issuer and the City, including the due authorization, execution and delivery of the Bond Resolution, the Agency Creation Resolutions, the SSD Resolutions, the City Resolution and the Contract and related documents by the Issuer and the City and the enforceability of such documents against the City and the Issuer.

Urban Redevelopment Agency of the City of Brookhaven, Georgia
City of Brookhaven, Georgia
March ____, 2023
Page 4

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the Issuer and the City as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”). The Issuer and the City have covenanted to comply with the provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2023A Bonds, all as set forth in the proceedings and documents relating to the issuance of the Series 2023A Bonds (the “Covenants”).

Based on the foregoing, in accordance with customary legal opinion practice, and assuming the due authorization, execution and delivery by the parties to the relevant agreements, we are of the opinion that:

(1) The Issuer is validly organized and existing under Georgia law with full power and authority under the Urban Redevelopment Law to execute and deliver the Bond Resolution and the Contract and to issue and sell the Series 2023A Bonds.

(2) The Series 2023A Bonds have been duly authorized and issued in accordance with the Urban Redevelopment Law and constitute valid and binding special limited obligations of the Issuer payable as to principal, interest and premium (if any) solely from payments made by the City under the Contract and other funds pledged under the Bond Resolution. The Series 2023A Bonds, the premium, if any, and interest thereon do not constitute a pledge of the faith and credit of the State of Georgia or any political subdivision thereof, including, without limitation, the City; provided however, that the City has covenanted in the Contract to levy an ad valorem tax, unlimited as to rate, on all taxable property located within the Special Service District as may be necessary to make the Contract Payments.

(3) The Bond Resolution has been duly adopted, is in full force and effect, and is valid and enforceable against the Issuer in accordance with its terms. The issuance of the Series 2023A Bonds is permitted under the terms of the Bond Resolution and has been duly authorized. The Bond Resolution creates a valid and enforceable lien on the right, title and interest of the Issuer in and to the Contract (except for its right to receive notices and to indemnification) and the funds pledged by the Bond Resolution to secure the Series 2023A Bonds, on a parity with any Additional Parity Bonds (as defined in the Bond Resolution) issued or to be issued by the Issuer under the Bond Resolution.

Urban Redevelopment Agency of the City of Brookhaven, Georgia
City of Brookhaven, Georgia
March ____, 2023
Page 5

(4) The Contract has been duly authorized, executed and delivered by the Issuer and the City and constitutes a valid and binding obligation of the Issuer and the City enforceable against the Issuer and the City in accordance with its terms.

(5) The rights of the holders of the Series 2023A Bonds and the enforceability of such rights, including enforcement of the obligations of the Issuer under the Bond Resolution and the Contract and of the City under the Contract may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

(6) Under current law, interest on the Series 2023A Bonds (a) is not included in gross income for federal income tax purposes [including accrued original issue discount (“OID”)], (b) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (c) may have to be taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. The opinions (a) and (b) of the preceding sentence are subject to the condition that there is compliance subsequent to the date hereof with all requirements of the Code that must be satisfied in order that interest thereon not be included in gross income for federal income tax purposes. Failure by the Issuer or City to comply with the Covenants, among other things, could cause interest on the Series 2023A Bonds to be included in gross income for federal income tax purposes retroactively to the date hereof. We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest on the Series 2023A Bonds.

(7) Under current law, interest on the Series 2023A Bonds is exempt from income taxation by the State of Georgia.

Urban Redevelopment Agency of the City of Brookhaven, Georgia
City of Brookhaven, Georgia
March ____, 2023
Page 6

Our services as Bond Counsel have been limited to delivering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Series 2023A Bonds and the tax-exempt status of the interest thereon. We express no opinion herein as to the financial resources of the Issuer, the City, the Issuer's or City's ability to provide for the payments required on the Series 2023A Bonds, the City's ability to provide for payments under the Contract or the accuracy or completeness of any information that may have been relied upon by anyone in making the decision to purchase the Series 2023A Bonds, including the Issuer's Preliminary Official Statement, dated February 8, 2023, or its Official Statement, dated February 15, 2023 (except to the extent covered in our separate opinion as Disclosure Counsel).

Very truly yours,

APPENDIX E

Form of Continuing Disclosure Certificate

This page intentionally left blank.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Brookhaven, Georgia (the “City”) in connection with the issuance by the Urban Redevelopment Agency of the City of Brookhaven, Georgia (the “Authority”) of \$88,550,000 in aggregate principal amount of its Revenue Bonds, Series 2023A (the “Series 2023A Bonds”). The Series 2023A Bonds are being issued for the benefit of the City pursuant to a resolution of the Authority adopted on December 13, 2022, as supplemented on February 15, 2023 (the “Resolution”). The City hereby covenants and agrees, as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as herein defined) of the Series 2023A Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owners” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2023A Bonds (including persons holding Series 2023A Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2023A Bonds for federal income tax purposes.

“City” shall mean the City of Brookhaven, Georgia, a municipal corporation of the State of Georgia, its successors and assigns.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“EMMA” shall mean MSRB’s Electronic Municipal Market Access system, as described in 1934 Act Release No. 59062 and maintained by the MSRB for the purposes of the Rule as further described herein.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on January 1 of each calendar year and ending December 31 of the same calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement, dated February 15, 2023, relating to the Series 2023A Bonds.

“Participating Underwriter” shall mean Jefferies LLC.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Georgia.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent (if any) to, not later than September 27 after the end of the City’s Fiscal Year (the “Reporting Date”), beginning for the Fiscal Year ending December 31, 2022, provide to EMMA in an electronic format as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if audited financial statements are unavailable, unaudited financial statements may be submitted so long as such audited financial statements are furnished when available.

(b) The City or the Dissemination Agent (if any) shall:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing;

(ii) if the Annual Report (or the audited financial statements which were to be separately submitted) is not filed by the Reporting Date required in subsection (a), send a notice, in a timely manner, to EMMA in an electronic format prescribed by the MSRB in substantially the form attached hereto as Exhibit A; and

(iii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

Section 4. Content of Annual Reports. The City's Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The financial statements of the City for the preceding Fiscal Year, which must be prepared in accordance with generally accepted accounting principles as in effect from time to time. If audited financial statements of the City are not yet available, the unaudited financial statements of the City shall be provided, and when audited financial statements of the City are available, the audited financial statements of the City shall be substituted for the unaudited financial statements. Each set of such audited financial statements shall be accompanied by an audit report resulting from an audit conducted by an independent certified public accountant or firm of independent public accountants in conformity with generally accepted auditing standards.

(b) If generally accepted accounting standards changed from the previous Fiscal Year and if such changes are material to the City, a narrative description (as required by Section 8 of this Disclosure Certificate) of the impact of the changes on the City.

(c) A statement indicating that the City's Fiscal Year has not changed, or, if the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) To the extent not included in items provided pursuant to subsection (a) above, information for the Fiscal Year of the type set forth in the Official Statement under the following headings: "CITY AD VALOREM TAXATION – Property Tax Collections," "– Property Tax Millage Rates," "– Ad Valorem Property Tax Digest," and "– Ten Largest Taxpayers," and "THE SPECIAL SERVICE DISTRICT – Special Service District Ad Valorem Property Tax Digest," and "– Special Service District Property Tax Collections."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB in an electronic format prescribed by the MSRB. The City shall clearly identify each such other document so incorporated by reference. All of the documents provided to EMMA shall be accompanied by identifying information prescribed by the MSRB.

Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events with respect to the Series 2023A Bonds, the City or the Dissemination Agent (if any) shall file a notice of such occurrence with EMMA.

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2023A Bonds, or other events affecting the tax status of the Series 2023A Bonds.

(vii) Modification to rights of Beneficial Owners, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Series 2023A Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person.

(xiii) Consummation of a merger, consolidation, acquisition involving an obligated person, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be determined by the City and shall be in substantially the form attached hereto as Exhibit B.

(c) All of the documents provided to EMMA shall be accompanied by identifying information prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023A Bonds. If the City's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City and the City shall have no further responsibility hereunder. The City will provide notice of such termination to EMMA in an electronic format as prescribed by the MSRB.

Section 7. Dissemination Agent. The City may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the City may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the City to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be quantitative. A notice of the change in the accounting principles shall be filed with EMMA in an electronic format as prescribed by the MSRB on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Beneficial Owner may initiate an action against the

City to compel performance. A default under this Disclosure Certificate shall not be deemed a “default” or an “event of default” under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if any) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for the City), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2023A Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2023A Bonds, and shall create no rights in any other person or entity.

Section 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney’s fees).

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Dated: _____, 2023

CITY OF BROOKHAVEN, GEORGIA

(Seal)

By: _____
Mayor

Attest:

Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated
Person: City of Brookhaven, Georgia

Name of Issuer: Urban Redevelopment Agency of the City of
Brookhaven, Georgia

Name of Bond Issue: \$88,550,000 Urban Redevelopment Agency of the
City of Brookhaven, Georgia Revenue Bonds, Series
2023A

CUSIP Number(s)¹ _____

Date of Issuance: March 7, 2023

NOTICE IS HEREBY GIVEN that the City of Brookhaven, Georgia a municipal corporation of the State of Georgia (the “City”) has not provided an Annual Report due with respect to the above-captioned Series 2023A Bonds as required by its Continuing Disclosure Certificate, dated February 15, 2023. The City anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

¹ No representation is made as to the correctness of the CUSIP number(s) either as printed on the Series 2023A Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF [INSERT THE LISTED EVENT]

Relating to

\$88,550,000

URBAN REDEVELOPMENT AGENCY OF THE CITY OF BROOKHAVEN, GEORGIA
REVENUE BONDS, SERIES 2023A

CUSIP NUMBERS¹

Notice is hereby given that [insert the Listed Event] has occurred with respect to the above-captioned bonds (the “Series 2023A Bonds”). [Describe circumstances leading up to the event, action being taken and anticipated impact.]

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

The City of Brookhaven Public Facilities Authority (the “Authority”) has reserved the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased bonds.

OR

The Authority has covenanted not to exercise any optional redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Series 2023A Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no Series 2023A Bonds should be delivered to the Authority or to the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Series 2023A Bonds for payment will be mailed _____ to _____ days prior to the redemption date.

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

Dated: _____

¹ No representation is made as to the correctness of the CUSIP number(s) either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

This page intentionally left blank.

APPENDIX F

Form of Book-Entry Only System

This page intentionally left blank.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2023A Bonds. The Series 2023A Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2023A Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023A Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2023A Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2023A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2023A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2023A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023A Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2023A Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2023A Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE PAYING AGENT NOR THE UNDERWRITER (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF BONDS; OR (5) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF BONDS.