



CITY OF ATLANTA, GA
KEISHA LANCE BOTTOMS
MAYOR



2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2018



THE CITY OF ATLANTA, GEORGIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended June 30, 2018

Keisha Lance Bottoms
Mayor

Roosevelt Council, Jr.
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)	Page
Letter of Transmittal	i
GFOA Certificate of Achievement	ix
List of Elected and Appointed Officials	x
Organization Structure	xiii
FINANCIAL SECTION	
Independent Auditors' Report	1
Management Discussion and Analysis (Unaudited)	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	27
Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	28
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds	29
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance to the Government-wide Statement of Activities	30
Statement of Net Position - Proprietary Funds	31
Statement of Revenue, Expenses, and Changes in Fund Net Position - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds	34
Statement of Fiduciary Net Position - Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	37
Component Units' Financial Statements:	
Statement of Net Position	39
Statement of Activities	41
Notes to Financial Statements	42

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

TABLE OF CONTENTS

Required Supplementary Information (Unaudited):

Schedule of Employer Net Position Liability - General Employees', Firefighters', and Police Officers' Pension Plans	148
Schedule of Changes in Net Pension Liability - General Employees' Pension Plan	151
Schedule of Changes in Net Pension Liability - Firefighters' Pension Plan	152
Schedule of Changes in Net Pension Liability - Police Officers' Pension Plan	153
Schedule of Employer Contributions - General Employees', Firefighters' and Police Officers' Pension Plans	154
Schedule of Investment Returns - General Employees', Firefighters' and Police Officers' Pension Plans	155
Schedule of Changes in Net OPEB Liability and Related Ratios	156
Notes to Required Supplementary Information	157
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	159

Combining and Individual Fund Statements and Schedule:

Combining Balance Sheet - Nonmajor Governmental Funds	161
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	163
Combining Balance Sheet - Nonmajor Governmental Funds - Tax Allocations Districts	165
Combining Statement of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds - Tax Allocation Districts	166
Combining Balance Sheet - Nonmajor Governmental Funds - Other Special Revenue Funds	167
Combining Statement of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Government Funds - Other Special Revenue Funds	168
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual:	
Special Revenue Funds	169
Debt Service Funds	177
Other Special Revenue Funds	184
Combining Statement of Net Position - Nonmajor Proprietary Funds	190
Combining Statement of Revenue, Expenditures and Changes in Fund Net Position - Nonmajor Proprietary Funds	191
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	192
Combining Statement of Net Position - Internal Service Funds	193
Combining Statement of Revenue, Expenditures and Changes in Fund Net Position - Internal Service Funds	194
Combining Statement of Cash Flows - Internal Service Funds	195
Combining Statement of Net Position - Pension Trust Funds	196

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

TABLE OF CONTENTS

Combining Statement of Changes in Plan Net Position - Pension Trust Funds	197
Statement of Changes in Assets and Liabilities - Agency Fund	198
 STATISTICAL SECTION (Unaudited)	
Net Position by Component	200
Changes in Net Position	201
Program Revenues by Function/Program	202
Fund Balances, Governmental Funds	203
Changes in Fund Balance, Governmental Funds	204
Assessed and Estimated Actual Value of Taxable Property	205
Direct and Overlapping Property Tax Rates	206
Principal Property Tax Payers	207
Property Tax Levies and Collections	208
Table Sales by Category	209
Direct and Overlapping Sales Tax Rate	210
Principal Sales Tax Remitters	211
Ratio of Outstanding Debt by Type	212
Ratio of General Bonded Debt Outstanding	213
Direct and Overlapping Governmental Activities Debt	214
Legal Debt Margin Information	216
Schedule of Revenue Bond Coverage - Department of Aviation	217
Schedule of Revenue Bond Coverage - Department of Watershed Management	218
Demographic and Economic Statistics	219
Principal Employers	220
Full-time Equivalent City Government Employees by Function/Program	221
Operating Indicators by Function/Program	222
Capital Asset Statistics by Function/Program	223



Introductory Section



City of Atlanta

55 TRINITY AVENUE, S.W.
ATLANTA, GEORGIA 30303-0300

Tel (404) 330-6100

Keisha Lance Bottoms
MAYOR

Roosevelt Council, Jr.
CHIEF FINANCIAL OFFICER

December 27, 2018

The Honorable Felicia Moore, President
Members of City Council
Atlanta City Council
55 Trinity Avenue
Atlanta, Georgia 30303

Dear President Moore and Members of the Atlanta City Council:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (“CAFR”) of the City of Atlanta, Georgia (the “City”) for the fiscal year ended June 30, 2018. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The law further requires that these statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The CAFR has been prepared by the City in accordance with those principles and standards. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

Responsibility for the accuracy and completeness of the data and, the fairness of the presentation, including all disclosures rests with management. We believe that the data, as presented, is accurate in all material respects, presents fairly the City’s financial position and results of operations, as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, the City has established an 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’s financial statements that are in conformance with GAAP. The cost of internal controls should never outweigh their benefits. The City’s framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the CAFR is complete and reliable in all material respects.

The City’s financial statements have been audited by *KPMG LLP*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2018, are

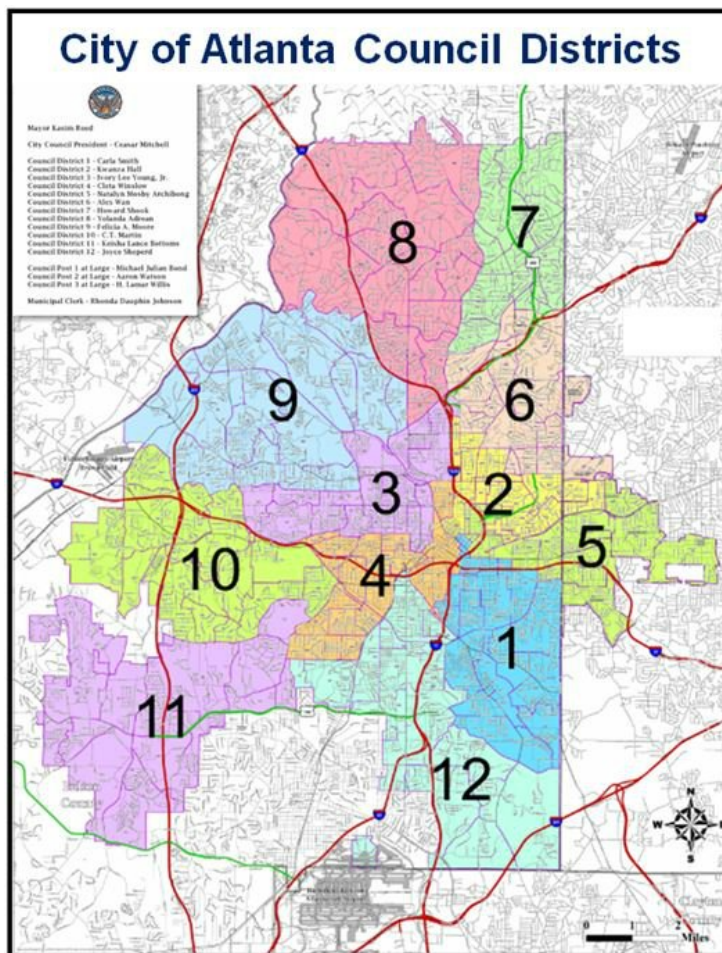
free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the City's financial statements for the year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This report and other historical audited financial statements, prior year(s) fiscal operating budgets, as well as the Popular Annual Financial Report, may also be accessed via the City's website at www.atlantaga.gov.

CITY OF ATLANTA GOVERNMENT OVERVIEW

The City, incorporated in 1847, is located in the north-central part of the state, which is the top growth area in Georgia and has been one of the highest growth areas of the country for over three decades. The City currently occupies a land area of 134 square miles, with a population of 463,878 in the City and 5.7 million people in the Atlanta Metropolitan area, according to 2015 United States Census Bureau estimates. The Atlanta-Sandy Springs-Roswell, GA MSA (commonly referred to as Metropolitan Atlanta) is the ninth largest metropolitan area in the country. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City's policy-making and legislative authority are vested in a governing council (City Council) consisting of fifteen members and an elected City Council President who serves as presiding officer. The City Council's primary responsibilities are adopting ordinances, adopting the budget and setting policy for the City. The City's Mayor is responsible for carrying out the policies and ordinances of the City, for overseeing the day-to-day operations of the City and for appointing and directing



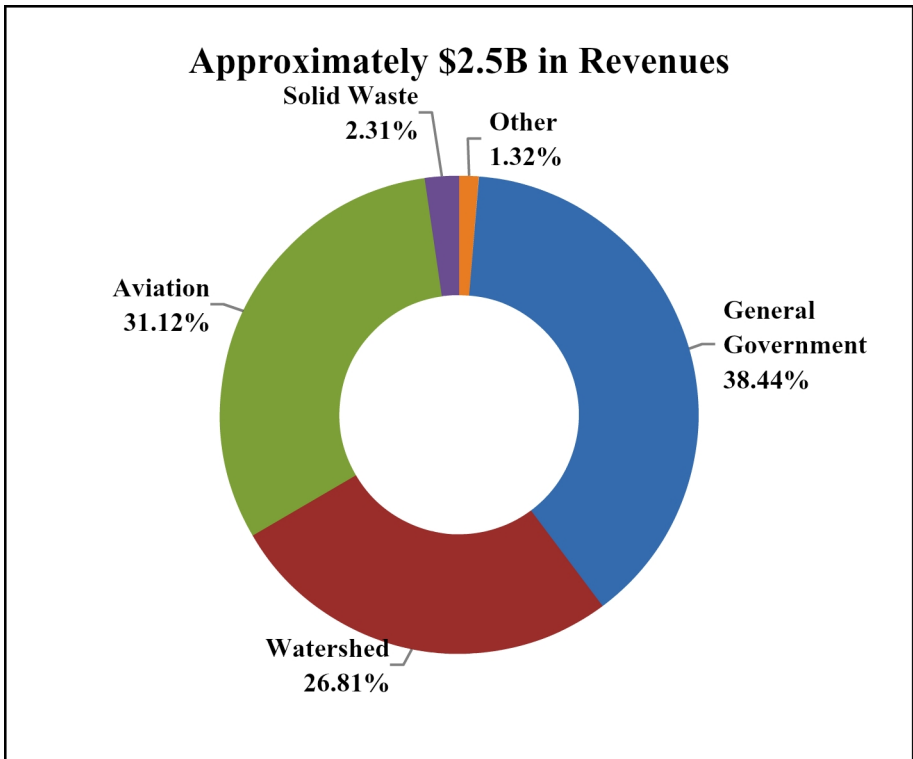
the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve four-year terms, as does the Mayor. The Mayor is limited to two consecutive terms. There are no term limits for Council Members or for the Council President. Twelve of the council members are elected by district. The Mayor, the three remaining Council Members and the Council President are elected at large.

Annual budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds with the level of legal budgetary control established at the office level by City Council. The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. The amounts of anticipated revenues and appropriated expenditures for the annual budget are controlled by the City Charter and various

ordinances adopted by the City Council. Appropriations for capital projects are adopted by the City Council principally on an individual basis, when the project is initially approved.

PRIMARY CITY FUNCTIONS

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, and solid waste collection and disposal. The City's Joint Operations Command Center (JOC) ensures that essential personnel from the Atlanta Police Department, Atlanta Fire and Rescue Department, Department of Public Works, Department of Parks and other key operational agencies can monitor weather, traffic, and reports of power outages



and fallen trees to ensure a rapid and coordinated response to weather events or other events affecting public safety. The City accounts for solid waste collection and disposal activities separately within the reporting entity and attempts to recover operating costs of the function through user charges. The City is responsible for water and wastewater operations and infrastructure and operates the world's busiest airport, financed exclusively with airport-generated income. The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. The City engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses, with the exception of legal claims. The City Council has oversight responsibility for the City's Pension Trust Funds, however the defined benefit pension plans are directly governed by the combined Investment Board. In December 2017, the City of Atlanta adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board in order to improve administrative efficiency, governance and investment returns.

In addition, the City is financially accountable as of June 30, 2018, for the Atlanta-Fulton County Recreation Authority, the Solid Waste Management Authority (SWMA), the Atlanta Public Safety and Judicial Facilities Authority (APSJFA), Keep Atlanta Beautiful, Atlanta Housing Opportunity, Inc., and the Atlanta Development Authority, (doing business as Invest Atlanta), all of which are included as part of the CAFR. Certain organizations are not included with the scope of this report since they are established by the Constitution of the State of Georgia or state laws and are administered independent of the City of Atlanta. These include the Atlanta Independent School System (School System) and the Atlanta Housing Authority (AHA).

ECONOMIC DEVELOPMENT

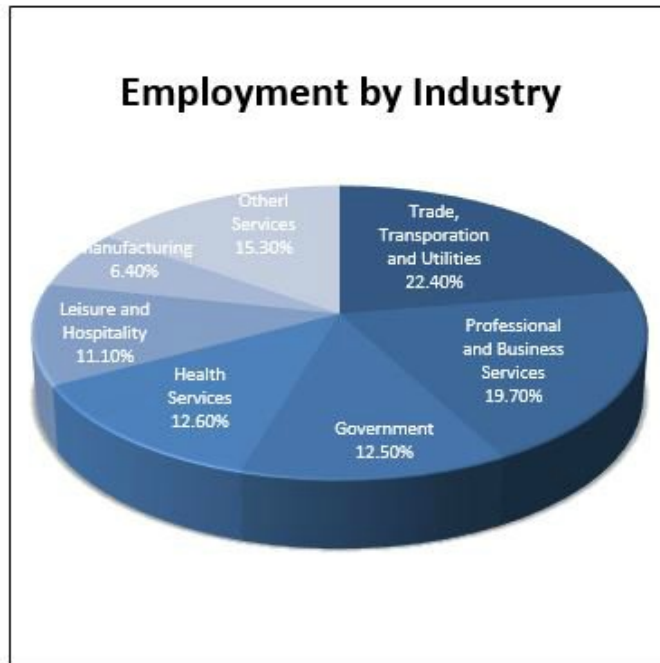
To promote economic development in undeveloped or underdeveloped areas, the City, utilizes its redevelopment agent the Atlanta Development Authority which does business as Invest Atlanta. Invest Atlanta spearheads diverse policies and activities which support increased private investment and job growth. Invest Atlanta also issues limited obligation Tax Allocation District (“TAD”) bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City, but are secured solely by and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD that exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station mixed-use development and the opening of the world’s largest Aquarium were products of TAD bonds and further strengthen the City’s core business districts. Development and re-development activities in the Atlanta Beltline TAD is projected to create 30,000 permanent jobs and 48,000 construction jobs. Public transportation initiatives included in the Atlanta Beltline will also play a vital role in ensuring continued building and investing in the City. As of 2018, the Atlanta Beltline consists of four open trails; two trails in design and two trails under construction; seven parks; intensive planning for modern streetcar expansion; more than \$4 billion in private economic development; more than one thousand affordable workforce homes; free fitness classes; a linear arboretum; an urban farm; and the largest temporary public art exhibition in the south. The Department of City Planning manages construction and development activity throughout the City of Atlanta. During fiscal year 2018, the City issued 8,611 building permits worth over \$4.6 billion in new construction.

On November 5, 2018, Atlanta City Council approved the Gulch development which is the single largest development in the city in nearly 50 years. The approval of the Gulch development consists of \$28 million investment into a citywide affordable housing fund, required minimum affordable housing residential units of 200 or 20%, whichever is greater, \$2 million commitment for workforce training, \$12 million investment into a Citywide economic development fund, commitment to unprecedented levels of minority and female-owned businesses with a goal of at least 38% utilization and an offer of 10% equity, and \$12 million commitment towards the construction of a new seven-bay fire station.

LOCAL ECONOMY

As of 2017, the Atlanta MSA had a gross domestic product of \$385.5 billion which ranks 10th in the nation. Major improvements at Atlanta Hartsfield-Jackson International Airport bode well for Atlanta’s growth, especially the new international terminal. The airport is the world’s busiest for passenger traffic and is the number one high-tech airport in the nation. It has excellent access to mass transit. The airport makes the Atlanta area an ideal location to operate corporate headquarters due to its large number of direct domestic and international flights. Multi-state and multi-national companies based in Atlanta are flying executives and salespeople everywhere almost every day. The airport also makes Atlanta an excellent hub from which to manage operations or provide business services to a geographically disperse client base.

The City has a strong economic base grounded in a diverse set of industries. Substantial concentrations of employers in trade, transportation and utilities, professional and business services, education health services, government, leisure and hospitality, manufacturing, and finance provide high paying jobs and a relatively reliable tax revenue base. Over the last 10 years, the largest growth sectors in the City have been education and healthcare, followed by the leisure and hospitality industries. Atlanta was recently ranked 10th in the country as a major technology market, underscoring the sector's role as an economic development engine. The City also ranks 8th nationally in the number of new technology companies being funded. The vitality of these industries - combined with an increased interest in living in urban centers will continue to support the city's revenue base.



The Atlanta area is home to over 57 colleges and universities enrolling more than 250,000 students annually. The City is poised to benefit from national trends of population shifting from suburbs and exurbs back to urban cores -driven by transportation costs, traffic congestion, and a renewed interest in urban living which is particularly prevalent in the Atlanta metro region.

The remainder of the page is intentionally left blank

MAJOR INITIATIVES AND FINANCIAL PLANNING

Priorities and Investments

- 

A Safe, Welcoming, and Inclusive City

 - Cash Bail Reform Implemented
 - Human Trafficking Fellow Onboarded
 - APD officers to receive significant pay increases
- 

World Class Employees, Infrastructure, and Services

 - Mayor launches Operation Fix-It
 - Atlanta Beltline, Inc. acquires 2.5 acre site at Murphy Crossing for development of housing, employment and transit connectivity opportunities
- 

Residents Who Are Equipped for Success

 - Expansion of Bank On Initiative
 - A number of deeds have been signed over to APS
 - Students2Startups program launched
- 

Thriving Neighborhoods, Communities, and Businesses

 - First ever Chief Housing Officer named
 - \$5M Partnership with Wells Fargo for Neighborhood LIFT Program
 - Gulch development plan approved by City Council
- 

An Ethical, Transparent, and Fiscally Responsible Government

 - Open Checkbook website launched
 - Procurement Transformation
 - Transparency Officer position created

The safety of Atlanta’s residents and visitors remains a top priority for Mayor Bottoms. Beginning in January 2019, Atlanta police officers will begin to receive pay increases, following results of an independent study that revealed Atlanta Police compensation is not competitive with many other metro Atlanta jurisdictions. This increase is expected to have a significant impact on recruitment and retention issues, and public safety. Mayor Bottoms onboarded a Senior Human Trafficking Fellow to address trafficking prevention citywide, as well as increasing support to trafficking survivors. The fellow is developing City-wide policies and anti-trafficking programs, as well as identifying gaps to keep our most vulnerable residents safe. As the City focuses on criminal justice reform, Mayor Bottoms signed an ordinance into law that eliminates the cash bond requirement for low-level offenders who would only remain in jail because they cannot afford to pay.

In November 2018, the Mayor launched Fix-It ATL a vigorous and proactive operations campaign designed to improve the quality of life for Atlanta residents and visitors. Through this campaign, the City will actively engage residents and stakeholders as it accelerates the repair of potholes, the beautification

of public spaces and the identification of other infrastructure issues in need of attention. At the same time, the newly designed ATL 311 App was launched. This new platform through which the public can report problems and concerns regarding City services enhances the City's ability to engage with the public. Now, in addition to 311's phone and website service, the new ATL 311 app will facilitate a rapid line of communication between the public and City Hall, by continuing to enhance responsiveness and efficiency throughout the city. Since implementing this aggressive strategy, the City has filled more than 15,000 potholes throughout the community. Phase Two of Fix-It ATL involves beautification throughout Atlanta's communities.

The Atlanta Beltline, Inc. acquired a 2.5-acre site in Southwest Atlanta, at Murphy Crossing, that will address critical needs of the community including, housing, employment, and connecting to transit.

The Metropolitan Atlanta Rapid Transit Authority's (MARTA) Board of Directors in partnership with Mayor Keisha Lance Bottoms and the City of Atlanta, made history by unanimously approving the More MARTA Atlanta program which represents the region's largest transit investment in more than four decades.

Mayor Keisha Lance Bottoms announced the establishment of the Center for Workforce Innovation, a jobs training program focused on outcomes-based education for high-demand careers. The Center, which will be housed at Atlanta Technical College, is the result of a public-private partnership with the City of Atlanta, Atlanta Committee for Progress and Atlanta Technical College. Initial funding for the Center was provided by Delta Air Lines, The Home Depot, SunTrust, Intercontinental Exchange, and Georgia Power, with additional support from McKinsey & Co. and other Atlanta-based institutions. WorkSource Atlanta will provide tuition assistance of up to \$10,000 to qualified students, and all students will be eligible for additional dollars through the HOPE Career Grant. The Center for Workforce Innovation will launch its pilot program with up to 200 inaugural students in the fall of 2019.

The Mayor has expanded the Bank On program, to provide residents with greater access to financial services, including bank accounts and financial education. This initiative is designed to assist the unbanked and underbanked residents of Atlanta. Atlanta Public Schools (APS) and the City of Atlanta reached a deal to transfer deeds back to APS, allowing the school system to reclaim the rights to 50 of its properties. This will pave the way for affordable housing opportunities and will significantly improve the outcome of these long-standing properties. Invest Atlanta and WorkSource Atlanta launched the Students2Startups program, to give students interested in entrepreneurship the opportunity to participate in summer internships with rigorous professional development training and exposure to positions in the technical field.

In a historic move, Mayor Bottoms appointed the City's first-ever Chief Housing Officer, who will focus on the City's multiple affordable housing initiatives, including the Mayor's \$1 billion commitment to affordable housing. Simultaneously, this office will also work to create new housing options for lower income individuals and develop strategies to preserve existing housing options. The City has also partnered with the Wells Fargo Neighborhood LIFT program, which includes a \$5M investment for down payment assistance and financial education to those purchasing a home. The Mayor's historic Gulch Redevelopment Plan passed in City Council. This unprecedented, \$5 billion redevelopment will include retail, restaurants, and housing options, including affordable housing units.

In a move to highlight the Mayor's commitment to transparency, the City of Atlanta launched Open Checkbook, a website that allows residents and visitors to see exactly how taxpayer money is being spent. The Mayor also appointed a new Chief Procurement Officer, who has made significant progress in implementing a procurement transformation plan to increase transparency and efficiencies citywide. In

addition, the Mayor created a Chief Transparency Officer position. This individual will drive progress by increasing the City's accountability, as well as the public's access to open records.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also earned the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest national standards for preparation of state and local government popular reports.

Finally, the GFOA awarded the City the Distinguished Budget Presentation Award for the adopted budget book for fiscal year 2018. This award recognizes state and local governments that have prepared budget documents of the very highest quality.

OTHER INFORMATION

Acknowledgements

The preparation and completion of this CAFR represents the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to the Department of Finance's staff, the City's other operating and supporting departments, as well as the certified public accounting firm of KPMG, LLP for making this report possible.

This CAFR reflects our ongoing commitment to the citizens of the City of Atlanta, the Atlanta City Council and all interested readers of this report to provide information with the highest standards of financial reporting.

Respectfully submitted,



Keisha Lance Bottoms
Mayor



Roosevelt Council, Jr.
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Atlanta
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill
Executive Director/CEO



Keisha Lance Bottoms
Mayor

Richard Cox
Chief Operating Officer

Marva Lewis
Chief of Staff

Roosevelt Council, Jr.
Chief Financial Officer

Nina Hickson
City Attorney

MEMBERS OF CITY COUNCIL

Felicia A. Moore
Council President

Carla Smith
District 1

Amir R. Farokhi
District 2

Ivory Lee Young Jr.
District 3

Cleta Winslow
District 4

Natalyn Mosby Archibong
District 5

Jennifer N. Ide
District 6

Howard Shook
District 7

J.P. Matzigkeit
District 8

Dustin Hillis
District 9

Andrea L. Boone
District 10

Marci Collier Overstreet
District 11

Joyce M. Sheperd
District 12

Michael Julian Bond
Post 1, At-Large

Matt Westmoreland
Post 2, At-Large

Andre Dickens
Post 3, At-Large

Foris Webb
Municipal Clerk

JUDICIAL OFFICERS

COURT OPERATIONS

Christopher T. Portis
Chief Judge

PUBLIC DEFENDER

Kenneth Days III
Public Defender

SOLICITOR

Raines F. Carter
Solicitor

BOARD OFFICERS

ATLANTA CITIZENS REVIEW DIRECTOR

Samuel Lee Reid III
Executive Director

ETHICS OFFICER

Jabu M. Sengova
Ethics Officer

CITY INTERNAL AUDITOR

Amanda Noble
City Auditor

DEPARTMENT OFFICERS

AVIATION

John Selden
General Manager

CORRECTIONS

Patrick Labat
Corrections Chief

FINANCE

Roosevelt Council, Jr.
Chief Financial Officer

FIRE & RESCUE SERVICES

Randall Slaughter
Fire Chief

HUMAN RESOURCES

Marian Y. Woods
Commissioner

ATLANTA INFORMATION MANAGEMENT

Gary Brantley
Chief Information Officer

LAW

Nina Hickson
City Attorney

PARKS & RECREATION

John Dargle
Commissioner

CITY PLANNING

Tim Keane
Commissioner

POLICE SERVICES

Erika Shields
Police Chief

PROCUREMENT

David L. Wilson, II
Chief Procurement Officer

PUBLIC WORKS

James A. Jackson Jr.
Interim Commissioner

WATERSHED MANAGEMENT

Kishia L. Powell
Commissioner

Atlanta City Council Member



Felicia A. Moore
President



Michael Julian Bond
Post 1 At-Large



Matt Westmoreland
Post 2 At-Large



Andre Dickens
Post 3 At-Large



Carla Smith
District 1



Amir R. Farokhi
District 2



Ivory Lee Young, Jr.
District 3



Clela Winslow
District 4



Natalyn Mosby Archibong
District 5



Jennifer N. Ide
District 6



Howard Shook
District 7



J. P. Matzigkeit
District 8



Dustin Hillis
District 9



Andrea L. Boone
District 10

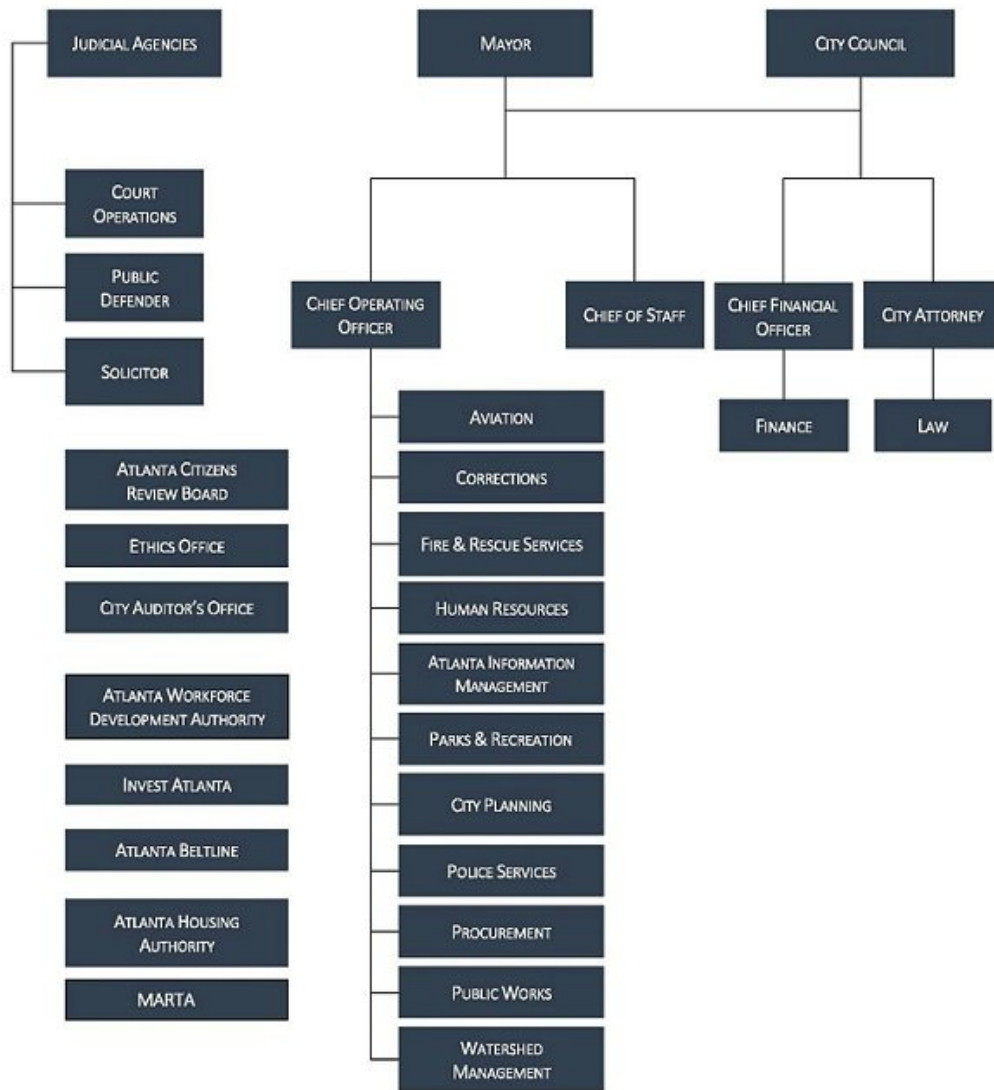


Marci Collier Overstreet
District 11



Joyce M. Sheperd
District 12

City Organization Structure





THIS PAGE INTENTIONALLY LEFT BLANK



Financial Section



KPMG LLP
Suite 2000
303 Peachtree Street, N.E.
Atlanta, GA 30308-3210

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Atlanta, Georgia:

Report on the Financial Statements

We have audited the accompanying 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 Atlanta, Georgia (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Atlanta-Fulton County Recreation Authority and the Atlanta Development Authority, which collectively represent all of the City's aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for all of the aggregate discretely presented component units, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, based on our audit and the reports of other auditors, the 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 of Atlanta, Georgia, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note I.G to the financial statements, in fiscal year 2018, the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4-20, the schedule of employer net pension liability, schedules of changes in net pension liability, schedules of employer contributions, schedule of investment returns – General Employees; Firefighters and Police Officers' Pension Plans, schedule of changes in net OPEB liability and related ratios, notes to required supplementary information, and schedule of revenue, expenditures and changes in fund balances – budget and actual – general fund, on pages 148-159 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018 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.

KPMG LLP

December 27, 2018

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

As management of the City of Atlanta (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 June 30, 2018, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the fiscal year ended June 30, 2018 with the fiscal year ended June 30, 2017. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on pages i-viii of this report.

Overview of the Financial Statements

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

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of fiscal year 2018 by \$6.6 billion as compared to \$7.1 billion at the close of fiscal year 2017. This amount represents the City's Net Position. Net Position is the difference between the City's assets and deferred outflows and the City's liabilities and deferred inflows. The change in the ending net position was mainly due to the change in reporting requirements related to the implementation of Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- The City implemented GASB 75 during fiscal year 2018. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments. The statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. This statement also addresses the note disclosure and required supplementary information requirements for reporting the OPEB liability. See Note I.G. Changes in Accounting Principle and V.B. Pension and Post employment Benefits. The implementation of GASB 75 resulted in a restatement of total beginning net position of \$836.1 million. The net OPEB liability is \$1.21 billion at June 30, 2018.
- As of the close of fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$953.4 million. The overall General Fund balance decreased \$21.2 million or 10.6% to \$178.9 million. The decrease was mainly due to unanticipated expenditures related to the ransomware cyber attack, overtime for public safety, and additional permitting expenses utilized from the committed fund balance.
- The City's long-term debt, including capital leases, at June 30, 2018 totaled \$7.6 billion, a net increase of \$29.6 million or 0.39%. The increase was mainly due to guaranteed energy savings performance contracts entered into during fiscal year 2018.

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.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

The *Statement of Net Position* presents information on all of the City's assets and liabilities, deferred outflows and deferred inflows with the difference reported as *Net Position*. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in the Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the 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). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are designed 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, police, fire, corrections, public works, parks and recreation and cultural affairs.

The business-type activities of the City include the Departments of Watershed Management (Water and Wastewater System), Aviation (Hartsfield-Jackson Atlanta International Airport), Sanitation (Solid Waste), Parks and Recreational Facilities, City Plaza and Parking Deck. The City sold its Civic Center property on November 20, 2017.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Atlanta Fulton County Recreation Authority and the Atlanta Development Authority (d/b/a Invest Atlanta), both of which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government. The Atlanta Housing Opportunity, Inc. is presented as a component unit, however their financial statements are blended with the primary government. Other blended component units of the City include Atlanta Public Safety, Judicial Facilities Authority and Solid Waste Management Authority. Certain organizations are not included within the scope of this report since they were established by the Constitution of the State of Georgia or state laws and are administered by separate boards that act independently of the City. Included in this category are the Atlanta Independent School System and the Atlanta Housing Authority.

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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund and capital project fund, which are considered to be major funds. Data from the other twenty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 161 in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget in the Required Supplementary Information section of this report.

The City has a formal fund balance policy applicable to governmental funds included in its Charter. The policy defines fund balance categories consistent with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, sets spending priority within the categories, establishes the authority to commit or assign balances and establishes a minimum fund balance for the general fund. In addition, the policy addresses the time period required for the general fund to replenish any deficiency in the minimum fund balance, as well as specifies how fund balance above the recommended range may be spent. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements, section I. D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances.

Proprietary funds - The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Water and Wastewater System (Department of Watershed Management), the Hartsfield-Jackson Atlanta International Airport (Department of Aviation), Sanitation Services (Solid Waste), Parks and Recreational Facilities, Parking Deck, City Plaza, and Civic Center. Additionally, the Municipal Option Sales Tax (MOST) is now reported under the Department of Watershed Management Fund where the activities for the MOST receipts are expended for the purpose intended. The move was completed to be in compliance with the State's guidelines.

An *internal service fund* is a fund used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and operation of its fleet of vehicles and its group insurance fund for employees and retirees. Because these services benefit both governmental and business-type functions, the net position and change in net position is impacted through the allocation of services, based upon usage, between governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the Department of Watershed Management and the Department of Aviation, which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements presented on page 193 in this report.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 can be found following the basic financial statements in this report.

Required Supplementary and other information - In addition to the basic financial statements, this report also presents certain required supplementary information on the City's schedule of employer net pension liability, changes in net pension liability, the employer contributions, and the investment returns for the General Employees' Pension Plan, Firefighters' Pension Plan, and Police Officers' Pension Plan, and the schedule of changes in net OPEB liability and related ratios, and General Fund budgetary information. Required supplementary information can be found following the notes in this report. The combining and individual funds statements, referred to earlier in connection with non-major governmental and proprietary funds follow the required supplementary information. Required supplementary information can be found beginning on page 148 of this report.

Financial Analysis - Government-wide Statements

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$6.6 billion at the close of the year ended June 30, 2018. Table 1 summarizes the assets and deferred outflows of resources, liabilities and deferred inflows of resources and Net Position for governmental activities, business-type activities, and the total primary government.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2018**

Table 1. City of Atlanta Net Position, Years Ended June 30, 2018 and June 30, 2017 (in thousands):

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Current and other Assets	\$ 1,110,607	\$ 1,091,543	\$ 3,941,573	\$ 3,765,249	\$ 5,052,180	\$ 4,856,792
Capital assets, net of depreciation	1,119,056	1,042,996	11,509,636	11,211,876	12,628,692	12,254,872
Total assets	<u>2,229,663</u>	<u>2,134,539</u>	<u>15,451,209</u>	<u>14,977,125</u>	<u>17,680,872</u>	<u>17,111,664</u>
Deferred outflows of resources	187,098	236,372	282,975	330,707	470,073	567,079
Total assets and deferred outflows of resources	<u>2,416,761</u>	<u>2,370,911</u>	<u>15,734,184</u>	<u>15,307,832</u>	<u>18,150,945</u>	<u>17,678,743</u>
Long-term liabilities						
Current	233,505	231,176	1,047,849	775,977	1,281,354	1,007,153
Non-current	3,087,130	2,586,686	6,930,282	6,872,312	10,017,412	9,458,998
Total Liabilities	<u>3,320,635</u>	<u>2,817,862</u>	<u>7,978,131</u>	<u>7,648,289</u>	<u>11,298,766</u>	<u>10,466,151</u>
Deferred inflows of resources	179,726	91,929	87,617	14,561	267,343	106,490
Total Liabilities and deferred inflows of resources	<u>3,500,361</u>	<u>2,909,791</u>	<u>8,065,748</u>	<u>7,662,850</u>	<u>11,566,109</u>	<u>10,572,641</u>
Net Position						
Net investment in capital assets	156,421	86,340	5,921,310	5,687,008	6,077,731	5,773,348
Restricted	785,519	744,874	1,094,488	1,069,578	1,880,007	1,814,452
Unrestricted (deficit)	<u>(2,025,541)</u>	<u>(1,370,094)</u>	<u>652,638</u>	<u>888,396</u>	<u>(1,372,903)</u>	<u>(481,698)</u>
Total Net Position	<u><u>\$(1,083,601)</u></u>	<u><u>\$(538,880)</u></u>	<u><u>\$ 7,668,436</u></u>	<u><u>\$ 7,644,982</u></u>	<u><u>\$ 6,584,835</u></u>	<u><u>\$ 7,106,102</u></u>

By far the largest portion of the City's net position, \$6.1 billion (92%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debts and deferred outflows/inflows of resources used to acquire those assets that are 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 and deferred inflows/outflows of resources, 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, \$1.9 billion (28.6%) represents resources that are subject to external restrictions on how they may be used.

The City reported a positive balance of \$652.6 million in unrestricted net position for business-type activities. For governmental activities, the City reported a negative balance of \$2.0 billion in unrestricted net position, primarily due to the net pension liability as well as the net OPEB liability. The general fund reported a positive balance of \$142.7 million in unrestricted (assigned and unassigned) fund balance. Unrestricted fund balance represents the spendable resources available for governmental activities, without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted net position is the exclusion of long term debt and capital asset balances which are not part of the current financial resources measurement focus presentation required of governmental funds.

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2018**

Financial Analysis - Government-wide Statements, continued

Table 2. City of Atlanta's Changes in Net Position, Years Ended June 30, 2018 and June 30, 2017 (in thousands):

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Revenues:						
Program revenues:						
Charges for services	\$ 214,808	\$ 210,933	\$ 1,059,932	\$ 1,042,843	\$ 1,274,740	\$ 1,253,776
Operating grants and contributions	65,388	73,217	—	—	65,388	73,217
Capital grants and contributions	—	—	263,784	266,459	263,784	266,459
General revenues:						
Property taxes	353,811	331,205	—	—	353,811	331,205
Other taxes	357,300	427,703	145,244	—	502,544	427,703
Investment income	9,803	1,288	23,710	5,971	33,513	7,259
Other	704	—	29,278	11,312	29,982	11,312
Total revenues	1,001,814	1,044,346	1,521,948	1,326,585	2,523,762	2,370,931
Expenses:						
General government:	392,479	464,517	—	—	392,479	464,517
Police	200,849	226,881	—	—	200,849	226,881
Fire	80,377	85,527	—	—	80,377	85,527
Corrections	33,161	36,169	—	—	33,161	36,169
Public Works	155,416	130,715	—	—	155,416	130,715
Parks, Recreation and Cultural Affairs	81,545	64,952	—	—	81,545	64,952
Interest on long-term debt	59,594	38,173	—	—	59,594	38,173
Water and Wastewater System	—	—	479,911	471,536	479,911	471,536
Department of Aviation	—	—	667,442	673,027	667,442	673,027
Sanitation	—	—	54,955	40,148	54,955	40,148
Other	—	—	3,203	6,835	3,203	6,835
Total Expenses	1,003,421	1,046,934	1,205,511	1,191,546	2,208,932	2,238,480
Change in Net Position before transfers	(1,607)	(2,588)	316,437	135,039	314,830	132,451
Transfers in(out)	60,784	(34,496)	(60,784)	34,496	—	—
Change in Net Position	59,177	(37,084)	255,653	169,535	314,830	132,451
Net Position, restated for GASB No. 75 (Note I.G.) *	(1,142,778)	(501,796)	7,412,783	7,475,447	6,270,005	6,973,651
Net Position, End of Period	\$ (1,083,601)	\$ (538,880)	\$ 7,668,436	\$ 7,644,982	\$ 6,584,835	\$ 7,106,102

*2018 beginning net position has been restated to reflect the impact of GASB Statement No.75.

Revenue for the City in fiscal year 2018 totaled approximately \$2.5 billion, a \$153 million increase when compared to the year 2017. Charges for services increased \$21.0 million or 1.7% for the primary government as a whole which is due to parking rate increase and Transportation Network Companies (Lyft and Uber) revenue increase. Charges for services of governmental activities increased by \$3.9 million or 1.8%, and business-type activities charges increased by \$17.1 million or 1.6%. The increased charges for business-type activities were the result of increases in passenger traffic and increase in water consumption as a result of continued economic expansion. The decrease in operating grants of \$7.8 million or 10.7%, is primarily the result of decreased federal funding related to multiple projects. Business-type activities capital grants and contributions decreased by \$2.7 million due mainly to decreased Federal Aviation Administration (FAA) capital contributions at the Department of Aviation. Property taxes during fiscal year 2018 increased by \$22.6 million or 6.8%, due mainly to new construction projects completed throughout the City. Other taxes increased by \$74.8 million or 17.5% driven primarily by \$41 million for Transportation Special Purpose Local Option Sales Tax (TSPLOST), \$13 million for Municipal Option Sale Tax (MOST), \$7 million for Local

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

Financial Analysis - Government-wide Statements, continued

Option Sales Tax (LOST), and \$6 million for hotel/motel due to new hotels and increases in occupancy from convention and sporting event activity such as the NCAA Football Championship.

Total expenses for the City were \$2.2 billion in fiscal year 2018, a decrease of \$29.5 million or 1.3% when compared to fiscal year ended June 30, 2017. Total expenses for governmental activities, excluding transfers decreased by \$43.5 million or 4.2% year-over-year. Expenses for business-type activities increased by \$14.0 million, or 1.2% compared to fiscal year 2017.

The City's total beginning net position was \$7.1 billion. The City's beginning net position decreased to \$6.3 billion, a decrease of \$836.1 million or 12% as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. See Note I.G. Change in Accounting Principle.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2018**

Financial Analysis - Government-wide Statements, continued

Governmental Activities - A comparative analysis of the governmental activities program revenues and expenses is presented below.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2018 (in thousands):

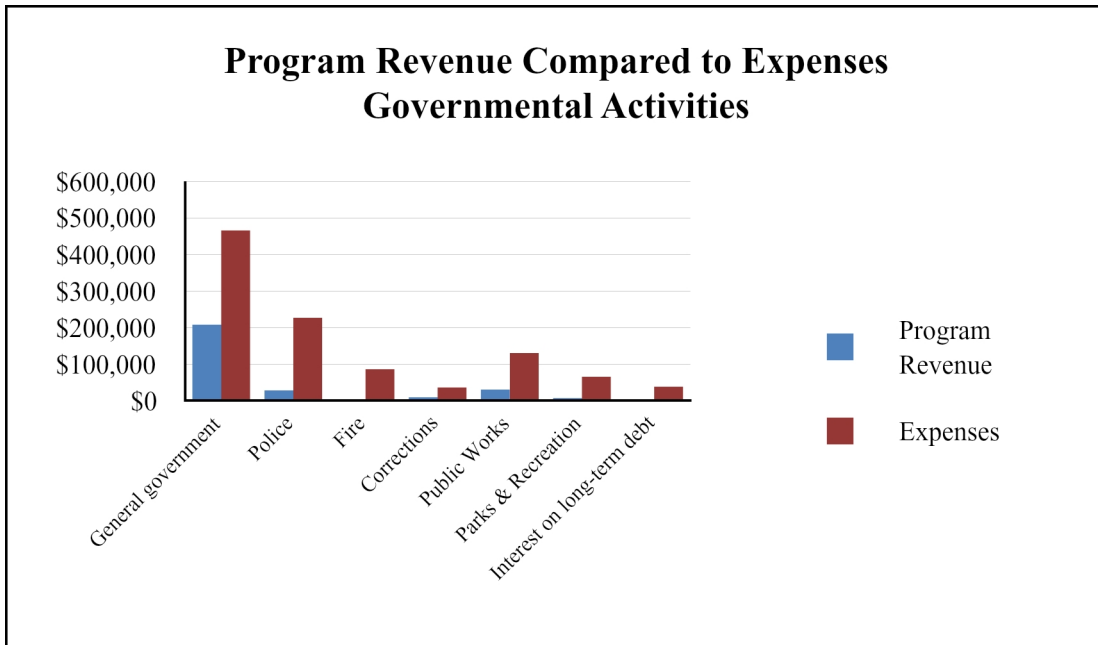
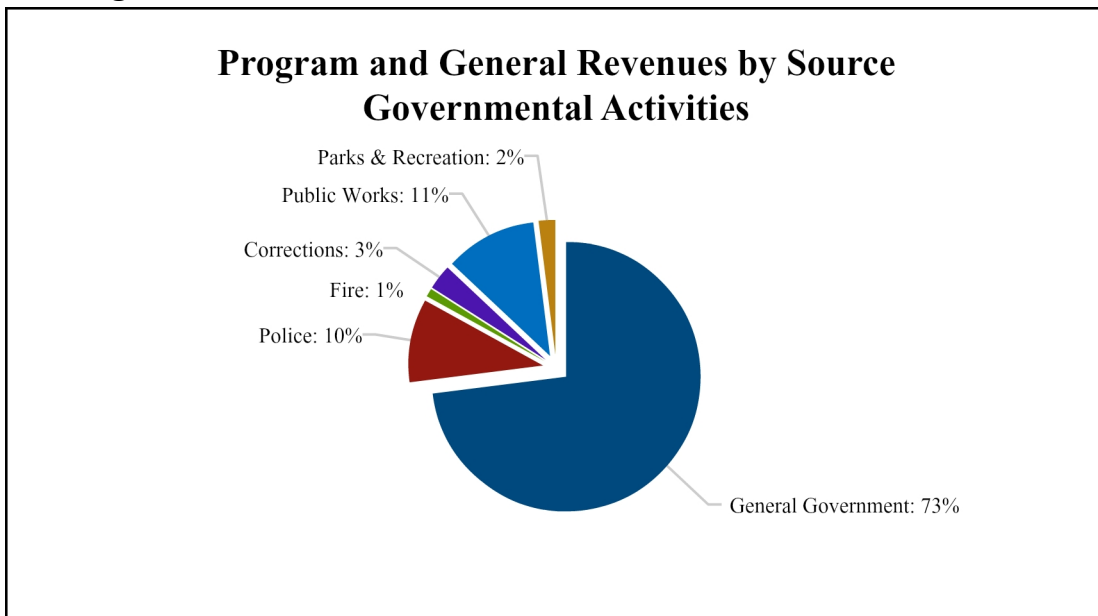


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2018:



CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2018**

Financial Analysis - Business-type activities

Business-type activities - A comparative analysis and discussion of expenses and program revenues for the enterprise operations is presented below.

Figure 3 - Expenses for Business-type Activities, Year Ended June 30, 2018 (in thousands):

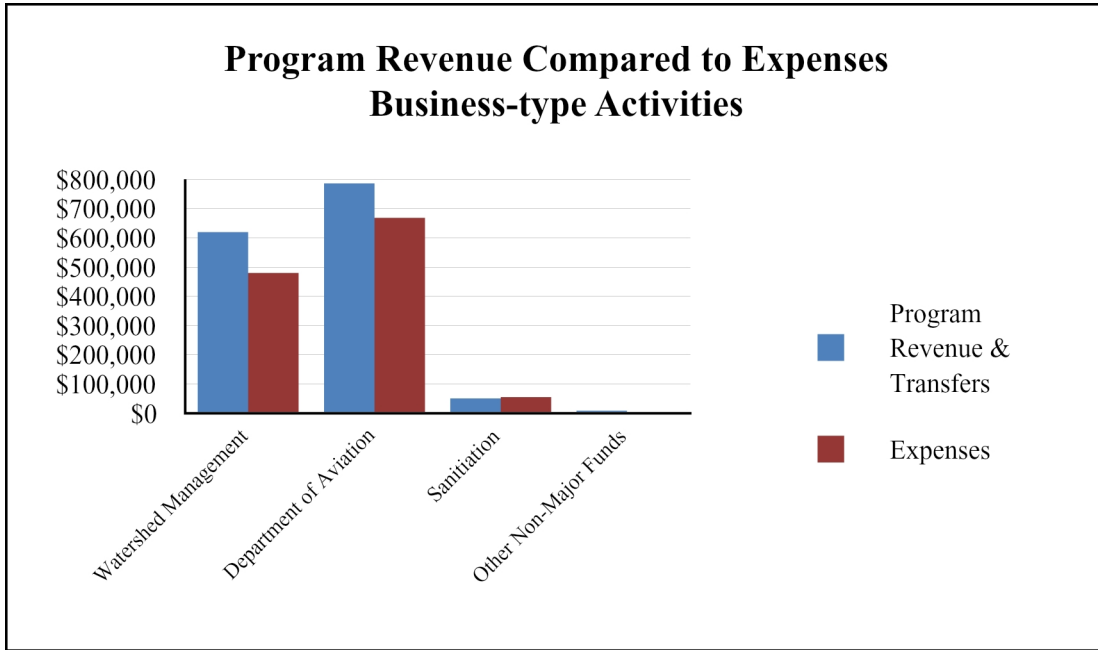
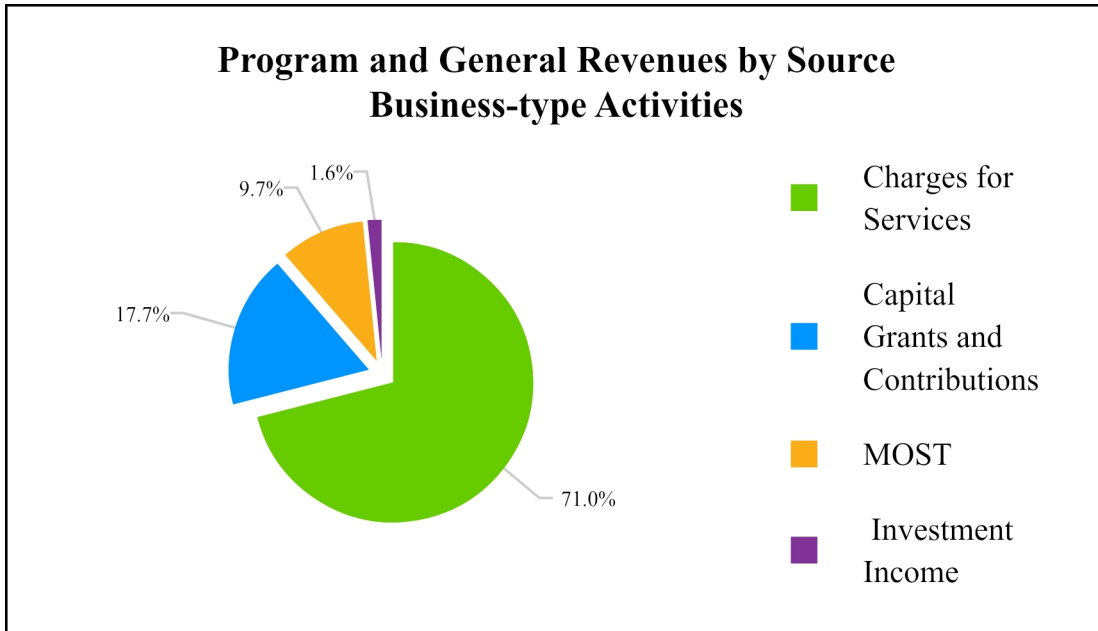


Figure 4 - Program Revenues for Business-type Activities, Year Ended June 30, 2018:



CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2018**

Financial Analysis - Business-type activities, continued

Department of Watershed Management (DWM) The net position for DWM for the twelve month period ended June 30, 2018 increased by \$45.1 million or 1.6% to \$2.9 billion. Prior to adjustments, DWM net position increased to \$139.3 million.

Table 3 - Department of Watershed Management Revenues and Expenses - Year Ended June 30, 2018 and June 30, 2017 (in thousands):

	Year Ended June 30		Change
	2018	2017	
REVENUES			
Total operating revenues	\$ 478,132	\$ 486,285	\$ (8,153)
Non-operating revenues, net	162,405	135,620	26,785
Total revenues	<u>640,537</u>	<u>621,905</u>	<u>18,632</u>
EXPENSES			
Total operating expenses	348,842	342,014	6,828
Non-operating expenses			
Interest expense	128,893	125,226	3,667
Other expenses	2,176	4,296	(2,120)
Total expenses	<u>479,911</u>	<u>471,536</u>	<u>8,375</u>
Income before Capital Contributions & Transfers	<u>160,626</u>	<u>150,369</u>	<u>10,257</u>
Capital Contributions	15,961	17,638	(1,677)
Transfers, net	(37,318)	(29,012)	(8,306)
Change In Net Position	<u>139,269</u>	<u>138,995</u>	<u>274</u>
Net Position, restated for GASB No. 75 (Note I.G.)	<u>2,780,879</u>	<u>2,736,009</u>	<u>44,870</u>
Net Position, end of period	<u>\$ 2,920,148</u>	<u>\$ 2,875,004</u>	<u>\$ 45,144</u>

Total DWM revenues for the year ended June 30, 2018 increased \$18.6 million or 3.0% to \$640.5 million compared to June 30, 2017. Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, decreased by \$8.2 million or 1.7% to \$478 million. The decrease is due to an increase in water and wastewater revenue allowance recorded for the period.

Non-operating revenue increased by \$26.8 million which was primarily due to a higher gain on investments and sales tax revenue. Of the \$162.4 million in non-operating revenues, for 2018 the MOST (Municipal Option Sale Tax) totaled \$145.2 million compared with \$131.7 million in fiscal year 2017, an increase of 10.3%. Pilot and Franchise Fees paid by DWM are also included as an offset in net transfer amounts and totaled \$20.5 million during fiscal year 2018.

Total DWM expenses increased \$8.4 million or 1.8% to \$479.9 million when compared to the year ended June 30, 2017. The primary reason for the increase was an increase in general and consulting expenses for the period, related to previously reported CIP that was expensed in the current year. Total operating revenues less operating expenses, or operating margin, was \$129.3 million for fiscal year 2018, a decrease of \$15.0 million or 10.4% compared to fiscal year 2017.

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2018**

Financial Analysis - Business-type activities, continued

Department of Aviation (DOA) The net position for DOA for the twelve month period ended June 30, 2018 increased by \$31.2 million or 0.6% to \$4.9 billion. Prior to adjustments, DOA net position increased to \$117.9 million.

Table 4 - Department of Aviation Revenues and Expenses - Year Ended June 30, 2018 and June 30, 2017 (in thousands):

	Year Ended June 30		Change
	2018	2017	
REVENUES			
Operating revenues	\$ 525,477	\$ 497,955	\$ 27,522
Investment income	10,062	4,347	5,715
Non-operating revenues, net	238,003	221,376	16,627
Total revenues	<u>773,542</u>	<u>723,678</u>	<u>49,864</u>
EXPENSES			
Operating expenses	557,060	542,243	14,817
Interest expense	110,382	123,710	(13,328)
Total expenses	<u>667,442</u>	<u>665,953</u>	<u>1,489</u>
Income before Capital Contributions & Transfers	<u>106,100</u>	<u>57,725</u>	<u>48,375</u>
Capital Contributions	14,515	11,521	2,994
Transfers, net	(2,743)	(5,228)	2,485
Change In Net Position	<u>117,872</u>	<u>64,018</u>	<u>53,854</u>
Net Position, 2018 restated for GASB No. 75 (Note I.G.)	<u>4,769,216</u>	<u>4,791,827</u>	<u>(109,240)</u>
Net Position, end of period	<u>\$ 4,887,088</u>	<u>\$ 4,855,845</u>	<u>\$ 31,243</u>

Total DOA revenues for the year ended June 30, 2018 of \$773.5 million increased by \$49.9 million or 6.9% year over year. Operating revenues are diverse and consist primarily of inside concessions, parking, car rentals, landing fees, terminal rentals and reimbursed operating expenses. Total operating revenues increased \$27.5 million, or 5.5% when compared to fiscal year 2017. Operating revenues increased primarily due to increases in concessions, and parking and transportation network companies.

Non-operating revenues consist of passenger facility charges (PFC's), customer facility charges (CFC's), and other non-operating income net of expenses. PFCs were \$203.0 million in fiscal year 2018 compared with \$199.4 million in fiscal year 2017. CFCs, which are collected to fund the financing and operation of the Rental Car Center, were \$30.3 million in fiscal 2018 compared with \$29.0 million in fiscal 2017. Net investment income increased to \$10.1 million during fiscal year 2018 compared to \$4.3 million in fiscal year 2017.

Total DOA expenses increased by \$1.5 million or 0.2% to \$667.4 million. Operating expenses for the period were \$557.1 million which reflect an increase of \$14.8 million or 2.7% over June 30, 2017. Repairs, maintenance, and other contractual services contributed \$7.9 million to this increase, which is primarily

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

Financial Analysis - Business-type activities, continued

attributed to an increase in information technology, security, ground transportation, and operations expenses for consulting and professional services in fiscal year 2018 compared to 2017. General services expenses contributed \$3.4 million to the increase driven mainly by increases in telephone related expenses, increases in computer purchases and an increase in indirect costs charged to the Airport for services rendered by other City departments. Salaries and employee benefits expenses decreased by \$7.3 million in comparison to fiscal year 2017. Other operating expenses decreased by \$13.1 million in comparison to fiscal year 2017. This decrease was driven by multiple factors including decreases in legal expenses, fuel farm costs and major maintenance type expenses. Depreciation and amortization expenses increased by \$23.6 million year over year, which is attributable to a net increase of \$214.9 million of depreciable assets during fiscal year 2018.

The restricted portion of the DOA's Net Position represents bond reserve funds that are restricted under the bond ordinance related to aviation debt, and capital projects restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Major components of the Airport's construction in process are concourse projects, airfield and runway projects, concourse transportation system (AGTS), terminal/passenger projects and security/operations projects.

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, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$953.4 million, an increase of \$27.8 million or 3.0%. The increase was primarily due to a full year of TSPLOST revenues recognized. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2018, the City's governmental funds had an unassigned fund balance of \$121.1 million, an increase of \$2.0 million compared to fiscal year 2017.

The General Fund is the chief operating fund of the City. During fiscal 2018, the fund balance of the general fund decreased by \$21.2 million or 10.6% to \$178.9 million. The decrease in fund balance of \$21.2 million was primarily due to the transfer of approximately \$17 million in expenses from the building permitting committed fund balance, \$36 million in expenses related mainly to public safety overtime, \$7 million ransomware cyber attack expenses offset by the sale of the Civic Center for \$24.5 million (net accumulated deficit of approximately \$5 million), additional tax revenues of \$15 million, and other revenues of \$5 million.

The Capital Project Fund has numerous projects ongoing to address the infrastructure and facilities maintenance backlog of approximately \$900 million. Funding is primarily from the General Obligation bond issued in fiscal year 2015.

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2018**

Financial Analysis - Government Funds, continued

General Fund Budgetary Highlights

The General Fund is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds, comprised of mostly general tax revenues and provides basic city services such as Police, Fire & Rescue, and Parks & Recreation Services. Each departmental expenditure budget must be developed and justified each year during the legally required budget adoption process. Total 2018 General Fund revenues on a generally accepted accounting principles (GAAP) basis were \$587.8 million, \$7.6 million less than the final budget of \$595.5 million. Fiscal year 2018 final revenue budget included prior year fund balance. Current year property taxes were \$206.5 million which was \$4.6 million more than budget. Local option sales taxes totaled \$110.2 million which was \$4.8 million more than budget. Licenses and permits revenue of \$117.3 million was \$2.9 million more than budget. The Hotel-Motel excise tax is budgeted as transfer-in revenue and amounted to \$19.6 million, an increase of \$1.5 million compared to \$18.1 million in fiscal year 2017.

Total 2018 General Fund expenditures on a GAAP basis were \$615.5 million, which was \$14.4 million or 2.4% more than the final budgeted expenditures. An adjustment of \$14.4 million, (indicated on page 159) was made to correct the budget variance. The Department of Police exceeded their budget mainly due to increased overtime costs. The Department of Parks and Recreation exceeded their budgets primarily due to increased park maintenance. Additionally, the Department of Atlanta Information Management was over budget mainly due to consultant expenses related to the cyberattack which occurred in March 2018. Finally, expenses were incurred related to the building permitting committed fund balance.

Capital Assets and Debt Administration

Table 5 - Capital Assets Schedule (in thousands):

Capital assets, net of depreciation, for the governmental and business-type activities are as follows:

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Land	\$ 228,020	\$ 208,721	\$ 994,102	\$ 993,051	\$ 1,222,122	\$ 1,201,772
Land improvements	20,064	20,022	1,815,119	1,822,814	1,835,183	1,842,836
Buildings and building improvements	303,274	278,925	7,195,398	6,829,097	7,498,672	7,108,022
Other property and equipment	73,658	84,723	318,271	278,926	391,929	363,649
Infrastructure	338,610	354,667	—	—	338,610	354,667
Construction in progress	155,430	95,938	1,186,746	1,287,988	1,342,176	1,383,926
Total	\$ 1,119,056	\$ 1,042,996	\$ 11,509,636	\$ 11,211,876	\$ 12,628,692	\$ 12,254,872

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

Capital Assets and Debt Administration, continued

Capital assets - The City's investment in capital assets for its governmental and business type activities as of June 30, 2018 and June 30, 2017 totaled \$12.6 billion and \$12.3 billion, net of accumulated depreciation respectively. This investment in capital assets includes land, buildings and systems, improvements, construction in progress, machinery and equipment, park facilities, roads, highways, and bridges. The net increase in the City's investment in capital assets for the year ended June 30, 2018 was \$373.8 million or 3.1%.

Highlights of capital asset activity during the year ended June 30, 2018 included the following:

- The City recorded the sale of Civic Center for \$24.5 million of which \$4.8 million was utilized to offset the accumulated deficit in the Civic Center fund. In addition, \$275,210 and \$113,412 were utilized to offset the accumulated deficit in the Parks Facilities Revenue Fund and Parks Facilities Renewal and Extension Fund, respectively.
- \$261.4 million was added to the Construction-In-Progress (CIP) balance for various Department of Watershed Management projects and \$539.0 million of assets was transferred from CIP and placed in-service.
- \$389.7 million was added to the Construction-In-Progress (CIP) balance related to various Department of Aviation projects and \$210.2 million of assets was transferred from CIP and placed in-service.
- \$114.5 million was added to the Construction-In-Progress (CIP) balance related to various Governmental Infrastructure projects and \$55.1 million of assets was transferred from CIP and placed in-service.
- Depreciation expense during fiscal year 2018 totaled \$414.1 million city-wide.

Additional information on the City's capital assets can be found in Note III.D. in the Notes to the Financial Statements.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2018**

Capital Assets and Debt Administration, continued

Long-term debt balances for governmental and business-type activities are as follows:

Table 6 - Long-Term Debt Schedule (in thousands):

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
General obligation and annual bonds	\$ 325,430	\$ 350,285	\$ —	\$ —	\$ 325,430	\$ 350,285
Premium on bonds	30,052	33,773	—	—	30,052	33,773
Certificate of participation	70,685	29,780	—	—	70,685	29,780
Premiums	9,353	3,924	—	—	9,353	3,924
APSJFA revenue bonds	24,850	27,150	—	—	24,850	27,150
Premiums	3,382	4,130	—	—	3,382	4,130
SWMA revenue refunding bonds	7,665	9,360	—	—	7,665	9,360
Limited obligation bonds	431,900	499,385	—	—	431,900	499,385
Premium on bonds	22,000	16,137	—	—	22,000	16,137
Section 108 loans	440	660	—	—	440	660
Other general long-term obligations	42,469	47,774	—	—	42,469	47,774
Intergovernmental agreements	452,845	376,552	—	—	452,845	376,552
Notes Payable	—	2,054	—	—	—	2,054
Water and Wastewater Revenue Bonds	—	—	2,727,860	2,740,300	2,727,860	2,740,300
Bond issuance discounts	—	—	(4,391)	(2,229)	(4,391)	(2,229)
Bond issuance premiums	—	—	231,722	236,720	231,722	236,720
GEFA notes payable	—	—	201,680	176,874	201,680	176,874
Airport Facilities Revenue Bonds	—	—	2,452,970	2,580,645	2,452,970	2,580,645
Issuance premiums	—	—	112,536	127,479	112,536	127,479
Issuance discounts	—	—	(123)	(140)	(123)	(140)
Bond anticipation notes	—	—	300,000	300,000	300,000	300,000
Capital lease obligation (equipment)	—	—	1,591	—	1,591	—
City Plaza	—	—	8,915	9,230	8,915	9,230
Premiums	—	—	988	1,086	988	1,086
Parking Deck	—	—	14,850	15,605	14,850	15,605
Premiums	—	—	1,917	2,191	1,917	2,191
Capital Leases:						
General fund	37,406	23,544	—	—	37,406	23,544
Water and Wastewater System	—	—	130,691	7,143	130,691	7,143
Aviation	—	—	9,300	—	9,300	—
Parking Deck	—	—	—	—	—	—
Underground Atlanta	—	—	—	—	—	—
Total	\$ 1,458,477	\$ 1,424,508	\$ 6,190,506	\$ 6,194,904	\$ 7,648,983	\$ 7,619,412

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2018**

Long-term debt, continued

Long-term debt - The City’s long-term debt, including capital leases, reflected a net increase of \$29.6 million or 0.4% during the current twelve-month period. General and limited obligation debt decreased by \$90.2 million in fiscal year 2018. The Department of Aviation debt decreased by \$142.6 million and Department of Watershed Management debt, including GEFA notes payable, increased by \$5.2 million. Government-wide capital lease obligations increased by \$148.3 million during the current fiscal year.

The City’s underlying ratings for its bond issuances at June 30, 2018 were as follows:

Table 7 - City of Atlanta Bond Ratings

City of Atlanta Municipal Bond Ratings	Moody's Investor Services	Standard & Poor's	Fitch
GENERAL OBLIGATION BONDS	Aa1	AA+	AA+
WATER AND WASTEWATER REVENUE BONDS	Aa2	AA-	A+
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT REVENUE BONDS	Aa3	AA-	AA-

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City’s outstanding general obligation debt is significantly less than the current debt limitation of \$2.6 billion. See the Legal Debt Margin Information in the Statistical Section, Schedule 16 of this report.

There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 2018, the City believes it is in compliance with all significant limitations and restrictions. Additional information regarding the City’s long-term obligations can be found in Note III. H. in the Notes to the Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

The 2018 US economic forecast indicates that the economic upturn that began in the second half of 2009 will continue. The rate of 2018 GDP growth is 2.5 percent and will be higher than 2017 by 2.2 percent, but below the average of the last 50 years by 2.9 percent. Eight reasons why US GDP growth will be slightly higher in 2018 than in 2017 are: (1) more single-family homebuilding; (2) faster growth in spending by businesses for equipment; (3) faster growth in spending by all levels of government; (4) steady growth in spending by US consumers; (5) steady growth in industrial production, (6) faster growth in exports, (7) rebuilding properties damaged or destroyed by recent hurricanes, and (8) tax reform.

In the Atlanta Metropolitan Statistical Area (MSA), the 2018 outlook for Georgia’s economy is favorable. The pace of GDP and personal income growth will be sustained. New jobs will be plentiful, but tight labor markets will cause the pace of job growth to slow. Job growth will be well balanced, with gains in both goods producing and service providing industries. The state’s economy is extremely diverse and will benefit from multiple, reliable sources of economic growth.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2018

Economic Factors and Next Year's Budgets and Rates, continued

Atlanta is the distribution and cultural center of the Southeast. The state's population is growing strongly due to the in-migration of many young, educated workers. Existing home prices are expected to rise to all-time record highs. On average, Georgia's economy is expected to grow significantly faster than the nation's economy.

Atlanta is expected to be one of the fastest growing large MSAs in the nation, especially with respect to job growth. Business development, a revival of population growth, due to an upturn in domestic migration, and the housing recovery will strongly underpin Atlanta's robust economic expansion. In 2018, new jobs are expected to be plentiful, but the pace of job growth will slow slightly. The area's economy and its growth are extremely diverse, which decreases the economic risk associated with living and doing business in Atlanta. The MSA's politics are very business friendly. Atlanta is a major business and logistics hub. The Atlanta MSA's top ten employers are Delta Airlines, Emory University/Emory Healthcare, Home Depot, WellStar Health System, AT&T, UPS, Northside Hospital, Piedmont Healthcare, Marriott International, and Publix Super Markets. The population's level of educational attainment exceeds the national average. The hospitality industry is thriving. Due to its large meetings and convention industry, Atlanta is the seventh most-visited city in the US. The Georgia Aquarium is Atlanta's most popular attraction. The new Mercedes-Benz Stadium will host the Super Bowl in 2019. Atlanta is also a popular destination for international visitors. Airport improvements will continue to help Atlanta to become even more popular as a destination for tourists, persons attending business meetings & conventions, trade shows, as well as sporting/cultural events. At this late stage of the business cycle, financial activities and professional and business services industries should do very well, which will benefit Atlanta.

Atlanta boasts a vibrant, sustainable economy which continues to attract a diverse population. As a result, Atlanta is expected to continue to establish itself as one of the nation's most desirable cities for living, business and travel.

Highlights of the fiscal year 2019 budget include:

- General fund revenue anticipation of \$661.3 million includes a 2.5% new construction property tax growth. This represents a 1.9% increase over fiscal 2018 revenue anticipation of \$648.6 million.
- Department of Watershed Management revenue anticipation of \$570.4 million, an increase of \$10.2 million or 1.8% compared to fiscal 2018.
- Department of Aviation revenue anticipation of \$542 million, an increase of \$33.5 million or 6.1% compared to fiscal 2018.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Chief Financial Officer, 11100 City Hall Tower, 68 Mitchell St., SW, Atlanta, Georgia 30303



THIS PAGE INTENTIONALLY LEFT BLANK



Basic Financial Statements



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Statement of Net Position
June 30, 2018
(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,212	\$ 8,820	\$ 20,032	\$ 42,857
Restricted cash	433,596	683,698	1,117,294	132,512
Equity in cash management pool	245,148	1,592,951	1,838,099	—
Restricted investments	166,146	—	166,146	—
Receivables (net of allowance for uncollectibles)	170,703	129,882	300,585	5,488
Due from other governments	18,112	27,813	45,925	—
Due from component unit	12,418	—	12,418	3,702
Capital lease receivable, current portion	—	—	—	7,269
Internal balances	19,942	(19,942)	—	—
Inventories	1,231	20,497	21,728	—
Other restricted assets	—	71,177	71,177	—
Prepaid expenses and other current assets	—	778	778	293
Total current assets	<u>1,078,508</u>	<u>2,515,674</u>	<u>3,594,182</u>	<u>192,121</u>
Noncurrent assets:				
Restricted cash	—	150,534	150,534	191,241
Restricted investments	—	1,166,641	1,166,641	—
Investments	—	—	—	8,794
Due from primary government	—	—	—	552,330
Capital assets:				
Capital assets not being depreciated	383,450	2,180,847	2,564,297	305,455
Capital assets being depreciated	1,916,628	15,040,418	16,957,046	282,854
Less accumulated depreciation	(1,181,022)	(5,711,629)	(6,892,651)	(170,192)
Investments in joint venture	—	74,084	74,084	—
Restricted investments in escrow	15,068	—	15,068	—
Due from other parties	10,758	10,640	21,398	—
Due from component unit	—	24,000	24,000	56,745
Other assets	6,273	—	6,273	10,940
Long-term receivable	—	—	—	5,175
Total noncurrent assets	<u>1,151,155</u>	<u>12,935,535</u>	<u>14,086,690</u>	<u>1,243,342</u>
Total Assets	<u>2,229,663</u>	<u>15,451,209</u>	<u>17,680,872</u>	<u>1,435,463</u>
Deferred outflows of resources				
Pension related deferred outflows	157,936	46,484	204,420	—
OPEB related deferred outflows	11,777	3,901	15,678	—
Deferred losses on Swap termination and debt refunding	17,385	232,590	249,975	3,700
Total deferred outflows of resources	<u>187,098</u>	<u>282,975</u>	<u>470,073</u>	<u>3,700</u>
Total assets and deferred outflows of resources	<u>2,416,761</u>	<u>15,734,184</u>	<u>18,150,945</u>	<u>1,439,163</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
For the Year Ended June 30, 2018
(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 103,186	\$ 181,435	\$ 284,621	\$ 14,890
Accrued expenses	4,208	38,920	43,128	—
Accrued interest payable	—	86,542	86,542	10,566
Current portion of claims payable	4,920	421	5,341	—
Contract retentions	3,634	33,047	36,681	—
Due to other governments	9,238	—	9,238	—
Due to component unit	—	—	—	—
Other liabilities	—	4,016	4,016	5,632
Unearned revenues	161	—	161	1,739
Commercial paper notes payables	—	475,194	475,194	—
Current portion of Net OPEB	23,666	13,442	37,108	—
Current portion of long-term debt, capital leases, SWAPS	75,076	214,832	289,908	65,209
Current portion of other liabilities	9,416	—	9,416	632
Total current liabilities	<u>233,505</u>	<u>1,047,849</u>	<u>1,281,354</u>	<u>98,668</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	900,506	5,837,700	6,738,206	768,416
Noncurrent portion of claims payable	3,080	13,642	16,722	—
Noncurrent portion of capital leases	30,050	137,974	168,024	—
Noncurrent portion of contract retentions	—	6,274	6,274	—
Net pension liability	844,553	437,831	1,282,384	—
Net OPEB liability	788,810	381,956	1,170,766	—
Due to primary government	—	—	—	39,532
Due to component unit	452,845	—	452,845	—
Other long-term liabilities	67,286	114,905	182,191	31,729
Total non-current liabilities	<u>3,087,130</u>	<u>6,930,282</u>	<u>10,017,412</u>	<u>839,677</u>
Total Liabilities	<u>3,320,635</u>	<u>7,978,131</u>	<u>11,298,766</u>	<u>938,345</u>
Deferred inflows of resources				
Pension related deferred inflows	93,960	36,996	130,956	—
OPEB related deferred inflows	79,493	43,467	122,960	—
Accumulated deferred gain on refundings	—	—	—	192,510
Accumulated increase in fair value of derivative instruments	6,273	7,154	13,427	—
Total deferred inflows of resources	<u>179,726</u>	<u>87,617</u>	<u>267,343</u>	<u>192,510</u>
Total liabilities and deferred inflows of resources	<u>3,500,361</u>	<u>8,065,748</u>	<u>11,566,109</u>	<u>1,130,855</u>
NET POSITION				
Net investment in capital assets	156,421	5,921,310	6,077,731	204,381
Restricted for:				
Debt service	318,538	418,808	737,346	—
Programs	127,924	—	127,924	117,535
Capital projects	339,057	675,680	1,014,737	—
Unrestricted (deficit)	<u>(2,025,541)</u>	<u>652,638</u>	<u>(1,372,903)</u>	<u>(13,608)</u>
Total Net Position	<u>\$ (1,083,601)</u>	<u>\$ 7,668,436</u>	<u>\$ 6,584,835</u>	<u>\$ 308,308</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Activities
For the Year Ended June 30, 2018
(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		TOTALS
Primary Government								
Governmental activities:								
General government	\$ 392,479	\$ 155,662	\$ 36,773	\$ —	\$ (200,044)	\$ —	\$ (200,044)	
Police	200,849	25,624	4,832	—	(170,393)	—	(170,393)	
Fire	80,377	815	1,630	—	(77,932)	—	(77,932)	
Corrections	33,161	9,160	250	—	(23,751)	—	(23,751)	
Public Works	155,416	7,263	18,630	—	(129,523)	—	(129,523)	
Parks, Recreation and Cultural Affairs	81,545	16,284	3,273	—	(61,988)	—	(61,988)	
Interest on long-term debt	59,594	—	—	—	(59,594)	—	(59,594)	
Total Governmental activities	1,003,421	214,808	65,388	—	(723,225)	—	(723,225)	
Business-type activities:								
Watershed Management	479,911	478,132	—	15,961	—	14,182	14,182	
Aviation	667,442	525,477	—	247,820	—	105,855	105,855	
Sanitation	54,955	54,324	—	3	—	(628)	(628)	
Parks and Recreational Facilities	32	—	—	—	—	(32)	(32)	
Parking Deck	830	776	—	—	—	(54)	(54)	
City Plaza	1,650	960	—	—	—	(690)	(690)	
Civic Center	691	263	—	—	—	(428)	(428)	
Total Business-type activities	1,205,511	1,059,932	—	263,784	—	118,205	118,205	
Total Primary Government	\$2,208,932	\$1,274,740	\$ 65,388	\$ 263,784	\$ (723,225)	\$ 118,205	\$ (605,020)	
Component Units	\$ 128,246	\$ 23,155	\$ 46,229	\$ 150,022			\$ 91,160	
General Revenues								
Taxes:								
Property Taxes Levied for general purposes					206,718	—	206,718	—
Property Taxes Levied for debt service					147,093	—	147,093	—
Local and Municipal Option Sales Tax					167,852	145,244	313,096	—
Public utility, alcoholic beverage and other taxes					189,448	—	189,448	6,594
Federal and State aid not restricted					704	—	704	—
Investment income					9,803	23,710	33,513	997
Other					—	29,278	29,278	28,195
Total General revenues					721,618	198,232	919,850	35,786
Transfers					60,784	(60,784)	—	—
Total general revenues, special items and transfers					782,402	137,448	919,850	35,786
Change in net position					59,177	255,653	314,830	126,946
Net Position - beginning of period, as restated (Note I.G.)					(1,142,778)	7,412,783	6,270,005	181,362
NET POSITION - END OF PERIOD					\$ (1,083,601)	\$ 7,668,436	\$6,584,835	\$ 308,308

The accompanying notes are an integral part of this statement



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2018

(Dollars in Thousands)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,212	\$ —	\$ —	\$ 11,212
Cash and cash equivalents, restricted	—	131,550	302,046	433,596
Equity in cash management pool	144,002	37,795	63,351	245,148
Restricted investments	(3)	124,249	41,900	166,146
Receivables:				
Taxes	8,302	—	24,302	32,604
Accounts	23,481	—	113,949	137,430
Due from other governments	—	12,418	18,112	30,530
Due from other funds	75,916	1,044	303	77,263
Investments in escrow	—	15,068	—	15,068
TOTAL ASSETS	\$ 262,910	\$ 322,124	\$ 563,963	\$ 1,148,997
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 44,719	\$ 18,559	\$ 35,899	\$ 99,177
Accrued expenditures	3,308	13	281	3,602
Contract retentions	70	2,953	611	3,634
Due to other governments	—	—	9,238	9,238
Due to other funds	1,674	9,019	28,009	38,702
Advance due to other funds	26,199	—	—	26,199
Unearned revenue	23	—	138	161
Total Liabilities	75,993	30,544	74,176	180,713
Deferred inflows of resources				
Deferred inflows of property taxes	8,037	—	6,809	14,846
Total liabilities and deferred inflows of resources	84,030	30,544	80,985	195,559
Fund Balances:				
Nonspendable	5,247	—	—	5,247
Restricted	—	291,580	493,938	785,518
Committed	30,944	—	—	30,944
Assigned	10,624	—	—	10,624
Unassigned	132,065	—	(10,960)	121,105
Total fund balances	178,880	291,580	482,978	953,438
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 262,910	\$ 322,124	\$ 563,963	\$ 1,148,997

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Reconciliation of Governmental Funds Balance Sheet
To the Government-wide Statement of Net Position
June 30, 2018
(Dollars in Thousands)

Total fund balances		\$	953,438
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Deferred inflows for property taxes not recognized as current year revenues and, therefore, are classified as deferred inflows in the governmental funds			14,846
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
	Land and construction in progress	383,450	
	Cost of capital assets	1,916,628	
	Less: accumulated depreciation	<u>(1,181,022)</u>	1,119,056
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in governmental funds but must be deferred in the statement of net position			
	Deferred outflows-General pension	30,991	
	Deferred outflows-Fire pension	42,680	
	Deferred outflows-Police pension	<u>84,265</u>	157,936
Certain amounts related to the OPEB liability are deferred and amortized over time			
	Deferred outflows-OPEB	<u>11,777</u>	11,777
Other assets include amounts that used current financial resources at the fund level but will be offset against future revenues in the government-wide statements			
		<u>17,385</u>	17,385
Amount due from APS results from debt defeased by City used in governmental activities are not financial resources and therefore are not reported in the above funds:			
		<u>10,758</u>	10,758
Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			
	Capital assets included above related to the internal service fund	(319)	
	Net Position for internal service fund	<u>5,182</u>	4,863
Certain amounts related to the net pension liability are deferred and amortized over time			
	Deferred inflows of resources- General pension	(18,806)	
	Deferred inflows of resources- Fire pension	(27,846)	
	Deferred inflows of resources- Police pension	<u>(47,308)</u>	(93,960)
Certain amounts related to the OPEB liability are deferred and amortized over time			
	Deferred inflows of resources-OPEB	<u>(79,493)</u>	(79,493)
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in governmental funds.			
	Due to component units	(452,845)	
	Long-term debt	(325,430)	
	Certificates of Participation	(70,685)	
	APSJFA revenue bonds	(24,850)	
	SWMA revenue refunding bonds	(7,665)	
	Limited obligation bonds	(431,900)	
	Capital leases	(37,406)	
	Other general long-term obligations	(42,909)	
	Unamortized premiums (discounts) on bond issues	(64,787)	
	Vacation and compensated absences payable	(21,573)	
	Net Pension liability	(844,552)	
	Net OPEB obligation	(812,476)	
	Health, dental and general claims payable	(15,472)	
	Workers' compensation	<u>(47,657)</u>	(3,200,207)
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$</u>	<u>(1,083,601)</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018
(Dollars in Thousands)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 206,523	\$ —	\$ 147,093	\$ 353,616
Local and municipal option sales taxes	110,184	—	57,668	167,852
Public utility, alcoholic beverage and other taxes	106,443	—	83,005	189,448
Licenses and permits	117,251	—	1,099	118,350
Charges for current services	6,874	—	33,247	40,121
Fines, forfeitures and penalties	19,546	—	1,048	20,594
Investment income	1,555	4,490	3,758	9,803
Intergovernmental revenues and contributions:				
Federal revenues	348	—	52,054	52,402
State and local grants and contributions	355	(106)	13,440	13,689
Building rentals and concessions	13,865	—	1,213	15,078
Other	4,867	10,221	5,577	20,665
Total revenues	587,811	14,605	399,202	1,001,618
EXPENDITURES				
Current:				
General government	194,841	32,341	134,053	361,235
Police	197,856	2,301	21,926	222,083
Fire	86,936	332	1,819	89,087
Corrections	35,096	1,213	1,502	37,811
Public Works	51,064	37,822	65,632	154,518
Parks, recreation and cultural affairs	38,549	19,998	23,125	81,672
Debt Service:				
Principal payments	9,866	8,471	53,351	71,688
Interest payments	1,293	3,105	54,558	58,956
Bond issuance costs	—	221	373	594
Paying agent fees	9	—	35	44
Total Expenditures	615,510	105,804	356,374	1,077,688
Excess (deficiency) of revenues over expenditures	(27,699)	(91,199)	42,828	(76,070)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	1,275	—	—	1,275
Payment to refunded bond escrow agent	—	—	(125,392)	(125,392)
Issuance of refunding bonds	—	—	85,380	85,380
Issuance of capital lease	—	20,110	—	20,110
Proceeds from general bond obligation	—	43,335	—	43,335
Premium from bond issuance	—	6,274	9,458	15,732
Transfers in	60,548	71,935	27,107	159,590
Transfers out	(55,326)	(6,153)	(34,725)	(96,204)
Total Other Financing Sources (Uses)	6,497	135,501	(38,172)	103,826
Net change in fund balance	(21,202)	44,302	4,656	27,756
Fund Balance:				
Beginning of the period	200,082	247,278	478,322	925,682
FUND BALANCE, END OF PERIOD	\$ 178,880	\$ 291,580	\$ 482,978	\$ 953,438

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance
To the Government-wide Statement of Activities
For the Year Ended June 30, 2018
(Dollars in Thousands)

Net change in fund balance - total governmental funds	\$	27,756
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property taxes in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds		195
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 in the current period.		
	Capital outlays	127,135
	Disposal of assets	(4,106)
	Depreciation expense	(46,969)
		76,060
The issuance of long-term debt (capitalized leases) provides current financial resources to governmental funds. Repayment of debt (bonds, certificates of participation and capitalized leases) is an expenditure in the governmental funds but the repayments reduce long-term liabilities in the statement of net position. This amount is the net effect of these differences in treatment of long-term debt.		
	Payments on long-term debt	224,769
	Proceeds from long-term debt	(148,825)
	Recognition of intergovernmental agreement	(103,090)
	Capitalization of premiums and discounts	(15,733)
	Amortization of premiums and discounts	8,910
		(33,969)
Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The net revenues of these activities are reported as governmental funds for affected departments.		
		(6,081)
		(6,081)
Pension related items reported in the statement of activities that do not require the use of current financial resources to governmental funds.		
	Deferred outflows-General pension	(10,311)
	Deferred outflows-Fire pension	(19,607)
	Deferred outflows-Police pension	(29,167)
	Deferred inflows of resources- General pension	(18,466)
	Deferred inflows of resources- Fire pension	2,403
	Deferred inflows of resources- Police pension	5,785
		(69,363)
OPEB related items reported in the statement of activities that do not require the use of current financial resources to governmental funds.		
	Deferred outflows-OPEB	11,777
	Deferred inflows of resources-OPEB	(79,493)
		(67,716)
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.		
	Change in net pension liability	67,894
	Amortization of deferred losses on refunding	(1,967)
	Change in health, dental and general claims payable	532
	Change in vacation and compensated absences	39
	Change in net OPEB obligation	65,092
	Change in workers' compensation	705
		132,295
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	59,177

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2018
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Governmental Activities	
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,771	\$ 49	\$ —	\$ 8,820	\$ —
Restricted cash and cash equivalents	331,554	352,008	136	683,698	—
Equity in cash management pool	814,364	776,658	1,929	1,592,951	—
Receivables:					
Accounts	187,641	10,848	42,873	241,362	669
MOST receivable	11,814	—	—	11,814	—
Less allowance for doubtful accounts	(114,930)	(4,429)	(3,935)	(123,294)	—
Total receivables, net	84,525	6,419	38,938	129,882	669
Due from other governments	27,813	—	—	27,813	—
Due from other funds	327	—	—	327	—
Advance to other funds, current portion	10,000	—	—	10,000	—
Inventories	9,736	10,761	—	20,497	1,230
Prepaid expenses	—	778	—	778	—
Restricted assets	674	70,503	—	71,177	—
Total current assets	1,287,764	1,217,176	41,003	2,545,943	1,899
Noncurrent assets:					
Restricted cash and cash equivalents	74,546	75,988	—	150,534	—
Restricted investments	195,104	971,537	—	1,166,641	—
Advance to other funds, less current portion	16,199	—	—	16,199	—
Investment in joint venture	74,084	—	—	74,084	—
Due from other parties	—	10,640	—	10,640	—
Due from other component units	24,000	—	—	24,000	—
Capital assets:					
Land	128,370	584,230	3,726	716,326	136
Construction in progress	470,946	715,799	—	1,186,745	—
Land improvements	13,135	3,375,136	1,801	3,390,072	29
Land purchased for noise abatement	—	277,776	—	277,776	—
Buildings and other structures	—	4,070,225	45,040	4,115,265	5,508
Water collection and distribution system	4,743,624	—	—	4,743,624	—
Water and wastewater plant and treatment facilities	2,037,103	—	—	2,037,103	—
Machinery, equipment, and other	267,634	457,229	29,491	754,354	3,788
Less accumulated depreciation	(2,457,329)	(3,228,089)	(26,211)	(5,711,629)	(9,142)
Capital assets, net	5,203,483	6,252,306	53,847	11,509,636	319
Total assets	6,875,180	8,527,647	94,850	15,497,677	2,218
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	16,199	25,165	5,120	46,484	—
OPEB related deferred outflows	2,217	1,104	580	3,901	—
Accumulated deferred outflows-demographic gain/loss	—	—	—	—	—
Accumulated decrease in fair value of derivative instruments	—	—	—	—	—
Deferred losses on Swap termination	—	—	—	—	—
Accumulated losses on debt refunding	186,020	46,570	—	232,590	—
Total assets and deferred outflows of resources	\$ 7,079,616	\$ 8,600,486	\$ 100,550	\$ 15,780,652	\$ 2,218

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2018
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
LIABILITIES					
Liabilities:					
Current liabilities					
Accounts payable	\$ 29,396	\$ 49,019	\$ 5,154	\$ 83,569	\$ 4,009
Accrued expenses	7,214	30,274	1,432	38,920	606
Current portion of Net OPEB	5,836	6,300	1,306	13,442	—
Current portion of claims payable	421	—	—	421	—
Deposits and advances	8,599	—	—	8,599	—
Accrued interest payable	—	39,068	—	39,068	—
Due to other funds	—	—	29,180	29,180	9,708
Current portion of other debt	8,514	93,145	—	101,659	—
Current maturities of capital leases	2,562	—	244	2,806	—
Accrued workers' compensation	1,506	703	1,807	4,016	—
Current liabilities	<u>64,048</u>	<u>218,509</u>	<u>39,123</u>	<u>321,680</u>	<u>14,323</u>
Current liabilities payable from restricted assets:					
Accounts payable	49,527	39,740	—	89,267	—
Accrued interest payable	23,696	23,693	85	47,474	—
Contract retention	21,401	11,646	—	33,047	—
Commercial paper notes payables	170,080	305,114	—	475,194	—
Current maturities of capital leases	—	802	—	802	—
Current maturities of long-term debt	66,850	41,565	1,150	109,565	—
Total current liabilities payable from restricted assets	<u>331,554</u>	<u>422,560</u>	<u>1,235</u>	<u>755,349</u>	<u>—</u>
Total current liabilities	<u>395,602</u>	<u>641,069</u>	<u>40,358</u>	<u>1,077,029</u>	<u>14,323</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,081,507	2,730,673	25,520	5,837,700	—
Capital lease obligations, excluding current maturities	128,129	8,498	1,347	137,974	—
Net pension liability	226,450	161,589	49,792	437,831	—
Net OPEB liability	185,566	128,490	67,900	381,956	—
Claims Payable	13,642	—	—	13,642	—
Contract retention, excluding current portion	—	6,274	—	6,274	—
Accrued workers' compensation	8,621	3,463	9,533	21,617	—
Interest rate SWAP	77,175	—	—	77,175	—
Landfill postclosure costs	—	—	16,113	16,113	—
Total noncurrent liabilities	<u>3,721,090</u>	<u>3,038,987</u>	<u>170,205</u>	<u>6,930,282</u>	<u>—</u>
Total Liabilities	<u>4,116,692</u>	<u>3,680,056</u>	<u>210,563</u>	<u>8,007,311</u>	<u>14,323</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	17,577	16,776	2,643	36,996	—
OPEB related deferred inflows	18,045	16,566	8,856	43,467	—
Accumulated decrease in fair value of hedging derivative instruments	7,154	—	—	7,154	—
Total liabilities and deferred inflows of resources	<u>4,159,468</u>	<u>3,713,398</u>	<u>222,062</u>	<u>8,094,928</u>	<u>14,323</u>
NET POSITION					
Net investment in capital assets	2,473,407	3,420,727	27,176	5,921,310	319
Restricted					
Debt service	—	418,808	—	418,808	—
Capital projects	—	675,680	—	675,680	—
Unrestricted (deficit)	446,741	371,873	(148,688)	669,926	(12,425)
Total Net Position	<u>\$ 2,920,148</u>	<u>\$ 4,887,088</u>	<u>\$ (121,512)</u>	<u>\$ 7,685,724</u>	<u>\$ (12,106)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(17,288)</u>	
Net position of business-type activities				<u>\$ 7,668,436</u>	

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
Operating revenues:					
Charges for services	\$ 451,630	\$ 351,299	\$ 51,077	\$ 854,006	\$ 175,696
Sewer service charges from other governmental units	17,669	—	—	17,669	—
Rentals, admissions and concessions	75	144,846	1,624	146,545	—
Other	8,758	29,332	3,622	41,712	102
Total operating revenues	478,132	525,477	56,323	1,059,932	175,798
Operating expenses:					
Salaries and employee benefits	103,162	95,745	30,546	229,453	99,347
Utilities	20,856	9,584	538	30,978	572
Supplies and materials	20,405	6,313	1,222	27,940	12,314
Repairs, maintenance and other contractual services	9,389	147,218	108	156,715	3,664
Motor equipment services	5,529	—	7,824	13,353	332
Engineering and consultant fees	31,441	21,655	10,058	63,154	713
General services and other costs	48,238	22,991	3,222	74,451	68,090
Depreciation and amortization	109,822	253,554	3,714	367,090	41
Total operating expenses	348,842	557,060	57,232	963,134	185,073
Operating income (loss)	129,290	(31,583)	(909)	96,798	(9,275)
Non-operating revenues (expenses):					
Investment income, net of capitalized interest	17,161	10,062	15	27,238	—
Municipal Option Sales Tax revenue	145,244	—	—	145,244	—
Interest expense	(128,893)	(110,382)	(926)	(240,201)	(96)
Passenger facility charges	—	202,963	—	202,963	—
Customer facility charges	—	30,342	—	30,342	—
Other revenue (expenses), net	(2,176)	4,698	24,580	27,102	20
Total nonoperating revenues (expenses), net	31,336	137,683	23,669	192,688	(76)
Income (loss) before capital contributions and transfers	160,626	106,100	22,760	289,486	(9,351)
Capital contributions	15,961	14,515	3	30,479	—
Transfers in	—	—	4,314	4,314	9
Transfers out	(37,318)	(2,743)	(25,037)	(65,098)	(288)
Change in net position	139,269	117,872	2,040	259,181	(9,630)
Net Position, beginning of period, as restated (Note I.G.)	2,780,879	4,769,216	(123,552)	7,426,543	(2,476)
Net Position, end of period	\$ 2,920,148	\$ 4,887,088	\$ (121,512)	\$ 7,685,724	\$ (12,106)
			Change in net position	259,181	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				(3,528)	
			Change in net position of business-type activities	\$ 255,653	

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Cash flows from operating activities					
Cash received from user charges	\$ 459,418	\$ 533,809	\$ 55,586	\$ 1,048,813	\$ 175,792
Cash received for interfund services received	13,085	—	—	13,085	—
Cash paid for interfund services received	(10,529)	—	—	(10,529)	—
Cash paid to employees for services	(91,201)	(96,797)	(31,494)	(219,492)	(99,365)
Cash paid to suppliers for goods and services	(130,385)	(184,925)	(27,471)	(342,781)	(77,996)
Net cash provided by (used in) operating activities	240,388	252,087	(3,379)	489,096	(1,569)
Cash flows from noncapital financing activities					
Non-capital grants and donations	(2,176)	—	—	(2,176)	—
Transfers in	145,244	—	4,314	149,558	9
Transfers out	(37,318)	—	(25,037)	(62,355)	(288)
Net cash provided by (used in) noncapital financing activities	105,750	—	(20,723)	85,027	(279)
Cash flows from capital and related financing activities					
Capital grants and donations	15,961	15,002	3	30,966	—
Principal repayments of long-term debt	(71,773)	(127,675)	435	(199,013)	—
Gain on Sale	—	—	26,008	26,008	—
Acquisition, construction and improvements of capital assets	(230,037)	(433,607)	(3,044)	(666,688)	—
Passenger and customer facility charges	—	208,992	—	208,992	—
Contract retention withheld, net	—	3,863	—	3,863	—
Proceeds from bond/note issuances	281,357	158,188	—	439,545	—
Premium from issuance of debt	7,621	—	—	7,621	—
Interest paid	(158,488)	(116,979)	(967)	(276,434)	(96)
Net cash provided by (used in) capital and related financing activities	(155,359)	(292,216)	22,435	(425,140)	(96)
Cash flows from investing activities					
Change in equity in cash management pool	5,566	6,397	1,753	13,716	1,944
Interest on investments	14,489	17,534	15	32,038	—
Swap termination payment	(23,976)	—	—	(23,976)	—
Purchases of restricted investments	(114,523)	(2,111,606)	2	(2,226,127)	—
Sales and redemptions of restricted investments	124,854	2,027,691	—	2,152,545	—
Net cash provided by (used in) investing activities	6,410	(59,984)	1,770	(51,804)	1,944
Increase (decrease) in cash and cash equivalents	197,189	(100,113)	103	97,179	—
Cash and cash equivalents:					
Beginning of year	217,682	528,158	33	745,873	—
End of year	\$ 414,871	\$ 428,045	\$ 136	\$ 843,052	\$ —

continued

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by used in operating activities:					
Operating income (loss)	\$ 129,290	\$ (31,583)	\$ (909)	\$ 96,798	\$ (9,275)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	109,822	253,554	3,714	367,090	41
Changes in assets and liabilities					
Accounts receivable - net of allowance	(1,749)	(2,313)	(354)	(4,416)	(6)
Inventories	2,766	(1,340)	—	1,426	—
Due from other funds	(2,472)	—	—	(2,472)	—
Prepaid expenses	—	107	283	390	(254)
Due (from) other governmental units, net	(4,342)	—	—	(4,342)	—
Investment in joint venture	1,698	—	—	1,698	—
Accounts payable and accrued expenses	6,156	36,523	1,877	44,556	182
Other liabilities	—	(2,861)	(2,858)	(5,719)	(18)
Claims payable	(1,243)	—	—	(1,243)	—
Customer deposits	462	—	—	462	—
Due to other funds	—	—	(6,438)	(6,438)	7,761
Net cash provided by (used in) operating activities	<u>\$ 240,388</u>	<u>\$ 252,087</u>	<u>\$ (4,685)</u>	<u>\$ 487,790</u>	<u>\$ (1,569)</u>
Schedule of noncash capital and related financing activity:					
Acquisition of capital assets with accounts payable	\$ 49,527	\$ 39,740	\$ —	\$ 89,267	—
Amortization of bond discount and premium, net	14,781	14,926	—	29,707	—
Retainage payable	21,401	—	—	21,401	—
Acquisition of capital assets in installment payment arrangement	5,191	—	—	5,191	—
Accrued capitalized interest	1,155	—	—	1,155	—

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018
(Dollar amounts in thousands)

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 53,896	\$ 151
Securities lending cash collateral	24,701	—
Equity in cash management pool	—	23,433
Receivables:		
Other Employee Contributions	1,761	—
Other Employer Contributions	8,307	—
Due from brokers	3,725	—
Accrued interest receivable	3,635	—
Prepaid expenses	—	1,562
Other receivables	11,287	420
Total receivables	28,715	1,982
Investments:		
Cash and cash equivalents	31,557	—
Domestic fixed income securities	771,578	—
Domestic equities	2,152,635	—
International fixed income securities	5,994	—
International equities	230,480	—
Alternative partnerships:		
Real estate	51,628	—
Limited partnerships	71,183	—
Comingled funds	85,437	—
Total investments	3,400,492	—
Total assets	3,507,804	25,566
LIABILITIES		
Payables:		
Accounts payable	4,356	25,566
Due to brokers for investments purchased	6,002	—
Collateral payable for securities lending	24,701	—
Total liabilities	35,059	25,566
Net Position Restricted for Pension	\$ 3,472,745	

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018
(Dollars in Thousands)

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer contributions	\$ 173,779
Employee contributions	51,133
Refunds and other	235
Total Contributions	<u>225,147</u>
Investment income:	
Net change in fair value of investments	288,524
Investment income	36,773
Securities lending income	228
Less: Investment expenses	<u>(10,018)</u>
Net investment income	<u>315,507</u>
Total Additions	<u>540,654</u>
Deductions	
Benefit payments	299,351
Administrative expenses	<u>3,688</u>
Total Deductions	<u>303,039</u>
Change in net position	237,615
Net position held in trust for pension benefits:	
Beginning of period	<u>3,235,130</u>
End of period	<u><u>\$ 3,472,745</u></u>

The accompanying notes are an integral part of this statement



Component Units

Atlanta Fulton County Recreation Authority - Established to account for the acquisitions, construction, maintenance, and operation of an athletic coliseum, and the Atlanta Zoo.

Atlanta Development Authority – Atlanta Development Authority, d/b/a Invest Atlanta, is the official economic development authority for the City of Atlanta. Its purpose is to strengthen Atlanta's economy and global competitiveness in order to create increased opportunity and prosperity for the people of Atlanta.



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Component Units
Statement of Net Position
For the Year Ended June 30, 2018
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,726	\$ 33,131	\$ 42,857
Restricted cash and cash equivalents	\$ 22,562	109,950	132,512
Receivables:			
Accounts	3,270	—	3,270
Other receivables	—	2,218	2,218
Total receivables	3,270	2,218	5,488
Due from other component units	—	3,702	3,702
Current portion of capital lease receivable	—	7,269	7,269
Prepaid expenses and other assets	8	285	293
Total current assets	35,566	156,555	192,121
Noncurrent Assets:			
Unrestricted assets:			
Due from primary government	249,710	302,620	552,330
Investments	—	8,794	8,794
Other receivable	—	1,812	1,812
Mortgage loans receivable	—	3,363	3,363
Due from other component units	—	56,745	56,745
Other assets	—	10,940	10,940
Total unrestricted assets	249,710	384,274	633,984
Restricted assets:			
Cash	191,241	—	191,241
Total restricted assets	191,241	—	191,241
Capital assets - at cost:			
Land	22,497	67,843	90,340
Construction-in-progress	50,741	164,374	215,115
Land improvements	347	5,752	6,099
Buildings and improvements	218,162	38,498	256,660
Other property and equipment	15,745	4,350	20,095
	307,492	280,817	588,309
Less accumulated depreciation	(147,428)	(22,764)	(170,192)
Capital assets, net	160,064	258,053	418,117
Total assets	636,581	798,882	1,435,463
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated deferred losses on debt refunding	\$ 2,107	\$ 1,593	\$ 3,700
Total assets and deferred outflows of resources	\$ 638,688	\$ 800,475	\$ 1,439,163

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Component Units
Statement of Net Position
For the Year Ended June 30, 2018
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 6,564	\$ 8,326	\$ 14,890
Accrued interest payable	—	10,566	10,566
Other liabilities	5	5,627	5,632
Unearned revenues	—	1,739	1,739
Current portion of long-term debt	—	27,399	27,399
Total current liabilities	<u>6,569</u>	<u>53,657</u>	<u>60,226</u>
Liabilities payable from restricted assets:			
Current portion of long-term debt	37,810	—	37,810
Other liabilities	632	—	632
Total liabilities payable from restricted assets	<u>38,442</u>	<u>—</u>	<u>38,442</u>
Long-term liabilities:			
Long-term debt, less current portion	326,315	442,101	768,416
Other long-term liabilities	—	31,729	31,729
Due to primary government	15,532	24,000	39,532
Total long-term liabilities	<u>341,847</u>	<u>497,830</u>	<u>839,677</u>
Total liabilities	<u>386,858</u>	<u>551,487</u>	<u>938,345</u>
DEFERRED INFLOWS OF RESOURCES			
Accumulated deferred gain in refundings	191,410	1,100	192,510
Total liabilities and deferred inflows of resources	<u>578,268</u>	<u>552,587</u>	<u>1,130,855</u>
NET POSITION			
Net investment in capital assets	31,891	172,490	204,381
Restricted	18,813	98,722	117,535
Unrestricted (deficit)	9,716	(23,324)	(13,608)
Total net position	<u>\$ 60,420</u>	<u>\$ 247,888</u>	<u>\$ 308,308</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Component Units
Statement of Activities
For the Year Ended June 30, 2018
(Dollars in Thousands)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	TOTALS
Component Units							
Business-type activities							
Atlanta Fulton County Recreation Authority	\$ 37,021	\$ 791	\$ 292	\$ 37,624	\$ 1,686	\$ —	\$ 1,686
Atlanta Development Authority	91,225	22,364	45,937	112,398	—	89,474	89,474
Total Business-type activities	128,246	23,155	46,229	150,022	1,686	89,474	91,160
Total Component Units	<u>\$ 128,246</u>	<u>\$ 23,155</u>	<u>\$ 46,229</u>	<u>\$ 150,022</u>	<u>\$ 1,686</u>	<u>\$ 89,474</u>	<u>\$ 91,160</u>
General revenues:							
Other taxes					\$ 6,594	\$ —	6,594
Investment income					216	781	997
Other					25,880	2,315	28,195
Total General revenues					<u>32,690</u>	<u>3,096</u>	<u>35,786</u>
Change in net position					<u>34,376</u>	<u>92,570</u>	<u>126,946</u>
Net position - beginning of period (as restated for GASB No. 75)					<u>26,044</u>	<u>155,318</u>	<u>181,362</u>
Net position - end of period					<u>\$ 60,420</u>	<u>\$ 247,888</u>	<u>\$ 308,308</u>

The accompanying notes are an integral part of this statement



Notes to the Financial Statements

City of Atlanta, Georgia

Notes to Financial Statements

Contents

	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity	42
B. Basis of Presentation	45
C. Measurement Focus and Basis of Accounting	47
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances	47
E. New Accounting Pronouncements	56
F. Use of Estimates	57
G. Change in Accounting Principle	58
II. Stewardship, Compliance and Accountability	
A. Compliance with Finance Related Legal and Contractual Provisions	58
B. Budgets and Budgetary Accounting	58
C. Deficit Fund Balances	58
III. Detailed Notes on All Funds	
A. Deposits and Investments	59
B. Property Taxes, LOST, MOST, TSPLOST and Car Rental Taxes	71
C. Tax Abatements	72
D. Capital Assets	74
E. Interfund Receivables, Payables, and Transfers	76
F. Leases	78
G. Restricted Net Position and Restricted Assets	83
H. Long-Term Obligations	85
IV. Other Information	
A. Risk Management	107
B. Commitments and Contingent Liabilities	109
V. Pensions and Postemployment Benefits	
A. Pensions	115
B. Post-Employment Benefits	137
VI. Subsequent Events	
Subsequent Events	145

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

I. Summary of Significant Accounting Policies

The accounting principles of the City of Atlanta ("City") conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental entities. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The Financial Reporting Entity

The City is a municipal corporation governed by the Mayor and the City Council. In evaluating how to define the City for financial reporting purposes, the management of the City has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Each discretely presented component unit is reported separately in the basic financial statements to emphasize that it is legally separate from the City Government.

All blended component units have a June 30 fiscal year end. Of the discretely presented component units, the Atlanta Fulton County (Recreation Authority) has a December 31 fiscal year end and the Atlanta Development Authority, d/b/a Invest Atlanta (Invest Atlanta), has a June 30 fiscal year end.

Blended Presented Component Units

Atlanta Public Safety and Judicial Facilities Authority ("APSJFA"), Solid Waste Management Authority ("SWMA"), and Atlanta Housing Opportunity, Inc. (AHOI) are legally separate from the City, but governed by boards appointed by the Mayor and/or the City Council. There exists a financial benefit/burden relationship between the City and the entity. APSJFA, SWMA, and AHOI are reported as if they are a part of the primary government because their primary purpose is to provide services to the City. The general fund of AHOI is reported as a special revenue fund of the City. APSJFA and SWMA's capital project funds are reported as capital project funds of the City.

Separate audited financial statements for AHOI may be obtained from Invest Atlanta, 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303. Separate financial statements are not prepared for APSJFA and SWMA.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the Atlanta Fulton County Recreation Authority ("Recreation Authority") and Invest Atlanta. They are reported as discretely presented because the governing body of each of these component units is not substantively the same as the primary government. All the discretely presented component units are accounted for as proprietary fund types.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Atlanta Fulton County (Recreation Authority) - Created in 1960, the principal activities of the Recreation Authority include the maintenance and oversight of an athletic stadium (the "Stadium"), an athletic coliseum (the "Arena"), and the Atlanta Fulton County Zoo, Inc. ("Zoo"), for which the Recreation Authority acts as lessee under a leasehold interest granted by the City. The Mayor appoints the majority (two-thirds, or six of nine) of the governing body of the Recreation Authority. The City has a two-thirds interest in the Recreation Authority and Fulton County has one-third interest. The separate financial statements of the Recreation Authority may be obtained from the Atlanta Fulton County Recreation Authority, 101 Marietta Street, NW, Suite 1070, Atlanta, GA 30303.

The City, Fulton County ("the County"), and the Zoo by contractual agreement with the Recreation Authority, will fund any deficiencies in principal and interest payments on the applicable revenue bonds issued for construction and capital improvements of the Arena and the Zoo. The funding of any deficiencies related to the Arena is based on the proportionate ownership interest noted above for the City and Fulton County. For the Arena, there were no such deficiencies during the fiscal year that required funding by the City or Fulton County. When the related Arena revenue bonds have been fully paid, the Recreation Authority will convey fee simple title of the Arena to the City and Fulton County based on their proportionate shares noted above, upon joint request of the City and Fulton County. The component unit presentation in the financial statements of the Recreation Authority consolidates the operations of the Stadium and Arena.

Invest Atlanta - Invest Atlanta, is the economic development agency for the City of Atlanta. Invest Atlanta was created effective January 1, 1997, to promote the revitalization and growth of the City through a comprehensive and centralized program focusing on community development and redevelopment. It combines several organizations, including the Downtown Development Authority (DDA), which perform similar economic development functions. The Mayor and City Council are responsible for appointing the members of the Board of Directors of Invest Atlanta and have the ability to impose their will on Invest Atlanta. In addition, Invest Atlanta has the potential to impose a financial burden on the City. The separate audited financial statements of Invest Atlanta may be obtained from Invest Atlanta, 133 Peachtree Street, N.E., Suite 2900, Atlanta, Georgia 30303.

Joint Ventures

The *Atlanta-Fulton County Water Resource Commission ("Commission")* is a joint venture between Fulton County ("the County") and the City for the construction and operation of a water treatment plant accounted for under the equity method of accounting. The Commission is governed by a seven-member management commission; three members are appointed by the City, three by the County, and one independent member is elected by majority vote of the other members. The City and County also approve the annual budget of the Commission. Under the terms of the amended Joint Venture Agreement, the City and the County equally share the costs of all capital expenditures. Capital contributions are recorded during the year in which the additions to capital assets are accrued, whether paid or recorded as a liability, including retainage. The City and County each contributed \$509,000 during the fiscal year ended June 30, 2018. These capital costs are reflected as Investment in Joint Venture.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

The costs of operations of the plant are paid directly by the County as incurred. The County is subsequently reimbursed by the City for its pro rata share of the cost of operations, net of personnel costs paid by the City. The costs of operations, including personnel costs, are allocated between the City and the County on the basis of water delivered to each. The City's share of those operating costs was \$2,795,000 for the year ended June 30, 2018. The costs are reflected in operating costs. At June 30, 2018, the City owes the County approximately \$311,000 for expenses and capital costs associated with the joint venture.

Financial information for the Commission summarized below is as of and for the year ended December 31, 2017 (in thousands):

Total assets	\$ 145,356
Total fund net position	\$ 143,152
Total operating revenue	\$ 9,528
Total operating expenses	\$ 13,738
Total nonoperating losses	\$ —
Net loss	\$ (4,210)

The separate financial statements of the Commission may be obtained from the Commission, 9750 Spruill Road, Alpharetta, Georgia 30022.

Atlanta Regional Commission - Under Georgia law, the City, in conjunction with other cities and counties in metropolitan Atlanta, is a member of the Atlanta Regional Commission (“ARC”) and is required to pay annual dues thereto. During the fiscal year ended June 30, 2018, the City paid \$164,803 in dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality in the area. The 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 the Atlanta Regional Commission at 40 Courtland St. NE, Atlanta, Georgia 30303.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Related Organizations

The City is also responsible for appointing a majority of the members of the boards of the Atlanta Housing Authority (AHA), Atlanta Urban Redevelopment Agency (AURA), and the Downtown Development Authority of the City of Atlanta (DDA). The City's accountability for AHA does not extend beyond making appointments to the Board. AURA and DDA are reported as blended component units of Invest Atlanta.

B. Basis of Presentation

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 non-fiduciary activities of the City and its component units. The effect of material interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on user fees and charges for support. City activities are reported separately from certain legally separate component units for which the City is financially accountable. Interfund services provided and used are not eliminated in the process of consolidation.

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 applicants who 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 meeting the definition of program revenues are reported as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, with the latter excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Basis of 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 transactions of the City, except those required to be accounted for in another fund.

The *Capital Project Fund* is used to account for the acquisition, construction or improvement of capital assets. Although reported as a single fund in aggregate, it is comprised of multiple, separately tracked accounts and projects funded with the proceeds of long-term debt.

The City reports the following major enterprise funds:

The *Department of Watershed Management Fund (DWM)* accounts for all activities associated with the provision and management of clean water, wastewater and storm water systems, and water pollution control services to individuals, organizations and other governmental units within and around the City.

The *Department of Aviation Fund (DOA)* accounts for the activities of the William B. Hartsfield - Maynard H. Jackson Atlanta International Airport.

Additionally, the City reports the following fund types:

Internal Service Funds account for the services and activities that provide services to the other funds and departments on a cost-reimbursement basis. Over time, the internal service funds function basically on a break-even basis. Such services include the Fleet Services as well as Group Insurance transactions related to the provisions of life, accident, and medical insurance benefits through outside insurance companies for permanent employees and retirees of the City.

Fiduciary Fund Types:

The *Pension Trust Funds* account for activities in which the City acts as trustee for an individual or organization. The *Pension Trust Funds* accumulate resources for pension benefit payments to members and their beneficiaries of the General Employees' (defined benefit and contribution plans), Fire Fighters' and Police Officers' benefit plans.

The *Agency Fund* accounts for various taxes and other receipts held in escrow for individuals, outside organizations and other governments.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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. Agency funds, as part of fiduciary funds, while on the accrual basis, do not have a measurement focus since they do not report net position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, compensated absences, claims and judgments, and worker's compensation are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

Cash Equivalents

The City considers all highly liquid debt securities with an original maturity of three months or less to be cash equivalents. The Georgia Fund 1 (GF1) is a stable net asset value investment pool managed by the State of Georgia (Office of State Treasurer) and is not registered with the SEC. The GF1 operates in a manner consistent with SEC Rule 2a-7 of the Investment Company Act of 1940 and is considered a SEC Rule 2a-7- like pool. The fair value of the participant shares is computed weekly with pool earnings distributed on a monthly basis based on equivalent shares owned by participants based on \$1.00 per share.

Separate financial statements of the GF1 may be obtained from the Office of the Georgia State Treasurer, 200 Piedmont Avenue, Suite 1202, West Tower, Atlanta, Georgia 30334-5527.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Investments

The OCGA 36-83-4 authorizes the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, and obligations of a corporation of the U.S. Government, repurchase agreements and prime bankers' acceptance. The City's investment policy authorizes portfolios that consist of U.S. Treasuries, U.S. Agencies/Instrumentalities, Obligations of Other Political units in the State of Georgia, Municipal Securities, Bankers Acceptances, Local Government Investment Pools and Certificates of Deposit. According to City policy, up to 75% of the portfolio may consist of U.S. Government Agencies securities. The City invests in repurchase agreements only when collateralized by U.S. Government or Agency Obligations. By statute, which differs from the OCGA 36-83-4, up to 55% of the cost basis of the investment portfolio for the General Employees' Pension Plan, the Firefighters' Pension Plan and the Police Officers' Pension Plan (The Plans) may consist of U.S. corporate equity securities. Additionally, in accordance with authorized investment laws, the Plans can invest in various mortgage-backed securities, such as collateralized mortgage obligations ("CMOs") and government backed mortgage securities. These are separately identified in the disclosure of custodial credit risk (see Note III. A). In 2014, the General Employees' Pension Board, the Firefighters' Pension Board and the Police Officers' Pension Board (The Pension Boards) authorized The Plans to invest in alternative investments, not to exceed 5% of the total investments.

Investments, except in the pension funds, consist primarily of U.S. Government securities and are stated at fair value. Pension fund investments, which also include bonds and U.S. Government and other domestic and foreign securities, are stated at fair value or net asset value as a practical expedient to fair value at June 30, 2018. Repurchase agreements are reported at amortized cost.

The City maintains a cash management pool whereby operating cash is held. This pool is not considered a separate accounting entity for financial reporting purposes; instead, each participating fund's equity in the cash management pool is recorded as such on its statement of net position. Related interest income is allocated to each participating fund based on each fund's recorded equity in the pool.

Inventories

Inventories are stated at cost (substantially first-in, first-out) which is not in excess of market. Inventories are accounted for using the purchase method whereby inventories are recorded as expenditures or expenses when they are used.

Prepaid Items

Payments for services that benefit future periods are recorded as prepaid expenses in accordance with the consumption method.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Restricted Assets

Restricted assets represent amounts which are required to be maintained pursuant to external restrictions imposed by Federal Government, banks etc., relating to the passenger and customer facility charges; construction, renewal and extension and sinking funds; funds received for specific purposes pursuant to U. S. Government grants; municipal option sales tax; and various special purposes taxes.

Capital Assets

Capital assets, which include property, easements, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks, and similar items) used in governmental and business-type activities of the City, are recorded in the statement of net position at historical cost (or estimated historical cost). Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are recorded at acquisition value. Expenses for replacements, maintenance, repairs, and betterments, which do not materially prolong the life of the related asset, are charged to expenditures/expenses when incurred. All reported capital assets, except land and construction in progress, are depreciated.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Depreciation is computed using the straight-line method over the following estimated useful lives:

Governmental-type Activities:

Buildings	20-50 years
Building improvements	20 years
Land Improvements	10-25 years
Furniture and equipment	5-15 years
Vehicles	5-25 years
Infrastructure	25-50 years
Aircraft, Helicopter	17 years
Light rail, streetcar	25 years

Business-type activities:

Department of Aviation:

Runways, taxiways, and other land improvements	15-35 years
Terminal and maintenance buildings and other structures	15-35 years
Other property and equipment	2-20 years

Department of Watershed Management:

Water and wastewater plant and treatment facilities	50 years
Water collection and distribution system	75 years
Wastewater system	67 years
Stormwater drainage system	75 years
Machinery, equipment, and other	5-15 years
Land Improvements	10-20 years

Sanitation:

Buildings	20-50 years
Equipment	5-15 years

Parks and Recreational Facilities:

Buildings	20-50 years
Other property and equipment	5-20 years

Internal Service Fund:

Buildings	20-50 years
Other property and equipment	5-15 years

City of Atlanta and Fulton County Recreation Authority:

(as a discretely presented component unit):

Buildings and improvements	7-30 years
Other property and equipment	3- 20 years

Atlanta Development Authority:

(as a discretely presented component unit):

Buildings and improvements	26-30 years
Furniture and equipment	3-5 years

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

The City has elected not to capitalize works of art and historical treasures based on its policy that these items are not held for financial gain. They will be preserved and any proceeds from the sale of the items will be used to acquire other collections.

Interest is capitalized on proprietary fund assets constructed with the proceeds of tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project against interest earned on invested proceeds over the same period. The Department of Watershed Management and the Department of Aviation capitalized approximately \$7,208,000 and \$16,800,000 respectively, in net interest costs during the year ended June 30, 2018.

Compensated Absences

City employees are awarded sick and vacation time as determined by personnel policies. A maximum accrual of 25 to 45 days of vacation leave is authorized, depending upon length of service. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation leave balance. The liability has been calculated using the vesting method, in which vacation amounts for employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability for compensated absences is only reported in governmental funds if they have matured.

Employees can accrue unlimited amounts of sick leave. Sick leave can be taken only due to personal illness or, in certain cases, illness of family members. Sick leave is not intended to be paid out except under special circumstances where the City Council has given approval and the necessary funds are available. Consequently, the City does not record an accrued liability for accumulated sick pay.

Bond Premiums and Discounts

In the government-wide and proprietary fund financial statements, the unamortized balances of bond premiums and bond discounts are presented as adjustments to the respective liability balances. Bond premiums and discounts are amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Insurance costs related to the issuance of bonds are reported as prepaid insurance and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the statement of revenue, expenditures, and changes in fund balance in the period incurred. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Fund Balances

City of Atlanta Code of Ordinances Section 6-315 provides authority pertaining to fund balances. Fund balances are classified as: (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned. *Nonspendable fund balance* refers to amounts that are not in spendable form or are legally required to remain intact. *Restricted fund balance* refers to amounts that are subject to externally enforceable legal restrictions by either debt covenants, or laws or regulations of other governments. *Committed fund balance* refers to amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council prior to the end of the fiscal year. The same formal action is required to remove the limitation. *Assigned fund balance* refers to amounts that are intended to be used for specific purposes. The Chief Financial Officer of the City may recommend assignment of fund balances subject to approval of the City Council. *Unassigned fund balance* refers to the residual net resources and are the excess of nonspendable, restricted, committed and assigned. The general fund is the only fund that reports a positive unassigned fund balance amount.

Spending Prioritization Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, restricted amounts shall be considered to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

Authority to Commit or Assign Funds Policy

Commitments or assignments of funds will only be used for specific purposes. Committed balances or assigned balances will only be established pursuant to formal action by the City Council, upon recommendation from the Chief Financial Officer. Such commitments or assignments cannot exceed the available fund balance in any particular fund.

Minimum Unrestricted Balance in the General Fund Policy

The City maintains a minimum unrestricted fund balance in the General Fund ranging from no less than 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers. At any time, the unrestricted fund balance is within the range of 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers, upon recommendation by the Chief Financial Officer, the City Council may authorize additional transfers to a fund at its discretion, up to a maximum of 5% per year of the subsequent year's budgeted revenues in preparation for adoption of the upcoming year's budget. If the unrestricted fund balance falls below the minimum 15% of the subsequent year's budgeted expenditures and outgoing transfers, replenishment of shortages will be made within specified time periods and upon the recommendation of the Chief Financial Officer. Should the unrestricted fund balance of the General Fund exceed the maximum of 20%, such surplus fund balance may be considered for transfer to deficit balances in other funds and for one-time expenditures that are nonrecurring. At

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

least 50% of surplus fund balance must be used to reduce any deficit fund balance prior to allocation for any one-time expenditure.

Below are the fund balance classifications for the governmental funds at June 30, 2018 (dollars in thousands).

	General Fund	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Net Advances Receivable	\$ 5,247	\$ —	\$ —	\$ 5,247
Restricted				
HUD -Community Development	—	—	662	662
Tax Allocation Districts	—	—	17,624	17,624
Debt Service	—	—	318,537	318,537
Expendable Trust	—	—	34,282	34,282
HUD Section 108 Loans	—	—	3,175	3,175
HUD Home Investment	—	—	398	398
TSPLOST	—	—	27,217	27,217
AHOI	—	—	44,566	44,566
Capital Projects	—	291,580	47,477	339,057
	—	291,580	493,938	785,518
Committed	30,944	—	—	30,944
Assigned				
Unrestricted encumbrances	10,624	—	—	10,624
Unassigned				
E911	—	—	(2,004)	(2,004)
Intergovernmental grants	—	—	(8,956)	(8,956)
General Fund	132,065	—	—	132,065
	132,065	—	(10,960)	121,105
Total Fund Balance	\$ 178,880	\$ 291,580	\$ 482,978	\$ 953,438

In the event expenditures are incurred for purposes under which the amounts in any unrestricted fund balance could be used, committed funds would be reduced first, followed by assigned amounts, and then unassigned amounts.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Encumbrances are commitments to unfilled purchase orders or unfilled contracts. Funds have been committed to a specific order, but the goods or services have not been billed or received. The City has outstanding encumbrances at June 30, 2018 as follows (dollars in thousands):

	<u>General Fund</u>
Contract Services	\$ 8,126
Supplies	2,190
Capital	308
Total	<u>\$ 10,624</u>

Net Position

Net position is classified and displayed in three components, as applicable:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted - Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted - All other assets that constitute the components of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resource (expense) until then. The *deferred losses on refunding* results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The *effective portion of swaps* relates to the Department of Watershed Management swaps considered to be derivatives, which are accounted for as deferred outflows of resources. The amount for *pensions and OPEB* relates to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Changes in the fair value of hedging derivatives are reported as deferred inflows or outflows of resources. The *deferred gain on refunding* results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for *pensions and OPEB* relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources.

Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, employment, construction programs, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in the governmental and proprietary funds. All grant contributions in the proprietary funds are for the purpose of construction activities, principal debt service reimbursements, or land or easement acquisitions. They are recorded in the statement of revenue, expenses, and changes in net position as capital contributions. For all funds, a grant receivable is recorded when all applicable eligibility requirements have been met.

General Services Costs

The City allocates a portion of general services costs (such as purchasing, accounting, budgeting, personnel administration, and certain other costs based on allocation methods determined by an independent study) to the Department of Aviation, the Department of Watershed Management, the Sanitation Fund and the Internal Service Fund in order to more fully reflect the actual cost of providing these services. For the year ended June 30, 2018, such allocated expenses amounted to approximately \$10,529,000 for the Department of Watershed Management, approximately \$11,189,000 for the Department of Aviation, approximately \$6,469,000 for the Sanitation Fund, and approximately \$6,500,000 for the Internal Service Funds.

Net Pension Liability

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Atlanta Pension Plans (Pension Plans), and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. For the year ended June 30, 2018, the net pension liability for City is \$1.28 billion.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Net OPEB Liability

For purposes of measuring net other postemployment liability (OPEB), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. For the year ended June 30, 2018, the net OPEB liability for City is \$1.21 billion.

E. New Accounting Pronouncements

Pronouncements effective for the 2018 Financial Statements:

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This Statement establishes accounting and financial reporting standards for Other Post-Employment Benefit Plans (OPEB) that are administered through trusts or equivalent arrangements which involve contributions from employers and nonemployer contributing entities to the OPEB plan. This Statement also establishes requirements for note disclosures and required supplementary information for defined benefit OPEB plans. See impact of Change in Accounting Principle in Note I.G.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. It addresses issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). See impact of Change in Pensions and Post-Employment Benefits in Note V.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. It also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. There was no impact of this pronouncement to the City's financial statements.

Pronouncements issued, but not yet effective, which will be adopted by the City in future years:

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). It establishes criteria for determining the timing and pattern of the recognition of a liability and a corresponding deferred outflow of resources for AROs and also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements, continued

Statement is effective for reporting periods beginning after June 15, 2018. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. This Statement is effective for fiscal years beginning after December 15, 2018. The City is in the process of evaluating the impact of this Statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement establishes accounting and financial reporting standards focused on certain lease liabilities that currently are not reported. Comparability of financial statements among governments will be enhanced by requiring lessees and lessors to report leases under a single model. Decision-usefulness will also be enhanced by requiring notes to financial statements related to the timing, significance, and purpose of leasing arrangements. This Statement is effective for fiscal years beginning after December 15, 2019. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements and also clarify which liabilities governments should include when disclosing information related to debt. This Statement is effective for reporting periods beginning after June 15, 2018. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The Statement establishes accounting requirements for interest cost incurred before the end of a construction period. It enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. This Statement is effective for reporting periods beginning after December 15, 2019. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

F. 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, liabilities, revenues, expenditures/expenses and disclosures. Actual results could differ from those estimates.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

G. Change in Accounting Principle

The City implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2018. The primary objective of this statement is to improve accounting and reporting by state and local governments for OPEB. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/ expenditures.

The following table reflects the impact of the adoption of GASB Statement No. 75 to the City (dollars in thousands):

	Primary Government						Totals
	Governmental Activities	Business-Type Activities				Total Business-Type Activities	
		Department of Watershed Management	Department of Aviation	Non-major Enterprise	Internal Service Adjusted		
Net Position - beginning of period, as previously reported	\$ (538,880)	\$ 2,875,004	\$ 4,855,845	\$ (72,107)	\$ (2,476)	7,644,982	7,106,102
Adoption of GASB No. 75	(603,898)	(94,125)	(86,629)	(51,443)	—	(232,197)	(836,095)
Net Position - beginning of period, as restated	<u>(1,142,778)</u>	<u>2,780,879</u>	<u>4,769,216</u>	<u>(123,550)</u>	<u>(2,476)</u>	<u>7,412,785</u>	<u>6,270,007</u>

II. Stewardship, Compliance and Accountability

A. Compliance with Finance Related Legal and Contractual Provisions

In 2018, the City received subpoenas from the United States Attorney's Office for the Northern District of Georgia in furtherance of an ongoing investigation. The City continues to cooperate with the investigation, but is unable to predict the ultimate resolution.

B. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section on page 159.

C. Deficit Fund Balances

The following funds reported deficits in fund balance at June 30, 2018:

- Emergency Telephone System had an accumulated deficit of \$2.0 million. During the year, the deficit decreased by \$2.7 million due to the assessment and collection of a public safety fee. A public safety assessment was approved by the State Legislature in 2015, to increase revenue to fund the cost of operations. It is expected that the full impact of the assessment to increase revenue will occur in upcoming years.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

C. Deficit Fund Balances, continued

- Intergovernmental Grants fund had an accumulated deficit of approximately \$9.0 million. This deficit was primarily the result of timing differences between the expense and drawing down the grant funds. The City will ensure timely billing of Grant expenses and resolve unallowable expenditures.
- Sanitation Fund had an accumulated deficit of \$136.5 million. Lack of adequate billing to cover costs is contributing to this deficit. The City administration is evaluating a fee increase along with tight cost control measures to address and eliminate the operating deficit.
- Fleet Services had an accumulated deficit of \$4.0 million. During fiscal year 2018, the deficit increased by approximately \$0.8 million. Fleet operations and billing continue to be monitored to reduce costs and recover the remaining accumulated deficit by fiscal year 2019.
- Group Insurance had a deficit of \$8.1 million. This deficit was primarily due to the rate structure. The City administration is currently evaluating the structure to properly align the benefit rates, in order to eliminate the deficit.

III. Detailed Notes on All Funds

A. Deposits and Investments

Following are components of the City's cash and cash equivalents, and investments (including the Pension and Agency Funds and the Component Units) at June 30, 2018 (dollars in thousands).

	Primary Government				Component Units	
	Unrestricted	Restricted	Cash Pool	Total	Unrestricted	Restricted
Cash and Cash Equivalents	\$ 20,032	\$1,267,828	\$ 23,146	\$1,311,006	\$ 42,857	\$ 323,753
Georgia Fund 1	—	—	17,315	17,315	—	—
State and Local Bonds	—	78,594	137,594	216,188	—	—
Federal Agency Obligations	—	287,098	1,419,718	1,706,816	—	—
US Treasury Obligations	—	428,138	240,326	668,464	—	—
Repurchase Agreements (Repos)	—	538,626	—	538,626	—	—
Other Investment Pools	—	15,399	—	15,399	8,794	—
	<u>\$ 20,032</u>	<u>\$2,615,683</u>	<u>\$1,838,099</u>	<u>\$4,473,814</u>	<u>\$ 51,651</u>	<u>\$ 323,753</u>

The OCGA 36-83-4 authorized the City to invest in obligations of the United States Treasury, obligations of states or agencies, banker's acceptances, bank money market accounts, repurchase agreements, and the GF1 Investment pool (a local government investment pool). The General Employees' Pension Fund is also authorized to invest in corporate bonds and debentures which are not in default as to principal and interest; corporate stocks, common or preferred; first loans on real estate where the loans are guaranteed by the Administrator of Veterans Affairs or by the Federal Housing Authority of the United States; certificates of deposit in national banks and state banks insured by the FDIC; alternative investments, and any other investments approved by the Pension Board. The Pension Trust Funds also invest in collateralized mortgage obligations (CMOs). These securities are based on

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

cash flows from interest and principal payments on underlying mortgages. CMOs are sensitive to prepayments of mortgages, which may result from a decline in interest rates. The City invests in these securities in part to maximize yields and in part to hedge against a rise in interest rates.

Concentration of Credit Risk - Primary Government

The City diversifies its use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The City's investment portfolios, in aggregate, should be diversified to limit market and credit risk in general accord with the following limitations.

Investment Type	Maximum Maturity	Portfolio Limitation	
		Minimum	Maximum
U.S. Treasuries	5 years	15%	100%
U.S. Agencies/Instrumentalities	5 years	0%	75%
Obligations of other political units in the State of Georgia	5 years	0%	25%
Other Municipal Securities	5 years	0%	25%
Repurchase Agreements (Repos)/GICs	180 days	0%	50%
Bankers Acceptances (BA's)	270 days	0%	10%
Local Government Investment Pools	N/A	0%	40%
Certificates of Deposits (CD's)	3 years	0%	25%

The allocation may be adjusted in response to changing market conditions, cash flow requirements and according to the discretion of the Chief Financial Officer.

Custodial Credit Risk - Deposits

To control custodial credit risk, the City's investment policy requires all securities and collateral to be held by an independent third-party custodian in the City's name. The custodian provides the City with monthly values.

Concentration of Credit Risk - Investments

The City's investment policy also requires that the weighted-average maturity of the total portfolio not exceed three (3) years, and shall limit the maturity of any single security to five (5) years. However, \$100 million of the aggregate portfolio can now be invested in assets with maturities no longer than 10 years. The City's General Employees' pension funds' investment policy sets targets of 50% invested in domestic equity, 20% in international equity, 25% in domestic fixed income, and 5% alternative investments. The City's Firefighters' and Police Officers' pension funds investment policy sets targets of 61% invested in domestic equity, 9% in international equity, 25% in domestic fixed income, and 5% in alternative investments.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Pooled Cash and Investments Held in the State Treasury

The OCGA § 36-83-1 to 36-83-8 authorizes the City to invest funds in Georgia Fund 1 (GF1). The fund is managed by the State of Georgia Office of the State Treasurer. The City maintains a cash and investment pool that is available for use by all funds. Each participating fund's portion of this pool is displayed on the accompanying financial statements as "Equity in cash management pool". The GF1 is designed to maximize current income while preserving principal and providing daily liquidity. It is managed to maintain a constant net asset value of \$1.00 value and a weighted maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. At June 30, 2018, the GF1 weighted average maturity was 26 days. Portfolio composition in GF1 consisted of Federal Home Loan Bank ("FHLB") 14%, Federal Home Loan Mortgage Corporation ("FHLMC") 8%, Federal Farm Credit Bank ("FFCB") 1%, Supra Nationals 11%, term repo 7%, negotiated deposit agreement 33%, overnight repo 22%, and certificate of deposit 4%.

The City has adopted an investment policy (the "Policy") to minimize the inherent risks associated with deposits and investments. The primary objective of the Policy is to invest funds to provide for the maximum safety of principal.

Identified below are the investment types that are authorized for the City by the Policy. The Policy also identifies certain provisions of the Official Code of Georgia Annotated (OCGA) that address interest risk, credit risk, and concentration of credit risk. The Policy governs all governmental and business-type activities for the City, but does not govern the Pension Plans.

The City's investments are limited to U.S. Government securities and U.S. government agency securities which are limited to issues of the Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank System ("FHLBS"), Federal Home Loan Mortgage Corporation ("FHLMC"), and Federal National Mortgage Association ("FNMA"). Under the Policy, the City restricts investments in eligible obligations to discount notes and callable or non-callable fixed-rate securities with a fixed principal repayment amount. The Policy also identifies certain provisions of the OCGA that address interest rate risk, credit risk and concentration of credit risk. The Policy governs all governmental and business-type activities for the City, but does not govern the Pension Plans.

The City may also invest in fully collateralized repurchase agreements provided the City has on file a signed Master Repurchase Agreement, approved by the City Attorney, detailing eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination. It also requires the securities being purchased by the City to be assigned to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City; and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the state of Georgia, and is rated no less than A or its equivalent by two nationally recognized rating services.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Under the Policy, the City's investment portfolio, in aggregate, is to be diversified to limit its exposure to interest rate, credit and concentration risks by observing the above limitations.

Fair Value Measurement - Primary Government

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs in to three categories - Level 1, Level 2 and Level 3 inputs - considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present the City's financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2018 (in thousands):

	Level 1	Level 2	Level 3	Total
Debt securities:				
US Treasury Obligations	\$ 668,467	\$ —	\$ —	\$ 668,467
Federal Agency Obligations	—	1,706,816	—	1,706,816
State and Local Bonds	—	216,188	—	216,188
Total debt securities	668,467	1,923,004	—	2,591,471
Repurchase Agreements	—	538,626	—	538,626
Total debt securities	—	538,626	—	538,626
Total investments at fair value	<u>\$ 668,467</u>	<u>\$ 2,461,630</u>	<u>\$ —</u>	<u>\$ 3,130,097</u>
Other Investments				
Georgia Fund 1 and other investment pools				32,714
Total Investments				<u>\$ 3,162,811</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 are subject to pricing by an alternative pricing source due to a lack of information by the primary vendor. Level 2 securities also consist of guaranteed investment contracts and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. There were no Level 3 securities.

INVESTMENT RISK DISCLOSURES

Interest Rate Risk. Interest rate risk is the risk that changes in market rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Additionally, the fair values of the investments may be highly sensitive to interest rate fluctuations. By policy, the City establishes maximum maturity dates by investment type in order to limit interest rate risk. The City manages its exposure to interest rate risk by purchasing a combination of shorter-term and longer-term investments, and by timing cash flows from maturities so that a portion is maturing, or coming close to maturing, evenly over time as necessary to provide the cash flow and liquidity needs for operations.

The City has the ability and generally has the intent to hold all investments until their respective maturity dates. The average maturity of the City's pooled cash and investments governed by the Policy as of June 30, 2018, was approximately 1.8 years. If it becomes necessary or strategically prudent for the City to sell a security prior to maturity, the policy allows for occasional restructuring of the portfolio to minimize the loss of market value and/or to maximize cash flows.

Credit Risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not specify a minimum bond rating for investments.

Interest Rate and Credit Risks

As of June 30, 2018, the City had the following investments with the corresponding credit ratings and maturities (dollars in thousands):

Type of Investments	Credit Rating	Maturity					Carrying Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years	Over 5 Years	
State and local bonds	Aaa-Baa2	\$ 2,400	\$ 36,469	\$ 19,236	\$ 99,783	\$ 58,300	\$ 216,188
Federal Agency Obligations	Aaa/AA+	—	158,243	70,797	1,477,776	—	1,706,816
US Treasury Obligations	Exempt	64,597	493,470	110,400	—	—	668,467
Georgia Fund 1 and other investment pools	AAAf	32,714	—	—	—	—	32,714
Repurchase Agreements	NR	—	280,397	—	154,862	103,367	538,626
		<u>\$ 99,711</u>	<u>\$ 968,579</u>	<u>\$ 200,433</u>	<u>\$ 1,732,421</u>	<u>\$ 161,667</u>	<u>\$ 3,162,811</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Custodial Credit Risk.

Custodial credit risk - Deposits

It is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Custodial credit risk - Investments

It is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City requires that all uninsured collected balances plus accrued interest in depository accounts be collateralized and that the market value of collateralized pledged securities must be at least 110% of the deposit balances, and 102% for repurchase agreements. All investments of the City are either held by the City or by counterparties in the City's name; therefore the City's investments had no custodial risk as of June 30, 2018.

Concentration of Credit Risk.

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the OCGA. At June 30, 2018, individual issuers that represent 5% or more of total financial instruments by reporting unit were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Investment %</u>
Federal Home Loan Mtg Corp	Agency Bond	21.0%
Federal National Mtg Assn	Agency Bond	10.9%
U.S. Treasury	Treasury Obligation	7.8%

Investments in Pension Plans

The City has three defined benefit pension plans for full-time employees; the General Employees' Pension Plan (GEPP), the Police Officers' Pension Plan (PPP) and the Firefighters' Pension Plan (FPP) (collectively, the "Plans"). Each Plan was administered by its own Board of Trustees until December 2017. In December 2017, the City of Atlanta adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board in order to improve administrative efficiency, governance and investment returns.

The Board is ultimately responsible for making all decisions with regard to the administration of the Plans, including the management of Plan assets, and for carrying out the investment policy on behalf of their respective Plans. The Plans' investments are managed by various investment managers under contracts with the respective Plans who have discretionary authority over the assets managed by them, within the investment guidelines, established by the Board. The investments are held in trust by the

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Plans' custodians in the Plans' name. These assets are held exclusively for the purpose of providing benefits to members of the Plans and their beneficiaries. Identified below are the investment types authorized by the Board for each of the Plans. The investment policies also identify certain provisions addressing interest rate risk, credit risk and concentration of credit risk.

The Plans, by policy, are to invest their cash in domestic equities, domestic fixed income securities, international equities, international fixed income, alternative investments and cash equivalents. These instruments consist of common and preferred stock, obligations of the U.S. government and agencies (GNMA, FHLMC, and FNMA securities and CMO's), corporate bonds, and certificates of deposit. The Plans have strict limitations on the amounts managers are allowed to invest in any one issuer in all classes of securities. The Plans also invest in repurchase agreements which must be fully collateralized by the U.S. government or agency guaranteed securities. As of June 30, 2018, the Plans had an alternative investment in a limited partnership totaling \$71,183,000, with some outstanding commitments. As part of the partnership agreement, the Plan may not voluntarily withdraw from the partnership prior to its dissolution, and no limited partnership interest is redeemable or purchasable by the partnership at the option of the Plan.

Fair Value Measurement - Pensions

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs in to three categories - Level 1, Level 2 and Level 3 inputs - considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Plans also have investments held through limited partnerships and comingled vehicles for which fair value is estimated using the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

The following tables present the fiduciary funds financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2018 (in thousands):

	June 30, 2018			Total
	Level 1	Level 2	Level 3	
Short term investments				
Cash and cash equivalents	\$ 31,557	—	—	31,557
Debt securities:				
Asset backed securities	—	32,694	—	32,694
Comingled bond funds	—	68,304	—	68,304
Corporate and municipal bonds	—	166,874	—	166,874
Bond exchange traded funds	35,689	—	—	35,689
U.S. agency securities	—	78,743	—	78,743
U.S. treasury securities	161,759	—	—	161,759
Total debt securities	<u>197,448</u>	<u>346,615</u>	<u>—</u>	<u>544,063</u>
Equity securities:				
Comingled equity funds	—	1,105,331	—	1,105,331
Common stock	712,082	—	—	712,082
Exchange traded funds	282,710	—	—	282,710
Total equity securities	<u>994,792</u>	<u>1,105,331</u>	<u>—</u>	<u>2,100,123</u>
Collective Investment Trust	—	85,437	—	85,437
Stable value funds	—	35,138	—	35,138
Total investments at fair value	<u>\$ 1,223,797</u>	<u>1,572,521</u>	<u>—</u>	<u>2,796,318</u>
Investments measured at NAV:				
Commingled bond funds				198,372
Commingled equity funds				282,991
Private equity funds				71,183
Real estate funds				51,628
Total investments measured at NAV				<u>604,174</u>
Total investments				<u>\$ 3,400,492</u>
Securities lending cash collateral	<u>\$ 24,701</u>			<u>\$ 24,701</u>

Debt and Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Commingled equity funds, and stable value funds classified in Level 2 are valued using prices quoted

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

in active markets for those investment types and the readily determinable fair value per share (unit) which is determined based on the publication of the price or on the basis of current transactions. There were no Level 3 investments.

Investments in privately held limited partnerships and co-mingled vehicles which do not have a readily determinable fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2018. The monthly or quarterly values of the partnership investments provided from the general partner are reviewed by the Plan to determine if any adjustments are necessary. The Plan currently has no plans to sell any of the investments resulting in these assets being carried at the NAV estimated by the general partner/investment manager.

Securities Lending

State statutes and Pension Board policies permit the Plans to lend their securities to broker dealers and other entities, provided that the securities are fully collateralized for at least 102% of securities loaned and that collateral is received prior to the release of the securities by the custodian. All securities lending can be terminated on demand by either the Plans or the borrower, with securities delivered to the Plans within a specified period of time.

As of June 30, 2018, the General Employees' Pension Plan had funds under a securities lending agreement with a market value of outstanding loans of approximately \$24,701,000 and collateral of approximately \$24,701,000, which consisted of cash and collateral investments. The Plan has no significant credit risk exposure to borrowers. There were no violations of legal or contractual provisions, borrower or lending agent default losses during the year. The Plan records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending collateral investment pool with a corresponding amount recorded as a liability.

Alternative Investments

As of June 30, 2018, the Plans had alternative investments totaling \$71.2 million in the form of limited partnerships and \$51.6 million in real estate funds.

As of June 30, 2018, the related unfunded commitments of the Plans' alternative investments and limitations and restrictions on the Plans' ability to redeem or sell are summarized as follows (in thousands):

	<u>Unfunded commitments</u>	<u>Redemptions frequency (if currently eligible)</u>	<u>Redemptions notice period</u>
<u>General Employees' Pension Plan</u>			
Private equity fund	\$ 3,582	not eligible	not eligible
<u>Firefighters' Pension Plan</u>			
Private equity fund	\$ 2,698	not eligible	not eligible
<u>Police Officers' Pension Plan</u>			
Private equity fund	\$ 3,995	not eligible	not eligible

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Pension Trust Fund's Investment Risk Disclosures

Interest Rate and Credit Risks. As of June 30, 2018, the Pension Plans had the following fixed income investments with the corresponding credit ratings and maturities (dollars in thousands):

Type of Investments	Credit Rating	Maturity					Fair Value
		Under 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	
U.S. treasury securities	NR	\$ 14,449	\$ 11,952	\$ 48,517	\$ 50,703	\$ 36,138	\$ 161,759
U.S. agency securities	AAA/AA+	4,376	10,510	6,753	9,747	15,545	46,931
U.S. agency securities	BBB	—	—	—	223	—	223
U.S. agency securities	AGY	3	3	80	2,951	28,552	31,589
Corporate and municipal bonds	AA/A-	5,481	30,027	34,879	30,227	13,664	114,278
Corporate and municipal bonds	B+/BBB	2,494	9,332	8,819	17,660	5,657	43,962
Corporate and municipal bonds	AA-	—	1,013	514	—	—	1,527
Bond exchange traded funds	NR	35,689	—	—	—	—	35,689
Commingled bond fund	NR	138,146	—	—	—	—	138,146
Asset-backed securities	AAA	—	3,484	2,037	6,085	—	11,606
Asset-backed securities	NR	—	—	1,039	—	—	1,039
Asset-backed securities	AAA/A	—	—	—	—	4,542	4,542
Asset-backed securities	NR	—	—	—	—	15,507	15,507
Corporate and municipal bonds	A/A+/AA/AA+/AA-/AAA	—	—	1,028	2,197	2,279	5,504
Corporate and municipal bonds	BBB/B+	—	146	146	—	1,311	1,603
Commingled bond fund	NR	128,530	—	—	—	—	128,530
		\$ 329,168	\$ 66,467	\$ 103,812	\$ 119,793	\$ 123,195	\$ 742,435

Custodial Risk. As of June 30, 2018, the Pension Plans had no deposits or investments with custodial risk.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Concentration Credit Risk. Investments in any one issuer that represent 5% or more of total investments by each Defined Benefit Pension Plan are as follows (dollars in thousands):

<u>Issuer</u>	<u>Type</u>	<u>Fair Value</u>
<u>Firefighters' Pension Plan:</u>		
BlackRock Growth Index Fund	Commingled Equity Fund	\$ 283,034
Colchester	Commingled Bond Fund	38,916
Johnston International Equity Group	Commingled Equity Fund	44,051
NT Collective Commingled Equity Fund	Commingled Equity Fund	105,784
<u>Police Officers' Pension Plan:</u>		
Colchester	Commingled Bond Fund	\$ 58,374
BlackRock Value Index Fund	Commingled Equity Fund	111,049
BlackRock Growth Index Fund	Commingled Equity Fund	172,463
Artisan FDs INC International	Commingled Equity Fund	69,082
<u>General Employees' Pension Plan:</u>		
BlackRock Equity Index Fund	Domestic Equities	\$ 329,640
Artisan Funds	Equity Exchange Traded Fund	95,180
Johnston International Equity Group	Commingled Equity Fund	109,434

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates could adversely affect an investment's or deposit's fair value. The Defined Benefit Plan's investment policies allow domestic and international equities, domestic and international fixed income, alternative investments and cash equivalents.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

The following table provides investments of the Defined Benefit Plans in international markets. As of June 30, 2018, the exposure to foreign currency risk is as follows (dollars in thousands):

Currency:	Country:	Fixed Income	Equity	Total
Euro	Belgium	\$1,879	—	\$1,879
Euro	France	—	1,776	1,776
Euro	Germany	464	3,894	4,358
Euro	Ireland	—	7,775	7,775
Euro	Italy	—	751	751
Euro	Luxembourg	92	—	92
Euro	Netherlands	—	2,564	2,564
Euro	Spain	—	431	431
Euro	United Kingdom	1,316	5,454	6,770
Total Euro		3,751	22,645	26,396
Australian Dollar	Australia	95	—	95
Bermudian Dollar	Bermuda	—	2,221	2,221
Canadian Dollar	Canada	779	4,498	5,277
Cayman Islands Dollar	Cayman Islands	—	806	806
Chilean Peso	Chile	—	335	335
Chinese Yuan Renminbi	China	204	5,136	5,340
Hong Kong Dollar	Hong kong	—	2,621	2,621
Indian Rupee	India	—	1,726	1,726
Israeli New Shekel	Israel	—	777	777
Japanese Yen	Japan	—	4,266	4,266
Jersey Pound	Jersey, C.I.	—	184	184
South Korean Won	Korea	—	396	396
Liberian Dollar	Liberia	—	761	761
Mexican Peso	Mexico	223	—	223
United State Dollar	Marshall Islands	—	67	67
New Zealand Dollar	New Zealand	195	—	195
Norway Krone	Norway	174	—	174
Saudi Arabia Riyal	Saudi Arabia	378	—	378
Sweden Krona	Sweden	196	836	1,032
Swiss Franc	Switzerland	—	1,557	1,557
New Taiwan Dollar	Taiwan	—	388	388
United States Dollar	Virgin Islands - British	—	718	718
Various foreign currencies	Europe/Far East Region	—	867	867
Various foreign currencies	International Region	—	179,674	179,674
Total Securities subject to Foreign Currency Risk		\$5,995	\$230,479	\$236,474

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, Transportation Special Purpose Local Option Sales and Use Taxes, and Car Rental Taxes

Property taxes include amounts levied on all real, public utility, and tangible property within the City corporate limits. Senate Bill 177, Act 431 was signed April 30, 1999 and became effective January 1, 2000 (Taxpayers Bill of Rights). One key component of this legislation pertains to prevention of indirect tax increases due to property value appreciation and/or inflation. The O.C.G.A. 48-5-32.1 requires levying authorities; municipalities, counties, and school boards to either rollback property millage rates for property value appreciation by a corresponding millage equivalent or follow specific requirements if the levying authority chooses not to rollback their millage rate. The City's tax digest is coterminous with the Atlanta Independent School System, and overlaps portions of Fulton and DeKalb counties (the "Counties"), and Grady Hospital. Property taxes are normally levied and billed by July 1, on the assessed value of all real and personal property and property owner of record as of January 1. City property taxes are due 45 days from the date of billing. The distribution of the City's 2017 millage rate (tax rate per \$1,000 assessed taxable value) to its funds and to the Atlanta Independent School System (which operates as a separate legal entity and is not included in the City's financial reporting entity) is as follows:

Millage Rates:	
General Fund	\$8.840
General Obligation Bond Sinking Fund:	
City Bonds	1.480
School Bonds	—
Park Improvement Fund (included in Capital Projects Funds)	0.500
Board of Education (operations)	21.740
Special Tax District DeKalb County	1.176
	<u>33.736</u>

The Fulton and DeKalb County Tax Assessors establish assessed values at 40% of the fair market value. The property valuation in calendar year 2017 resulted in a gross assessed value of \$29,701,182,926 which includes tax exempt values. The City's millage rates are set in June of each year. Public utility values are assessed by the State Board of Equalization and billed and collected by the Fulton and DeKalb Tax Commissioner's Offices.

The Fulton and DeKalb County Tax Commissioners' offices act as the City's billing and collection agents. The contracted fees due to the Counties for billing and collection services amounted to \$2,809,092 in fiscal year 2018. Real and tangible property taxes are payable to the Counties on August 15th and become delinquent on August 16th. Interest accrues at the rate of 1% per month on the 16th of each month and a 10% tax penalty accrues 90 days after the due date. Any remaining unpaid property tax amounts will attach as an enforceable lien on property as of January 1 of the following year.

A 1% local option sales tax is levied in Fulton County, of which the City receives a percentage of that amount based on a pre-defined formula. This amount is collected by the State of Georgia and remitted to the City on a one-month lag. The tax law requires an offsetting reduction in property tax during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, Transportation Special Purpose Local Option Sales and Use Taxes, and Car Rental Taxes , continued

Pursuant to paragraph (1) of subsection (b) of O.C.G.A. Section 48-8-121, the City of Atlanta imposed an additional 0.4% sales tax to be collected for 5 years for the purpose of transportation improvements and congestion reduction. Through a referendum, the voters approved the 0.4% TSPLOST in November 2016. The maximum amount of net proceeds to be collected is \$380,000,000. The TSPLOST began on January 1, 2017 and continues for up to five (5) years thereafter, or until such time the TSPLOST has raised revenues sufficient to provide the City the net proceeds equal to or greater than the maximum amount, whichever comes first. Proceeds from TSPLOST for fiscal year 2018 were \$57,668,000, of which \$9,112,000 was receivable from the Georgia Department of Revenue at June 30, 2018.

A 3% excise tax on all rental motor vehicles was implemented in June 1996. This car rental tax is intended to be used to promote industry trade, commerce, and tourism and to fund various capital outlay projects throughout the City. The capital outlay projects include infrastructure improvements necessary for the City to continue building a community that is stable, diverse and economically sound. See Note Section IV-C- First Amended-Consent Decree regarding the levy of a 1% Municipal Option Sales Tax.

C. Tax Abatements

During fiscal year 2018, the total economic impact to the City of the abatement is \$310,642,000, along with the creation of 205 jobs and 860 housing units.

The City offers a reduction in property taxes through the structure of financing arrangements. Specifically, Invest Atlanta, a tax exempt public organization created independently from the City, may enter into agreements with private individuals or entities in order to incentivize businesses to build, relocate, expand, or renovate in the City. These agreements involve a bond issuance and sale-leaseback transaction, whereby Invest Atlanta takes title to property and leases it back to the private individual or entity.

The private individual or entity is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed 10-year term, so that at the end of the incentive period the bonds are fully retired, and the company regains title of the property through an option to purchase.

The City's long-standing policy for Development Incentives provides for a 50% ramp up over a 10-year period. Following completion of construction, a company pays property taxes on its leasehold interest in the project of 50% of the fair market value of the real and/or personal property in the first year, with a 5% increase each year over a 10-year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

C. Tax Abatements, continued

ownership of the property due to the reduced value of the company's leasehold interest in the property over the designated ramp-up period.

Invest Atlanta considers the economic impacts of a proposed project and weighs such benefits against the costs of reduced revenue impacts when considering whether to enter into a taxable revenue bond deal with an individual or entity. Generally eligible projects involve a commitment of significant capital investment and/or the creation of net new jobs to the City, which propose a favorable return on investment for the City. For residential projects, a commitment by the developer to provide affordable housing may be required. There are no additional commitments other than to provide the aforementioned tax treatment. There are no provisions for recapturing incentives; however, Invest Atlanta can immediately return title to a company for a non-performing project, which cancels the incentive going forward. There are no amounts receivable from other governments. There are no quantitative thresholds used to determine disclosures of these type agreements.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2018</u>
Atlanta Development Authority d/b/a Invest Atlanta	\$ <u><u>523,000</u></u>

The City property tax revenues were reduced by approximately \$4 million under agreements entered into with Fulton County, Georgia.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2018 follows (dollars in thousands):

	Balance at June 30, 2017	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2018
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 208,721	\$ 2,958	\$ —	\$ 16,341	\$ 228,020
Construction in progress	95,938	114,543	—	(55,051)	155,430
Total capital assets not being depreciated	<u>304,659</u>	<u>117,501</u>	<u>—</u>	<u>(38,710)</u>	<u>383,450</u>
Capital assets being depreciated:					
Land improvements	116,078	1,887	—	666	118,631
Buildings and building improvements	436,037	218	(2,968)	35,970	469,257
Other property and equipment	288,093	5,323	(4,591)	24	288,849
Infrastructure	1,034,706	2,087	—	3,098	1,039,891
Total capital assets being depreciated	<u>1,874,914</u>	<u>9,515</u>	<u>(7,559)</u>	<u>39,758</u>	<u>1,916,628</u>
Total capital assets	<u>2,179,573</u>	<u>127,016</u>	<u>(7,559)</u>	<u>1,048</u>	<u>2,300,078</u>
Less: Accumulated Depreciation					
Land improvements	96,056	2,511	—	—	98,567
Buildings and building improvements	157,112	9,903	(1,943)	911	165,983
Other property and equipment	203,370	13,313	(1,510)	18	215,191
Infrastructure	680,039	21,242	—	—	701,281
Total accumulated depreciation	<u>1,136,577</u>	<u>46,969</u>	<u>(3,453)</u>	<u>929</u>	<u>1,181,022</u>
Governmental activities capital assets, net	<u>\$ 1,042,996</u>	<u>\$ 80,047</u>	<u>\$ (4,106)</u>	<u>\$ 119</u>	<u>\$ 1,119,056</u>

Depreciation expense was charged to governmental funds as follows (dollars in thousands):

General government	\$ 9,901
Police	4,126
Fire	2,395
Corrections	149
Public Works	20,352
Parks, Recreation and Cultural Affairs	10,046
Total	<u>\$ 46,969</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Capital Assets, continued

	Balance at June 30, 2017	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2018
Business-type activities:					
Capital assets not being depreciated					
Land	\$ 993,051	\$ —	\$ —	\$ 1,051	\$ 994,102
Construction in progress	1,287,988	651,673	—	(752,915)	1,186,746
Total capital assets not being depreciated	2,281,039	651,673	—	(751,864)	2,180,848
Capital assets being depreciated					
Land improvements	3,304,360	—	(5,366)	91,078	3,390,072
Buildings and other structures	10,312,333	1,162	(6,500)	588,996	10,895,991
Other property and equipment	681,398	14,014	(11,800)	70,742	754,354
Total capital assets being depreciated	14,298,091	15,176	(23,666)	750,816	15,040,417
Total capital assets	16,579,130	666,849	(23,666)	(1,048)	17,221,265
Less: Accumulated Depreciation					
Land improvements	1,481,546	98,773	(5,366)	—	1,574,953
Buildings and other structures	3,483,236	223,365	(5,097)	(911)	3,700,593
Other property and equipment	402,472	44,952	(11,323)	(18)	436,083
Total accumulated depreciation	5,367,254	367,090	(21,786)	(929)	5,711,629
Business-type activities capital assets, net	\$ 11,211,876	\$ 299,759	\$ (1,880)	\$ (119)	\$ 11,509,636

Construction in Progress

In addition to the capital assets and construction in progress (CIP) already recorded in the City's financial statements, there are development and redevelopment projects ongoing through Invest Atlanta, a component unit of the City, where the CIP is recorded. Upon completion of those projects and acceptance by the City, the appropriate recording as capital assets on the City's financial statements will take place. Through June 30, 2018, there is approximately \$164.4 million of CIP recorded in Invest Atlanta's financial statements for corridor design and development that are expected to become assets of the City.

Additionally, DWM advanced \$24.0 million to Invest Atlanta related to the development of the Clear Creek Project. Upon completion of the project, both the project costs and any portion of the advance not expended will revert to the DWM. At June 30, 2018, total project costs to date were \$23.9 million.

Invest Atlanta is holding title to land within the Beltline Tax Allocation District, that is commonly referred to as the North East Corridor proper (NE Corridor). The NE Corridor was originally purchased for an amount equal to \$45.0 million for the purpose of redevelopment by Invest Atlanta. Subsequent to its development, certain parcels of land have been sold and as of June 30, 2018, the land value is now estimated at \$44.0 million. Upon completion of redevelopment, it is anticipated that title to the land will be transferred to the City.

The City recorded the sale of Civic Center for \$24.5 million of which \$4.8 million was utilized to

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

D. Capital Assets, continued

offset the accumulated deficit in the Civic Center fund. In addition, \$275,210 and \$113,412 were utilized to offset the accumulated deficit in the Parks Facilities Revenue Fund and Parks Facilities Renewal and Extension Fund, respectively.

E. Interfund Receivables, Payables, and Transfers

During the course of its operations, the City makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not occurred as of year-end, balances of interfund amounts receivable or payable have been recorded. Interfund receivable and payable balances as of June 30, 2018, are as follows (dollars in thousands):

		Due to				
		General Fund	Capital Projects	Non-major Government	Watershed Management	Total
Due from	General Fund	\$ —	\$ 1,044	\$ 303	\$ 26,526	\$ 27,873
	Capital Projects	9,019	—	—	—	9,019
	Non-major Governmental	28,009	—	—	—	28,009
	Internal Service	9,708	—	—	—	9,708
	Non-major Enterprise	29,180	—	—	—	29,180
	Total	\$ 75,916	\$ 1,044	\$ 303	\$ 26,526	\$103,789

In December of 2008, the City and Department of Watershed Management (DWM) executed a Memoranda of Understanding (MOU) related to amounts owed to the DWM by the General Fund of the City. This MOU established a repayment plan in the amount of \$10 million per year plus interest, until paid in full for amounts borrowed by various governmental funds from DWM equity in the cash pool. The interest rate for the MOU is 1.25% per annum as passed by City Council. The balance owed to the DWM by the City's General Fund under this MOU at June 30, 2018 is \$26.2 million in principal and \$326 thousand in interest.

During the year ended June 30, 2008, the DWM advanced funds to a component unit, Invest Atlanta, for future work on a consent decree project. Due to the nature of this transaction, the interfund balances are considered long-term for financial reporting purposes. Balances as of June 30, 2018, are as follows (dollars in thousands):

	Due from Component Units	Due to Primary Government
Department of Watershed Management	\$ 24,000	\$ —
Atlanta Development Authority	—	24,000
Total	\$ 24,000	\$ 24,000

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

E. Interfund Receivables, Payables, and Transfers, continued

Transfers

Transfers for the year ended June 30, 2018, are as follows (dollars in thousands):

		Transfer from								
		General Fund	Capital Projects	DOA	DWM	Internal Services	Non-major Enterpris	Non-major Government	Governmental Activities	Total
Transfer to	General Fund	\$ —	\$ 1,402	\$ —	\$ 20,483	\$ 103	\$ 18,967	\$ 19,593	\$ —	\$ 60,548
	Capital Projects	47,299	4,347	2,743	14,835	—	—	1,021	—	71,935
	Non-major Governmental	6,895	404	—	2,000	—	3,697	14,111	—	27,107
	Non-major Enterprise	1,132	—	—	—	185	389	—	2,608 *	4,314
	Internal Services	—	9	—	—	—	—	—	—	9
	Governmental Activities	—	(9) **	—	—	—	294 ***	—	—	285
	Total	\$ 55,326	\$ 6,153	\$ 2,743	\$ 37,318	\$ 288	\$ 25,037	\$ 34,725	\$ 2,608	\$ 164,198

Note: * The \$2.6m was an adjustment of pension liability and expenses activities from Civic Center and Parks & Recreational Facilities nonmajor proprietary funds. These funds were closed out in FY2018 and recorded in Government-wide financial statement.

** There was a \$9,000 transfer from Internal Service Fund to General Fund. Amount presents in the Government-wide financial statement.

*** There was a \$294,110 transfer from non-major Enterprise funds into General Fund. Amount presents in the Government-wide financial statement.

Transfers are used (1) to 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) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and (3) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

F. Leases

Department of Aviation (DOA)

Tenant and concession agreements

The City leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants at the Airport under various operating leases, a majority of which terminate no later than 2035. The total cost of the facilities described above that are substantially leased to various tenants is \$5.5 billion with a carrying value of \$3.2 billion. Depreciation expense for fiscal years 2018 on the facilities was \$162.9 million.

Certain of the leases provide for fixed and variable rental payments, and all are generally designed to allow the the Department of Aviation to meet its debt service requirements and recover certain operating and maintenance costs. Rental receipts related to the terminal are based on the cost of the facilities. In addition, certain of the agreements under which the Department of Aviation receives revenue from the operation of concessions at the Airport, provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

The City has agreements with the principal passenger airlines serving the Airport (Contracting Airlines) relating to their use and lease of the Central Passenger Terminal Complex (CPTC Leases). The CPTC Leases provide for the calculation of terminal rentals and charges by the City to recover a portion of certain operating and maintenance expenses, debt service, and an additional 20% coverage on General Airport Revenue Bonds issued to finance airline approved CPTC projects. Both the Airport Use Agreements and the CPTC Leases were in effect through September 30, 2017 under the Extended and Amended Airline Use Agreements and the Extended and Amended Airline Agreements. The City negotiated a new Airport Use and Lease Agreement with the Signatory Airlines, which was approved by City Council. The agreement has been signed by all major signatory carriers operating at the airport. The agreement became effective October 1, 2017, except TITLE XI - Capital Improvement Projects, which became effective July 1, 2016. The new agreement replaced the Airport Use Agreements, Airport Use License Agreements and CPTC Leases.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

F. Leases, continued

At June 30, 2018 minimum future rentals and fees to be received under non-cancelable leases or concession agreements for each fiscal year are as follows (dollars in thousands):

2019	\$	431,883
2020		422,851
2021		429,590
2022		436,463
2023		443,474
2024-2028		2,327,539
2029-2033		2,525,077
2034-2038		1,618,331
	\$	<u>8,635,208</u>

The agreement covering the operation of the parking lot does not provide for a minimum fee and is therefore not included in the above table. Revenue from this source, which is solely a function of parking receipts as defined was \$147.6 million for the year ended June 30, 2018.

Capital Lease Obligations

On October 27, 2017, DOA entered into a lease-purchase agreement with NORESCO-SG, LLC, for the acquisition, installation, and lease purchase financing of certain equipment and other property. This lease agreement is classified as a capital lease obligation for accounting purposes.

The annual lease obligation requirements as of June 30, 2018 are as follows (in thousands):

Year:	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2019	\$ 802	\$ 328	\$ 1,130
2020	429	200	629
2021	458	190	648
2022	488	179	667
2023	520	168	688
2024-2028	3,110	640	3,750
2029-2033	3,493	228	3,721
Total	<u>\$ 9,300</u>	<u>\$ 1,933</u>	<u>\$ 11,233</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

F. Leases, continued

Department of Watershed Management (DWM)

On August 31, 2016, DWM entered into an installment purchase agreement for the purchase of certain heavy equipment. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. Included in other property and equipment as of June 30, 2018 is \$7 million of heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$40,000 as of June 30, 2018 and related amortization expense was \$29,000 for the fiscal year.

On November 30, 2017, DWM entered into an addendum to the existing installment purchase agreement for the purchase of a nutrient recovery system. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. There were no costs included in other property and equipment as of June 30, 2018 of the \$11 million nutrient recovery system to be ultimately acquired under this addendum to the installment purchase agreement. Included in construction in progress related to the installment purchase agreement was \$2,554,000 as of June 30, 2018.

On December 19, 2017, DWM entered into two equipment-lease purchase agreements for the purchase of an energy service performance initiative. These lease agreements qualified as capital leases for accounting purposes and the lease payments are reflected as capital lease obligations at the present value of the aggregate payments due over the remaining life of the leases. There were no costs included in other property and equipment as of June 30, 2018 of the \$114,296,923 energy service performance initiative to be ultimately acquired under these equipment-lease purchase agreements. Included in construction in progress related to the equipment-lease purchase agreements was \$5,096,000 as of June 30, 2018.

The value of future minimum installment purchase payments as of June 30, 2018, is as follows (in thousands):

Fiscal year	
2019	\$ 6,076
2020	6,076
2021	13,289
2022	11,441
2023	11,441
2024-2028	57,206
2029-2033	53,949
2034-2038	14,427
Total minimum payments	<u>173,905</u>
Less amount representing interest	(43,214)
Minimum installment purchase payments	<u>\$ 130,691</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

F. Leases, continued

Sanitation Fund

On June 15, 2018, the Sanitation Department entered into a master lease agreement for the acquisition and replacement of heavy duty vehicles. This agreement is reflected as a capital lease at the value of the aggregate payments due over the remaining life of the agreement. Included in vehicles as of June 30, 2018 is \$1,592,000 of heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$14,000 at June 30, 2018. The value of future payments as of June 30, 2018, is as follows (in thousands):

Fiscal year	
2019	\$ 293
2020	293
2021	293
2022	293
2023	293
2024-2028	293
Total minimum payments	<u>1,758</u>
Less amount representing interest	<u>(167)</u>
Minimum installment purchase payments	<u>\$ 1,591</u>
Capital Asset Value	\$ 1,592
Accumulated Amortization	(14)
Net Capital Asset Value	<u>\$ 1,578</u>

General Fund

Capital Lease Obligations

In October 2018 the city entered into two equipment-lease purchase agreements for the purchase of an energy service performance initiatives. These lease agreements qualified as capital leases for accounting purposes and the lease payments are reflected as capital lease obligations at the present value of the aggregate payments due over the remaining life of the leases. There were no costs included in other property and equipment as of June 30, 2018 of the \$20,110,279 energy service performance initiative to be ultimately acquired under these equipment-lease purchase agreements. Included in construction in progress related to the equipment-lease purchase agreements was \$3,110,985 as of June 30, 2018.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

F. Leases, continued

The total of the future minimum lease payments is as follows (dollars in thousands):

Fiscal Year	Ameresco	Johnson Controls	Other Capital Leases	Total
2019	572	955	6,731	8,258
2020	589	984	6,731	8,304
2021	607	1,014	2,639	4,260
2022	625	1,045	1,839	3,509
2023	644	1,071	—	1,715
2024-2028	663	1,110	—	1,773
2029-2033	3,625	6,005	—	9,630
2034-2038	1,956	2,416	—	4,372
Total minimum payments	9,281	14,600	17,940	41,821
Less amounts representing interest	(1,570)	(2,200)	(645)	(4,415)
Minimum capital lease payments	\$ 7,711	\$ 12,400	\$ 17,295	\$ 37,406
Gross Capital Asset Value	\$ —	\$ —	\$ 58,129	\$ 58,129
Accumulated Amortization	—	—	(40,530)	(40,530)
Net Capital Asset Value	\$ —	\$ —	\$ 17,599	\$ 17,599

Operating Leases

The City has entered into several lease agreements for operating purposes. These lease agreements qualify as operating leases for accounting purposes.

The future minimum lease payments are as follows (dollars in thousands):

2019	2,263
2020	2,032
2021	1,243
2022	1,229
2023	986
2024-2028	5,313
2029-2033	6,011
2034-2038	5,372
Total minimum payments	<u>24,449</u>

The amount of lease expenditures for the year ended June 30, 2018, amounted to \$7,193,000.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

G. Restricted Net Position and Restricted Assets

The various bond covenants require certain restrictions of net position of the Department of Aviation. Restricted net position at June 30, 2018 is as follows (dollars in thousands):

	Department of Aviation
Debt service and debt service reserve	\$ 418,808
Capital Projects	675,680
Total	<u>\$ 1,094,488</u>

The General Fund, because of covenants required by the 1998 Georgia Municipal Association Certificates of Participation, is required to keep certain restricted balances. This includes the investment account related to the 1998 lease pool, as discussed further in Note III. H. The Municipal Option Sales Tax Fund (MOST), as required by City ordinance, is required to transfer all revenue collections to the Department of Watershed Management for the purpose of funding water, wastewater and storm water infrastructure improvement and repair. The Other Governmental Funds contain restricted assets representing amounts which are required to be maintained pursuant to City ordinances for capital purposes, renewal and extension and sinking funds, and funds received for specific purposes pursuant to U. S. Government grants.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

G. Restricted Net Position and Restricted Assets, continued

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources that may be used only to service outstanding debt. Other assets are restricted by bond ordinances for capital purposes. Restricted assets of the enterprise funds at June 30, 2018 are as follows (dollars in thousands):

	Department of Watershed Management	Department of Aviation	Total
Renewal and Extension Fund:			
Cash and cash equivalents	—	21,600	21,600
Other assets	—	2,997	2,997
Investments	—	769	769
Passenger Facility Charge Fund:			
Cash and cash equivalents	—	34,245	34,245
Other assets	—	64,032	64,032
Investments	—	554,196	554,196
Customer Facility Charge Fund:			
Cash and cash equivalents	—	42,139	42,139
Other assets	—	3,294	3,294
Construction Fund:			
Cash and cash equivalents	—	47,378	47,378
Other assets	—	180	180
Investments	—	280,397	280,397
Sinking Funds:			
Cash and cash equivalents	—	282,634	282,634
Investments	—	136,175	136,175
Construction Revenue Funds:			
Cash and cash equivalents	331,554	—	331,554
Sinking Fund:			
Cash and cash equivalents	74,546	—	74,546
Restricted interest receivable	674	—	674
Investments - Guaranteed Investment Contracts	195,104	—	195,104
Total	<u>\$ 601,878</u>	<u>\$ 1,470,036</u>	<u>\$ 2,071,914</u>

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2018, follow (dollars in thousands):

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due within One Year
Governmental activities:					
Long-term debt:					
General obligation and annual bonds	\$ 350,285	\$ —	\$ (24,855)	\$ 325,430	\$ 26,335
Issuance premiums	33,773	—	(3,721)	30,052	—
	<u>384,058</u>	<u>—</u>	<u>(28,576)</u>	<u>355,482</u>	<u>26,335</u>
Certificate of Participation	29,780	43,335	(2,430)	70,685	3,280
Issuance premiums	3,924	6,274	(845)	9,353	—
	<u>33,704</u>	<u>49,609</u>	<u>(3,275)</u>	<u>80,038</u>	<u>3,280</u>
APSJFA revenue bonds	27,150	—	(2,300)	24,850	2,355
Issuance premiums	4,130	—	(748)	3,382	—
	<u>31,280</u>	<u>—</u>	<u>(3,048)</u>	<u>28,232</u>	<u>2,355</u>
SWMA revenue refunding bonds	9,360	—	(1,695)	7,665	1,780
Limited obligation bonds	499,385	85,380	(152,865)	431,900	32,925
Issuance premiums	16,137	9,459	(3,596)	22,000	—
	<u>515,522</u>	<u>94,839</u>	<u>(156,461)</u>	<u>453,900</u>	<u>32,925</u>
Other long-term debt:					
Notes payable	2,054	—	(2,054)	—	—
Section 108 loans	660	—	(220)	440	220
1998 GMA lease pool	32,444	—	—	32,444	—
Intergovernmental agreements	376,552	103,090	(26,797)	452,845	—
Installment sale program	15,330	—	(5,305)	10,025	825
Capital leases	23,544	20,110	(6,248)	37,406	7,356
Total long-term debt	<u>1,424,508</u>	<u>267,648</u>	<u>(233,679)</u>	<u>1,458,477</u>	<u>75,076</u>
Other long-term liabilities:					
Vacation and compensation payable	21,612	17,846	(17,885)	21,573	2,157
Health and dental claims payable	7,424	71,273	(71,225)	7,472	1,235
General claims payable	8,580	4,920	(5,500)	8,000	4,920
Net Pension liability	912,446	5,971	(73,864)	844,553	—
Net OPEB obligation, as restated (Note I.G.)	877,568	573,983	(639,075)	812,476	23,666
Workers' compensation	48,362	2,232	(2,937)	47,657	6,024
Total other long-term liabilities	<u>1,875,992</u>	<u>676,225</u>	<u>(810,486)</u>	<u>1,741,731</u>	<u>38,002</u>
Total governmental activities long-term liabilities	<u>\$ 3,300,500</u>	<u>\$ 943,873</u>	<u>\$ (1,044,165)</u>	<u>\$ 3,200,208</u>	<u>\$ 113,078</u>

For the governmental activities, other long-term liabilities are primarily liquidated by the General Fund.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Changes in long-term liabilities for business-type activities during the fiscal year ended June 30, 2018, follow (dollars in thousands):

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due within One Year
Business-type activities:					
Long-term debt:					
Department of Aviation					
Facilities revenue bonds	\$ 2,580,645	\$ —	\$ (127,675)	\$ 2,452,970	\$ 134,710
Bond issuance premiums	127,479	—	(14,943)	112,536	—
Bond issuance discounts	(140)	—	17	(123)	—
Bond anticipation notes	300,000	—	—	300,000	—
Capital lease obligations (equipment)	—	9,300	—	9,300	802
Department of Watershed Management					
System revenue bonds	2,740,300	51,210	(63,650)	2,727,860	66,850
Bond issuance premiums	236,720	7,621	(12,619)	231,722	—
Bond issuance discounts	(2,229)	—	(2,162)	(4,391)	—
GEFA notes payable	176,874	31,180	(6,374)	201,680	8,514
Capital lease obligations (equipment)	7,143	125,297	(1,749)	130,691	2,562
Nonmajor funds					
Capital lease obligations (equipment)	—	1,591	—	1,591	244
Revenue Bond - City Plaza	9,230	—	(315)	8,915	330
Bond issuance premiums	1,086	—	(98)	988	—
Revenue Bond - Parking Deck	15,605	—	(755)	14,850	820
Bond issuance premiums	2,191	—	(274)	1,917	—
Total long-term debt	<u>6,194,904</u>	<u>226,199</u>	<u>(230,597)</u>	<u>6,190,506</u>	<u>214,832</u>
Other long-term liabilities					
Landfill postclosure liability	15,827	286	—	16,113	—
Contract retention	7,375	—	(1,101)	6,274	—
General claims payable	15,306	421	(1,664)	14,063	421
Net Pension liability	496,626	(1)	(58,794)	437,831	—
Net OPEB obligation, as restated (Note I.G.)	435,679	207,597	(247,878)	395,398	13,442
Workers' compensation	20,401	7,962	(2,730)	25,633	4,016
Interest rate swaps	129,785	—	(52,610)	77,175	—
Total other long-term liabilities	<u>1,120,999</u>	<u>216,265</u>	<u>(364,777)</u>	<u>972,487</u>	<u>17,879</u>
Total business-type activities long-term liabilities	<u>\$ 7,315,903</u>	<u>\$ 442,464</u>	<u>\$ (595,374)</u>	<u>\$ 7,162,993</u>	<u>\$ 232,711</u>
Component Units					
Long-term Debt and other obligations					
Atlanta Fulton County Recreation Authority					
Due to primary government	\$ 19,933	\$ —	\$ (4,401)	\$ 15,532	\$ —
Revenue bonds	196,610	180,180	(12,665)	364,125	37,810
Total Atlanta Fulton County Recreation Authority	<u>216,543</u>	<u>180,180</u>	<u>(17,066)</u>	<u>379,657</u>	<u>37,810</u>
Atlanta Development Authority					
Revenue and other bonds	380,694	72,700	(23,707)	429,687	24,800
Bond issuance premiums	22,783	—	(1,433)	21,350	—
Capital leases	35	—	(35)	—	—
Notes payable	17,461	—	(2,664)	14,797	2,599
Other long-term liabilities:					
Loans payable	3,666	—	—	3,666	—
Due to primary government	24,000	—	—	24,000	—
Other long-term liabilities	36,499	524	(5,294)	31,729	—
Total Atlanta Development Authority	<u>485,138</u>	<u>73,224</u>	<u>(33,133)</u>	<u>525,229</u>	<u>27,399</u>
Total component units long-term liabilities	<u>\$ 701,681</u>	<u>\$ 253,404</u>	<u>\$ (50,199)</u>	<u>\$ 904,886</u>	<u>\$ 65,209</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Governmental-type Activities

General Obligation Bonds and Annual General Obligation Bonds are direct general obligations secured by the full faith and credit of the City. Principal and interest are payable through the general and debt service funds from ad valorem taxes levied on all taxable property within the City.

On November 6, 2014 the City refunded all of the outstanding Series 2005A G.O Refunding Bonds \$37,775,000, the Series 2007A Various Purpose Bonds \$5,270,000 and the Series 2008A Public Improvement Bonds \$10,940,000 by issuing the Series 2014A and Series 2014B Taxable General Obligation Refunding Bonds. The Series 2014A Refunding Bonds \$15,365,000 were issued to refund the series 2007A and series 2008A bonds, and pay all costs associated with the bond issuance. The Series 2014B Taxable Refunding Bonds \$40,025,000 were issued to refund the Series 2005A G.O. Refunding Bonds and pay all costs associated with the bond issuance. By issuing the Series 2014A and 2014B Series Bonds, the Government obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of \$3.02 million.

On June 10, 2015, the City of Atlanta issued \$252,000,000 of General Obligation Bonds for the following purposes: (a) paying the cost of capital projects authorized in a city-wide election, including the acquisition, construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of municipal facilities including buildings, recreation centers and other facilities and related public improvements, and compliance with the Americans with Disabilities Act of 1990 in connection with certain (i) public streets, traffic control infrastructure and equipment, curbing, storm water drainage, street name and directional signage, bridges, viaducts and related public improvements including, but not limited to, streetlights, sidewalks, bicycle lanes, and transit stops so as to improve the pedestrian and transit environment and (ii) municipal facilities; including buildings recreation centers and other facilities and related public improvements (collectively, the “Series 2015 Projects”); and (b) providing for the payment of the cost of issuance relating to the 2015 Bonds.

On May 12, 2016 the City issued General Obligation Various Purpose Bonds in the aggregate principal amount of \$3,575,000. The Series 2016 Bonds were issued for the purpose of (a) acquiring a site or sites and constructing and equipping thereon municipal buildings and related facilities, (b) renovating, improving, adding to, and equipping existing municipal buildings and facilities, and (c) acquiring property, both real and personal, necessary or desirable for use in connection therewith and paying expenses incident thereto and (d) paying certain costs of issuance related to the Series 2016 Bonds.

Public Safety Judicial Facilities Authority Facility Project Bonds - On September 15, 2016, the City refunded all the outstanding Series 2006 Public Safety Judicial Facility Bonds \$30,590,000, by issuing the Series 2016 Refunding Bonds \$27,150,000. The Series 2016 Bonds were issued to (a) refund all the outstanding Series 2006 Bonds for the hereinafter defined Unrefunded Series 2006 Bonds (the “Refunded Bonds”), and (b) paying certain costs of issuance related to the Series 2016 Bonds. Interest on the bonds is due semiannually at rates ranging from 2% to 5% commencing December 1, 2017 and maturing December 1, 2026. By issuing the Series 2016 Bonds, the City obtained an estimated economic gain (difference between the present values of the debt service payments on the defeased and new debt) of approximately \$4.98 million and a net present value savings of approximately \$5.55 million.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Solid Waste Management Authority Revenue Refunding Bonds - On May 1, 2008, the Solid Waste Management Authority ("SWMA"), (a blended component unit of the City), issued \$20,265,000 in refunding revenue bonds, Series 2008 for the purpose of (a) refunding and redeeming all of the Solid Waste Management Authority Revenue Bonds (Landfill Closure Project), Series 1996, and (b) paying the costs of issuance related to the bonds. Pursuant to a contract dated May 1, 2008 (the "Contract"), between SWMA and the City, the City is unconditionally obligated to make payments to the Issuer in amounts sufficient to provide for, among other things, the payment of the principal of, redemption premium (if any) and the interest on the bonds as the same become due and payable.

Limited Obligation Bonds - Tax Allocation District Bonds are not general obligations of the City, but limited obligations of the City secured solely by and payable solely from tax allocation increments and local option sales tax revenues, the income of any, derived from the investment thereof, certain reserves and payments and the credit and liquidity facility and the standby guaranty. Neither the faith and credit nor the taxing power of the State of Georgia or any political subdivision thereof, including the City and Fulton County, is pledged as a security for the payment of principal, of redemption premium, if any and interest on the bonds.

On December 21, 2017, the City of Atlanta refunded all outstanding Atlantic Station Series 2007 Bonds in the amount of \$44.6 million and a portion of the Atlantic Station Series 2006 Bonds in the amount of \$80.2 million. The City issued the Atlantic Station Refunding Series 2017 Bonds in the aggregate par amount of \$85,380,000. The Series 2017 Refunding Bonds were issued for the purpose of (a) refunding all of the City's outstanding Tax Allocation Refunding Bonds (Atlantic Station Project), Series 2007 (the "Series 2007 Bonds"), (b) refund a portion of the City's outstanding Subordinate Lien Tax Allocation Bonds (Atlantic Station Project), Series 2006 (the "Subordinate Series 2006 Bonds"), (c) fund certain accounts with respect to the Series 2017 Bonds, including, among others, the Series 2017 Debt Service Reserve Account, and (d) pay certain costs of issuance related to the Series 2017 Bonds. The refunding of the Series 2007 Bonds and partial refunding of the Series 2006 Bonds reduced the debt service payments by \$8.3 million over the next seven years. Interest on the Series 2017 Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2018. The Series 2017 Bonds will bear a 5% interest rate for the life of the bonds. By issuing the Series 2017 Bonds, the City obtained a net present value savings of approximately \$20.2 million.

During fiscal year 2017, the City refunded all the outstanding Series 2008AR/BR/CR and 2009B/C Tax Allocation District Beltline Bonds with a net carrying value of \$68,180,000. By issuing the Series 2016 Refunding Bonds Series in the par amount of \$144,855,000 including Refunding Series 2016A (\$21,600,000), Refunding Series 2016B (\$39,035,000), Refunding Series 2016C (\$6,290,000), New Series 2016D (\$39,605,000) and New Series 2016E (\$38,325,000), the City refunded all the 2008 and 2009 Bonds and paid certain costs of issuance for the Series 2016 Bonds. The net proceeds of New Series 2016D will be used primarily to fund portions of the capital projects relating to the implementation of the trail, transit, and park system which form the core components of the Atlanta Beltline. The net proceeds of the Series 2016E will be used primarily to fund Atlanta Public Schools. By issuing the Series 2016 Bonds, the City obtained a net present value savings of approximately \$9.7 million.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Section 108 Loans - Section 108 is the loan guarantee provision of the Community Development Block Grant (“CDBG”) program. The Section 108 Program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Proceeds from the loan allows communities to leverage a small portion of their CDBG funds into federally guaranteed loans large enough to undertake physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to encourage private economic activity, providing the initial resources or the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan. Although the repayment of these loans is guaranteed through the obligation of future CDBG allocations, the City does its due diligence during the evaluation process to select the types of projects that are expected to generate the necessary returns to flows to repay the loans from non-City sources.

1998 GMA Lease Pool - The City participates in a lease pool arrangement with 29 other local governments through the Georgia Municipal Association, Inc. (“GMA”). GMA issued Certificates of Participation (“COP”) in 1998 which are governed by a master lease agreement. The 1998 GMA grantor trust proceeds are restricted for the purchase of qualified capital equipment including rolling stock, construction and maintenance equipment, street lighting and traffic control equipment with a useful life ranging from 3-10 years. The purpose of the COP is to fund the purchase of eligible capital assets that are leased back to each of the participating governments. The City’s interest in this arrangement functions similar to a line of credit whereby eligible capital assets may be purchased up to the City’s share. The lease of eligible capital assets decreases the City’s net available credit and repayments of principal increase the City’s net available credit. Lease terms are generally between three and five years from the date the equipment is purchased. The agreements terminate upon the financial due date of the COP in 2028.

1998 Installment Sale Program: The Georgia Municipal Association, Inc. (“GMA”) issued Certificates of Participation (City of Atlanta, Georgia Detention Center, Municipal Court and City Hall East Projects), Series 1998 in the aggregate amount of \$103,130,000 which has evidenced proportionate and undivided ownership interest in Installment Payments that has been paid by the City of Atlanta pursuant to the annual renewable Installment Sale Agreement, dated as of November 1, 1998 (the “Agreement”) between GMA, as the seller and the City, as purchaser. The Agreement will automatically renew for additional and consecutive one-year renewal terms with a final renewal term commencing January 1, 2023 and ending on December 1, 2023, subject to the City’s right to terminate the Agreement each year.

On February 22, 2018 the Georgia Municipal Association (“GMA,” also referred to herein as the “Trustor”) issued \$43,335,000 in aggregate of Certificates of Participation (City of Atlanta Public Safety Projects), Series 2018 pursuant to the Indenture of Trust and Assignment of Installment Sale Agreement, dated as of February 1, 2018 (the “Indenture”), between GMA and U.S. Bank National Association, as trustee (the “Trustee”). The Series 2018 Certificates were issued for the purpose of : (a) acquiring various public safety projects in the City of Atlanta (the “City”), including (i) computer automated dispatch equipment for use in its Emergency E-911 Communication Center, (ii) real property

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

improvements for use as a Zone 3 police precinct, (iii) real property renovations and improvements at the City of Atlanta Detention Center, including roof repairs and elevator installations, (iv) real property and improvements for use as the Ben Hill Fire Station, (v) real property renovations and improvements to the City's Public Safety Annex parking lot, and (vi) real property renovations and improvements to the City's municipal court facility, including common areas and offices, as more particularly described in the Installment Sales Agreement (such as real property, as applicable, are collectively referred to herein as the "Sites" and the facilities and/or equipment to be constructed and/or installed thereon which are collectively herein referred to as the "Facilities" and, together with the Sites, the "Project"); and (b) paying certain costs of issuance related to the Series 2018 Certificates. The Series 2018 interest components are payable semiannually on June 1 and December 1 of each year, with interest rates ranging from 3% to 5%; commencing on December 1, 2018. The Series 2018 principal component of the Series 2018 Certificates is payable on December 1 of each year.

Intergovernmental Agreements:

Atlanta Fulton County Recreation Authority

On June 1, 2007, the Atlanta Fulton County Recreation Authority ("AFCRA") issued \$14,315,000 in revenue bonds, Zoo Series 2007A to finance or refinance: (a) the cost of: (i) repair and replacement of various animal exhibits at the Zoo, (ii) improvements to the giant panda exhibit, (iii) repair and replacement of certain Zoo infrastructure, facilities, and equipment, including, administrative offices, programs offices, guest areas, computer systems, golf carts and vehicles used in connection with the operation of the Zoo, and (iv) required payments to the Chinese Association of Zoological Gardens in connection with Zoo Atlanta's use agreement regarding its giant pandas, and (b) paying issuance costs with respect to the Series 2007 bonds (collectively, the "Zoo Project"). The Series 2007 bonds are secured by a pledge of the Issuer's interest in semiannual payments under a Governmental Agreement Regarding the Atlanta Zoo dated as of June 1, 2007 (the "Governmental Agreement") among the Issuer, the City and the County under which the City and the County (the "Participating Governments") are obligated to make payments to AFCRA in amounts sufficient in time and amount to pay the principal and interest on the Series 2007 Bonds. The City has a two-thirds interest in AFCRA and Fulton County has one-third interest. The payments related to the Zoo bonds are based on this proportionate ownership.

On December 10, 2014, AFCRA issued \$61,180,000 in Revenue Refunding and Improvement Bonds, Series 2014A and \$9,445,000 Park Improvement Bonds, Taxable Series 2014B. The purpose of the Series 2014 Bonds is to: (a) finance the cost of the Series 2014 Project, (b) refund, redeem, and pay the costs of issuance related to the Series 2014 Bonds. The Series 2014 Project involves the construction, erection, acquisition, owning, repairing, remodeling, maintaining, additions to, improving and furnishing recreation centers and areas, including but not limited to, athletic fields, golf courses, public zoo or zoological parks, parking facilities or parking areas in connection with club houses, gymnasiums and related buildings and the usual and convenient facilities pertaining to such undertakings, and extensions and improvements of such facilities. Under an intergovernmental agreement dated December 1, 2014, between AFCRA and the City, the City has guaranteed that it will

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

make payments to AFCRA sufficient in time and amount to enable AFCRA to pay the principal and interest on the Series 2014 bonds. The City guarantees payment for a period not to exceed 50 years.

On August 2, 2017, the City of Atlanta and Atlanta Fulton County Recreation Authority (the “Issuer”) issued \$30,390,000 in the aggregate principal amount of Revenue Bonds (Zoo Atlanta Parking Facility Project), Series 2017 (the “Series 2017 Bonds”) for the purpose of financing (a) the design, acquisition, construction, installation and equipping of a portion of the Parking Complex Project consisting of a 3-story structured parking deck totaling approximately 400,000 square feet with approximately 1,000 parking spaces (the “Parking Facility”), (b) deposits to certain fund and accounts related to the Series Bonds, and (c) paying certain costs of issuance related to the Series 2017 Bonds (collectively, the “2017 Project”). The Parking Complex Project, “commonly referred to as the Grant Park Gateway, will be comprised of a structured parking garage complex as Zoo Atlanta to be located on an eight acre parcel of land at Grant Park on Boulevard, which currently serves as a surface parking lot consisting of: (a) the Parking Facility; (b) a “green” roof, steel framed and glass dine-in regional-cuisine restaurant featuring casual dining on the first level with balconies overlooking green roof elements, totaling approximately 5,000 square feet; and (c) related improvements. The “green” roof will be comprised of terraced lawns, covered plazas, water features and planted vegetation to reduce storm water run-off, improve air quality and create an outdoor green space for the surrounding neighborhood. The Parking Complex Project will include bicycle space, electric vehicle charging stations and an Intelligent Parking System and it is expected that the Parking Complex Project will achieve at minimum a LEED/ Parksmart Silver Certification Rating. Only the Parking Facility will be funded with the proceeds of the Series 2017 Bonds; the other components of the Parking Complex will be funded from other sources.

Atlanta Urban Redevelopment Agency

On October 28, 2010, the Atlanta Urban Redevelopment Agency (“AURA”), issued \$22,775,000 of Taxable Recovery Zone Economic Development Bonds. The Series 2010 bonds were used to finance the costs of implementing the Urban Redevelopment Plan including certain costs in connection with (1) the acquisition, rehabilitation, and improvement of real property and buildings; (2) certain public transportation projects in the Urban Redevelopment Area; and (3) the acquisition, construction and installation of other related improvements of the Urban Redevelopment Plan. Under an intergovernmental agreement dated October 28, 2010, between AURA and the City, the City has guaranteed that it will make payments to AURA sufficient in time and amount to enable AURA to pay the principal and interest on the Series 2010 bonds.

Invest Atlanta

On May 8, 2015, Invest Atlanta issued \$167,530,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Senior Lien Series 2015A-1; \$16,740,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Senior Lien Taxable Series 2015A-2; and \$40,385,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Second Lien Series 2015B, collectively the Stadium Bonds. The Stadium Bonds were issued to provide funds to finance the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium to replace the existing Georgia

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Dome facility in the City to be located and constructed on land that is owned or controlled by the Georgia World Congress Center Authority (an unrelated entity). Invest Atlanta will not own any interest in the new stadium. The Stadium Bonds are special and limited obligations of Invest Atlanta and the City payable solely from reserve accounts created with Stadium Bond proceeds (held by Invest Atlanta and classified as restricted for debt service) and payments received under a Funding Agreement between Invest Atlanta and the City. The Funding Agreement related to the Stadium Bonds was signed at the same time as the Stadium Bonds were issued and requires the City to remit 39.3% of the net amounts received by the City from hotel motel taxes to Invest Atlanta. These payments are required to be spent for the payments of principal and interest on the Stadium Bonds or to restore any and all reserve funds established by the Trust Indenture related to the Stadium Bonds. It is the intention of the Funding Agreement that the hotel motel tax collections will be sufficient to repay the principal and interest on the Stadium Bonds and an intergovernmental receivable from the City has been recorded by Invest Atlanta for the principal amount due on the Stadium Bonds.

On September 21, 2017, the Atlanta Development Authority d/b/a Invest Atlanta (the "Issuer") issued \$25,700,000 in aggregate principal amount of its Revenue Bonds (Homeless Opportunity Project), Taxable Series 2017 ("Series 2017 Bonds"), for the purpose of: (a) financing, in whole or in part, the acquisition, renovation, installation and equipping of certain capital costs and related administrative and other expenses associated with emergency shelter, permanent supportive housing and transportation projects (collectively, the "Project"); and (b) paying certain costs of issuance related to the Series 2017 Bonds. The Project will include the acquisition/lease and rehabilitation of 1-2 homeless emergency shelters (250 beds); the acquisition and construction/rehabilitation costs of over 500 permanent supportive housing units; the acquisition of accessible vans (4 vans); and allocations for initial administrative/operations/social services costs. The Regional Commission of Homelessness at the United Way (Homeless Commission) has offered a philanthropic match to the Series 2017 Bonds of up to \$25,000,000. The Homeless Commission will collect contributions and pledges from business and other philanthropic institutions to fulfill this commitment. Approximately \$18.5 million has been pledged as of the date hereof. The funds contributed by the Homeless Commission will be added to proceeds of the Series 2017 Bonds to fund the costs of the Project. The interest on the bonds is due semiannually on June 1 and December 1 at rates ranging from 1.5% to 3.565% commencing June 1, 2018.

City of Atlanta Urban Residential Finance Authority

On April 21, 2017, the City of Atlanta and Urban Residential Finance Authority refunded all the outstanding Series 2007 Bonds in the amount of \$23,365,000 and issued the Urban Residential Finance Authority Housing Opportunity Refunding Series in the amount of \$63,685,000 for (a) refunding all the outstanding 2007 Bonds (b) providing additional funds to implement the Program and (c) paying certain costs of issuance for the Series 2017 Bonds. Interest on the Series 2017A bonds is payable semiannually on June 1 and December 1, with interest rates ranging from 1.25% to 3.839%. The bonds mature on December 1, 2036. The City has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds the full term of the debt. The net proceeds of the refunding portion of the Series 2017A bonds were used to refund most of the outstanding Series 2007A bonds and the remainder were deposited into an irrevocable trust with an

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

escrow agent to provide for the remaining debt service payments on the refunded bonds. The result of the transaction will result in total debt service savings of \$4.2 million with an economic gain of approximately \$3.5 million.

Arbitrage Rebate

The arbitrage rebate liability on all City issued obligations is treated as a claim or judgment upon occurrence. Certain City long-term debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the Federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. At June 30, 2018, the City had no arbitrage rebate liability.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

A summary of governmental-type activities bonds payable and other general long-term obligations as of June 30, 2018, is as follows (dollars in thousands):

Bonds payable:

General Obligation Bonds:

2008 Public Imp. Issue, \$36,820, 4.25%, - 5.00% due December 1, 2018	\$ 3,155
2009A Refunding Issue, \$78,028, 3.20% - 5.25%, due December 1, 2023	28,295
2014A Refunding Issue, \$15,365, 4.00% - 5.00%, due December 1, 2026	15,365
2014B Taxable Refunding Issue, \$40,025, 1.281% - 3.339%, due December 1, 2025	32,490
2015 Public Imp. Issue, \$252,000, 4.50% - 5.00%, due December 1, 2034	243,150
2016 Various Purpose General Obligation Bond \$3,575,000, 2.000%-4.000%, due December 1, 2025	2,975
	<hr/>
	325,430
Bond issuance premiums	30,052
Total general obligation and annual bonds payable	<hr/> <hr/>
	355,482

Certificate of Participation:

2016 City Court of Atlanta Project, Refunding \$32,160,000, 4.000%-5.000%, due December 1, 2026	27,350
2018 City of Atlanta Public Safety Projects Series, \$43,335,000, 3.000%-5.000%, due June 30, 2038	43,335
	<hr/>
	70,685
Bond issuance premiums	9,353
Total certificate of participation	<hr/> <hr/>
	80,038

APSJFA Revenue Bonds

2016 Public Safety Facility Project, \$50,000, 4.25% - 5.00%, issued by the Atlanta Public Safety Judicial Facilities Authority, due December 1, 2026	24,850
Bond issuance premium	3,382
Total APSJFA revenue bonds payable	<hr/> <hr/>
	28,232

SWMA Revenue Refunding Bonds:

Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority due December 1, 2021	7,665
	<hr/>

Limited Obligation Bonds:

2001 Westside Project, \$14,995, (5.000% at June 30, 2016), due December 1, 2021	3,535
2005A Westside Project, \$72,350, (5.000% at June 30, 2016), due December 1, 2023	32,680
2005B Westside Project, \$10,215, (5.000% at June 30, 2016), due December 1, 2023	4,905
2006 Atlantic Station, \$166,515, (5.00% at June 30, 2016), December 1, 2024	71,195
2008 Westside, \$63,760 3.27%, due December 1, 2037	48,290
2014 Perry Bolton Project, \$21,000, 3.00% - 5.00%, due July 1, 2041	16,800
2016 Eastside Refunding, \$30,555,000, 5.00%, due January 1, 2030	27,385
2016A Princeton Lakes Refunding, \$5,820,000, 2.3%, due January 1, 2020	3,050
2016B Princeton Lakes Refunding, \$4,955,000, 3.25%, due January 1, 2027	4,910
2016A Beltline Refunding, \$21,600,000, 3.00%-5.00%, due June 30, 2031	20,465
2016B Beltline Refunding, \$39,035,000, 3.00%-5.00%, due June 30, 2031	37,110
2016C Beltline Refunding, \$6,290,000, 1.984%-4.579%, due June 30, 2031	5,930
2016D Beltline Project, \$39,605,000, 3.00%-5.00%, due June 30, 2031	36,715
2016E Beltline Project, \$38,325,000, 1.984%-3.879%, due June 30, 2025	33,550
2017 Atlantic Station Refunding, \$85,380,000, 5.000%, due December 01, 2024	85,380
	<hr/>
Total Limited Obligation Bonds	431,900

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Bond issuance premiums	22,000
Total limited obligation bonds payable	453,900
Total bonds payable	925,317
Other general long-term debt	
Section 108 Loans, \$4,850, 0.28% - 4.48%, due August 1, 2019 (MMPH II & Mechanicsville)	440
1998 GMA Loan Pool, \$32,444, 4.75%, due November 30, 2028	32,444
1998 Installment Sale Program, \$103,130, 5.00%, due December 1, 2023 (1998 COPS)	10,025
2007 Intergovernmental Agreement guaranteed payments toward 2007A Zoo Revenue Bonds, \$14,315,4.125% - 5.00%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2027	6,994
2010 Intergovernmental Agreement guaranteed payments toward Series 2010 Taxable Recovery Zone Economic Development Bonds, \$22,775, 5.370%, issued by the Atlanta Urban Redevelopment Agency, due January 1, 2028	14,805
2014 Intergovernmental Agreement Guaranteed payments toward 2014A Park Improvement Revenue and Refunding Bonds, \$61,180, 2.00%-5.00%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2025	55,645
2014 Intergovernmental Agreement Guaranteed payments toward 2014B Park Improvement Revenue and Refunding Bonds, \$9,445, 1.060% - 2.72%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2020	4,845
2015 Intergovernmental Agreement Guaranteed payments toward 2015 Revenue Bonds (New Downtown Atlanta Stadium Project), \$224,655, 1.40% - 5.00%, issued by the Atlanta Development Authority, due July 1, 2044	220,345
2017 Intergovernmental Agreement Guaranteed payments toward 2017 URFRA Taxable Revenue Bond, \$63,685, 1.250%-2.839%, due June 30, 2037	60,305
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds (Homeless Opportunity Project), \$25,700, 1.500%-3.565%, issued by the Atlanta Development Authority due June 30, 2037	25,700
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds (Zoo Atlanta Parking Facility Project), \$30,390, 2.000%-5.000%, issued by the Atlanta Fulton County Recreation Authority due December 01, 2036	30,390
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds (T-SPL0ST Project), \$47,000, 2.920%, issued by the Atlanta Development Authority, due December 01, 2021	33,816
	495,754
Capital leases	37,406
Total long-term debt	\$ 1,458,477

Business-type Activities

Revenue bonds are payable solely from revenues generated by enterprise fund activities. The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of a flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. There are a number of limitations and restrictions contained in the various bond indentures.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Department of Aviation (DOA)

The City has issued various revenue bonds on behalf of the Department of Aviation to finance its extensive airport capital improvement projects. The net revenues, as defined in the 2000 Airport Master Bond Ordinance as supplemented and amended, generated by operating activities are pledged as security for the bonds. Interest is payable semi-annually on the first of January and July. Summary of Department of Aviation long-term debt at June 30, 2018, consists of the following (dollars in thousands):

Facilities Revenue Bonds:

General Revenue and Refunding Bonds:

Airport General Revenue Bonds, Series 2010A, combination serial at 2.0% - 5.0% and term at 4.625% - 5.0% through 2024	\$ 159,875
Airport General Revenue and Refunding Bonds, Series 2010C Bonds, combination serial at 4.0% - 5.875% and term at 5.25% - 6.0% through 2030	387,095
Airport General Revenue and Refunding Bonds, Series 2011A, 3.0% - 5.0%, due serially through 2021	118,730
Airport General Revenue and Refunding Bonds, Series 2011B, 3.0% - 5.0%, due serially through 2030	171,335
Airport General Revenue Refunding Bonds, Series 2012A, 2.0% - 5.0%, due serially through 2042	58,970
Airport General Revenue Refunding Bonds, Series 2012B, 2.0% - 5.0%, due serially through 2042	172,305
Airport General Revenue Refunding Bonds, Series 2012C, 2.0% - 5.0%, due serially through 2042	210,170
Airport General Revenue and Refunding Bonds, Series 2014B, 3.0% - 5.0%, due serially through 2033	135,645
Airport General Revenue and Refunding Bonds, Series 2014C, 4.0% - 5.0%, due serially through 2030	109,510
Total General Revenue and Refunding Bonds	\$ 1,523,635

Passenger Facility Charge (PFC) and Subordinate Lien General Revenue Bonds:

PFC and Subordinate Lien General Revenue Bonds, Series 2010B at 2.0% - 4.38%, due serially through 2026	244,075
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2014A at 4.0% - 5.0%, due serially through 2034	523,605
Total PFC and Subordinate Lien General Revenue Bonds	767,680

Customer Facility Charge (CFC) Restricted Revenue Bonds:

City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Series 2006A at 5.558% - 5.965% (Conduit Debt)	147,330
City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4.0% - 4.5% (Conduit Debt)	14,325
Total Customer Facilities Charge Revenue Bonds	161,655

Total Facilities Revenue Bonds	2,452,970
Bond Anticipation Notes	300,000
Total Bonds	2,752,970
Deferred amounts:	
Bond issuance premiums	112,536
Bond issuance discounts	(123)
	112,413
Capital Leases	9,300
Total long-term debt	\$ 2,874,683

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

On June 21, 2006, the City of College Park, Georgia issued \$211.9 million in Taxable Revenue Bonds (Hartsfield Jackson Atlanta International Airport Rental Car Center Project), Series 2006A for the purpose of acquiring, constructing and installing a consolidated rental car facility. In addition, College Park issued \$22.0 million in Revenue Bonds (Hartsfield Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B for the purpose of acquiring, constructing and installing a maintenance facility for an automated people mover. The City (the Purchaser) pursuant to the terms of an Installment Purchase Agreement dated June 1, 2006 (the Agreement) with the City of College Park (the Issuer) obligates the Purchaser to make installment payments to the Issuer to cover the principal, premium and interest of the Series 2006A/B Bonds. The City has adopted an Ordinance imposing a customer facility charge (CFC) effective October 1, 2005. The CFC revenues have been pledged to secure the payments due under the Agreement. At June 30, 2018, the balance of outstanding conduit debt totaled \$161.7 million.

On March 20, 2016, the Department of Aviation issued an aggregate combined \$300 million of Bond Anticipation Notes (2016 Series A&B). These notes were issued for the purpose of financing on an interim basis, in whole or in part, the costs of the planning, engineering, design, acquisition and construction of certain improvement to Hartsfield-Jackson Atlanta International Airport Master Plan. According to the note agreement, the City will refund or refinance and pay the principal of and interest related on the Series 2016 Notes with proceeds of long-term fixed rate take-out bonds issued in an amount not to exceed \$350 million, maturing not later than January 1, 2050 with a not to exceed interest rate of 9.0% per annum, and a maximum principal and interest due in any year of \$40 million. As the Department's current expectation is not to refund or repay these notes during the next year, these notes have been classified as long-term debt.

On August 17, 2015, the City issued an aggregate combined \$450 million of Commercial Paper Notes (2015 Series D & E). These notes were issued to finance, on an interim basis, a portion of the costs of the planning, engineering, design, acquisition and construction of certain improvements at Hartsfield-Jackson Atlanta International Airport and to refund in whole or in part the principal of and interest on any Series D or Series E Notes. The Series D-1 Notes, the Series D-2 Notes, the Series E-1 Notes and the Series E-2 Notes are referred to as the "Third Lien GARB Notes." The Series D-3 Notes, the Series D-4 Notes, the Series E-3 Notes and the Series E-4 Notes are referred to as the "Modified Hybrid PFC Notes." The Third Lien GARB Notes are limited obligations of the City payable from and secured by a pledge of and third lien on general revenues. The Modified Hybrid PFC Notes are limited obligations of the City payable from and secured by a pledge of and second lien on PFC revenues and third lien on general revenues. The Series D Notes and the Series E Notes do not constitute a debt of the City, or a pledge of the faith and credit of the taxing power of the City. The Series D and the Series E Notes are not payable from any funds other than the revenues pledged for that purpose.

On December 22, 2016, the City issued an aggregate combined \$225 million of Commercial Paper Notes (2016 Series F & G). These notes were issued to finance, on an interim basis, a portion of the costs of the planning, engineering, design, acquisition and construction of certain improvements at

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Hartsfield-Jackson Atlanta International Airport and to refund in whole or in part the principal of and interest on any Series F or Series G Notes. The Series F-1 Notes, Series F-2 Notes, Series G-1 Notes and Series G-2 Notes are referred to as the “Third Lien GARB Notes.” The Series F-3 Notes, Series F-4 Notes, Series G-3 Notes and Series G-4 Notes are referred to as the “Modified Hybrid PFC Notes.” The Third lien GARB Notes are limited obligations of the City payable from and secured by a pledge of and third lien on general revenues. The Modified Hybrid PFC Notes are limited obligations of the City payable from and secured by a second lien on PFC revenues and a third lien on general revenues. The Series F and the Series G notes do not constitute a debt of the City, or pledge of the faith and credit of the taxing power of the City. The Series F and the Series G Notes are not payable from any funds other than the revenues pledged for this purpose.

Changes in commercial paper notes are as follows (in thousands):

	Balance at June 30, 2017	Additions	Retirements	Balance at June 30, 2018	Due within one year
Commercial paper notes	\$ 146,926	158,188	—	305,114	305,114
Total notes	\$ 146,926	158,188	—	305,114	305,114

All Department of Aviation bond ordinances require the maintenance of sinking funds to provide for debt service on the related bonds. The Airport Master Bond Ordinance also requires the Department to maintain a ratio of Net Airport Revenue to Aggregate Debt Service, as defined, of at least 120%.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Department of Watershed Management

Summary of revenue bonds payable and GEFA notes payable at June 30, 2018 consists of the following (dollars in thousands):

Revenue and Refunding Revenue Bonds:	
Water and Wastewater Revenue Bonds, \$1,096,140 Series 1999A, (5.50%), due serially and term through 2022	\$ 174,700
Water and Wastewater Revenue Bonds, \$415,310 Series 2001A, (5.50%), due serially and term through 2027	85,055
Water and Wastewater Revenue Bonds, \$849,330 Series 2004A, combination serial (5.75%), due serially and term through 2030	134,110
Water and Wastewater Revenue Bonds, \$106,795 Series 2008, variable rate (2.330% at June 30, 2018), due serially through 2041	106,795
Water and Wastewater Refunding Revenue Bonds, \$750,000 Series 2009A, combination serial (5.00% - 6.00%), due serially through 2019	38,270
Water and Wastewater Refunding Revenue Bonds, \$448,965 Series 2009B, combination serial (4.00% - 5.50%) and term bonds (5.25-5.375%), due serially through 2039	185,825
Water and Wastewater Revenue Bonds, \$178,835 Series 2013A1, variable rate (2.903% at June 30, 2018), due serially and term through 2038	178,735
Water and Wastewater Revenues Bonds, \$50,000 Series 2013A2A (2.303% at June 30, 2018 and 1.095% at June 30, 2017), due serially and term through 2038	48,630
Water and Wastewater Revenues Bonds, \$50,000 Series 2013A2 B, (2.303% at June 30, 2018), due serially and term through 2038	48,645
Water and Wastewater Revenue Bonds, \$50,000 Series 2013A2C, (2.303% at June 30, 2018), due serially and term through 2038	50,000
Water and Wastewater Refunding Revenue Bonds, \$200,140 Series 2013B, (5.25% - 5.50%), due serially and term through 2030	164,560
Water and Wastewater Revenue Refunding Bonds, \$1,237,405,000 Series 2015, 2.00% - 5.00%, due serially and term through 2043	1,235,150
Water and Wastewater Revenue Refunding Bonds, \$226,175 Series 2017A, 3.50% - 5.00%, due serially through 2039	226,175
Water and Wastewater Revenue Refunding Bonds, \$51,210,000 Series 2018A, serial bonds (5.00%), due serially through 2041	51,210
Total Revenue Bonds	2,727,860
Bond issuance premiums	231,722
Bond issuance discounts	(4,391)
Total revenue bonds	2,955,191
Georgia Environmental Facilities Authority (GEFA) Notes Payable:	
Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3.00% due serially through 2023	1,550
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035	13,535
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036	14,194
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038	14,842
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027	22,773
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028	23,172
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027	23,126
Georgia Environmental Facilities Authority (GEFA) \$5,500 Loan, 3.00%, due serially through 2032	4,240
Georgia Environmental Facilities Authority (GEFA) \$3,000 Loan, 3.81%, due serially through 2032	2,367
Georgia Environmental Facilities Authority (GEFA) 34,990 Loan, (3.00%), due serially through 2035	30,629
Georgia Environmental Facilities Authority (GEFA) \$51,426 maximum gross loan (2.03%), due serially through 2039	51,252
Total GEFA notes payable	201,680
Capital leases	130,691
Total long-term debt	\$ 3,287,562

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

The revenue bonds are payable from DWM revenue and are collateralized by Department revenue remaining after reasonable and necessary operating and maintenance costs. In addition, the bond ordinances require the maintenance of sinking funds to provide for debt service on the related bonds. The ordinances require that revenue must be 110% of maximum annual debt service.

On September 12, 2013 the City of Atlanta issued approximately \$328.7 million of its Water and Wastewater Revenue Bonds, Series 2013A, and \$200.1 million of its Water and Wastewater Revenue Bonds Series 2013B, collectively referred to as the “Series 2013 Bonds”. An amount totaling \$178.7 million of the Series 2013A Bonds was issued as sub-series A-1 and sold to respective bond trading institutions, and \$150 million issued as sub-series A-2 Bonds and privately placed. All of the Series 2013A bonds were issued as Variable Rate Bonds with a LIBOR index rate. The Series 2013 Bonds were issued to refinance portions of the outstanding Water and Wastewater Revenue Bonds Series 1999A, Series 2001A, Series 2004, and pay all costs with respect to the issuance of the Series 2013 Bonds.

On March 12, 2015, the City of Atlanta issued approximately \$1.237 billion of its Water and Wastewater Revenue Bonds, Series 2015 (the “Series 2015 Bonds”). The Series 2015 Bonds were issued to refund a portion of the City’s outstanding Water and Wastewater Revenue Bonds, Series 2001A, Series 2004, Series 2009A, and to pay the costs of issuance with respect to the issuance of the Series 2015 Bonds. The refunding of the Series 2015 Bonds resulted in a net present value savings of approximately \$156.1 million.

On May 4, 2017, the City of Atlanta issued approximately \$226.2 million of its Water and Wastewater Revenue Refunding Bonds, Series 2017A (the “Series 2017A Bonds”). The Series 2017A Bonds were issued to: (a) refund a portion of the City’s outstanding Water and Wastewater Revenue Bonds, Series 2009B and (b) pay the costs of issuance related to the Series 2017A Bonds. The refunding of the Series 2017A Bonds resulted in a net present value savings of approximately \$27.5 million.

On June 21, 2018, the City of Atlanta issued approximately \$51.2 million of its Water and Wastewater Revenue Refunding Bonds, Series 2018A (the “Series 2018A Bonds”). The Series 2018A Bonds were issued to: (a) refund a portion of the City’s outstanding Water and Wastewater Revenue Bonds, Series 2008 and (b) pay the costs of issuance related to the Series 2018A Bonds.

Commercial Paper Notes Payable

In April 2015, DWM authorized the issuance of the following Water and Wastewater Revenue Commercial Paper Notes (Series 2015 Notes): (a) Series 2015A-1, up to the amount of \$125,000,000 and (b) Series 2015A-2, up to the amount of \$125,000,000. On April 1, 2015, the Department entered into a Letter of Credit and Reimbursement Agreement with PNC Bank, National Association to facilitate the payment of principal and interest on the Series 2015-A1 Notes in the principal amount of \$125 million for the 2015 Commercial Paper Program. Also, on April 1, 2015, the Department entered into a Letter of Credit and Reimbursement Agreement with Wells Fargo Bank, National Association to facilitate the payment of principal and interest on the Series 2015-A2 Notes in the

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

principal amount of \$125 million for the 2015 Commercial Paper Program. The Series 2015 Notes were issued to: (A) finance or refinance, on an interim basis, the costs of planning, engineering, design, acquisition, construction and reconstruction of certain additions, extensions, improvements and betterments included as a part of a multi-phase long term capital improvement program for the Department, (B) refund in whole or in part the principal of and interest on outstanding Series 2015 Notes, and (C) pay expenses necessary to accomplish the foregoing. Revenue of the Department is pledged as security for payments on the Series 2015 Notes, which is junior and subordinate to the pledge of revenue securing the Department's long-term debt. The Series 2015 Notes do not constitute a debt, liability, or obligation of the City's governmental funds, or a pledge of the faith and credit or taxing power of the City. The Series 2015 Notes are considered a short term obligation of DWM and may be repaid and reissued as often as necessary to affect the purposes set out in the program. The Notes have varying maturities of no more than 270 days and bear interest at a market rate at the date issued not to exceed 12% per annum. The interest rates on the Notes issued during the year ended June 30, 2018, ranged from 0.58% to 1.00%, respectively. The irrevocable, direct pay letters of credit expired on April 23, 2018. Upon expiration, the direct pay letters of credit with PNC Bank and Wells Fargo Bank, National Association were extended to July 20, 2018 and July 23, 2018, respectively, and then further extended to August 20, 2018 and August 31, 2018, respectively.

Short-term debt activity for the years ended June 30, 2018, was as follows (in thousands):

	<u>June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Commercial paper	\$ 96,410	73,670	—	170,080

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

DWM entered into two interest rate swap agreements in December 2001. These swap agreements are associated with the Department's Water and Wastewater Revenue Refunding Bonds, Series 2013A (Swap 3), and DWM's Water and Wastewater Revenue Bonds, Series 2008 and Water and Wastewater Revenue Refunding Bonds, Series 2015 (Swap 4) disclosed on next page. Swap 3 became effective on January 3, 2002 and will mature on November 1, 2038. Swap 4 became effective on January 3, 2002 and would have matured on November 1, 2041.

Cancellation - On May 21, 2018, DWM terminated the agreement for Swap 4 associated with the Series 2008 and Series 2015 Water and Wastewater Revenue Bonds. The City was required to make a termination payment of \$24.0 million on May 23, 2018. Such amount was included in the calculation of the gain/loss on refunding as is included as a deferred item in the statement of net position.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2018, classified by type, and the changes in fair value of such derivative instruments for the years then ended are as follows (in thousands):

Swap	Terms	2018 Changes in Fair Value		Fair Value at June 30, 2018		Notional
		Classification	Amount	Classification	Amount	
3	Pay fixed rate 4.09% per annum Receive 67% 1M LIBOR	Deferred outflow	\$18,482	Debt	\$(77,175)	326,010

Swap 3 became an effective hedge during fiscal year 2015 in connection with a change in hedging relationship associated with the issuance of the Series 2013A Water and Wastewater Revenue Bonds. Amortization of the accumulated loss of Swap 3, as of the date Swap 3 became an effective hedge, into deferred outflows totaled \$3,938,000 for the year ended June 30, 2018.

The fair values of derivative liabilities have been adjusted for nonperformance risk, which includes, but may not be limited to, the City's own credit risk. Inputs to the valuation techniques for the City's over-the-counter interest rate swaps are both directly or indirectly observable and thus categorized as Level 2 as defined in GASB Statement No. 72 (Note III.A.).

The fair value of the swaps was estimated using the proprietary pricing model of an independent derivative valuation service. The net cash outflow (payments) related to these derivative instruments during fiscal year 2018 was approximately \$13,239,000.

Objective and Terms of Hedging Derivative Instruments (Swap 3) - The following table displays the objective and terms of the DWM's hedging derivative instrument outstanding at June 30, 2018 along with the credit rating of the associated counterparty (dollars in thousands).

Swap	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
3	Pay-fixed interest rate swap	Hedge of changes in cash flows of variable debt obligations	\$ 326,010	1/3/2002	11/1/2038	Receive 67% IM LIBOR pay 4.09%	A+/Aa3/AA-

Risks

Credit Risk - Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2018, Swap 3 was in a liability position; therefore, DWM is not exposed to credit risk. However, should interest rates change causing the fair value of the swap to become an asset, DWM would be exposed to credit risk. DWM executes hedging derivatives with one counterparty, comprising 100% of the net

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

exposure to credit risk. This one counterparty is rated AA- as issued by Fitch, London, Aa3 as issued by Moodys, New York, and A+ as issued by Standard & Poors, New York.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of DWM's financial instruments or its cash flows. DWM is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As LIBOR or the SIFMA swap index decreases, DWM's net payment on the swap increases.

Basis Risk - Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. DWM is exposed to basis risk on its pay-fixed interest rate swap hedging instruments because the variable-rate payments received by DWM on these hedging derivative instruments are based on a rate or index other than interest rates DWM pays on its hedge variable-rate debt. As of June 30, 2018 the interest rate on DWM's hedged variable-rate debt is 2.903 percent while the SIFMA municipal swap index rate is 0.91 percent.

Termination Risk - Termination risk is the risk that a hedging derivative instrument's unscheduled termination will affect DWM's asset and liability strategy or will present DWM's with potentially significant unscheduled termination payments to the counterparty. Amendments to the swap transactions, dated February 26, 2010, allow either party to terminate and cancel each of the transactions in whole or in part upon one business day's prior written notice to the other party.

Additionally, Swap 3 contains a barrier option, which provides the counterparty the right, but not the obligation to terminate the transaction upon providing 30 calendar days' notice prior to any payment date, if the Average Rate has exceeded 7% per annum within the preceding 180 days. The Average Rate is defined as the arithmetic mean of the Municipal Swap Index as determined by the Calculation Agent on each reset date during the preceding 180 days.

Such termination would not require the consent of DWM and no fees, payments or other amounts would be payable by either party in respect to the termination, without prejudice to any obligation to pay a scheduled payment on or prior to such early termination. Any such termination would serve to extinguish all rights or obligations of either party to the other party which would otherwise accrue or have accrued since the last payment date.

Rollover Risk - Rollover risk is the risk that a hedging instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. DWM is not exposed to rollover risk because the hedging derivative instruments associated with the hedgeable debt item extends to the maturity of the hedgeable debt item.

Sanitation Fund

State and federal laws and regulations require the City to place final covers on its four landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

at the sites for 30 years after closure. The City has landfill sites at Cascade Road, Key Road, Gun Club Road, and East Confederate Road. All City landfills were certified by the State of Georgia as closed during 2001 and only post-closure care costs will be incurred in the future. Although post-closure care costs will be paid over the remaining number of post-closure years, the City accrued a liability for those costs as the landfills were accepting waste. The \$16,113,000 reported as the landfill post-closure costs liability at June 30, 2018, represents the cumulative amount of post-closure costs expected to be incurred over the required 30 year monitoring period which began in 2001. These amounts are estimates calculated by the management of the City of what it would cost to perform all post-closure care. Actual costs may differ from estimates due to inflation, changes in technology or regulations. Post-closure care costs will be funded by future sanitary charges of the Sanitation Fund or from future contributions from the General Fund, if necessary.

City Plaza

On March 29, 2016, the Downtown Development Authority of the City of Atlanta (the “Authority”) issued Revenue Bonds in the aggregate principal amount of \$9,465,000 (City Plaza Redevelopment Project), Series 2016. The Revenue Bonds were issued for the purpose of; (a) financing the acquisition of a certain 3.125 acre parcel of land located in the central business district of the City at 133 Trinity Avenue, Atlanta, Georgia; (b) financing the acquisition of the mixed-use development consisting of 164 one and two bedroom apartment homes, approximately 29,000 square feet of ground level retail, a 274-space structured parking deck, a 52-space surface parking lot and other related improvements and amenities, commonly known as “City Plaza”; (c) providing for the provision of certain workforce housing program implementation and monitoring services and (d) paying costs of issuance related to the Series 2016 Bonds. As of June 30, 2018, the City Plaza had \$9,903,000 in short-term and long-term outstanding obligation.

Downtown Parking Deck

On April 20, 2017 the City of Atlanta and Downtown Development Authority refunded all outstanding Downtown Development Authority Parking Deck Project Series 2006 bonds in the amount of \$17,370,000 and issued the Atlanta Urban Redevelopment Agency Parking Deck Project Series 2017 bonds in the amount of \$15,605,000 for (a) refunding of all the outstanding Series 2006 Bonds and (b) paying certain costs of issuance for the Series 2017 Bonds. Pursuant to the Intergovernmental Agreement, the City has agreed to make payments when due, of principle and interest on the Series 2017 Bonds. The title to the parking deck was transferred to the City as a result of this transaction. Interest on the bonds is due semiannually at rates ranging from 2% to 5% commencing December 1, 2017 and maturing December 1, 2031.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2018 (dollars in thousand):

Year Ended June 30	Governmental Activities					
	General Obligations		SWMA Revenue Bonds		APSJFA Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 26,335	\$ 14,382	\$ 1,780	\$ 318	\$ 2,355	\$ 1,039
2020	28,030	13,301	1,870	227	2,425	969
2021	29,565	12,089	1,965	131	2,515	896
2022	26,830	10,853	2,050	41	2,615	795
2023	16,315	9,876	—	—	2,715	648
2024-2028	72,950	38,816	—	—	12,225	1,361
2029-2033	84,995	20,521	—	—	—	—
2034-2038	40,410	1,968	—	—	—	—
	<u>\$ 325,430</u>	<u>\$ 121,806</u>	<u>\$ 7,665</u>	<u>\$ 717</u>	<u>\$ 24,850</u>	<u>\$ 5,708</u>

Year Ended June 30	Certificate of Participation		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2019	\$ 3,280	\$ 3,911	\$ 32,925	\$ 19,404	\$ 33,784
2020	4,025	3,168	35,145	18,446	34,586	9,328
2021	4,220	2,969	35,645	16,896	31,008	8,347
2022	4,430	2,753	36,365	15,284	26,207	7,489
2023	18,100	3,860	90,700	28,371	24,344	14,721
2024-2028	9,315	1,790	169,800	22,269	107,757	15,247
2029-2033	11,960	7,562	13,945	4,425	87,111	13,409
2034-2038	15,355	4,780	15,000	1,946	90,058	34,081
2039-2043	—	—	2,375	10,127	70,480	775
2044-2048	—	—	—	—	27,825	—
	<u>\$ 70,685</u>	<u>\$ 30,793</u>	<u>\$ 431,900</u>	<u>\$ 137,168</u>	<u>\$ 533,160</u>	<u>\$ 113,766</u>

Year Ended June 30	Business-Type Activities						
	Aviation		GA Environmental Facilities-DWM		Watershed Management		
	Principal	Interest	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net
2019	\$ 135,512	\$ 125,325	\$ 8,514	\$ 5,867	\$ 66,850	\$ 123,010	\$ 17,779
2020	136,919	118,444	8,769	5,612	70,890	119,637	17,744
2021	143,943	111,576	9,032	5,349	74,195	115,752	17,707
2022	121,598	104,352	9,302	5,078	78,195	111,805	17,669
2023	128,069	98,012	9,582	4,799	82,630	107,642	17,629
2024-2028	756,700	383,238	50,791	19,591	476,370	475,738	75,667
2029-2033	705,330	178,434	58,450	11,435	572,640	353,207	51,295
2034-2038	197,085	61,100	47,240	2,839	701,360	214,709	21,123
2039-2043	137,114	16,373	—	—	567,010	58,193	—
2044-2048	—	—	—	—	37,720	943	—
	<u>\$ 2,462,270</u>	<u>\$ 1,196,854</u>	<u>\$ 201,680</u>	<u>\$ 60,570</u>	<u>\$ 2,727,860</u>	<u>\$ 1,680,636</u>	<u>\$ 236,613</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Debt Service Requirements, continued

Year Ended June 30	Business-Type Activities					
	City Plaza		Downtown Parking Deck		Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	330	372	820	610	244	49
2020	345	358	835	593	252	41
2021	360	344	855	568	261	32
2022	370	330	885	533	269	24
2023	385	314	925	497	278	15
2024-2028	2,240	1,265	5,270	1,836	287	5
2029-2033	2,875	634	5,260	443	—	—
2034-2038	2,010	96	—	—	—	—
	<u>\$ 8,915</u>	<u>\$ 3,713</u>	<u>\$ 14,850</u>	<u>\$ 5,080</u>	<u>\$ 1,591</u>	<u>\$ 166</u>

Component Units

Year Ended June 30	Atlanta Development Authority			
	Recreation Authority		Atlanta Development Authority	
	Principal	Interest	Principal	Interest
2019	37,810	20,748	27,399	18,511
2020	16,105	15,276	27,873	17,742
2021	16,870	14,490	28,388	16,926
2022	15,970	13,677	25,974	16,087
2023	16,790	12,830	17,143	15,350
2024-2028	86,455	46,763	77,890	67,251
2029-2033	60,500	31,851	71,550	50,352
2034-2038	49,095	20,222	81,972	32,275
2039-2043	32,995	10,493	58,470	15,071
2044-2048	31,535	3,254	27,825	1,468
	<u>\$ 364,125</u>	<u>\$ 189,604</u>	<u>\$ 444,484</u>	<u>\$ 251,033</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Defeased Debt

The City has defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, removed as a liability from the City's government-wide and proprietary fund financial statements.

Below is a description of the City's defeased bonds and the outstanding balances as of June 30, 2018 (dollars in thousands):

Description of Bonds	Date Originally Issued	Original par Amount	Redemption Call Date	Date Defeased	Maturities Defeased	Interest Rate Defeased Bonds %	Amount Defeased	Outstanding 6/30/2018
General Obligation Bonds								
2008 Public Improvement	2/1/2008	\$ 36,820	12/1/2018	11/6/2014	2019-2021	4.0 - 5.0	\$ 10,940	\$ 3,155
2009 Refunding	5/28/2009	\$ 78,025	12/1/2019	1/14/2016	2022-2023	4.125 - 5.250	\$ 20,305	\$ 20,305
		<u>\$ 114,845</u>					<u>\$ 31,245</u>	<u>\$ 23,460</u>
Revenue Bonds								
2009A Water & Wastewater	6/25/2009	\$ 750,000	11/1/2019	3/12/2015	2020-2039	6.0-6.25	\$ 608,885	\$ 608,885
2009B Water & Wastewater	10/22/2009	\$ 448,965	11/1/2039	5/4/2017	2020-2039	4.25-5.50	\$ 240,210	\$ 240,210
		<u>\$1,198,965</u>					<u>\$ 849,095</u>	<u>\$ 849,095</u>

IV. Other Information

A. Risk Management

General

The City purchases a variety of insurance policies, including but not limited to all risks property and specific liability policies. The City also purchases distinct and separate insurance policies for Hartsfield-Jackson Atlanta International Airport, including but not limited to property, airport owners and operators liability, and environmental liability. The policy limits are established in order to maximize potential recovery via insurance in the event of loss. Policy limits may range up to \$1 billion based on exposure to loss, and policies are subject to a range of deductibles. The City has not received any insurance settlements in the past three years that exceed our commercial insurance coverage.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Risk Management, continued

The City also administers an Owner Controlled Insurance Program (OCIP) that provides insurance coverage for enrolled contractors for certain construction projects at the airport. These policies include, but are not limited to, builders risk, general liability, workers' compensation and pollution liability.

Insurance requirements are established with contractors and consultants that do business with the City based on the scope of services and nature of the project(s). Contractors and consultants are generally required to maintain certain types of insurance coverage including but not limited to, general liability, automobile liability, workers' compensation and professional liability. There has not been any material change to insurance coverage from the previous year.

Self-insurance

The City is self-insured for parts of the medical and dental plan, workers' compensation and general claims liabilities. The City pays for such claims as they become due. These claim liabilities are accounted for in the governmental activities of the government-wide financial statements and the applicable enterprise funds.

Workers' Compensation

The City's workers' compensation liability is calculated by an outside actuary. Liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated including amounts for claims incurred but not yet reported. The calculation of the present value of future workers' compensation liabilities, as calculated by the outside actuary, is based on a discount rate of 3.5% for 2018. The City has annual excess insurance coverage with a \$5 million per occurrence retention with no annual aggregate limit.

Health and Dental Insurance

The City's medical plan under Blue Cross Blue Shield Point of Service and its dental plan under Cigna are fully self-insured. The Kaiser HMO, OHS dental access plan and Spectra vision plan are fully insured. The City's health and dental liability is calculated by an outside actuary firm. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Risk Management, continued

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2018 were as follows (dollars in thousands):

	Beginning of period liability	Period claims and changes in estimates	Claim payments	End of period liability
Workers' compensation:				
2017	\$ 72,793	\$ 16,720	\$ (20,750)	\$ 68,763
2018	\$ 68,763	\$ 10,194	\$ (5,667)	\$ 73,290
Health and Dental claims:				
2017	\$ 5,930	\$ 76,402	\$ (74,908)	\$ 7,424
2018	\$ 7,424	\$ 71,273	\$ (71,225)	\$ 7,472
General claims liability:				
2017	\$ 22,246	\$ 8,125	\$ (6,485)	\$ 23,886
2018	\$ 23,886	\$ 5,341	\$ (7,164)	\$ 22,063

General Claims

The City is self-insured for actions presented against the City for tortious and/or negligent acts or omissions of its' officers and employees during the course and scope of employment. Actions based on the use of a City vehicle in the occurrence are self-insured and the City's governmental immunity is waived subject to statutory limits imposed by law. The City's Law Department administers these claims against the City. The City maintains a commercial policy of insurance for acts or omissions occurring on or about Hartsfield Jackson International Airport. The insurance carrier administers the claims for Hartsfield Jackson International Airport.

B. Commitments and Contingent Liabilities

Litigation

The City is subject to various suits and proceedings arising in the ordinary conduct of its affairs and has been named as defendant in numerous lawsuits. The City has accrued amounts related to litigation where an outcome unfavorable to the City is probable and the amount can be reasonably estimated. The City has been named as defendant in several other suits and actions claiming personal and property damages. In the opinion of the City Attorney, all suits and actions now pending, or likely to be filed, will be resolved without a material effect on the financial position of the City.

Grants from Governments

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Construction and Commitments

At June 30, 2018, the total estimated remaining costs on committed projects are \$138.6 million for the City, \$977.2 million for the Department of Aviation, and \$461.9 million for the Department of Watershed Management.

Department of Aviation

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest Airlines and the Georgia Environmental Protection Division (EPD) to settle all claims in exchange for transfer and assumption of environmental obligations of Leased Space formerly between Northwest and the Georgia EPD. As of June 30, 2018, a restricted noncurrent asset is recorded for approximately \$5.1 million as a result of this settlement.

Department of Watershed Management

Other Governments

In July 1968, the City and DeKalb County, Georgia (DeKalb County) entered into an agreement (the "Clayton Agreement") providing for the construction of a 120 million gallons per day (MGD) water pollution control facility to be known as the R.M. Clayton Water Reclamation Center (the "Plant").

Pursuant to the Clayton Agreement, the City agreed to assume responsibility for the financing, construction, operation, and maintenance of the Plant. The Clayton Agreement gives DeKalb County the right to use 25 MGD, or 20.83%, of the plant capacity. The Clayton Agreement with DeKalb County was amended in 1987, to increase DeKalb County's capacity in the Plant to 50 MGD, which is 48.54% of the 103 MGD of average daily flow capacity.

In 1977, DeKalb County entered into an agreement for 2.62 MGD, or 5.82%, of the capacity rights in the South River Water Reclamation Center and 2.60 MGD, or 12.38%, of the capacity rights in the Intrenchment Creek Water Reclamation Center. These two Water Reclamation Centers, along with the R.M. Clayton Water Reclamation Center, are hereafter referred to as the "Plants".

Additional capital improvements may be made to the Plants to relieve excessive flows and/or loads that impair the efficient operation of the City's sewer system, to improve existing processes, to improve the efficiency of current operations, or to comply with applicable laws. In any such event, the DWM and DeKalb County have agreed to share the costs of such capital improvements, generally upon the basis of relative sewerage flow contributed by the City and DeKalb County, respectively.

DeKalb County, Fulton County, the City of Hapeville, the City of East Point and the City of College Park (collectively, the "Municipalities") share in the costs of the operation and maintenance of the R.M. Clayton, South River, Intrenchment Creek and Utoy Creek Water Reclamation Centers based upon the ratio that their sewerage flow bears to the total flows to the plants. The Municipalities' share

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

of the operation and maintenance costs for the Plants was \$17,669,000 for the year ended June 30, 2018. These payments are treated as operating revenue for the Department of Watershed Management.

The Municipalities have agreed to share in the capital improvement costs made to certain Plants with their share being based on their portion of the sewerage flow. The Municipalities' shares of the capital improvement costs was \$15,961,000 for the year ended June 30, 2018. These payments are treated as non-operating revenue and are included in capital contributions. The amounts receivable from the Municipalities is included in the amount due from other governmental units in the accompanying financial statements.

Consent Decrees for Wastewater System

DWM is subject to two related consent decrees the City entered into to resolve alleged violations of the Federal Clean Water Act and the Georgia Water Quality Control Act.

On October 10, 1995, the Upper Chattahoochee Riverkeeper Fund, Inc. (the "Riverkeeper"), brought suit against the City pursuant to the citizen suit provision of the Clean Water Act seeking injunctive relief and the assessment of civil penalties. Subsequently, the United States of America, acting at the request and on behalf of the Environment Protection Agency (EPA), and the State of Georgia, at the request of the Georgia Environmental Protection Division (EPD), also filed a complaint against the City alleging violations of the Clean Water Act and seeking similar relief. The actions were consolidated.

The plaintiffs alleged that the City violated the terms of its permits that authorize discharge of wastewater from the City's Combined Sewer Overflows (CSO) Control Facilities and its wastewater treatment facilities. In 1998, the plaintiffs and the City agreed to the entry of a consent decree relating to the CSO Control Facilities. On December 20, 1999, the First Amended Consent Decree (the "FACD") was entered into with the United States District Court for the Northern District of Georgia. The United States, the State of Georgia, and the City are the parties to the FACD. Because claims brought by Riverkeeper were resolved under the CSO Consent Decree, Riverkeeper is not a party to the FACD. Current CSO related contract commitments for the wastewater project is \$191,900,000.

CSO Consent Decree

With respect to the October 10, 1995 action brought against the City by Riverkeeper, the court dismissed allegations regarding the phosphorus reduction program and common law nuisance claims, but found that the City violated federal and State water pollution laws with regard to the City's operation of its Tanyard Creek, Proctors Creek/North Avenue, and Proctor Creek/Greensferry CSO treatment facilities.

As mentioned, the City and the citizen plaintiffs settled the lawsuit in what is referred to as the CSO Consent Decree (EPA and the EPD also joined). The CSO Consent Decree required the City to study the performance of the existing CSO treatment facilities, evaluate treatment alternatives that may be necessary for meeting State water quality standards, and improve the performance, maintenance,

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

operation, and management of the existing treatment facilities. As of June 30, 2018, all projects required under the CSO Consent Decree were substantially complete. Remaining liabilities for the CSO is \$19,264,000.

First Amended Consent Decree

The FACD resolved allegations regarding the City's wastewater treatment facilities, inter-jurisdictional requirements, and the City's sewerage collection and transmission system. For the wastewater treatment facilities, the FACD requires the City to: continue its ongoing wastewater treatment facilities Capital Improvement Program to complete upgrades at the R.M. Clayton, Utoy Creek, Intrenchment Creek, and South River Water Reclamation Centers; install and implement a maintenance management system, revise the current operations program, and implement upgrades to the current laboratory information system; and review its inter-jurisdictional agreements to address overloading and pretreatment issues. There are milestones that must be completed on schedule. The provisions regarding the wastewater treatment facilities were completed in March 2004. All capital improvements, upgrades, and repairs under the FACD had an original completion date of July 1, 2014.

Amendment to the First Amended Consent Decree

On September 24, 2012, the court entered an amendment to the FACD. This amendment contained five changes: (1) it extended the deadlines on the work to rehabilitate and provide capacity relief in the City's sewerage collection and transmission system with the final deadline for this work under the FACD extended from 2014 to 2027; (2) it eliminated the requirement that sewer lines that were merely surcharging as opposed to overflowing be upgraded; (3) it required that the City complete one major project, the Peachtree Creek Storage and Pump Station by July 1, 2014; (4) it required the City to reassess its financial capability on July 1, 2020 and accelerate remaining projects if financial conditions substantially improve; and (5) it required the City to report certain performance metrics to federal and state environmental protection agencies on a semi-annual basis as opposed to a quarterly basis. This amendment will allow the City to continue to improve the financial condition of its water and wastewater system, balance its competing system needs, and prevent a substantial increase in the burden on its ratepayers.

Clean Water Atlanta Program

The City is actively seeking federal and state grants and loans and other sources of funding to perform the tasks outlined above as part of its Clean Water Atlanta (the "CWA") Program. Key elements of the comprehensive funding and financing plan include:

- Municipal Option Sales Tax (MOST) - Effective October 1, 2004, the Georgia General Assembly enacted a statute that allowed the City of Atlanta to impose a 1% sale and use tax dedicated to water and wastewater purposes subject to approval through a referendum of the voters in the City.

The statute provided that the tax would be for an initial four-year term with up to two four-year

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

extensions that were also subject to voter referendum. The voters approved the first term in July 2004, the second term in March 2008, and the third term in March 2012. In 2010, the statute was amended to allow up to three four-year extensions. The voters approved the fourth term in March 2016. The fourth four-year term will end on September 30, 2020. Since October 1, 2004, a 1% Municipal sales and use tax has been collected for retail sales and use occurring in the incorporated city limits of Atlanta. Proceeds from this tax are specifically for funding renovations to the City's water and sewer system. Each four year term of the MOST may raise an amount of revenue not to exceed \$750,000,000. Proceeds from the MOST for fiscal year 2018 were \$145,244,000, of which \$11,814,000 were receivable from the Georgia Department of Revenue at June 30, 2018.

- Federal Appropriation - Some small Federal grants have been obtained and efforts to secure additional Federal grants continue.
- State GEFA Loans - The State of Georgia passed legislation to provide up to \$50 million per year in low interest Georgia Environmental Facilities Authority (GEFA) loans to the City. The City is pursuing the maximum loan amount for each year of the CWA Program. Liabilities for these loans will be recorded at the time funds are drawn. In fiscal year 2018, the City received \$31,180,000 in GEFA funding. As of June 30, 2018, the City had \$201,680,000 in short and long-term loans outstanding to GEFA.
- The Atlanta City Council approved annual increases to the current water and wastewater rates to support revenue bonds financing the five year portion (2008 - 2012) of the CWA Capital Improvement Program. The graduated three tiered rate structure is intended to minimize, to the extent possible, the impact of rate increases on ratepayers to maintain affordability and to permit water conservation. The fiscal year 2014-2018 rates are summarized below. In addition to the rates shown below, each water and wastewater bill includes a \$.15 per 100 cubic feet security surcharge. In July 2012, the City Council approved holding the current water and wastewater rates at fiscal year 2012 levels through fiscal year 2018.

Graduated Monthly Water Rate Structure:

Water Consumption	2014	2015	2016	2017	2018
Base Charge	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56
0-3 ccf	\$ 2.58	\$ 2.58	\$ 2.58	\$ 2.58	\$ 2.58
4-6 ccf	\$ 5.34	\$ 5.34	\$ 5.34	\$ 5.34	\$ 5.34
Above 7 ccf	\$ 6.16	\$ 6.16	\$ 6.16	\$ 6.16	\$ 6.16

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Graduated Monthly Wastewater Rate Structure:

Water Consumption	2014	2015	2016	2017	2018
Base Charge	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56
1-3 ccf	\$ 9.74	\$ 9.74	\$ 9.74	\$ 9.74	\$ 9.74
4-6 ccf	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64
Above 7 ccf	\$ 15.69	\$ 15.69	\$ 15.69	\$ 15.69	\$ 15.69

Consent Orders for Drinking Water System

The City is subject to two administrative Consent Orders issued by the Georgia Department of Natural Resources Environmental Protection Division. They are dated December 9, 1997, and March 21, 2003. Those Orders require capital improvement at the Chattahoochee and Hemphill Treatment Plants, as well as operational improvement to ensure compliance with Georgia Rules for Safe Drinking water. While the City is in substantial compliance with the provisions of both Orders, certain aspects of the capital program remain to be completed. Estimated remaining cost to satisfy the CSO is \$36,489,731.

Estimated Capital Costs to Complete Compliance with Decrees and Orders

The DWM is in the midst of a Capital Improvement Program mandated by court orders, regulatory and priority requirements. This Capital Improvement Program details all of the improvements needed through 2027 to meet the aforementioned objectives. The current cost estimate of the overall Capital Improvement Program is approximately \$2.67 billion. Total capital cost recorded to date is \$2,875,630,000.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

The following is a summary of the funded and unfunded future costs to complete projects by type based on the current estimate:

<u>Project Types</u>	Total 2006-2027 CIP (In millions)	Remaining Cost 2019-2027 CIP (In millions)
Wastewater Projects:		
Consent Decree Program (CSO)	\$ 741	19
First Amended Consent Decree Program (SSO)	1,869	789
Regulatory	155	11
Renewal & Extension Fund Projects	842	451
	3,607	1,270
Water Projects:		
Consent Order	80	36
Non-Consent Order	2,017	1,360
	2,097	1,396
	\$ 5,704	2,666

V. Pensions and Postemployment Benefits

A. Pensions

The City maintains the following separately administered pension plans:

Plan Type	Plan Name
Agent multiple-employer, defined benefit	The General Employees' Pension Plan
Single employer, defined benefit	Firefighters' Pension Plan
Single employer, defined benefit	Police Officers' Pension Plan
Single employer, defined contribution	General Employees' Defined Contribution Plan

Plans Administration

In December 2017, the City of Atlanta (the City) adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board (the Board) in order to improve administrative efficiency, governance and investment returns. The City consolidated and set minimum requirements for the Investment Board of Trustees of the three Pension Plans in order to optimize investment returns, establish national leadership in pension management best practices, and increase the City revenues available for compensation of active employees.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

The Plans are administered, as one multiple-employer, defined-benefit plan and two single employer, defined benefit plans, by the Board which includes the Chair who is an appointee of the Mayor, the Mayor or a designee serving as Vice Chair of the Investment Board, three city council members appointed by the Mayor, two city council members appointed by the President of the Atlanta City Council, one member appointed by the Atlanta Board of Education (School System), one member appointed by the Mayor who is a participant in any of the three Plans, the City's Chief Financial Officer, the Human Resources Commissioner, and four members elected by active and retired participants as follows: one from the City of Atlanta General Employees' Pension Fund, one from the Atlanta Public Schools General Employees Pension Fund, one from the Firefighters' Pension Fund, and one from the Police Officers' Pension Fund. Each pension law modification must be adopted by at least two-thirds vote of the City Council and be approved by the Mayor.

A stand-alone audited financial report is issued for each of the three defined benefit plans and can be obtained at the below address. The defined contribution plan does not have separately issued financial statements. The condensed financial statements for the defined contribution plan can be found on page 136.

City of Atlanta
68 Mitchell Street, S.W.
Suite 1600
Atlanta, Georgia 30335

The valuation date for the three defined benefit plans is July 1, 2016, with the results rolled forward to the measurement date of June 30, 2017. The allocation of the pension liability is based upon fiscal year 2017 contributions from the various departments. The City is presenting the net pension liability as of the measurement date of June 30, 2017 for the fiscal year 2018 financial statements.

The General Employees' Pension Plan

Plan Description

The General Employees' Pension Plan (GEPP) is an agent multiple-employer defined benefit plan and was established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time permanent employees of the City of Atlanta (the City), (excluding sworn personnel of the Police and Fire Rescue Departments of the City), and the employees of the Atlanta Board of Education (the School System) who are not covered under the Teachers Retirement System of Georgia. Until 1983, the Georgia Legislature established all requirements and policies of the GEPP. By a constitutional amendment, effective July 1983, control over all aspects of the GEPP transferred to the City under the principle of Home Rule. The types of benefits offered by the GEPP are: retirement, disability, and pre-retirement death benefits. Classified employees and certain non-classified employees pay grade 18 and below not covered by either the Firefighters' or Police Officers' Pension Plans, and hired after September 1, 2005 are required to become members of the GEPP.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

The funding methods and determination of benefits payable were established by the legislative acts creating the GEPP, as amended, and in general, provide that funds are to be accumulated from employee contributions, City and School System contributions, and income from the investment of accumulated funds.

General Employees' Pension Plan

a. *Contribution requirements of the GEPP - The City*

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to administer the Plan including establishing and amending contribution requirements. The funding methods and determination of benefits payable were established by the Atlanta Code of Ordinances, Part 1, Section 6 legislative acts creating the Plan, as amended, and in general, provide that funds are to be accumulated from employee contributions for defined benefits, City contributions, and income from the investment of accumulated funds.

Beginning on November 1, 2011, employees participating in the Plan and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the Plan fund in which they participate. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary).

Employees hired on or after September 1, 2011 who are below pay grade 19 or its equivalent are required to participate in a hybrid defined-benefit plan with a mandatory defined-contribution component. The defined-benefit portion of this plan includes a mandatory 8% employee contribution and 1% multiplier.

The defined contribution element is governed and accounted for separately, and includes a mandatory employee contribution of 3.75% of salary which is matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary, which is also matched 100% by the City. Employees vest in the amount of the City's contribution at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the Plan measured as a percentage of payroll. The City's annual contribution to the Plan may not exceed 35% of payroll of the participants in the City's three defined-benefit pension plans. In the event that this 35% cap is reached, the City will fund any overage for the first 12-month period from its reserves. During that period, the City's management must agree on an alternative method to reduce the overage. If no alternative is reached, beginning in the second 12-month period, the City and the participants will equally split the cost of the overage, subject only to a provision that employee contributions may not increase more than 5%. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

employer contribution requirement is subject to State minimums. During the year ended June 30, 2018, the City contributions were \$51,903,000.

b. Contribution requirements of the GEPP - School System

Obligations to contribute to the Plan are subject to minimum funding standards of the Georgia Public Retirement Systems Standards law and are established by the Board. Previously, the School System's policy was to contribute to the Plan based on a level percent of payroll amortization method using a closed amortization period with 12.5 years remaining. By resolution adopted by the Atlanta Independent School System's Board on June 2, 2014, the School System changed its funding policy whereby each year's employer contribution will be equal to the prior year's amount, increased by 3%, until the Plan is fully funded. In addition, active participants are required to contribute 7% of pay to the Plan (8% if a participant is married or elects to name a covered beneficiary).

c. Description of GEPP benefit terms - The City

In June 2011, the City Council approved changes for the City's GEPP, effective on September 1, 2011 for new hires, and November 1, 2011 for existing employees.

Prior to the change approved in June 2011, the GEPP provided monthly retirement benefits that initially represent 3% for each year of credited service times the participants' final average three-year earnings (limited to 80% of the average). Retirement benefits were adjusted annually based on the change in the consumer price index, limited to 3% per year. Upon the death of a vested participant who has beneficiary coverage, his or her eligible beneficiary(ies) would be entitled to three fourths of the amount the deceased participant was receiving or would have been entitled to receive.

The retirement age increased to age 62 for participants in the GEPP. Early Retirement Age is changed from any age (as long as vested) with penalty to age 52 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for employees hired after September 1, 2011.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Below are the terms the GEPP has established to receive benefits.

Normal Pension

Hired before July 1, 2010:

Age 65 or Age 60 after completing ten years of service.

Monthly benefit is 2.5% of average monthly salary for each year of credited service.

Hired between July 1, 2010 and October 31, 2011:

Age 65 or Age 60 after completing 15 years of service.

Monthly benefit is 2.0% of average monthly salary for each year of credited service.

Hired after October 31, 2011:

Age 65 or Age 62 after completing 15 years of service.

Monthly benefit is 1.0% of average monthly salary for each year of credited service.

This amount cannot be less than \$12 per month for each year of service, capped at 80% of average monthly salary.

The average monthly salary for participants hired before November 1, 2011, is the average of the highest consecutive 36 months of salary. For those employees hired after October 31, 2011, the average monthly salary is the average of the highest consecutive 120 months of salary.

Early Pension:

The monthly benefit for employees hired before November 1, 2011, is reduced by one half of 1% per month for the first 60 months and by one quarter of 1% per month for the remaining months by which age at retirement is less than 60. More favorable early retirement adjustments may apply to participants in prior plans. Unreduced early retirement is available with 30 years of credited service. For employees hired after October 31, 2011, the monthly benefit amount is reduced by one half of 1% per month before age 62.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Hired before July 1, 2010

Ten years of credited service.

Hired between July 1, 2010 and October 31, 2011

Fifteen years of credited service.

Hired after October 31, 2011

Age 52 and 15 years credited service.

Disability:

Service requirement:

Five years of credited service for non-job-related disability. None for job related disability.

Normal pension based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of average monthly salary. This amount is payable until attainment of normal retirement age at which time the benefit is recalculated to include years while disabled as years of service.

d. Description of GEPP benefit terms - the School System

The major provisions of the GEPP for the School System are as stated below.

Normal Pension: a participant may retire at age 65 or age 60 after completing 10 years of service. The monthly benefit is 2.5% of the average monthly salary for each year of credited service. This amount cannot be less than \$17 per month for each year of service, and is capped at 80% of average monthly salary. Average monthly salary is defined as the highest average monthly base compensation over any 36-month period.

Early Pension: a participant must have 10 years of credited service. The normal pension monthly amount is reduced by one half of 1% per month for the first 60 months and one quarter of 1% per month for the remaining months by which age at retirement is less than 60. Unreduced early retirement is available with 30 years of credited service.

Disability: a participant must have 5 years of credited service for non-job related disability. For job-related disability there is no service requirement. Normal pension is based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of the average monthly salary. This amount is paid until attainment of normal retirement age at which time the benefit is recalculated to value years while disabled as years of service.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Firefighters' and Police Officers' Plans

Plan Description

The City of Atlanta, Firefighters' (FPP) and Police Officers' (PPP) Pension Plans are single-employer defined-benefit plans. They were established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time sworn firefighters and police officers of the City of Atlanta (the City) Fire Rescue Department and the Police Department. Until 1983, the Georgia Legislature established all requirements and policies of the FPP and PPP. By a constitutional amendment, effective July 1983, control over all aspects of the FPP and PPP transferred to the City under the principle of Home Rule. The types of benefits offered by the FPP and PPP are: retirement, disability, and preretirement death benefits. Participants should refer to the Atlanta, Georgia, Code of Ordinances, Section 6 (Plan agreement) for more complete information. Under the principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to establish and amend benefit terms and contributions.

a. Contribution Requirements to the FPP and PPP

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to administer the FPP and PPP including establishing and amending contribution requirements. The funding methods and determination of benefits payable were established by the Atlanta Code of Ordinances, Section 6 legislative acts creating the FPP and PPP, as amended, and in general, provide that funds are to be accumulated from employee contributions, City contributions, and income from the investment of accumulated funds.

Sworn personnel employed by the Fire Rescue Department and Police Department are required to contribute to the FPP and PPP. Employees must contribute either 8% of base pay, if hired after August 31, 2011, 12% of base pay if hired before September 1, 2011 without an eligible beneficiary, or 13% of base pay if hired before September 1, 2011 with an eligible beneficiary. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums.

On November 1, 2011, the sworn personnel of the Fire Rescue Department and Police Department participating in the FPP and PPP and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the FPP and PPP. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary). Where an Actuarial Valuation anticipates that the City's actuarially determined contribution for the next fiscal year will exceed 35% of the total payroll, contributions may be increased, by no more than 5% of compensation, in order to fund the overage. During fiscal year 2016 the City had an actuary assessment conducted to review the pay cap. The assessment determined the City was at 25.9%, within the cap.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Employees hired on or after September 1, 2011 who are sworn members of the Fire Rescue Department and Police Department are required to participate in a hybrid defined-benefit plan with a mandatory defined-contribution component. The defined-benefit portion of this plan will include a mandatory 8% employee contribution, and a 1% multiplier. The retirement age increased to age 57 for participants in the FPP and PPP. Early Retirement Age is changed from any age (as long as vested) with penalty to age 52 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for hires after September 1, 2011.

Employer contributions to the FPP and PPP during the year ended June 30, 2018 were \$21,882,000 and \$34,176,000 respectively.

b. Description of the Benefit Terms for FPP and PPP

In June 2011, the City Council approved changes to the benefits for the FPP and PPP, effective on September 1, 2011 for new hires, and November 1, 2011 for existing employees. Currently, sworn personnel employed by the Fire Rescue Department and Police Department are required to contribute to the FPP and PPP.

Prior to the change approved in June 2011, the FPP and PPP provided monthly retirement benefits that initially represent 3% for each year of credited service times the participants' final average three year earnings (limited to 80% of the average). Retirement benefits were adjusted annually based on the change in the consumer price index, limited to 3% per year. Upon the death of a vested participant who has beneficiary coverage, his or her eligible beneficiary(ies) would be entitled to three fourths of the amount the deceased participant was receiving or would have been entitled to receive. Below are the terms the FPP and PPP has established to receive benefits.

Normal retirement age: Any age with at least 30 years of creditable service
(participants who are covered by the '05 Amendment*);
or
Age 55 with at least 10 years of creditable service
(hired prior to July 1, 2010); or
Age 55 with at least 15 years of creditable service,
(hired before prior to September 1, 2011); or
Age 57 with at least 15 years of creditable service; or
Age 65 with at least five years of creditable service

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

*The 2005 Amendment also implemented a “30 and Out” provision for all three plans. This “30 and Out” provision allows any employee who has 30 years of service to retire at any age without any age adjustment or age penalty. However, sick leave can not be used to reach the 30 years of service. The employee must have worked for 30 years. The 2005 Amendment also increased the multiplier for the Firefighters’ Pension Fund to 3.0 for all years of service and placed an 80% cap on the Average Monthly Salary. In addition, the 2005 Amendment increased the multiplier for the General Employees’ Pension Fund from 2.0 to 2.5 for all years of service. Lastly, the 2005 Amendment allowed members of the Defined Contribution Fund who or either classified (eligible for over time) or under pay grade 18 a one-time opportunity to move to the Defined Benefit Plan.

For early retirement there is an adjustment of the retirement benefit being reduced by 0.5% for each month by which the participant’s early retirement age precedes normal retirement age (for employees hired after August 31, 2011). The retirement benefit is reduced by 0.5% for each of the first 60 months and by 0.25% for each additional month by which the participant’s early retirement age precedes the normal retirement age (for employees hired before September 1, 2011).

Early retirement age: Any age with at least 10 years of creditable service (15 years of creditable service for participants who are hired after June 30, 2010);

Minimum age 47 for participants hired after August 31, 2011

For participants who incur a catastrophic injury in the line of duty, the basic pension formula is 100% of the top salary for the grade and position occupied by the participant at the time of disability.

For a service-connected disability for participants hired before 1986, the basic pension formula is the greater of 70% of the top salary for the employee’s grade and position occupied by the participant at the time of disability or basic pension formula, offset by worker’s compensation payments such that the combination of payments does not exceed 100% of the participant’s salary at the time of disability.

For participants hired on or after January 1, 1986, the basic pension formula is the greater of 50% of average monthly earnings at the time of disability or basic pension formula, offset by worker’s compensation payments such that the combination of payments does not exceed 75% of the participant’s salary at the time of disability (payable until the earlier of recovery from disability or Normal Retirement Age).

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

- Pre-retirement death benefit: 75% of the basic pension formula (payable to the eligible beneficiary upon death not in the line-of-duty).
- 100% of base pay offset by worker's compensation or other payments (payable to the eligible beneficiary beginning two years after the death in the line-of-duty).
- 75% of the larger of the basic pension formula or 70% of top salary for the employee's grade (payable to the eligible beneficiary beginning two years after death in the line-of-duty).
- 75% of the basic pension formula (payable to the eligible beneficiary beginning two years after death in the line-of-duty if the employee was covered by the 1986 amendment).

Membership

As of the beginning of the fiscal year ended June 30, 2017, pension plan membership consisted of the following:

	General Employees - The City	Firefighters	Police Officers
Inactive plan members or beneficiaries currently receiving benefits	3,874	1,007	1,510
Inactive plan members entitled to, but not yet receiving benefits	275	15	13
Active plan members	3,452	1,003	1,962
Total membership	7,601	2,025	3,485

The Plans' Investments

The investments for the Plans are made within the Public Retirement Systems Investment Authority Law of the Georgia Code (OCGA 47-20-80). The Board has been granted the authority by City Ordinance to establish and amend the Plans' investment policy. The Board is responsible for making all decisions with regard to the administration of the Plans, including the management of Plans' assets, establishing the investment policy and carrying out the policy on behalf of the Plans.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

The Plans' investments are managed by various investment managers under contract with the Board who has discretionary authority over the assets managed by them and within the Plans' investment guidelines as established by the Board. The investments are held in trust by the Plans' custodian in the Plans' names. These assets are held exclusively for the purpose of providing benefits to members of the respective Plans' and their beneficiaries.

State of Georgia Code and City statutes authorize the Plans to invest in U.S. government obligations, U.S. government agency obligations, State of Georgia obligations, obligations of a corporation of the U.S. government, the Georgia Fund 1 (a government investment pool maintained by the State of Georgia), and alternative investments. The Plans invest in repurchase agreements only when they are collateralized by U.S. government or agency obligations. The Plans are also authorized to invest in collateralized mortgage obligations (CMOs) to maximize yields. These securities are based on cash flows from interest payments on underlying mortgages. CMOs are sensitive to prepayment by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and mortgagees refinance their mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if mortgagees pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

In the development of the current asset allocation plan, the Board reviews the long-term performance and risk characteristics of various asset classes, balancing the risks and rewards of market behavior, and reviewing state legislation regarding investments options. There were no changes to the investment policy in fiscal year 2018. The policy may be amended by the Board with a majority vote of its members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2018, are summarized in the table below.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

General Employees' Plan		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	6.70%
International equity	20%	8.10%
Fixed income	25%	2.10%
Alternative investments	5%	6.20%
	<u>100%</u>	

Firefighters' and Police Officers' Plans		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad equity market	7%	6.01%
Domestic large-cap equity	30%	6.91%
Domestic mid-cap equity	15%	8.91%
Domestic small-cap equity	9%	5.01%
International equity	9%	3.31%
Fixed income	25%	0.81%
Alternative investments	5%	7.51%
	<u>100%</u>	

For the year ended June 30, 2018, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense was 10.27%, 9.85%, and 10.00%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Net Pension Liability

The total pension liability is based on the July 1, 2016 actuarial valuation rolled forward to June 30, 2017 using standard roll-forward techniques (dollars in thousands):

	General Employees' (City)	Firefighters'	Police Officers'	Total
Total pension liability	\$ 1,941,752	897,096	1,394,135	4,232,983
Plan fiduciary net position	1,229,420	669,508	1,051,671	2,950,599
Net pension liability	<u>712,332</u>	<u>227,588</u>	<u>342,464</u>	<u>1,282,384</u>
Plan fiduciary net position as a percentage of the total pension liability	63.31%	74.63%	75.44%	

The net pension liability of the General Employees' (the City), Firefighters' and Police Officers' Plans allocated among the general government, the Department of Aviation, the Department of Watershed Management and Other Non-major Enterprise Funds as June 30, 2018 (dollars in thousands):

	General Employees'	Firefighters'	Police Officers'	Total
General Government	\$ 354,243	\$ 175,243	\$ 315,067	\$ 844,553
Department of Airport	81,847	52,345	27,397	161,589
Department of Watershed Management	226,449	—	—	226,449
Other Non-major Enterprise	49,793	—	—	49,793
Total	<u>\$ 712,332</u>	<u>\$ 227,588</u>	<u>\$ 342,464</u>	<u>\$ 1,282,384</u>

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Changes in Net Pension Liability

The City is presenting net pension liability for the year June 30, 2018 based on the June 30, 2017 measurement date, as follows (dollars in thousands):

<u>General Employees' - the City</u>	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2017	\$ 1,915,577	1,122,786	792,791
Changes for the year:			
Service cost	21,238	—	21,238
Interest expense	139,298	—	139,298
Difference between expected and actual investments earnings	(17,825)	—	(17,825)
Contributions - employer	—	53,817	(53,817)
Contributions - employee	—	18,243	(18,243)
Net investment income	—	152,258	(152,258)
Benefit payments and refunds	(116,536)	(116,536)	—
Administrative expenses	—	(1,148)	1,148
Net changes	26,175	106,634	(80,459)
Balances at June 30, 2018	\$ 1,941,752	1,229,420	712,332

<u>Firefighters'</u>	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2017	\$ 861,493	612,637	248,856
Changes for the year:			
Service cost	12,155	—	12,155
Interest expense	63,123	—	63,123
Demographic experience	4,835	—	4,835
Contributions - employer	—	17,901	(17,901)
Contributions - employee	—	5,711	(5,711)
Net investment income	—	78,247	(78,247)
Other Income	—	1	(1)
Benefit payments and refunds	(44,510)	(44,510)	—
Administrative expenses and other	—	(479)	479
Net changes	35,603	56,871	(21,268)
Balances at June 30, 2018	\$ 897,096	669,508	227,588

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

<u>Police Officers'</u>	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2017	\$ 1,317,840	950,415	367,425
Changes for the year:			
Service cost	24,887	—	24,887
Interest expense	97,265	—	97,265
Demographic experience	16,627	—	16,627
Contributions - employer	—	27,493	(27,493)
Contributions - employee	—	10,830	(10,830)
Net investment income	—	125,938	(125,938)
Benefit payments and refunds	(62,484)	(62,484)	—
Administrative expenses	—	(521)	521
Net changes	76,295	101,256	(24,961)
Balances at June 30, 2018	\$ 1,394,135	1,051,671	342,464

Discount Rate

The discount rates used to measure the total pension for the Plans is as indicated below. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the actuarial determined contributions rates from employers and employees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Following are the discount rates as of June 30, 2017:

General Employees' Plan	Firefighters'	Police Officers'
7.50%	7.41%	7.41%

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plans, calculated using the discount rates for each Plan as well as what the Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	Discount Rate		
	1% Decrease 6.5%	Current 7.5%	1% Increase 8.5%
General Employees - the City	\$ 930,948	712,332	528,420
Firefighters' Pension	\$ 342,255	227,588	133,089
Police Officers' Pension	\$ 530,769	342,464	188,505

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016 rolled forward to the June 30, 2017 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

	Inflation	Salary increases	Investment rate of return
General Employees'	2.75%	3.50%	7.50%
Firefighters'	2.25%	4.00%	7.41%
Police Officers'	2.25%	4.00%	7.41%

Each of the Plans last experience study was conducted in 2011.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

The actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate are as follows:

	General Employees' - the City	Firefighters'	Police Officers'
Valuation date	July 1, 2016	July 1, 2016	July 1, 2016
Actuarial cost method	Entry age actuarial cost	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed
Remaining amortization period	24 years	24 years	24 years
Asset valuation method	Market value	Market value	Market value

For the General Employees' Plan, the mortality rates for healthy individuals were based on the RP-2000 Combined Healthy Mortality Table set to reasonably reflect future mortality improvement based on a seven and a half year review of mortality experience for the 2003 - 2011 period. The disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table. The mortality will be assessed again at the time of the next review, and further adjustment or expected improvement in life expectancy will be made if warranted.

Firefighters' and Police Officers' Pension Plans mortality rates were based on the sex-distinct rates set forth in the RP-2000 Mortality Table projected to 2015 by Scale AA, as published by the Internal Revenue Code (IRC) Section 430; future generational improvements in mortality have not been reflected.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The City recognized total pension expense of \$102,438,000 for the year ended June 30, 2018. Of the total pension expense, \$73,864,000 was recognized in the governmental activities and \$28,574,000 was recognized in the business type activities.

Deferred outflows of resources totaling \$204,420,000, with \$111,988,000 of contributions made after the plan's measurement date, \$48,883,000 for demographic gains/losses, \$19,512,000 for assumption changes, \$5,554,000 in changes in proportion and differences between employer's contribution and proportionate share of contributions and \$18,483,000 represents the pension plans net differences between projected and actual investment earnings.

The deferred inflows of resources totaling \$130,956,000 included demographic and assumption changes.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

The following table presents a summary of deferred inflows and outflows of resources related to the pension plans (dollars in thousands):

	Year of deferral	Amortization period (in years)	Beginning of year balance	Additions	Deductions	End of year balance
General employees'						
Deferred Inflows						
Demographic gain/loss	2017	4.00	—	(17,825)	4,456	(13,369)
Difference between expected and actual experience	2015	4.00	(699)	—	350	(349)
Net difference between projected and actual pension investments income	2014	5.00	(45,781)	—	22,892	(22,889)
	2015	5.00	16,510	—	(5,504)	11,006
	2016	5.00	58,122	—	(14,530)	43,592
	2017	5.00		(69,760)	13,952	(55,808)
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2017		—	(5,554)		(5,554)
						\$ (43,371)
Deferred Outflows						
Demographic gain/loss	2016	4.00	1,207		(490)	717
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2017		—	5,554	—	5,554
Contributions subsequent to the measurement date			53,818	51,903	(53,818)	51,903
						\$ 58,174
Firefighters'						
Deferred Inflows						
Demographic gain/loss	2015	11.95	(19,048)	—	1,913	(17,135)
	2016	12.10	(20,912)	—	1,884	(19,028)
						\$ (36,163)
Deferred Outflows						
Net difference between projected and actual pension investments income	2014	5.00	(28,532)	—	14,265	(14,267)
	2015	5.00	27,324	—	(9,108)	18,216
	2016	5.00	45,362	—	(11,341)	34,021
	2017	5.00	—	(33,526)	6,705	(26,821)
Contributions subsequent to the measurement date			17,901	21,882	(17,901)	21,882
Demographic gain/loss	2014	12.30	7,631	—	(820)	6,811
	2017	5.00	—	4,835	(760)	4,075
Assumption changes	2014	12.30	12,288	—	(1,321)	10,967
						\$ 54,884
Police Officers'						
Deferred Inflows						
Demographic gain/loss	2015	10.65	(26,437)	—	3,056	(23,381)
	2016	11.03	(31,147)	—	3,106	(28,041)
						\$ (51,422)
Deferred Outflows						
Net difference between projected and actual pension investments income	2014	5.00	(44,670)	—	22,335	(22,335)
	2015	5.00	38,381	—	(12,794)	25,587
	2016	5.00	65,613	—	(16,403)	49,210
	2017	5.00	—	(56,410)	11,282	(45,128)
Contributions subsequent to the measurement date			27,493	38,203	(27,493)	38,203
Demographic gain/loss	2014	11.08	26,517	—	(3,282)	23,235
	2017	5.00	—	16,627	(2,582)	14,045
Assumption changes	2014	11.08	9,752	—	(1,207)	8,545
						\$ 91,362
				Grand total of deferred inflows		\$ (130,956)
				Grand total of deferred outflows		\$ 204,420

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

The following table presents a summary of allocations to the departments in the collective deferred outflows and deferred inflows of resources as indicated above for the year ended June 30, 2018 (amounts in thousands):

	Balance June 30, 2018	General Government	Department of Watershed Management	Department of Aviation	Other non-major enterprise funds
<u>General employees'</u>					
Deferred Inflows					
Net difference between projected and actual pension investments	\$ (24,099)	\$ (11,984)	\$ (7,662)	\$ (2,769)	\$ (1,685)
Changes in proportion and differences between employer's contribution and proportionate share of contribution	(5,554)	—	(5,554)	—	—
Demographic gain/loss	(13,369)	(6,648)	(4,250)	(1,536)	(934)
Difference between expected and actual experience	(349)	(174)	(111)	(40)	(24)
	<u>(43,371)</u>	<u>(18,806)</u>	<u>(17,577)</u>	<u>(4,345)</u>	<u>(2,643)</u>
Deferred Outflows					
Demographic gain/loss	717	313	256	92	56
Changes in proportion and differences between employer's contribution and proportionate share of contribution	5,554	4,333	—	—	1,221
Contributions subsequent to the measurement date	51,903	26,345	15,943	5,772	3,843
	<u>58,174</u>	<u>\$ 30,991</u>	<u>\$ 16,199</u>	<u>5,864</u>	<u>\$ 5,120</u>
Deferred amount to be amortized	<u>\$ (37,100)</u>	<u>\$ (14,160)</u>	<u>\$ (17,321)</u>	<u>\$ (4,253)</u>	<u>\$ (1,366)</u>
<u>Firefighters'</u>					
Deferred Inflows					
Demographic gain/loss	<u>(36,163)</u>	<u>(27,846)</u>	—	<u>(8,317)</u>	—
	<u>(36,163)</u>	<u>(27,846)</u>	—	<u>(8,317)</u>	—
Deferred Outflows					
Net difference between projected and actual pension investments income	11,149	8,585	—	2,564	—
Assumption changes	10,967	8,445	—	2,522	—
Demographic gain/loss	10,886	8,382	—	2,504	—
Contributions subsequent to the measurement date	21,882	17,268	—	4,614	—
	<u>54,884</u>	<u>42,680</u>	—	<u>12,204</u>	—
Deferred amount to be amortized	<u>\$ (3,161)</u>	<u>\$ (2,434)</u>	<u>\$ —</u>	<u>\$ (727)</u>	<u>\$ —</u>
<u>Police Officers'</u>					
Deferred Inflows					
Demographic gain/loss	<u>(51,422)</u>	<u>(47,308)</u>	—	<u>(4,114)</u>	—
	<u>(51,422)</u>	<u>(47,308)</u>	—	<u>(4,114)</u>	—
Deferred Outflows					
Net difference between projected and actual pension investments income	7,334	6,747	—	587	—
Assumption changes	8,545	7,861	—	684	—
Demographic gain/loss	37,280	34,298	—	2,982	—
Contributions subsequent to the measurement date	38,203	35,359	—	2,844	—
	<u>91,362</u>	<u>84,265</u>	—	<u>7,097</u>	—
Deferred amount to be amortized	<u>\$ 1,737</u>	<u>\$ 1,598</u>	<u>\$ —</u>	<u>\$ 139</u>	<u>\$ —</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

Contributions subsequent to the measurement date in the amount of \$111,988,000 will be recognized as a reduction of the net pension liability during the year ended June 30, 2019. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows (amount in thousands):

General employees'

	Amortization amount	General Government	Department of Watershed Management	Department of Aviation	Other non-major enterprise units
2019	\$ (21,212)	\$ (10,549)	\$ (6,743)	\$ (2,437)	\$ (1,483)
2020	2,028	1,009	645	233	142
2021	(3,878)	(1,929)	(1,233)	(446)	(271)
2022	(13,951)	(6,937)	(4,435)	(1,604)	(975)
2023 and thereafter	—	—	—	—	—
	<u>\$ (37,013)</u>	<u>\$ (18,406)</u>	<u>\$ (11,766)</u>	<u>\$ (4,254)</u>	<u>\$ (2,587)</u>

Firefighters'

2019	\$ (1,416)	\$ (1,090)	\$ —	\$ (326)	\$ —
2020	12,845	9,891	—	2,954	—
2021	3,738	2,878	—	860	—
2022	(7,602)	(5,854)	—	(1,748)	—
2023 and thereafter	(10,726)	(8,259)	—	(2,467)	—
	<u>\$ (3,161)</u>	<u>\$ (2,434)</u>	<u>\$ —</u>	<u>\$ (727)</u>	<u>\$ —</u>

Police Officers'

2019	\$ (3,511)	\$ (3,230)	\$ —	\$ (281)	\$ —
2020	18,824	17,318	—	1,506	—
2021	6,030	5,548	—	482	—
2022	(10,373)	(9,543)	—	(830)	—
2023 and thereafter	(9,233)	(8,494)	—	(739)	—
	<u>\$ 1,737</u>	<u>\$ 1,598</u>	<u>\$ —</u>	<u>\$ 139</u>	<u>\$ —</u>

Defined Contribution Plan

Atlanta, Georgia Code of Ordinances Section 6-2(c) sets forth the City's General Employees' Defined Contribution Plan. The Plan provides funds at retirement for employees of the City and in the event of death, provides funds for their beneficiaries, through an arrangement by which contributions are made to the Plan by employees and the City. The current contribution of the City is 6% of employee payroll. Employees also make a mandatory pretax contribution of 6% plus have the option to contribute amounts up to the amount legally limited for retirement contributions.

Each employee directs how the funds in their retirement account shall be invested. The employee may direct lump sum distributions from their retirement account upon separation from the City, death,

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

disability (pursuant to the City's disability retirement provisions), or retirement.

City of Atlanta has a contract with ING Life Insurance and Annuity Company (now Voya Financial Inc.) for managing the 401(a) Defined Contribution Plan, 457(b) and 457 Roth Deferred Compensation Plans (collectively, the "Contribution Plans"). Under the current contract, Voya uses an Accumulation Unit Value (AUV) pricing of investments instead of the Net Asset Value (NAV). Both are units of value used to determine the daily worth of participant accounts. NAV is the measure of value for shares of a mutual fund, while AUV is the measure of value for units of a Separate Account.

All modifications to the Contribution Plan, including contribution requirements, must receive the recommendations and advice from the offices of the Chief Financial Officer and the City Attorney, respectively. Each pension law modification must be adopted by at least two-thirds vote of the City Council and be approved by the Mayor.

All new employees, hired after July 1, 2001, who previously would have been enrolled in the General Employees' Defined Benefit Plan, were enrolled in the General Employees' Defined Contribution Plan.

During 2002, persons employed prior to July 1, 2001 were given the option to transfer to the General Employees' Defined Contribution Plan.

Effective September 1, 2005, classified employees and certain non-classified employees pay grade 18 and below then enrolled in the General Employees' Defined Contribution Plan had the one-time option of transferring to the General Employees' Pension Plan. Classified employees and certain non-classified employees pay grade 18 and below, not covered by either the Police Officers' or Firefighters' Pension Plans, hired after September 1, 2005 are required to become members of the General Employees' Pension Plan.

Amendments to Defined Contribution Plan

Employees hired on or after September 1, 2011, who are either sworn members of the police department or the Fire Rescue Department, or who are below payroll grade 19 or its equivalent, are required to participate in the mandatory defined contribution component which includes a mandatory employee salary contribution of 3.75% and is matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary which is also matched 100% by the City. Employees vest in the amount of the City's contributions at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

As of June 30, 2018, there were 1,882 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$134,479,688. Employer contributions for the year ended June 30, 2018, were approximately \$12,418,000 and employee contributions were

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

A. Pensions, continued

approximately \$12,449,000, totaling 18.5% of covered payroll. In addition, there were another 2,556 Defined Contribution Plan participants in the hybrid plans.

The General Employees' Defined Contribution Plan uses the accrual basis of accounting. Investments are reported at fair value, based on quoted market prices and there were no non-governmental individual investments that exceeded 5% of the net position of the Plan.

Condensed financial statement information for the Defined Contribution Plan for the year ended June 30, 2018, is shown below (dollars in thousands):

Current assets:		
Investments		
Domestic fixed income securities	\$	38,097
Domestic equities		34,279
Co-mingled funds		85,437
Other assets		10,315
Total Assets	\$	<u>168,128</u>
Current liabilities		
Accounts payable		<u>4</u>
Total net position held in trust for pension benefits		<u>168,124</u>
Additions:		
Employer contributions		12,418
Employee contributions		12,449
Refunds and other		11,271
Total additions		<u>36,138</u>
Deductions:		
Benefit Payments		12,998
Administrative expenses		151
Total deductions		<u>13,149</u>
Change in net position held in trust for pension benefits	\$	<u>22,989</u>

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits

Plan Description: The City of Atlanta Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Post-employment Benefits (OPEB) to eligible retirees, dependents and their beneficiaries. The Plan was established by legislative acts and functions in accordance with existing City laws. The Plan provides members upon eligible retirement, with lifetime healthcare, prescription drug, dental, and life insurance benefits. Separate financial statements are not prepared for the OPEB Plan.

Funding Policy: The City is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amounts necessary to provide current benefits to retirees, eligible dependents and beneficiaries. For the fiscal year ended June 30, 2018, the City made \$48.9 million “pay-as-you-go” benefit payments on behalf of the Plan, note there were no refunds included. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed \$41.7 million through their required contributions.

Contributions: Pay-as-you-go premiums net of retiree contributions. There has not been a Trust established for this plan.

Plan Membership: The Valuation Date is June 30, 2016, claims and participant data is collected as of this date. Employees covered by benefit terms as of June 30, 2016, consisted of the following:

Participant Data	
Inactive employees or beneficiaries currently receiving benefits	5,770
Active employees	7,295
	<u>13,065</u>

Net OPEB Liability

The City's Net OPEB liability was measured as of June 30, 2017, and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

Actuarial Assumptions: The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified:

Inflation	3%
Salary Increases	4.00% for Police and Firefighters, 3.50% plus age related salary scale for General employees
Discount Rate	3.58%
Healthcare costs trend rates	
Medical (non-MA)	7.00% graded down to 4.50% over 5 years
Medicare Advantage (MA)	5.00% graded down to 4.50% over 2 years
Dental	4.00%
Mortality Rates (Healthy)	RP2000 Combined Healthy Mortality Table for males and females, as appropriate, with generational projection using Scale AA
Mortality Rates:	
Healthy (General Employees):	RP-2000 Combined Healthy Mortality Table with generational projection (Scale AA)
Healthy (Fire and Police):	RP-2000 Combined Healthy Mortality Table projected 15 years (Scale AA)
Disabled:	RP-2000 Disabled Retiree Mortality Table

Discount rate

The discount rate used to measure the total OPEB liability was 3.58%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of the sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016, actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. It is amortized as a level percent of payroll over a 21 year period and a closed amortization method. The actuarial assumptions included 4.0 investment rate of return and an annual medical cost trend rate of 7 percent initially, graded down to 4.5 percent over five years. Both rates include a 3 percent inflation assumption. Currently there are no assets set aside that are legally held exclusively for OPEB.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

<u>Year ending June 30,</u>	<u>Medical / Drugs Rate (%)</u>
2017	7.00
2018	6.50
2019	6.00
2020	5.50
2021	5.00
2022 and later	4.50

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The determined actuarial valuations of OPEB provided under the Plan incorporated the use of various assumptions including demographic, salary increases, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the Total OPEB Liability. Amounts determined regarding the funded status of the Plan and the annual required contributions of the City are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Early Retirement:

General Employees:

- Any age with 10 years of creditable service (if hired prior to July 1, 2010),
- Any age with 15 years of creditable service (if hired before September 1, 2011),
- Age 52 with 15 years of creditable service (if hired after August 31, 2011).

Police Officers and Firefighters:

- Any age with 10 years of creditable service (if hired before July 1, 2010),
- Any age with 15 years of service (if hired before September 1, 2011),
- Age 47 with 15 years of service (if hired after August 31, 2011).

Normal Retirement

General Employees:

- Age 65 regardless of service (all employees),
- Age 60 with 5 years of service (if hired before July 1, 2010),
- Age 60 with 10 years of service (if hired before September 1, 2011),

Police Officers and Firefighters:

- Any age with 30 years of service (only if covered by the '05 Amendment),
- Age 55 with 5 years of service (if hired prior to July 1, 2010),
- Age 55 with 10 years of service (if hired prior to July 1, 2011),
- Age 57 with 10 years of service (if hired after to June 30, 2011),
- Age 65 with 5 years of service (all employees)

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The following table shows the elements of the City's OPEB cost for the year and changes in the City's net OPEB liability to the Plan for the year ended June 30, 2017 (dollars in thousands):

Change in Net OPEB liability	
Service cost	\$ 35,579
Interest expense	36,735
Difference between expected and actual experiences	11,772
Change in assumption	(140,512)
Benefit payments and refunds	(48,947)
Net change in total pension liability	(105,373)
Total pension liability-beginning	1,313,247
Total pension liability-ending	<u>\$ 1,207,874</u>

The net OPEB liability allocated among the General Government, the Department of Aviation, the Department of Watershed Management and Other Non-major Enterprise Funds as June 30, 2018 (dollars in thousands):

	<u>Net OPEB Liability</u>
General Government	\$ 812,476
Department of Airport	134,790
Department of Watershed Management	191,402
Other Non-major Enterprise	69,206
Total	<u>\$ 1,207,874</u>

Benefit Types:

Duration of Coverage: Medical, prescription drug, dental and life insurance. Lifetime.

Dependent Benefit: Medical, prescription drug, dental, and life insurance.

Dependent Coverage: Lifetime

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

Summary of Key Valuation Result: Total OPEB Liability (TOL) represents the value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

Net OPEB Liability	\$ 1,207,874	\$ 1,313,247
Reporting Date	June 30, 2018	June 30, 2017
Annual OPEB Expense	\$ 50,857,683	
Service Cost at Beginning of Year	35,579,462	
Total Covered Payroll	384,477,588	

Sensitivity of the Net OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate. Also, shown is the TOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

Net OPEB Liability Sensitivity to Changes in Discount Rate

	<u>Discount Rate</u>		
	1% Decrease	Current	1% Increase
	2.58%	3.58%	4.58%
Net OPEB Liability	<u>\$ 1,406,515</u>	<u>1,207,874</u>	<u>1,048,388</u>

Net OPEB Liability Sensitivity to Changes in Healthcare Cost Trend

	<u>Healthcare Cost Trend</u>		
	1% Decrease	Current	1% Increase
	6%	7%	8%
Net OPEB Liability	<u>\$ 1,035,394</u>	<u>1,207,874</u>	<u>1,424,929</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$51 million. Of the total OPEB expense, \$34 million was recognized in the governmental activities and \$17 million was recognized in the business type activities.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The deferred outflows of resources totaled \$15.7 million, with \$9.8 million for demographic gains/losses and \$5.9 million in differences between employer's contributions and proportionate share of contributions. The deferred inflows of resources totaled \$123.0 million, with \$117.1 million in assumption changes and \$5.9 million in differences between employer's contributions and proportionate share of contributions.

The following table presents a summary of deferred inflows and outflows of resources related to the OPEB (dollars in thousands):

	Year of deferral	Amortization period (in years)	Beginning of year balance	Additions	Deductions	End of year balance
<u>OPEB</u>						
Deferred Inflows						
Changes in proportion and differences between employer's contributions and proportionate share of contributions	2017	5	\$ —	(5,867)	—	(5,867)
Assumption Changes	2017	5	—	(117,093)	—	(117,093)
			<u>\$ —</u>	<u>(122,960)</u>	<u>—</u>	<u>(122,960)</u>
Deferred Outflows						
Changes in proportion and differences between employer's contributions and proportionate share of contributions	2017	5	\$ —	5,867	—	5,867
Demographic gain/loss	2017	5	—	9,811	—	9,811
			<u>\$ —</u>	<u>15,678</u>	<u>—</u>	<u>15,678</u>

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The following table presents a summary of allocations to the departments in the collective deferred outflows and deferred inflows of resources as indicated above for the year ended June 30, 2018 (amounts in thousands):

	Total - June 30, 2017	General Government	Department of Watershed Management	Department of Aviation	Other non-major enterprise funds
Deferred Inflows					
Proportionate share of contribution	\$ (5,867)	—	—	(3,535)	(2,332)
Assumption Changes	(117,093)	(79,493)	(18,045)	(13,031)	(6,524)
	<u>(122,960)</u>	<u>(79,493)</u>	<u>(18,045)</u>	<u>(16,566)</u>	<u>(8,856)</u>
Deferred Outflows					
Proportionate share of contribution	5,867	5,254	613	—	—
Demographic gain/loss	9,811	6,523	1,604	1,104	580
	<u>15,678</u>	<u>11,777</u>	<u>2,217</u>	<u>1,104</u>	<u>580</u>
Deferred amount to be amortized	\$ (107,282)	(67,716)	(15,828)	(15,462)	(8,276)

Amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows (amount in thousands):

	Amortization amount	General Government	Department of Watershed Management	Department of Aviation	Other non-major enterprise units
2019	\$ (21,457)	\$ (13,543)	\$ (3,166)	\$ (3,093)	\$ (1,655)
2020	(21,457)	(13,543)	(3,166)	(3,093)	(1,655)
2021	(21,457)	(13,543)	(3,166)	(3,093)	(1,655)
2022	(21,457)	(13,543)	(3,166)	(3,093)	(1,655)
2023 and thereafter	(21,454)	(13,544)	(3,164)	(3,090)	(1,656)
	<u>\$ (107,282)</u>	<u>\$ (67,716)</u>	<u>\$ (15,828)</u>	<u>\$ (15,462)</u>	<u>\$ (8,276)</u>

Deferred Compensation Plan

The City has adopted a deferred compensation plan in accordance with the 1997 revisions of Section 457 of the Internal Revenue Code. The deferred compensation plan, available to all City employees, allows an employee to voluntarily defer up to 25% of his/her gross compensation, not to exceed certain limits per year. Each participant selects one of three providers to administer the investment of the deferred funds. Administrative costs of the plan are deducted from the participants' accounts. The

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

deferred compensation plan assets are held in custodial accounts for the exclusive benefit of the plan participants and their beneficiaries, and are therefore not included in the City's financial statements.

VI. Subsequent Events

General Government

On November 5, 2018, Atlanta City Council approved the Gulch development which is the single largest development in the City in nearly 50 years. The approval of the Gulch development consists of a \$28 million investment into a citywide affordable housing fund, required minimum affordable housing residential units of 200 or 20%, whichever is greater, \$2 million commitment for workforce training, \$12 million investment into a citywide economic development fund, commitment to unprecedented levels of minority and female-owned businesses with a goal of at least 38% utilization and an offer of 10% equity, and \$12 million commitment towards the construction of a new seven-bay fire station.

Department of Watershed Management

On July 2, 2018, the City repaid the outstanding balance of its then-existing Water and Wastewater Revenue Bonds, Series 2008 with the proceeds of its Series 2018A Bonds and certain debt service funds, debt service reserve funds and project funds.

On July 26, 2018, the City issued its Water and Wastewater Revenue and Revenue Refunding Bonds, Series 2018B (the "Series 2018B Bonds"), in the aggregate principal amount of \$289,730,000, for the purpose of: paying all or a portion of the cost of the Water Supply Program (2018 Project); paying the outstanding principal portion of the 2015 Commercial Paper Notes; funding a deposit to the Debt Service Reserve account; and paying the cost of issuance related to the issuance of the Series 2018B Bonds.

On August 2, 2018, the City issued its Water and Wastewater Revenue Commercial Paper Notes, Series 2018 (the "Series 2018 Commercial Paper Notes") in the aggregate principal amount of \$125,000,000 for the purpose of financing or refinancing on an interim basis, costs as part of a multi-phase long-term capital improvement program for the System, refund in whole or in part the principal of and interest on the Series 2018 Commercial Paper Notes, and pay the costs associated with the issuance of the Series 2018 Commercial Paper Notes.

On October 23, 2018, the City terminated swap #3 (associated with the Water and Wastewater Revenue Refunding Bonds, Series 2013A, the "Series 2013A Bonds") in the amount of \$65,690,000. The termination occurred in conjunction with the issuance of the Water and Wastewater Revenue Refunding Bonds, Series 2018C explained below.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2018

Notes to the Financial Statements - Continued

VI. Subsequent Events, continued

On October 30, 2018, the City issued its Water and Wastewater Revenue Refunding Bonds, Series 2018C, (the “Series 2018C Bonds”) in the aggregate principal amount of \$288,900,000 for the purpose of refunding all of the outstanding Series 2013A Bonds, and paying the cost of issuance associated with the Series 2018C Bonds.

Department of Aviation

On July 1, 2018, DOA executed a note purchase agreement with Bank of America, N.A. relating to the outstanding Bond Anticipation Notes 2016 Series A&B. The Bond Anticipation Notes were renewed with a maturity date of January 1, 2020 in the amount of \$500 million. These notes were issued for the purpose of financing on an interim basis, in whole or in part, the costs of the planning, engineering, design, acquisition and construction of certain improvements to Hartsfield-Jackson Atlanta International Airport.

The remainder of the page is intentionally left blank



THIS PAGE INTENTIONALLY LEFT BLANK



Required Supplementary Information

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Employer Net Pension Liability
General Employees' Pension Plan
Year Ended June 30
(Dollars in thousands)
(Unaudited)

General Employees' Pension Plan	2017	2016	2015	2014
Total pension liability	\$ 1,941,752	\$ 1,915,577	\$ 1,873,213	\$ 1,832,883
Plan fiduciary net position	\$ 1,229,420	\$ 1,122,786	\$ 1,153,715	\$ 1,145,333
Employers net pension liability	\$ 712,332	\$ 792,791	\$ 719,498	\$ 687,550
Plan fiduciary net position as a percentage of total pension liability	63.31%	58.61%	61.59%	62.49%
Covered payroll	\$ 158,839	\$ 151,625	\$ 145,654	\$ 142,494
Employers net pension liability as a percentage of covered payroll	448.46%	522.86%	493.98%	482.51%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Employer Net Pension Liability
 Firefighters' Pension Plan
 Year Ended June 30
 (Dollars in thousands)
 (Unaudited)

Firefighters' Pension Plan	2017	2016	2015	2014
Total pension liability	\$ 897,096	\$ 861,493	\$ 853,690	\$ 846,325
Plan fiduciary net position	\$ 669,508	\$ 612,637	\$ 644,649	\$ 658,508
Employers net pension liability	\$ 227,588	\$ 248,856	\$ 209,041	\$ 187,817
Plan fiduciary net position as a percentage of total pension liability	74.63%	71.11%	75.51%	77.81%
Covered payroll	\$ 47,479	\$ 46,918	\$ 47,181	\$ 44,508
Employers net pension liability as a percentage of covered payroll	479.34%	530.41%	443.06%	421.98%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Employer Net Pension Liability
 Police Officers' Pension Plan
 Year Ended June 30
 (Dollars in thousands)
 (Unaudited)

Police Officers' Pension Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 1,394,135	\$ 1,317,840	\$ 1,294,907	\$ 1,270,494
Plan fiduciary net position	\$ 1,051,671	\$ 950,415	\$ 983,385	\$ 987,507
Employers net pension liability	\$ 342,464	\$ 367,425	\$ 311,522	\$ 282,987
Plan fiduciary net position as a percentage of total pension liability	75.44%	72.12%	75.94%	77.73%
Covered payroll	\$ 104,788	\$ 92,965	\$ 93,836	\$ 91,840
Employers net pension liability as a percentage of covered payroll	326.82%	395.23%	331.99%	308.13%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability
General Employees' Pension Plan
Year ended June 30
(Dollars in thousands)
(Unaudited)

	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 21,238	\$ 20,230	\$ 20,191	\$ 19,644
Interest	139,298	136,155	133,276	130,279
Demographic experience	—	1,610	—	—
Differences between expected and actual experience	(17,825)	—	(1,399)	—
Benefit payments, including refunds of member contributions	(116,536)	(115,631)	(111,738)	(108,175)
Net change in total pension liability	26,175	42,364	40,330	41,748
Total pension liability - beginning	1,915,577	1,873,213	1,832,883	1,791,135
Total pension liability - ending	<u>\$ 1,941,752</u>	<u>\$ 1,915,577</u>	<u>\$ 1,873,213</u>	<u>\$ 1,832,883</u>
Plan fiduciary net position:				
Contributions - employer	\$ 53,817	\$ 54,236	\$ 48,015	\$ 42,145
Contributions - member	18,243	19,173	16,975	17,366
Net investment income	152,258	12,257	56,575	188,381
Benefit payments, including member refunds	(116,536)	(115,631)	(111,738)	(108,175)
Administrative expenses	(1,148)	(964)	(1,445)	(8,813)
Net changes in plan fiduciary net position	106,634	(30,929)	8,382	130,904
Plan fiduciary net position - beginning	1,122,786	1,153,715	1,145,333	1,014,429
Plan fiduciary net position - ending	<u>1,229,420</u>	<u>1,122,786</u>	<u>1,153,715</u>	<u>1,145,333</u>
Plan net pension liability - ending	<u>\$ 712,332</u>	<u>\$ 792,791</u>	<u>\$ 719,498</u>	<u>\$ 687,550</u>

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Firefighters' Pension Plan
Year ended June 30
(Dollars in thousands)
(Unaudited)

	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 12,155	\$ 12,013	\$ 12,612	\$ 13,783
Interest	63,123	62,584	60,396	59,473
Differences between expected and actual experience	—	—	—	10,092
Demographic experience	4,835	(22,794)	(23,053)	—
Changes of assumptions	—	—	—	16,251
Benefit payments, including refunds of member contributions	(44,510)	(44,000)	(42,590)	(41,629)
Net change in total pension liability	35,603	7,803	7,365	57,970
Total pension liability - beginning	861,493	853,690	846,325	788,355
Total pension liability - ending	<u>\$ 897,096</u>	<u>\$ 861,493</u>	<u>\$ 853,690</u>	<u>\$ 846,325</u>
Plan fiduciary net position:				
Contributions - employer	\$ 17,901	\$ 16,454	\$ 20,866	\$ 20,656
Contributions - member	5,711	5,667	5,637	5,670
Net investment income (loss)	78,247	(9,895)	2,651	112,374
Other	1	150	4	—
Benefit payments, including member refunds	(44,510)	(44,000)	(42,590)	(41,268)
Administrative expenses	(479)	(388)	(427)	(374)
Net change in plan fiduciary net position	56,871	(32,012)	(13,859)	97,058
Plan fiduciary net position - beginning	612,637	644,649	658,508	561,450
Plan fiduciary net position - ending	669,508	612,637	644,649	658,508
Plan net pension liability - ending	<u>\$ 227,588</u>	<u>\$ 248,856</u>	<u>\$ 209,041</u>	<u>\$ 187,817</u>

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Police Officers' Pension Plan
Year ended June 30
(Dollars in thousands)
(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 24,887	\$ 21,573	\$ 22,387	\$ 23,755
Interest	97,265	95,436	91,326	89,442
Changes of benefit terms	16,627	(34,253)	(33,047)	—
Differences between expected and actual experience	—	—	—	36,363
Changes of assumptions	—	—	—	13,373
Benefit payments, including refunds of member contributions	(62,484)	(59,823)	(56,253)	(51,070)
Net change in total pension liability	76,295	22,933	24,413	111,863
Total pension liability - beginning	1,317,840	1,294,907	1,270,494	1,158,631
Total pension liability - ending	<u>\$ 1,394,135</u>	<u>\$ 1,317,840</u>	<u>\$ 1,294,907</u>	<u>\$ 1,270,494</u>
Plan fiduciary net position:				
Contributions - employer	\$ 27,493	\$ 25,441	\$ 32,693	\$ 30,197
Contributions - member	10,830	11,825	11,224	11,157
Net investment income	125,938	(10,177)	8,734	168,964
Other	—	193	4	—
Benefit payments, including member refunds	(62,484)	(59,823)	(56,253)	(51,299)
Administrative expenses	(521)	(429)	(524)	(327)
Net change in plan fiduciary net position	101,256	(32,970)	(4,122)	158,692
Plan fiduciary net position - beginning	950,415	983,385	987,507	828,815
Plan fiduciary net position - ending	1,051,671	950,415	983,385	987,507
Plan net pension liability - ending	<u>\$ 342,464</u>	<u>\$ 367,425</u>	<u>\$ 311,522</u>	<u>\$ 282,987</u>

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Employer Contributions -
General Employees', Firefighters' and Police Officers' Pension Plans
Year ended June 30
(Dollars in thousands)
(Unaudited)

General Employees'	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contributions	\$ 51,903	\$ 53,817	\$ 54,236	\$ 48,015	\$ 42,145	\$ 38,688	\$ 35,237	\$ 46,068	\$ 51,762	\$ 69,991
Contributions in relation to the actuarially determined contribution	51,903	53,817	54,236	48,015	42,145	38,688	35,237	46,068	51,762	69,991
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 171,195	\$ 158,839	\$ 151,625	\$ 145,654	\$ 142,494	\$ 133,069	\$ 139,107	\$ 135,636	\$ 142,597	\$ 150,312
Contributions as a percentage of covered payroll	30.3%	33.9%	35.8%	33.0%	29.6%	29.1%	25.3%	34.0%	36.3%	46.6%
Firefighters'	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contributions	\$ 21,882	\$ 17,901	\$ 16,454	\$ 20,866	\$ 20,656	\$ 17,491	\$ 21,092	\$ 24,912	\$ 25,865	\$ 28,752
Contributions in relation to the actuarially determined contribution	21,882	17,901	16,454	20,866	20,656	17,491	21,092	24,912	25,865	28,752
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 46,962	\$ 47,479	\$ 46,918	\$ 47,181	\$ 44,508	\$ 42,797	\$ 39,482	\$ 42,963	\$ 43,910	\$ 43,275
Contributions as a percentage of covered payroll	46.6%	37.7%	35.1%	44.2%	46.4%	40.9%	53.4%	58.0%	58.9%	66.4%
Police Officers'	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contributions	\$ 34,176	\$ 27,493	\$ 25,441	\$ 32,693	\$ 30,197	\$ 26,525	\$ 33,748	\$ 19,568	\$ 40,422	\$ 41,213
Contributions in relation to the actuarially determined contribution	34,176	27,493	25,441	32,693	30,197	26,525	33,748	19,568	40,422	41,213
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 90,948	\$ 104,788	\$ 92,965	\$ 93,836	\$ 91,840	\$ 88,297	\$ 73,688	\$ 83,551	\$ 78,519	\$ 82,030
Contributions as a percentage of covered payroll	37.6%	26.2%	27.4%	34.8%	32.9%	30.0%	45.8%	23.4%	51.5%	50.2%

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Investment Returns -
 General Employees', Firefighters' and Police Officers' Pension Plans
 Year ended June 30
 (Unaudited)

General Employees' Pension Plan -
 the City

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weight rate of return	10.27%	13.32%	1.24%	4.64%	19.26%	17.55%	0.93%	19.69%	12.92%	-9.56%

Firefighters' Pension
 Plan

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weight rate of return	9.85%	13.15%	-1.13%	0.79%	21.01%	15.34%	1.68%	25.58%	14.40%	-13.86%

Police Officers' Pension
 Plan

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weight rate of return	10.00%	14.19%	-0.71%	1.22%	21.37%	15.73%	0.99%	21.30%	12.07%	-13.15%

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Changes in Net OPEB Liability and Related Ratios
 Year ended June 30
 (Dollars in thousands)
 (Unaudited)

	2018
Total OPEB liability:	
Service cost	\$ 35,579
Interest	36,735
Differences between expected and actual experience	11,772
Changes of assumptions	(140,512)
Benefit payments	(48,947)
Net change in total OPEB liability	(105,373)
Total OPEB liability - beginning	1,313,247
Total OPEB liability - ending	\$ 1,207,874
Plan Fiduciary net position as a percentage of total OPEB liability	N/A
Covered Employee Payroll	\$ 384,478
City's net OPEB liability as a percentage of covered-employee payroll	314.16%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See accompanying notes to required supplementary schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Notes to Required Supplementary Information
Year ended June 30, 2018
(Unaudited)

(1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the General Employees' Plan actuary, Segal Actuarial Services and the Firefighters' and Police Officers' Pension Plan actuary, Southern Actuarial Services. A separate actuarial valuation is completed separately for The City and the School System. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the respective Plan.

(2) Schedule of Employer Contributions

The required contributions and percentage of those contributions actually made are presented in the schedule.

(3) Changes of Assumptions and Benefit Terms

Changes of assumptions for Pension Plans: For fiscal year 2016, the General Employees' Pension Plan used the RP-2000 Combined Healthy Mortality Table. The Firefighters' and Police Officers' Pension Plan mortality rates were based on the sex-distinct rates set forth in the RP-2000 Mortality Table projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.

Changes of assumptions for OPEB: The discount rate changes annually based on the 20-year general obligation, municipal bond rate in effect on the measurement date. There was an increase in the discount rate from 2.85% to 3.58% which reduced the OPEB liability/costs. There were no benefit changes. The changes in assumptions was \$117.1 million at June 30, 2018.

(4) Schedule of Changes in Net OPEB Liability

The City implemented GASB Statement No. 75 (*Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*) during fiscal year 2018. The implementation of GASB 75 resulted in a restatement of beginning net position of \$836,095 thousand. For purposes of measuring net other postemployment liability (OPEB), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Required Supplementary Information
Year ended June 30, 2018
(Unaudited)

Budgetary Data

The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. Annual budgets are adopted for the General Fund as well as the following non-Major funds: Community Development, Emergency Telephone System, Intergovernmental Grants, Tax Allocation Districts, Other Special Revenue, and the Debt Service Fund with the level of legal budgetary control established by the City Council at the department level. The General Government presented on the next page consists of central support such as Executive Offices, Finance, Human Resources, Information Management, Procurement, and Planning. The budgetary comparisons for these non-major funds are included in the combining statements. The Capital Projects Funds adopt project-length budgets. In preparing the budgets, the Government utilizes GAAP for all legally required budgeted funds. The budget is prepared and presented to City Council for adoption. The adopted budget is available on the City Web-site.

The amounts of anticipated revenues and appropriated expenditures for the annual budget are controlled by the City Charter and various ordinances adopted by the City Council.

The responsibility for revenue anticipations and specified appropriations is fixed by law by the Budget Commission, which is composed of the Mayor, the Chief Financial Officer, the Chair of the City Council Finance Committee, and two other members of City Council. The Budget Commission may not anticipate in any year an amount in excess of 99% of the normal revenues of the City actually collected during the previous year (unless tax rates or fees are increased) plus any accumulated cash surplus carried forward from the previous year. Grant revenues are anticipated in the Community Development and Intergovernmental Grants Funds in the year the grant is awarded to the City, although the funds may not be received in the same year. Grant revenue is therefore not considered to be over-anticipated until the activity for which the funds were granted is completed, and actual revenues are less than anticipated revenues.

After the initial annual budget is adopted, it may be amended for interdepartmental transfers of appropriations with the approval of City Council. Intradepartmental transfers of appropriations among individual budgetary accounts may be initiated by a department head with the approval of the Chief Operating Officer, the Chair of the City Council Finance Committee, and the Chief Financial Officer.

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the City in excess of original anticipations, and these amounts are anticipated by the Budget Commission and subsequently appropriated by City Council. No such additional appropriations were required during the year ended June 30, 2018.

All appropriations, except for the General Fund's construction, bond proceed funds, and Special Revenue funds, lapse at the end of the year, but are considered during the following year's budgeting process. Contractually encumbered appropriations and certain unencumbered appropriations in the General Fund do not lapse, but are carried forward to the ensuing budget year as budgetary amendments.

During 2018, the General Fund did not have expenditures that exceeded appropriations at the fund level.

CITY OF ATLANTA
General Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018
(Dollars in Thousands)

Notes and Comments:

Total revenue for Original and Final, per Council approval, was \$648,647

To ensure the Actual Column is consistent with the Statement of Revenue, Expenses and Changes in Fund Balance, the Original and Final Budget figures reflect the following adjustments:

Total Budget for Revenues:	\$ 648,647	
less: Operating Transfer Budget	(37,524)	Reflected in other financing sources and uses as a transfer in
less: Proceeds from sales of assets	(500)	Reflected in other financing sources and uses
less: Indirect Cost Recovery	(31,432)	Reflected as an offset to General Government expenditures
Total Revenues	\$ 579,191	

	<u>Budgeted Amounts</u>			Actual Amounts	Variance with Budget
	Original	Adjustment	Final Budget		
Revenues:					
Property taxes	\$ 201,920	\$ —	\$ 201,920	\$ 206,523	\$ 4,603
Local and municipal option sales taxes	105,392	—	105,392	110,184	4,792
Public utility, alcoholic beverage and other taxes	103,909	—	103,909	106,443	2,534
Licenses and permits	114,376	—	114,376	117,251	2,875
Charges for current services	4,663	—	4,663	6,874	2,211
Fines, forfeitures and penalties	28,109	—	28,109	19,546	(8,563)
Investment income	3,697	—	3,697	1,555	(2,142)
Intergovernmental Revenues and Contributions:					
Federal Revenues	—	—	—	348	348
State and Local Grants and Contributions	—	—	—	355	355
Building rentals and concessions	13,991	—	13,991	13,865	(126)
Other	3,134	—	3,134	4,867	1,733
Fund Balance Appropriation (Permitting)	—	—	16,264	—	(16,264)
Total revenues	579,191	—	595,455	587,811	(7,644)
Expenditures:					
General government	203,357	(8,516)	194,841	194,841	—
Police	187,630	10,226	197,856	197,856	—
Fire	83,839	3,097	86,936	86,936	—
Corrections	32,960	2,136	35,096	35,096	—
Public works	44,927	6,137	51,064	51,064	—
Parks, recreation and cultural affairs	35,292	3,257	38,549	38,549	—
Debt service					
Principal payments	11,582	(1,716)	9,866	9,866	—
Interest payments	1,540	(247)	1,293	1,293	—
Paying agent fees	23	(14)	9	9	—
Total expenditures	601,150	14,360	615,510	615,510	—
Excess (Deficiency) of revenues over expenditures	(21,959)	(14,360)	(20,055)	(27,699)	(7,644)
Other financing sources (uses):					
Proceeds from sale of assets	500	—	500	1,275	775
Transfers in	37,524	—	48,828	60,548	11,720
Transfers out	(16,065)	—	(43,633)	(55,326)	(11,693)
Total other financing sources (uses):	21,959	—	5,695	6,497	802
Net change in fund balance	—	(14,360)	(14,360)	(21,202)	(6,842)
Fund balance, beginning of the period	200,082	—	200,082	200,082	—
Fund balance, end of period	\$ 200,082	\$ (14,360)	\$ 185,722	\$ 178,880	\$ (6,842)

The accompanying notes are an integral part of this statement

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

Community Development Fund - Established to account for the revenue and expenditures provided under Title I of the Housing and Community Development Act of 1974 which provides for development of viable urban communities, including decent housing and suitable living environments and expansion of economic opportunities, principally for persons of low and moderate incomes.

Emergency Telephone System Fund - Established to account for the revenues and expenditures associated with the operation and management of the Emergency Telephone System.

Inter-Governmental Grants Fund - Established to account for the revenues and expenditures for miscellaneous grants except for those recorded in the Department of Aviation, Department of Watershed Management, and the Community Development Funds.

Tax Allocation Districts - Established by the law creating the district to account for the use of tax increments to develop a specific area. The Districts include:

<i>Northwest Atlanta</i>	<i>Metropolitan Parkway</i>
<i>Hollowell/M.L. King</i>	<i>Stadium Neighborhoods</i>
<i>Campbelton Road</i>	

Other Special Revenue - Accounts for other restricted monies (expendable trust funds) that are classified as Special Revenue Funds. Established to account for activities in which the city acts as trustee for an individual organization, or other governmental units. These funds include:

<i>Expendable Trust Fund</i>	<i>Car Rental Excise Tax Fund</i>
<i>Home Investment Partnership Trust Fund</i>	<i>Hotel/Motel Excise Tax Fund</i>
<i>Section 108 Loan Trust</i>	<i>Atlanta Housing Opportunity, Inc.</i>

Debt Service Fund

Bond Service Fund - Established for the accumulation of resources to meet current and future debt service requirements on general long-term debt.

TSPLOST - Established to record transportation projects including roads, bridges, public transit, rails, airports, buses, seaports, including without limitation road, street, bridges and all accompanying infrastructure and services necessary to provide access to these transportation facilities. Collections from special purpose local option sales and use tax (TSPLOST) within the City, for a limited period, will fund these activities.

Tax Allocation Districts - Established to account for the proceeds of bonds issued and the collection of the tax increments created for developments within the specific Districts and repayment of the bonds. The Districts include:

<i>Atlantic Station</i>	<i>Eastside</i>
<i>Westside</i>	<i>Atlanta Beltline</i>
<i>Princeton Lake</i>	

Capital Projects Funds

Park Improvement Fund - For permanent improvements to parks, the zoo, and recreation facilities funded by an ad valorem tax levy.

Special Assessment Fund - For the accumulation and expenditures of resources for various public improvements, which are financed through assessment to individual property owners.

General Government Capital Outlay Fund - Established to record the acquisition, construction or improvement of capital assets which are funded by working capital obtained from certificates of participation and funds allocated from general government resources (transfers): dedicated taxes or a combination of financing sources which are not funded by the issuance of general obligation bonds.

Solid Waste Management Authority Fund - Established to account for the revenues and expenditures associated with the operation and management of debt financings related to post-closure costs of City landfills. The Solid Waste Management Authority, a blended component unit of the City, is legally separate from the City, and is governed by a board appointed by the Mayor and City Council.



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Special Revenue Funds					Debt Service Funds	
	Community Development	Emergency Telephone System	Inter- Governmental Grants	Tax Allocations Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
ASSETS							
Cash and cash equivalents, restricted	\$ 3,862	\$ —	\$ 9,561	\$ 17,591	\$ 46,912	\$ 33,575	\$ 144,171
Equity in cash management pool	—	—	—	—	36,200	—	—
Restricted investments	—	—	—	—	333	—	41,567
Receivables							
Taxes	—	—	—	1,086	8,679	1,592	3,382
Accounts	2	1,495	1,660	—	7,382	110	103,035
Due from other governments	945	—	16,689	—	478	—	—
Due from other funds	—	—	—	75	—	228	—
TOTAL ASSETS	\$ 4,809	\$ 1,495	\$ 27,910	\$ 18,752	\$ 99,984	\$ 35,505	\$ 292,155
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Account payable	\$ 3,422	\$ 1,157	\$ 16,613	\$ 83	\$ 7,723	\$ —	\$ 2,918
Accrued expenditures	8	75	143	—	40	—	—
Contract retentions	61	—	169	—	4	—	—
Due to other governments	—	—	—	—	9,129	—	109
Due to other funds	572	2,267	19,988	19	100	—	1,210
Unearned revenue	84	—	(47)	—	101	—	—
Total liabilities	4,147	3,499	36,866	102	17,097	—	4,237
Deferred inflows of resources							
Deferred inflows of property taxes	—	—	—	1,029	466	1,572	3,310
Total liabilities and deferred inflows of resources	4,147	3,499	36,866	1,131	17,563	1,572	7,547
Fund Balances:							
Restricted	662	—	—	17,621	82,421	33,933	284,608
Unassigned	—	(2,004)	(8,956)	—	—	—	—
Total Fund Balances	662	(2,004)	(8,956)	17,621	82,421	33,933	284,608
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 4,809	\$ 1,495	\$ 27,910	\$ 18,752	\$ 99,984	\$ 35,505	\$ 292,155

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Combining Balance Sheet
 Nonmajor Governmental Funds
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

Capital Project Funds						
TSPLOST	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	Total Nonmajor Governmental Funds	
	\$ —	\$ —	\$ 45,085	\$ 1,289	\$	302,046
20,658	2,252	4,241	—	—	\$	63,351
	—	—	—	—	\$	41,900
9,112	451	—	—	—	\$	24,302
	46	219	—	—	\$	113,949
	—	—	—	—	\$	18,112
	—	—	—	—	\$	303
<u>\$ 29,770</u>	<u>\$ 2,749</u>	<u>\$ 4,460</u>	<u>\$ 45,085</u>	<u>\$ 1,289</u>	<u>\$</u>	<u>563,963</u>
\$ 2,188	\$ 1,022	\$ —	\$ 356	\$ 417	\$	35,899
6	9	—	—	—	\$	281
359	3	—	15	—	\$	611
—	—	—	—	—	\$	9,238
—	—	—	3,573	280	\$	28,009
—	—	—	—	—	\$	138
<u>2,553</u>	<u>1,034</u>	<u>—</u>	<u>3,944</u>	<u>697</u>	<u>\$</u>	<u>74,176</u>
—	432	—	—	—	\$	6,809
<u>2,553</u>	<u>1,466</u>	<u>—</u>	<u>3,944</u>	<u>697</u>	<u>\$</u>	<u>80,985</u>
—	—	—	—	—	\$	—
27,217	1,283	4,460	41,141	592	\$	493,938
—	—	—	—	—	\$	—
—	—	—	—	—	\$	(10,960)
<u>27,217</u>	<u>1,283</u>	<u>4,460</u>	<u>41,141</u>	<u>592</u>	<u>\$</u>	<u>482,978</u>
<u>\$ 29,770</u>	<u>\$ 2,749</u>	<u>\$ 4,460</u>	<u>\$ 45,085</u>	<u>\$ 1,289</u>	<u>\$</u>	<u>563,963</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ending June 30, 2018

	Special Revenue Funds					Debt Service Funds	
	Community Development	Emergency Telephone System	Inter- Governmental Grants	Tax Allocations Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
REVENUES							
Property Taxes	\$ —	\$ 106	\$ —	\$ 5,415	\$ —	\$ 40,028	\$ 90,096
Local and Municipal Option Sales taxes	—	—	—	—	—	—	—
Other taxes	—	—	—	—	79,832	2,273	—
Licenses and permits	—	—	—	—	1,099	—	—
Charges for current services	—	19,494	—	—	6,014	—	—
Fines, forfeitures and penalties	—	—	—	—	1,048	—	—
Investment Income	—	—	—	76	775	84	2,385
Intergovernmental Revenues and Contributions:							
Federal revenues, grants and contributions	8,053	—	43,317	—	684	—	—
State and local governments	—	—	8,191	—	5,249	—	—
Total intergovernmental revenues	8,053	—	51,508	—	5,933	—	—
Building Rentals and Concessions	—	—	—	—	1,213	—	—
Other	—	—	46	—	5,465	—	66
Total Revenues	8,053	19,600	51,554	5,491	101,379	42,385	92,547
EXPENDITURES							
Current:							
Executive Offices	2,103	—	18,341	—	2,117	—	—
City Council	—	—	—	—	—	—	—
Personnel and human services	—	—	—	—	2,593	—	—
Courts and judicial agencies	7	—	118	—	—	—	—
Finance	796	39	151	—	962	—	(11)
Housing, planning and development	1,640	—	6,284	—	2,820	—	—
Nondepartmental	(21)	543	219	1,504	68,583	405	17,466
Total general government	4,525	582	25,113	1,504	77,075	405	17,455
Police	948	16,270	3,174	—	1,078	—	—
Fire	—	—	1,626	—	(51)	—	239
Corrections	—	—	216	—	1,286	—	—
Public Works	(2)	—	18,353	—	431	—	—
Parks, recreation and cultural affairs	2,336	—	572	—	7,674	—	—
Debt Service:							
Principal payments	220	—	1	955	—	24,855	25,625
Interest payments	8	—	—	693	—	15,367	38,266
Bond issuance costs	—	—	—	—	25	—	348
Paying agent fees	—	—	—	2	—	9	22
Total Expenditures	8,035	16,852	49,055	3,154	87,518	40,636	81,955
Excess (Deficiency) of Revenues Over (under) Expenditures	18	2,748	2,499	2,337	13,861	1,749	10,592
OTHER FINANCING SOURCES (USES)							
Payment refunded to bond escrow agent	—	—	—	—	—	—	(125,392)
Issuance of refunding bond	—	—	—	—	—	—	85,380
Premium from bond issuance	—	—	—	—	—	—	9,458
Transfers in	—	—	3,066	—	9,607	404	—
Transfers out	—	—	—	—	(22,293)	(321)	—
Total Other Financing Sources (Uses)	—	—	3,066	—	(12,686)	83	(30,554)
Net Change in Fund Balances	18	2,748	5,565	2,337	1,175	1,832	(19,962)
FUND BALANCE:							
Beginning of the period	644	(4,752)	(14,522)	15,287	81,246	32,098	304,571
FUND BALANCE, END OF PERIOD	\$ 662	\$ (2,004)	\$ (8,957)	\$ 17,624	\$ 82,421	\$ 33,930	\$ 284,609

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ending June 30, 2018

Capital Project Funds					
TSPLOST	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	Total Nonmajor Governmental Funds
\$ —	\$ 11,448	\$ —	\$ —	\$ —	\$ 147,093
57,668	—	—	—	—	57,668
—	900	—	—	—	83,005
—	—	—	—	—	1,099
—	—	1,180	6,559	—	33,247
—	—	—	—	—	1,048
86	27	20	297	8	3,758
—	—	—	—	—	52,054
—	—	—	—	—	13,440
—	—	—	—	—	65,494
—	—	—	—	—	1,213
—	—	—	—	—	5,577
57,754	12,375	1,200	6,856	8	399,202
460	—	—	—	—	23,021
—	—	—	—	—	—
—	—	—	—	—	2,593
—	—	—	—	—	125
—	—	—	43	4	1,984
—	—	—	251	—	10,995
—	6,630	—	6	—	95,335
460	6,630	—	300	4	134,053
—	—	—	456	—	21,926
—	—	—	5	—	1,819
—	—	—	—	—	1,502
42,182	—	—	2,795	1,873	65,632
—	6,602	—	5,941	—	23,125
—	—	—	—	1,695	53,351
—	—	—	—	224	54,558
—	—	—	—	—	373
—	2	—	—	—	35
42,642	13,234	—	9,497	3,796	356,374
15,112	(859)	1,200	(2,641)	(3,788)	42,828
—	—	—	—	—	(125,392)
—	—	—	—	—	85,380
—	—	—	—	—	9,458
12,111	—	—	—	1,919	27,107
(12,111)	—	—	—	—	(34,725)
—	—	—	—	1,919	(38,172)
15,112	(859)	1,200	(2,641)	(1,869)	4,656
12,105	2,141	3,260	43,782	2,462	478,322
<u>\$ 27,217</u>	<u>\$ 1,282</u>	<u>\$ 4,460</u>	<u>\$ 41,141</u>	<u>\$ 593</u>	<u>\$ 482,978</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Tax Allocation Districts
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Special Revenue Funds						Debt Service Funds					
	NW Atlanta	Hollowell/ M.L. King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
ASSETS												
Cash and cash equivalents, restricted	\$ 8,654	\$ 3,257	\$ 3,908	\$ 1,643	\$ 129	\$ 17,591	\$ 18,327	\$ 62,881	\$ 5,520	\$ 9,629	\$ 47,814	\$ 144,171
Restricted investments	—	—	—	—	—	—	8,000	—	—	2,953	30,614	41,567
Receivable:												
Taxes	642	278	140	25	1	1,086	288	1,172	21	723	1,178	3,382
Accounts	—	—	—	—	—	—	26	11,532	—	90,619	859	103,036
Due from other funds	—	—	75	—	—	75	—	—	—	—	—	—
TOTAL ASSETS	<u>\$ 9,296</u>	<u>\$ 3,535</u>	<u>\$ 4,123</u>	<u>\$ 1,668</u>	<u>\$ 130</u>	<u>\$ 18,752</u>	<u>\$ 26,641</u>	<u>\$ 75,585</u>	<u>\$ 5,541</u>	<u>\$ 103,924</u>	<u>\$ 80,465</u>	<u>\$ 292,156</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Account payable	22	16	17	12	13	80	31	531	79	106	2,171	2,918
Due to other governments	—	—	—	—	—	—	109	—	—	—	—	109
Due to other Funds	—	12	—	7	—	19	43	736	203	97	131	1,210
Total Liabilities	<u>22</u>	<u>28</u>	<u>17</u>	<u>19</u>	<u>13</u>	<u>99</u>	<u>183</u>	<u>1,267</u>	<u>282</u>	<u>203</u>	<u>2,302</u>	<u>4,237</u>
Deferred inflows of resources												
Deferred inflows of property taxes	621	261	127	20	1	1,030	288	1,158	21	416	1,427	3,310
Total liabilities and deferred inflows of resources	<u>643</u>	<u>289</u>	<u>144</u>	<u>39</u>	<u>14</u>	<u>1,129</u>	<u>471</u>	<u>2,425</u>	<u>303</u>	<u>619</u>	<u>3,729</u>	<u>7,547</u>
Fund Balance:												
Restricted	8,653	3,246	3,979	1,629	116	17,623	26,170	73,160	5,238	103,305	76,736	284,609
Total Fund Balances	<u>8,653</u>	<u>3,246</u>	<u>3,979</u>	<u>1,629</u>	<u>116</u>	<u>17,623</u>	<u>26,170</u>	<u>73,160</u>	<u>5,238</u>	<u>103,305</u>	<u>76,736</u>	<u>284,609</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 9,296</u>	<u>\$ 3,535</u>	<u>\$ 4,123</u>	<u>\$ 1,668</u>	<u>\$ 130</u>	<u>\$ 18,752</u>	<u>\$ 26,641</u>	<u>\$ 75,585</u>	<u>\$ 5,541</u>	<u>\$ 103,924</u>	<u>\$ 80,465</u>	<u>\$ 292,156</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds-Tax Allocation Districts
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Special Revenue Funds					Debt Service Funds						
	NW Atlanta	Hollowell/ M.L. King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
REVENUE												
Property Taxes	\$ 3,703	\$ 350	\$ 1,189	\$ 176	\$ (3)	\$ 5,415	\$ 20,439	\$ 17,582	\$ 1,982	\$ 15,623	\$ 34,470	\$ 90,096
Investment Income	55	8	9	4	—	76	849	158	13	938	427	2,385
Other	—	—	—	—	—	—	—	66	—	—	—	66
Total Revenues	3,758	358	1,198	180	(3)	5,491	21,288	17,806	1,995	16,561	34,897	92,547
EXPENDITURES												
Current:												
Finance	—	—	—	—	—	—	—	(11)	—	—	—	(11)
Nondepartmental	1,199	76	119	86	24	1,504	992	7,751	1,989	2,585	4,149	17,466
Total general government	1,199	76	119	86	24	1,504	992	7,740	1,989	2,585	4,149	17,455
Public Works	—	—	—	—	—	—	—	—	239	—	—	239
Debt Service:												
Bond Issuance costs	—	—	—	—	—	—	348	—	—	—	—	348
Paying agent fees	3	—	—	—	—	3	4	6	—	4	8	22
Principal payment	955	—	—	—	—	955	5,230	7,685	—	1,625	11,085	25,625
Interest payment	693	—	—	—	—	693	8,354	1,870	—	1,451	26,591	38,266
Total Expenditures	2,850	76	119	86	24	3,155	14,928	17,301	2,228	5,665	41,833	81,955
Excess (Deficiency) of Revenue Over (under) Expenditures	908	282	1,079	94	(27)	2,336	6,360	505	(233)	10,896	(6,936)	10,592
OTHER FINANCING SOURCES (USES)												
Payment to bond escrow agent	—	—	—	—	—	—	(125,392)	—	—	—	—	(125,392)
Proceeds from limited bond obligation	—	—	—	—	—	—	85,380	—	—	—	—	85,380
Premium from bond sold	—	—	—	—	—	—	9,458	—	—	—	—	9,458
Total Other Financing Sources (uses)	—	—	—	—	—	—	(30,554)	—	—	—	—	(30,554)
Net Change in Fund Balances	908	282	1,079	94	(27)	2,336	(24,194)	505	(233)	10,896	(6,936)	(19,962)
FUND BALANCE:												
Beginning of the period	7,745	2,964	2,900	1,535	143	15,287	50,364	72,655	5,471	92,409	83,672	304,571
FUND BALANCE, END OF PERIOD	\$ 8,653	\$ 3,246	\$ 3,979	\$ 1,629	\$ 116	\$ 17,623	\$ 26,170	\$ 73,160	\$ 5,238	\$ 103,305	\$ 76,736	\$ 284,609

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Other Special Revenue Funds
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Home Investment Partnership Trust	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity, Inc.	
ASSETS							
Cash and cash equivalents, restricted	\$ 4,397	\$ 1,391	\$ 3,175	\$ —	\$ —	\$ 37,948	\$ 46,911
Equity in cash management pool	35,806	—	—	—	394	—	36,200
Investments	333	—	—	—	—	—	333
Receivables:							
Taxes	—	—	—	—	8,679	—	8,679
Accounts	680	—	—	66	—	6,637	7,383
Due from other governments	—	478	—	—	—	—	478
TOTAL ASSETS	\$ 41,216	\$ 1,869	\$ 3,175	\$ 66	\$ 9,073	\$ 44,585	\$ 99,984
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Account payable	6,424	1,299	—	—	—	—	7,723
Accrued expenditures	40	—	—	—	—	—	40
Contract retentions	4	—	—	—	—	—	4
Due to other governments	—	—	—	56	9,073	—	9,129
Due to other funds	—	90	—	10	—	—	100
Unearned revenue	—	82	—	—	—	19	101
Total liabilities	6,468	1,471	—	66	9,073	19	17,097
Deferred inflows of resources							
Deferred inflows of property taxes	466	—	—	—	—	—	466
Total liabilities and deferred inflows of resources	6,934	1,471	—	66	9,073	19	17,563
Fund Balances:							
Restricted	34,282	398	3,175	—	—	44,566	82,421
Total Fund Balance	34,282	398	3,175	—	—	44,566	82,421
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 41,216	\$ 1,869	\$ 3,175	\$ 66	\$ 9,073	\$ 44,585	\$ 99,984

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds-Other Special Revenue Funds
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Home Investment Partnership Trust	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity, Inc.	
REVENUES							
Other Taxes	\$ 14	\$ —	\$ —	\$ 1,414	\$ 78,404	\$ —	\$ 79,832
Licenses and permits	1,099	—	—	—	—	—	1,099
Charges for current services	6,014	—	—	—	—	—	6,014
Fines, forfeitures and penalties	1,048	—	—	—	—	—	1,048
Investment Income	154	—	25	—	—	596	775
Intergovernmental Revenues and Contributions:							
Federal revenues	—	684	—	—	—	—	684
State and local grants and contributions	5,249	—	—	—	—	—	5,249
Total intergovernmental revenues	5,249	684	—	—	—	—	5,933
Building rentals and concessions	1,213	—	—	—	—	—	1,213
Other	5,465	—	—	—	—	—	5,465
Total Revenues	20,256	684	25	1,414	78,404	596	101,379
EXPENDITURES							
Current:							
Executive Offices	2,014	103	—	—	—	—	2,117
City Council	—	—	—	—	—	—	—
Personel and human services	2,593	—	—	—	—	—	2,593
Courts and judicial agencies	—	—	—	—	—	—	—
Finance	962	—	—	—	—	—	962
Housing, planning and development	2,241	579	—	—	—	—	2,820
Nondepartmental	40	—	—	1,414	58,811	8,318	68,583
Total general government	7,850	682	—	1,414	58,811	8,318	77,075
Police	1,078	—	—	—	—	—	1,078
Fire	(51)	—	—	—	—	—	(51)
Corrections	1,286	—	—	—	—	—	1,286
Public Works	431	—	—	—	—	—	431
Parks, recreation and cultural affairs	7,674	—	—	—	—	—	7,674
Debt Service:							
Bond issuance costs	—	—	—	—	—	25	25
Total Expenditures	18,268	682	—	1,414	58,811	8,343	87,518
Excess (Deficiency) of Revenues Over (under) Expenditures	1,988	2	25	—	19,593	(7,747)	13,861
OTHER FINANCING SOURCES (USES)							
Transfers in	4,369	—	—	—	—	5,238	9,607
Transfers out	(2,700)	—	—	—	(19,593)	—	(22,293)
Total Other Financing Sources (Uses)	1,669	—	—	—	(19,593)	5,238	(12,686)
Net Change in Fund Balances	3,657	2	25	—	—	(2,509)	1,175
FUND BALANCE:							
Beginning of the period	30,625	396	3,150	—	—	47,075	81,246
FUND BALANCE, END OF PERIOD	\$ 34,282	\$ 398	\$ 3,175	\$ —	\$ —	\$ 44,566	\$ 82,421

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Community Development Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental Revenues:				
Federal Revenues	\$ 11,480	\$ 17,965	\$ 8,053	\$ (9,912)
Total intergovernmental revenues	11,480	17,965	8,053	(9,912)
Total Revenues	11,480	17,965	8,053	(9,912)
EXPENDITURES				
Current:				
Executive Offices	1,868	4,140	2,103	2,037
Courts and judicial agencies	15	44	7	37
Finance	1,473	2,878	796	2,082
Housing, planning and development	4,284	5,376	1,640	3,736
Nondepartmental	—	—	(21)	21
General government	7,640	12,438	4,525	7,913
Police	1,123	1,823	948	875
Fire	37	37	—	37
Total public safety	1,160	1,860	948	912
Public Works	171	311	(2)	313
Parks, recreation and cultural affairs	2,509	3,356	2,336	1,020
Debt Service:				
Principal payment	—	—	220	(220)
Interest payment	—	—	8	(8)
Total Expenditures	11,480	17,965	8,035	9,930
Excess (deficiency) of revenues over (under) expenditures	—	—	18	18
FUND BALANCE:				
Fund balances, beginning of period	644	644	644	—
Fund Balance, End of Period	\$ 644	\$ 644	\$ 662	\$ 18

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ —	\$ —	\$ 106	\$ 106
Charges for current services	20,234	20,234	19,494	(740)
Total Revenues	20,234	20,234	19,600	(634)
EXPENDITURES				
Current:				
Nondepartmental	498	498	582	(84)
General government	498	498	582	(84)
Police	19,736	19,736	16,270	3,466
Total public safety	19,736	19,736	16,270	3,466
Total Expenditures	20,234	20,234	16,852	3,382
Excess of revenues over expenditures	—	—	2,748	2,748
FUND BALANCE (DEFICIT)				
Fund deficit, beginning of period	(4,752)	(4,752)	(4,752)	—
Fund Deficit, End of Period	\$ (4,752)	\$ (4,752)	\$ (2,004)	\$ 2,748

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Inter-governmental Grants Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental Revenues:				
Federal Revenues	\$ 73,781	\$ 133,233	\$ 43,317	\$ (89,916)
State and local governments	14,166	23,354	8,191	(15,163)
Total intergovernmental revenues	<u>87,947</u>	<u>156,587</u>	<u>51,508</u>	<u>(105,079)</u>
Other	—	—	46	46
Total Revenues	<u>87,947</u>	<u>156,587</u>	<u>51,554</u>	<u>(105,033)</u>
EXPENDITURES				
Current:				
Executive offices	30,059	49,205	18,341	30,864
Courts and judicial agencies	—	127	118	9
Finance	885	1,339	151	1,188
Housing, planning and development	11,932	18,733	6,284	12,449
Nondepartmental	—	50	219	(169)
General government	<u>42,876</u>	<u>69,454</u>	<u>25,113</u>	<u>44,341</u>
Police	6,610	6,695	3,174	3,521
Fire	5,716	5,568	1,626	3,942
Corrections	542	524	216	308
Total public safety	<u>12,868</u>	<u>12,787</u>	<u>5,016</u>	<u>7,771</u>
Public Works	33,634	76,895	18,353	58,542
Parks, recreation and cultural affairs	131	1,081	572	509
Principal payment	—	—	1	(1)
Total Expenditures	<u>89,509</u>	<u>160,217</u>	<u>49,055</u>	<u>111,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,562)</u>	<u>(3,630)</u>	<u>2,499</u>	<u>(6,129)</u>
Other Financing Sources (Uses):				
Transfers in	1,562	3,648	3,066	(582)
Total Other Financing Sources (Uses)	<u>1,562</u>	<u>3,648</u>	<u>3,066</u>	<u>(582)</u>
Excess of revenues over expenditures	<u>—</u>	<u>18</u>	<u>5,565</u>	<u>5,547</u>
FUND BALANCE (Deficit):				
Fund balances, beginning of period	<u>(14,522)</u>	<u>(14,522)</u>	<u>(14,522)</u>	<u>—</u>
Fund Balance, End of Period	<u>\$ (14,522)</u>	<u>\$ (14,504)</u>	<u>\$ (8,957)</u>	<u>\$ 5,547</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	NW Atlanta Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 3,032	\$ 3,032	\$ 3,703	\$ 671
Investment Income	7	7	55	48
Other	11,739	7,915	—	(7,915)
Total Revenues	14,778	10,954	3,758	(7,196)
EXPENDITURES				
Current:				
Nondepartmental	13,124	9,300	1,199	8,101
General government	13,124	9,300	1,199	8,101
Paying agent fees	6	6	3	3
Principal payments	955	955	955	—
Interest payments	693	693	693	—
Total Expenditures	14,778	10,954	2,850	8,104
Excess of revenues over expenditures	—	—	908	908
FUND BALANCE:				
Fund balance, beginning of period	7,745	7,745	7,745	—
Fund Balance, End of Period	\$ 7,745	\$ 7,745	\$ 8,653	\$ 908

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

Hollowell-Martun Luther King Dr. Fund				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 349	\$ 349	\$ 350	\$ 1
Investment Income	1	1	8	7
Other	2,969	2,998	—	(2,998)
Total Revenues	3,319	3,348	358	(2,990)
EXPENDITURES				
Current:				
Nondepartmental	3,319	3,348	76	3,272
General government	3,319	3,348	76	3,272
Total Expenditures	3,319	3,348	76	3,272
Excess of revenues over expenditures	—	—	282	282
FUND BALANCE:				
Fund balance, beginning of period	2,964	2,964	2,964	—
Fund Balance, End of Period	\$ 2,964	\$ 2,964	\$ 3,246	\$ 282

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

Campbelton Road Fund				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 895	\$ 895	\$ 1,189	\$ 294
Investment Income	1	1	9	8
Other	3,105	3,203	—	(3,203)
Total Revenues	4,001	4,099	1,198	(2,901)
EXPENDITURES				
Current:				
Nondepartmental	4,001	4,099	119	3,980
General government	4,001	4,099	119	3,980
Total Expenditures	4,001	4,099	119	3,980
Excess of revenues over expenditures	—	—	1,079	1,079
FUND BALANCE:				
Fund balance, beginning of period	2,900	2,900	2,900	—
Fund Balance, End of Period	\$ 2,900	\$ 2,900	\$ 3,979	\$ 1,079

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	Metropolitan Parkway Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 177	\$ 177	\$ 176	\$ (1)
Investment Income	—	—	4	4
Other	1,588	1,558	—	(1,558)
Total Revenues	1,765	1,735	180	(1,555)
EXPENDITURES				
Current:				
Nondepartmental	1,765	1,735	86	1,649
General government	1,765	1,735	86	1,649
Total Expenditures	1,765	1,735	86	1,649
Excess of revenues over expenditures	—	—	94	94
FUND BALANCE:				
Fund balance, beginning of period	1,535	1,535	1,535	—
Fund Balance, End of Period	\$ 1,535	\$ 1,535	\$ 1,629	\$ 94

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Stadium Neighborhoods -Special Revenue Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	Stadium Neighborhoods Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 22	\$ 22	\$ (3)	\$ (25)
Other	179	157	—	(157)
Total Revenues	201	179	(3)	(182)
EXPENDITURES				
Current:				
Nondepartmental	201	179	24	155
General government	201	179	24	155
Total Expenditures	201	179	24	155
Excess (deficiency) of revenues over (under) expenditures	—	—	(27)	(27)
FUND BALANCE:				
Fund balance, beginning of period	143	143	143	—
Fund Balance, End of Period	\$ 143	\$ 143	\$ 116	\$ (27)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	Atlantic Station Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 20,184	\$ 20,184	\$ 20,439	\$ 255
Investment Income	800	800	849	49
Other	53,402	51,449	—	(51,449)
Total Revenues	74,386	72,433	21,288	(51,145)
EXPENDITURES				
Current:				
Nondepartmental	61,868	195,919	992	194,927
General government	61,868	195,919	992	194,927
Debit Service:				
Bond issuance costs	—	345	348	(3)
Paying agent fees	5	5	4	1
Principal payment	5,230	5,230	5,230	—
Interest payments	7,283	7,283	8,354	(1,071)
Total Expenditures	74,386	208,782	14,928	193,854
Excess (deficiency) of revenues over (under) expenditures	—	(136,349)	6,360	142,709
Other Financing Sources (Uses):				
Payment to bond escrow agent	—	126,891	(125,392)	252,283
Proceeds from limited bond obligation	—	—	85,380	(85,380)
Premium from bond sold	—	9,458	9,458	—
Total Other Financing Sources (uses)	—	136,349	(30,554)	166,903
Excess (deficiency) of revenues over (under) expenditures	—	—	(24,194)	(24,194)
FUND BALANCE:				
Fund balance, beginning of period	50,364	50,364	50,364	—
Fund Balance, End of Period	\$ 50,364	\$ 50,364	\$ 26,170	\$ (24,194)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	Westside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 15,234	\$ 15,234	\$ 17,582	\$ 2,348
Investment Income	12	12	158	146
Other	72,536	60,671	66	(60,605)
Total Revenues	87,782	75,917	17,806	(58,111)
EXPENDITURES				
Current:				
Finance	3,701	—	(11)	11
Nondepartmental	73,722	65,914	7,751	58,163
General government	77,423	65,914	7,740	58,174
Public Works	356	—	—	—
Debt Service:				
Paying agent fees	10	10	6	4
Principal payment	8,030	8,030	7,685	345
Interest payment	1,963	1,963	1,870	93
Total Expenditures	87,782	75,917	17,301	58,616
Excess of revenues over expenditures	—	—	505	505
FUND BALANCE:				
Fund balance, beginning of period	72,655	72,655	72,655	—
Fund Balance, End of Period	\$ 72,655	\$ 72,655	\$ 73,160	\$ 505

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	Princeton Lake Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 1,987	\$ 1,986	\$ 1,982	\$ (4)
Investment Income	1	1	13	12
Other	5,470	5,491	—	(5,491)
Total Revenues	7,458	7,478	1,995	(5,483)
EXPENDITURES				
Current:				
Nondepartmental	7,215	2,878	1,989	889
General government	7,215	2,878	1,989	889
Public Works	243	4,600	239	4,361
Total Expenditures	7,458	7,478	2,228	5,250
Excess (deficiency) of revenues over (under) expenditures	—	—	(233)	(233)
FUND BALANCE:				
Fund balance, beginning of period	5,471	5,471	5,471	—
Fund Balance, End of Period	\$ 5,471	\$ 5,471	\$ 5,238	\$ (233)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	Eastside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 13,232	\$ 13,232	\$ 15,623	\$ 2,391
Investment Income	170	170	938	768
Other	87,815	92,477	—	(92,477)
Total Revenues	101,217	105,879	16,561	(89,318)
EXPENDITURES				
Current:				
Nondepartmental	98,131	102,793	2,585	100,208
General government	98,131	102,793	2,585	100,208
Debt Service:				
Paying agent fees	10	10	4	6
Principal payment	1,625	1,625	1,625	—
Interest payments	1,451	1,451	1,451	—
Total Expenditures	101,217	105,879	5,665	100,214
Excess of revenues over expenditures	—	—	10,896	10,896
FUND BALANCE:				
Fund balance, beginning of period	92,409	92,409	92,409	—
Fund Balance, End of Period	\$ 92,409	\$ 92,409	\$ 103,305	\$ 10,896

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Debt Service Funds
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Atlanta Beltline Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 33,002	\$ 33,002	\$ 34,470	\$ 1,468
Investment Income	4	4	427	423
Other	89,537	86,283	—	(86,283)
Total Revenues	122,543	119,289	34,897	(84,392)
EXPENDITURES				
Current:				
Nondepartmental	—	—	4,149	(4,149)
General government	—	—	4,149	(4,149)
Debt Service:				
Paying agent fees	5	5	8	(3)
Principal payment	11,085	11,085	11,085	—
Interest payment	111,453	108,199	26,591	81,608
Total Expenditures	122,543	119,289	41,833	77,456
Excess (deficiency) of revenues over (under) expenditures	—	—	(6,936)	(6,936)
FUND BALANCE:				
Fund balance, beginning of period	83,672	83,672	83,672	—
Fund Balance, End of Period	\$ 83,672	\$ 83,672	\$ 76,736	\$ (6,936)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ending June 30, 2018
 (Dollars in Thousands)

	TSPLOST			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Local and Municipal Option Sales	52,297	52,297	57,668	5,371
Investment Income	\$ —	\$ —	\$ 86	\$ 86
Total Revenues	52,297	52,297	57,754	5,457
EXPENDITURES				
Current:				
Executive Offices	—	—	460	(460)
General government	—	—	460	(460)
Public Works	52,297	52,297	42,182	10,115
Total Expenditures	52,297	52,297	42,642	9,655
Excess of revenues over expenditures	—	—	15,112	(4,198)
FUND BALANCE:				
Fund balance, beginning of period	12,105	12,105	12,105	—
Fund Balance, End of Period	\$ 12,105	\$ 12,105	\$ 27,217	\$ (4,198)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Debt Service Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Bond Service Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 48,879	\$ 48,879	\$ 40,028	\$ (8,851)
Other Taxes	1,260	1,260	2,273	1,013
Investment Income	6	6	84	78
Total Revenues	50,145	50,145	42,385	(7,760)
EXPENDITURES				
Current:				
Nondepartmental	9,881	9,881	405	9,476
General government	9,881	9,881	405	9,476
Debt Service:				
Paying agent fees	42	42	9	33
Principal payment	24,855	24,855	24,855	—
Interest payment	15,367	15,367	15,367	—
Total Expenditures	50,145	50,145	40,636	9,509
Excess of revenues over expenditures	—	—	1,749	1,749
Other Financing Sources (Uses):				
Transfers In	—	—	404	404
Transfers Out	—	—	(321)	(321)
Total Other Financing Sources (Uses)	—	—	83	83
Excess of revenues over expenditures and other uses	—	—	1,832	1,832
FUND BALANCE:				
Fund balance, beginning of period	32,098	32,098	32,098	—
Fund Balance, End of Period	\$ 32,098	\$ 32,098	\$ 33,930	\$ 1,832

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Expendable Trust Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Other Taxes	\$ 14	\$ 14	\$ —
License & Permits	1,132	1,099	(33)
Charges for Recurring Services	5,962	6,014	52
Fines, Forfeitures and Penalties	618	1,048	430
Investment Income	5,893	154	(5,739)
Intergovernmental Revenues:			
State and local governments	4,810	5,249	439
Building Rentals and Concessions	1,226	1,213	(13)
Other	4,761	5,465	704
Total Revenues	24,416	20,256	(4,160)
EXPENDITURES			
Current:			
Executive Offices	2,586	2,014	572
Personnel and human services	3,401	2,593	808
City Council	46	—	46
Courts and judicial agencies	300	—	300
Finance	14,337	962	13,375
Housing, planning, and development	15,091	2,241	12,850
Nondepartmental	106	40	66
Total general government	35,867	7,850	28,017
Police	6,819	1,078	5,741
Fire	154	(51)	205
Corrections	2,285	1,286	999
Total public safety	9,258	2,313	6,945
Public Works	4,195	431	3,764
Parks, recreation and cultural affairs	13,654	7,674	5,980
Total Expenditures	62,974	18,268	44,706
Excess (deficiency) of revenues over (under) expenditures	(38,558)	1,988	40,546
Other Financing Sources (Uses):			
Proceeds from general bond	1	—	(1)
Transfers in	4,387	4,369	(18)
Transfers out	1,655	(2,700)	(4,355)
Total Other Financing Sources (Uses)	6,043	1,669	(4,374)
Excess (deficiency) of revenues over (under) expenditures and other uses	(32,515)	3,657	36,172
FUND BALANCE:			
Fund balance, beginning of period	30,625	30,625	—
Fund Balance, End of Period	\$ (1,890)	\$ 34,282	\$ 36,172

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Home Investment Partnership Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental Revenues				
Federal Revenues	\$ 6,638	\$ 6,344	\$ 684	\$ (5,660)
Total intergovernmental revenues	6,638	6,344	684	(5,660)
Total Revenues	6,638	6,344	684	(5,660)
EXPENDITURES				
Current:				
Executive Offices	303	201	103	98
Finance	24	—	—	—
Housing, planning and development	6,311	6,143	579	5,564
General government	6,638	6,344	682	5,662
Total Expenditures	6,638	6,344	682	5,662
Excess of revenues over expenditures	—	—	2	2
FUND BALANCE:				
Fund balance, beginning of period	396	396	396	—
Fund Balance, End of Period	\$ 396	\$ 396	\$ 398	\$ 2

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Section 108 Loan Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Investment Income	\$ —	\$ —	\$ 25	\$ 25
Intergovernmental Revenues				
Federal Revenues	876	876	—	(876)
Total intergovernmental revenues	876	876	—	(876)
Total Revenues	876	876	25	(851)
EXPENDITURES				
Current:				
Finance	876	876	—	876
General government	876	876	—	876
Total Expenditures	876	876	—	876
Excess of revenues over expenditures	—	—	25	25
FUND BALANCE:				
Fund balance, beginning of period	3,150	3,150	3,150	—
Fund Balance, End of Period	\$ 3,150	\$ 3,150	\$ 3,175	\$ 25

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Car Rental Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	\$ 1,092	\$ 1,092	\$ 1,414	\$ 322
Total Revenues	1,092	1,092	1,414	322
EXPENDITURES				
Current:				
Nondepartmental	1,092	1,092	1,414	(322)
General government	1,092	1,092	1,414	(322)
Total Expenditures	1,092	1,092	1,414	(322)
Excess of revenues over expenditures	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of period	—	—	—	—
Fund Balance, End of Period	\$ —	\$ —	\$ —	\$ —

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Hotel/Motel Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	\$ 71,868	\$ 71,868	\$ 78,404	\$ 6,536
Total Revenues	71,868	71,868	78,404	6,536
EXPENDITURES				
Current:				
Nondepartmental	53,908	53,908	58,811	(4,903)
General government	53,908	53,908	58,811	(4,903)
Total Expenditures	53,908	53,908	58,811	(4,903)
Excess of revenues over expenditures	17,960	17,960	19,593	1,633
Other Financing Sources (Uses):				
Transfers Out	(17,960)	(17,960)	(19,593)	(1,633)
Total Other Financing Sources (Uses)	(17,960)	(17,960)	(19,593)	(1,633)
Excess (deficiency) of revenues over (under) expenditures and other financing uses	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of period	—	—	—	—
Fund Balance, End of Period	\$ —	\$ —	\$ —	\$ —

See accompanying independent auditors' report



THIS PAGE INTENTIONALLY LEFT BLANK

Nonmajor Proprietary Funds



Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for good or services.

Operations of enterprise funds are designed to be self-supporting. The Department of Watershed Management, Department of Aviation, Sanitation Services, Parks and Recreational Facilities, Parking Deck and Civic Center are accounted for as enterprise funds. The latter five were determined to be nonmajor proprietary funds and are presented herein.

Sanitation Services Fund - Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

Parks and Recreational Facilities Fund - Established to account for the financial activities of the Cyclorama.

Parking Deck - Established to account for the operations of the parking deck located between Capital Avenue and Washington Street, south of Trinity Avenue and adjacent to City Hall.

Civic Center - Established to account for the financial activities of the Boisfeuillet Jones Atlanta Civic Center.

City Plaza - Established to account for the financial activities of the City Plaza.

Internal Services - Established to accumulate and allocate costs internally among the City's various functions.

CITY OF ATLANTA, GEORGIA

Nonmajor Proprietary Funds Combining Statement of Net Position For the Year Ending June 30, 2018 (Dollars in Thousands)

	Sanitation Services	Parks and Recreational Facilities	Parking Deck	City Plaza	Civic Center	Totals
ASSETS						
Current assets:						
Cash and cash equivalents, restricted	\$ —	\$ —	\$ 136	\$ —	\$ —	\$ 136
Equity in cash management pool	—	—	604	1,325	—	1,929
Receivables:						
Accounts	42,847	—	26	—	—	42,873
Less allowance for doubtful accounts	(3,935)	—	—	—	—	(3,935)
Total receivables	<u>38,912</u>	<u>—</u>	<u>26</u>	<u>—</u>	<u>—</u>	<u>38,938</u>
Due from Other Funds	—	—	—	—	—	—
Total current assets	<u>38,912</u>	<u>—</u>	<u>766</u>	<u>1,325</u>	<u>—</u>	<u>41,003</u>
Noncurrent assets:						
Capital assets:						
Land	446	—	—	3,280	—	3,726
Land improvements	1,327	—	—	474	—	1,801
Buildings and other structures	2,443	—	23,480	19,117	—	45,040
Machinery and other	29,491	—	—	—	—	29,491
Less accumulated depreciation	(20,309)	—	(4,853)	(1,049)	—	(26,211)
Capital assets, net	<u>13,398</u>	<u>—</u>	<u>18,627</u>	<u>21,822</u>	<u>—</u>	<u>53,847</u>
Total assets	<u>\$ 52,310</u>	<u>\$ —</u>	<u>\$ 19,393</u>	<u>\$ 23,147</u>	<u>\$ —</u>	<u>\$ 94,850</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	5,120	—	—	—	—	5,120
OPEB related deferred outflow	580	—	—	—	—	580
Total assets and deferred outflows of resources	<u>\$ 58,010</u>	<u>\$ —</u>	<u>\$ 19,393</u>	<u>\$ 23,147</u>	<u>\$ —</u>	<u>\$ 100,550</u>
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts payable	\$ 4,338	\$ —	\$ —	\$ 816	\$ —	\$ 5,154
Accrued expenses	1,432	—	—	—	—	1,432
Due to other funds	29,180	—	—	—	—	29,180
Current maturities of capital leases	244	—	—	—	—	244
Current portion of Net OPEB	1,306	—	—	—	—	1,306
Accrued workers' compensation	1,807	—	—	—	—	1,807
Current liabilities	<u>38,307</u>	<u>—</u>	<u>—</u>	<u>816</u>	<u>—</u>	<u>39,123</u>
Liabilities payable from restricted assets:						
Accrued interest payable	2	—	51	32	—	85
Current maturities of long-term debt	—	—	820	330	—	1,150
Total liabilities payable from restricted assets	<u>2</u>	<u>—</u>	<u>871</u>	<u>362</u>	<u>—</u>	<u>1,235</u>
Total current liabilities	<u>38,309</u>	<u>—</u>	<u>871</u>	<u>1,178</u>	<u>—</u>	<u>40,358</u>
Long-term liabilities:						
Long-term debt, excluding current maturities	—	—	15,947	9,573	—	25,520
Capital lease obligation, excluding current maturities	1,347	—	—	—	—	1,347
Net pension liability	49,792	—	—	—	—	49,792
Net OPEB liability	67,900	—	—	—	—	67,900
Accrued workers' compensation	9,533	—	—	—	—	9,533
Landfill postclosure costs	16,113	—	—	—	—	16,113
Total long-term liabilities	<u>144,685</u>	<u>—</u>	<u>15,947</u>	<u>9,573</u>	<u>—</u>	<u>170,205</u>
Total liabilities	<u>182,994</u>	<u>—</u>	<u>16,818</u>	<u>10,751</u>	<u>—</u>	<u>210,563</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	2,643	—	—	—	—	2,643
OPEB related deferred inflows	8,856	—	—	—	—	8,856
Total liabilities and deferred inflows of resources	<u>\$ 194,493</u>	<u>\$ —</u>	<u>\$ 16,818</u>	<u>\$ 10,751</u>	<u>\$ —</u>	<u>\$ 222,062</u>
Net Position:						
Net Investment in capital assets, net of related debt	13,397	—	1,860	11,919	—	27,176
Unrestricted (deficit)	(149,880)	—	715	477	—	(148,688)
Total net position	<u>\$ (136,483)</u>	<u>\$ —</u>	<u>\$ 2,575</u>	<u>\$ 12,396</u>	<u>\$ —</u>	<u>\$ (121,512)</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds
Combining Statement of Revenue, Expenditures and Changes in Net Position
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Sanitation Services	Parks and Recreational Facilities	Parking Deck	City Plaza	Civic Center	Totals
Operating revenues:						
Charges for services	\$ 51,077	\$ —	\$ —	\$ —	\$ —	\$ 51,077
Rentals, admissions, and concessions	37	—	364	960	263	1,624
Other	3,210	—	412	—	—	3,622
Total operating revenues	<u>54,324</u>	<u>—</u>	<u>776</u>	<u>960</u>	<u>263</u>	<u>56,323</u>
Operating expenses:						
Salaries and employee benefits	30,507	16	—	—	23	30,546
Utilities	212	1	—	—	325	538
Materials and supplies	1,216	—	—	—	6	1,222
Repairs, maintenance, and other contractual services	84	—	—	—	24	108
Motor equipment service	7,824	—	—	—	—	7,824
Engineering and consultant fees	9,839	—	—	—	219	10,058
General services and other costs	2,374	(3)	—	856	(5)	3,222
Depreciation and amortization	2,618	18	470	509	99	3,714
Total operating expenses	<u>54,674</u>	<u>32</u>	<u>470</u>	<u>1,365</u>	<u>691</u>	<u>57,232</u>
Operating income (loss)	<u>(350)</u>	<u>(32)</u>	<u>306</u>	<u>(405)</u>	<u>(428)</u>	<u>(909)</u>
Nonoperating revenues (expenses):						
Interest expense	(281)	—	(360)	(285)	—	(926)
Other revenues (expenses)	—	—	—	(2)	24,582	24,580
Investment income (loss)	—	—	—	15	—	15
Total nonoperating revenues (expenses)	<u>(281)</u>	<u>—</u>	<u>(360)</u>	<u>(272)</u>	<u>24,582</u>	<u>23,669</u>
Income (loss) before transfers	(631)	(32)	(54)	(677)	24,154	22,760
Capital contributions	3	—	—	—	—	3
Transfers in	—	1,087	1,121	185	1,921	4,314
Transfers out	(3,790)	(113)	—	—	(21,134)	(25,037)
Net income (loss)	<u>(4,418)</u>	<u>942</u>	<u>1,067</u>	<u>(492)</u>	<u>4,941</u>	<u>2,040</u>
Net Position, beginning of period (as restated for GASB 75)	(132,065)	(942)	1,508	12,888	(4,941)	(123,552)
Net Position, end of period	<u>\$ (136,483)</u>	<u>\$ —</u>	<u>\$ 2,575</u>	<u>\$ 12,396</u>	<u>\$ —</u>	<u>\$ (121,512)</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Sanitation Services	Parks and Recreational Facilities	Parking Deck	City Plaza	Civic Center	Total
Cash flow from operating activities						
Cash received from user charges	\$ 53,943	\$ (383)	\$ 803	\$ 960	\$ 263	\$ 55,586
Cash paid to employees for services	(28,855)	(704)	—	—	(1,935)	(31,494)
Cash paid to suppliers for goods and services	(21,286)	—	—	(1,062)	(5,123)	(27,471)
Net cash provided by (used in) operating activities	3,802	(1,087)	803	(102)	(6,795)	(3,379)
Cash flows from noncapital financing activities						
Transfers in	—	1,087	1,121	185	1,921	4,314
Transfers out	(3,790)	(113)	—	—	(21,134)	(25,037)
Net cash provided by (used in) noncapital financing activities	(3,790)	974	1,121	185	(19,213)	(20,723)
Cash flows from capital and related financing activities						
Capital grants and donations	3	—	—	—	—	3
Proceeds from bond/note issuances	—	—	—	—	—	—
Principal repayments of long term debt	1,877	—	(1,029)	(413)	—	435
Interest paid	(281)	—	(400)	(286)	—	(967)
Gain on Sale	—	—	—	—	26,008	26,008
Acquisition of capital assets	(1,611)	113	—	(1,546)	—	(3,044)
Net cash provided by (used in) capital and related financing activities	(12)	113	(1,429)	(2,245)	26,008	22,435
Cash flows from investing activities						
Change in equity in cash management pool	—	—	(392)	2,145	—	1,753
Purchases of restricted investments	—	—	—	2	—	2
Interest on investments	—	—	—	15	—	15
Net cash provided by (used in) investing activities	—	—	(392)	2,162	—	1,770
Decrease in cash and cash equivalents	—	—	103	—	—	103
Cash and cash equivalents, beginning of period	—	—	33	—	—	33
Cash and cash equivalents, end of period	\$ —	\$ —	\$ 136	\$ —	\$ —	\$ 136
Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:						
Operating income (loss)	\$ (350)	\$ (32)	\$ 306	\$ (405)	\$ (428)	\$ (909)
Adjustments to reconcile operating income (loss) to net cash provided (used in) by operating activities:						
Depreciation and amortization	2,618	18	470	509	99	3,714
Accounts receivables - net of allowance	(381)	—	27	—	—	(354)
Prepaid expenses	106	27	—	—	150	283
Accounts payable and accrued expenses	1,900	319	—	(206)	(136)	1,877
Other liabilities	240	(1,036)	—	—	(2,062)	(2,858)
Due to other funds	(1,637)	(383)	—	—	(4,418)	(6,438)
Net cash provided by (used in) operating activities	\$ 2,496	\$ (1,087)	\$ 803	\$ (102)	\$ (6,795)	\$ (4,685)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Internal Service Funds

Combining Statement of Net Position

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
ASSETS			
Current Assets:			
Receivables			
Accounts	\$ —	\$ 669	\$ 669
Less allowance for doubtful accounts	—	—	—
Total Receivables, Net	—	669	669
Inventories	1,230	—	1,230
Total Current Assets	1,230	669	1,899
Non Current Assets:			
Capital Assets:			
Land	136	—	136
Land Improvements	29	—	29
Buildings and other structures	5,508	—	5,508
Other Property and Equipment	3,788	—	3,788
Less Accumulated Depreciation	(9,142)	—	(9,142)
Capital assets, nets	319	—	319
Total Assets	1,549	669	2,218
LIABILITIES			
Liabilities:			
Current Liabilities			
Account payable	3,016	993	4,009
Accrued expenses	522	84	606
Due To Other Funds	2,047	7,661	9,708
Current Liabilities	5,585	8,738	14,323
Total liabilities	5,585	8,738	14,323
NET POSITION			
Net investment in capital assets	319	—	319
Unrestricted	(4,355)	(8,070)	(12,425)
Total Net Position	\$ (4,036)	\$ (8,070)	\$ (12,106)

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Internal Service Funds

Combining Statement of Revenue, Expenditures and Changes in Net Position

For the Year Ending June 30, 2018

(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Operating Revenue:			
Charges for Services	\$ 32,434	\$ 143,262	\$ 175,696
Other	87	15	102
Total Operating Revenue	<u>32,521</u>	<u>143,277</u>	<u>175,798</u>
Operating Expenses:			
Salaries and Employee Benefits	11,541	87,806	99,347
Utilities	572	—	572
Supplies and Materials	12,305	9	12,314
Repairs, maintenance, and other contractual services	3,664	—	3,664
Motor Equipment Services	332	—	332
Engineering and Consultant Fees	538	175	713
General Services and Other Costs	4,278	63,812	68,090
Depreciation and Amortization	41	—	41
Total operating expenses	<u>33,271</u>	<u>151,802</u>	<u>185,073</u>
Operating Income (loss)	<u>(750)</u>	<u>(8,525)</u>	<u>(9,275)</u>
Non operating revenues (expenses):			
Interest expense	(34)	(62)	(96)
Other revenue (expenses)	—	20	20
Total non operating revenues (expenses), net	<u>(34)</u>	<u>(42)</u>	<u>(76)</u>
Income (loss) before transfers:	<u>(784)</u>	<u>(8,567)</u>	<u>(9,351)</u>
Transfers in	9	—	9
Transfers out	—	(288)	(288)
Change in net position	<u>(775)</u>	<u>(8,855)</u>	<u>(9,630)</u>
Net position (deficit), beginning of period	<u>(3,261)</u>	785	<u>(2,476)</u>
Net position, (deficit) end of period	<u>\$ (4,036)</u>	<u>\$ (8,070)</u>	<u>\$ (12,106)</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Cash flow from operating activities			
Cash received from user charges	\$ 32,521	\$ 143,271	\$ 175,792
Cash payments to employees for services	(11,572)	(87,793)	(99,365)
Cash payments to suppliers for goods and services	(20,904)	(57,092)	(77,996)
Net cash provided by (used in) operating activities	45	(1,614)	(1,569)
Cash flows from noncapital financing activities			
Transfers in	9	—	9
Transfers out	—	(288)	(288)
Net cash provided by (used in) noncapital financing activities	9	(288)	(279)
Cash flows from capital and related financing activities			
Interest paid	(34)	(62)	(96)
Acquisition of capital assets	(20)	20	—
Net cash provided by (used in) capital and related financing activities	(54)	(42)	(96)
Cash flows from investing activities			
Change in equity in cash management pool	—	1,944	1,944
Interest on investments	—	—	—
Net cash provided by investing activities	—	1,944	1,944
Increase in cash and cash equivalents	—	—	—
Cash and cash equivalents, beginning of period	—	—	—
Cash and cash equivalents, end of period	\$ —	\$ —	\$ —
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (750)	\$ (8,525)	\$ (9,275)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	41	—	41
Accounts receivables - net of allowance	—	(6)	(6)
Inventory	(254)	—	(254)
Accounts payable and accrued expenses	939	(757)	182
Other Liabilities	(31)	13	(18)
Due to other funds	100	7,661	7,761
Net cash provided by (used in) operating activities	\$ 45	\$ (1,614)	\$ (1,569)

See accompanying independent auditors' report

Fiduciary Funds



Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

PENSION TRUST FUNDS

General Employees' Defined Benefit Pension Fund - To account for the operations of the defined benefit pension plan covering general officers and employees of the City.

General Employees' Defined Contribution Pension Fund - To account for the operation of the defined contribution pension plan covering general officers and employees of the City.

Firefighters' Pension Fund - To account for the operations of the defined benefit pension plan covering fire fighting employees of the City.

Police Officers' Pension Fund - To account for the operations of the defined benefit pension plan covering sworn police employees of the City.

AGENCY FUNDS

Agency Fund - To account for various taxes, bond deposits and other receipts held in escrow for individuals, outside organizations or other governments.

CITY OF ATLANTA, GEORGIA
Combining Statement of Net Position-Pension Trust Funds
Fiduciary Funds
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Total
ASSETS					
Cash and cash equivalents	\$ 35,851	\$ —	\$ 14,662	\$ 3,383	\$ 53,896
Securities Lending cash collateral	24,701	—	—	—	24,701
Receivables					
Other Employee Contribution	716	465	188	392	1,761
Other Employer Contribution	3,122	487	1,315	3,383	8,307
Due from brokers	833	—	1,202	1,690	3,725
Accrued interest receivable	1,277	—	765	1,593	3,635
Other receivables	1,480	9,363	66	378	11,287
Total receivables	<u>7,428</u>	<u>10,315</u>	<u>3,536</u>	<u>7,436</u>	<u>28,715</u>
Investments:					
Cash and cash equivalents	14,461	—	3,366	13,730	31,557
Domestic fixed income securities	307,584	38,097	185,698	240,199	771,578
Domestic equities	906,906	34,279	457,937	753,513	2,152,635
International fixed income securities	530	—	587	4,877	5,994
International equities	117,794	—	30,351	82,335	230,480
Alternative Investments:					
Real Estate	40,913	—	5,357	5,358	51,628
Limited partnerships	28,181	—	18,781	24,221	71,183
Comingled funds	—	85,437	—	—	85,437
Total Investments	<u>1,416,369</u>	<u>157,813</u>	<u>702,077</u>	<u>1,124,233</u>	<u>3,400,492</u>
Total Assets	<u>1,484,349</u>	<u>168,128</u>	<u>720,275</u>	<u>1,135,052</u>	<u>3,507,804</u>
LIABILITIES AND NET POSITION HELD IN TRUST FOR PENSION BENEFITS					
Current liabilities:					
Accounts payable	\$ 2,706	\$ 4	\$ 567	\$ 1,079	\$ 4,356
Due to brokers for investments purchased	843	—	1,575	3,584	6,002
Collateral payable for securities lending	24,701	—	—	—	24,701
Total liabilities	<u>28,250</u>	<u>4</u>	<u>2,142</u>	<u>4,663</u>	<u>35,059</u>
Net Position Restricted for Pension	<u>\$ 1,456,099</u>	<u>\$ 168,124</u>	<u>\$ 718,133</u>	<u>\$ 1,130,389</u>	<u>\$ 3,472,745</u>

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Pension Trust Funds
Combining Statement of Changes in Plan Net Position
For the Year Ending June 30, 2018
(Dollars in Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Total
Additions:					
Contributions:					
Employer contributions	\$ 105,303	\$ 12,418	\$ 21,882	\$ 34,176	\$ 173,779
Employee contributions	22,184	12,449	5,945	10,555	51,133
Refunds and other	110	49	—	76	235
Total contributions	127,597	24,916	27,827	44,807	225,147
Investment Income:					
Net change in fair value of investments	124,524	10,557	63,308	90,135	288,524
Investment income	14,867	856	7,098	13,952	36,773
Securities lending income	228	—	—	—	228
Less: Investment expenses	(4,245)	(191)	(2,027)	(3,555)	(10,018)
Net investment income	135,374	11,222	68,379	100,532	315,507
Total additions	262,971	36,138	96,206	145,339	540,654
Deductions:					
Benefit payments	173,670	12,998	46,898	65,785	299,351
Administrative expenses	2,018	151	683	836	3,688
Total deductions	175,688	13,149	47,581	66,621	303,039
Change in net position	87,283	22,989	48,625	78,718	237,615
Net position held in trust for pension benefits:					
Beginning of period	1,368,816	145,135	669,508	1,051,671	3,235,130
End of period	\$ 1,456,099	\$ 168,124	\$ 718,133	\$ 1,130,389	\$ 3,472,745

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ending June 30, 2018
(Dollars in Thousands)

ASSETS

	June 30, 2017	Additions	Deductions	June 30, 2018
Assets:				
Cash and cash equivalents	\$ 251	\$ —	\$ (100)	\$ 151
Equity in cash management pool	22,698	735	—	23,433
Prepaid expenses	1,562	—	—	1,562
Other receivables	103	317	—	420
 Total assets	\$ 24,614	\$ 1,052	\$ (100)	\$ 25,566

LIABILITIES

Liabilities:				
Accounts payable	\$ 24,614	\$ 999	\$ (47)	\$ 25,566
 Total Liabilities	\$ 24,614	\$ 999	\$ (47)	\$ 25,566

See accompanying independent auditors' report



THIS PAGE INTENTIONALLY LEFT BLANK

Statistical Section



(Unaudited)

The financial information presented provides detailed data on the financial, economic, and physical characteristics of the City. These tables cover multiple fiscal years and provide financial report users with a broader and more complete understanding of the City and its financial affairs.

**City of Atlanta, Georgia
Statistical Section**

Contents

Financial Trends (Schedule 1 through 5)

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 (Schedule 6 through 12)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Schedule 13 through 17)

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 (Schedule 18 through 19)

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 (Schedule 20 through 22)

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 comprehensive annual financial reports for the relevant year.

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 1
City of Atlanta, Georgia
Net Position by Component (unaudited)
Last Ten Fiscal Periods
(accrual basis of accounting)
(Dollars in thousands)

	Fiscal Period									
	2009	2010	2011	2012	2013	2014 *	2015	2016	2017	2018**
Governmental Activities										
Net investment in capital assets	\$ 146,670	\$ 97,291	\$ 58,841	\$ 7,228	\$ 95,513	\$ 53,144	\$ (292,446)	\$ 6,564	\$ 86,340	\$ 156,421
Restricted for										
Debt service	47,912	51,828	265,371	284,933	\$ 287,948	259,422	232,789	229,522	336,669	318,538
Programs	79,096	75,482	76,517	69,776	\$ 72,591	65,332	64,806	62,807	109,282	127,924
Capital projects	238,093	250,380	49,827	47,943	\$ 47,962	87,398	369,276	345,993	298,923	339,057
Unrestricted	(306,113)	(260,354)	(118,112)	(128,199)	(131,646)	(132,877)	(898,791)	(1,146,682)	(1,370,094)	(2,025,541)
Total Governmental Activities Net Position	\$ 205,658	\$ 214,627	\$ 332,444	\$ 281,681	\$ 372,368	\$ 332,419	\$ (524,366)	\$ (501,796)	\$ (538,880)	\$ (1,083,601)
Business-type Activities										
Net investment in capital assets	\$4,760,260	\$5,092,956	\$4,879,760	\$4,721,909	\$5,015,922	\$ 5,032,865	\$5,174,578	\$5,380,368	\$5,687,008	\$ 5,921,310
Restricted										
Debt service	174,761	206,232	349,001	869,781	534,521	382,414	406,162	413,288	417,463	418,808
Capital projects	470,590	365,297	418,473	—	355,001	554,081	607,322	629,667	652,115	675,680
Unrestricted	787,326	721,383	1,004,136	1,240,649	1,281,856	1,406,617	1,005,755	1,052,124	888,396	652,638
Total Business-type Activities Net Position	\$6,192,937	\$6,385,868	\$6,651,370	\$6,832,339	\$7,187,300	\$ 7,375,977	\$7,193,817	\$7,475,447	\$7,644,982	\$ 7,668,436
Primary Government										
Net investment in capital assets	\$4,906,930	\$5,190,247	\$4,938,602	\$4,729,137	\$5,111,435	\$ 5,086,009	\$4,882,132	\$5,386,932	\$5,773,348	\$ 6,077,731
Restricted										
Debt service	222,673	258,060	614,372	1,154,714	822,469	641,836	638,951	642,810	754,132	737,346
Programs	79,096	75,482	76,517	69,776	72,591	65,332	64,806	62,807	109,282	127,924
Capital projects	708,683	615,677	468,300	47,943	402,963	641,479	976,598	975,660	951,038	1,014,737
Unrestricted	481,213	461,029	886,024	1,112,450	1,150,210	1,273,740	106,964	(94,558)	(481,698)	(1,372,903)
Total Primary Government Activities Net Position	\$6,398,595	\$6,600,495	\$6,983,815	\$7,114,020	\$7,559,668	\$ 7,708,396	\$6,669,451	\$6,973,651	\$7,106,102	\$ 6,584,835

*2014 and prior has not been restated for the implementation of GASB 68

** City implemented GASB 75 in 2018. Prior years were not restated.

See accompanying independent auditors' report

Schedule 2
City of Atlanta, Georgia
Changes in Net Position (unaudited)
Last Ten Fiscal Periods
(accrual basis of accounting)
(Dollars in thousands)

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES										
Governmental Activities										
General government	\$ 265,596	\$ 260,413	\$ 239,306	\$ 215,030	\$ 148,288	\$ 346,897	\$ 472,818	\$ 308,606	\$ 464,517	\$ 392,479
Police	192,161	187,800	197,598	217,777	210,751	197,267	210,418	213,198	226,881	200,849
Fire	84,454	79,190	83,596	89,016	92,018	87,587	86,906	86,768	85,527	80,377
Corrections	37,264	29,301	25,520	35,001	31,128	32,324	33,990	34,181	36,169	33,161
Public works	56,814	50,056	54,442	47,397	64,467	72,476	73,280	93,719	130,715	155,416
Parks, recreation and cultural affairs	34,161	39,976	41,939	46,280	59,732	56,124	60,246	58,589	64,952	81,545
Interest on long-term debt	51,784	51,274	47,629	47,080	42,731	36,508	29,788	40,686	38,173	59,594
Total Governmental Activities Expenses	722,234	698,010	690,030	697,581	649,115	842,334	954,295	835,747	1,046,934	1,003,421
Business-type Activities										
Watershed Management	\$ 319,790	\$ 404,629	\$ 444,133	\$ 441,092	\$ 445,647	\$ 454,742	\$ 443,300	\$ 450,896	\$ 471,536	\$ 479,911
Aviation	423,198	448,979	437,659	504,918	585,148	638,452	628,824	640,793	673,027	667,442
Other	60,446	48,735	47,694	56,342	64,050	85,827	87,264	88,475	46,983	58,158
Total Business-type Activities Expenses	803,434	902,343	929,486	1,002,352	1,094,845	1,179,021	1,159,388	1,180,164	1,191,546	1,205,511
Total Primary Government Expenses	\$ 1,525,668	\$ 1,600,353	\$ 1,619,516	\$ 1,699,933	\$ 1,743,960	\$ 2,021,355	\$ 2,113,683	\$ 2,015,911	\$ 2,238,480	\$ 2,208,932
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798	\$ 113,637	\$ 166,954	\$ 155,662
Public safety	31,218	20,627	21,727	19,669	21,633	29,742	33,182	32,469	31,311	35,599
Public works	16,438	13,168	2,383	2,421	3,731	4,152	5,002	5,560	7,970	7,263
Parks recreation and cultural affairs	1,932	1,418	2,267	2,556	3,581	3,405	3,519	5,454	4,698	16,284
Operating grants and contributions	42,336	78,533	100,943	56,663	75,657	63,249	51,070	61,369	73,217	65,388
Capital grants and contributions	—	—	—	—	—	4,540	77,707	253	—	—
Total Governmental Activities Program Revenue	159,719	179,894	221,627	172,317	197,112	213,252	286,278	218,742	284,150	280,196
Business-type Activities										
Charges for services										
Watershed Management	351,743	380,413	433,183	466,052	448,167	436,644	459,673	466,929	486,285	478,132
Aviation	389,535	400,799	411,213	394,132	490,386	496,252	483,022	486,812	497,955	525,477
Other	51,011	57,143	56,754	69,245	76,718	82,293	86,875	78,147	58,603	56,323
Capital grants and contributions	275,033	201,492	241,456	238,639	260,944	235,883	259,682	271,863	266,459	263,784
Total Business-type Activities Revenues	1,067,322	1,039,847	1,142,606	1,168,068	1,276,215	1,251,072	1,289,252	1,303,751	1,309,302	1,323,716
Total primary Government Revenues	\$ 1,227,041	\$ 1,219,741	\$ 1,364,233	\$ 1,340,385	\$ 1,473,327	\$ 1,464,324	\$ 1,575,530	\$ 1,522,493	\$ 1,593,452	\$ 1,603,912
Net (expense) revenue										
Governmental activities	(562,515)	(518,116)	(468,403)	(525,264)	(452,003)	(629,082)	(668,017)	(617,005)	(762,784)	(723,225)
Business-type activities	263,888	137,504	213,120	165,716	181,370	72,051	129,864	123,587	117,756	118,205
Total Primary Government Net Expense	\$ (298,627)	\$ (380,612)	\$ (255,283)	\$ (359,548)	\$ (270,633)	\$ (557,031)	\$ (538,153)	\$ (493,418)	\$ (645,028)	\$ (605,020)
GENERAL REVENUES AND OTHER CHANGES in NET POSITION										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 154,567	\$ 222,087	\$ 190,406	\$ 184,021	\$ 188,099	\$ 183,109	\$ 189,613	\$ 189,714	\$ 197,921	\$ 206,718
Property taxes levied for debt service	96,082	112,358	129,965	103,258	97,690	96,933	107,108	132,277	133,284	147,093
Local and municipal option sales tax	87,789	202,014	203,887	212,536	218,623	223,976	233,803	236,168	247,175	167,852
Public utilities franchise taxes	51,381	54,312	72,450	63,327	60,825	40,125	43,193	46,758	42,176	42,176
Business taxes	219,224	94,020	100,177	105,567	95,402	125,010	132,738	142,236	138,352	147,272
Federal and state aid not restricted for specific purposes	3,407	—	—	299	—	2	—	—	—	704
Investment income	6,834	3,962	3,825	2,728	679	4,228	3,864	8,445	1,288	9,803
Gain on Sale of Assets	517	456	6,391	8,185	(4,197)	—	—	—	—	—
Other	13,738	17,491	—	—	—	—	—	—	—	—
Extraordinary Loss	—	(2,231)	—	—	—	—	—	—	—	—
Transfers	(118,523)	(119,590)	(120,880)	(123,580)	(114,431)	(84,250)	(118,897)	(116,023)	(34,496)	60,784
Total Governmental Activities	\$ 515,016	\$ 584,879	\$ 586,221	\$ 556,341	\$ 542,690	\$ 589,133	\$ 591,422	\$ 639,575	\$ 725,700	\$ 782,402
Business-Type Activities										
Local option sales tax	—	—	—	—	—	—	—	—	—	145,244
Investment income	40,739	(37,323)	(68,499)	(31,724)	58,710	35,429	32,985	41,775	5,971	23,710
Other	(14,672)	—	—	(12)	450	(3,053)	3	245	11,312	29,278
Extraordinary Loss	—	(26,840)	—	—	—	—	—	—	—	—
Transfers	118,523	119,590	120,880	123,580	114,431	84,250	118,897	116,023	34,496	(60,784)
Total Business-type Activities	144,590	55,427	52,381	91,844	173,591	116,626	151,885	158,043	51,779	137,448
Total Primary Government	\$ 659,606	\$ 640,306	\$ 638,602	\$ 648,185	\$ 716,281	\$ 705,759	\$ 743,307	\$ 797,618	\$ 777,479	\$ 919,850
Change in Net Position										
Governmental activities	(47,499)	66,763	117,818	31,077	90,687	(39,949)	(76,595)	22,570	(37,084)	59,177
Business-type activities	408,478	192,931	265,501	257,560	354,961	188,677	281,749	281,630	169,535	255,653
Total Primary Government	\$ 360,979	\$ 259,694	\$ 383,319	\$ 288,637	\$ 445,648	\$ 148,728	\$ 205,154	\$ 304,200	\$ 132,451	\$ 314,830

2014 and prior has not been restated for the implementation of GASB 68

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 3
City of Atlanta, Georgia
Program Revenues by Function/Program (unaudited)
Last Ten Fiscal Periods
(accrual basis of accounting)
(Dollars in thousands)

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Primary Government										
Governmental activities:										
Charges for Services										
General government	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798	\$ 113,637	\$ 166,954	\$ 155,662
Police	14,976	14,643	19,228	16,729	17,506	22,351	27,149	28,598	21,066	25,624
Fire	253	428	496	640	808	998	906	906	1,341	815
Corrections	15,989	5,556	2,003	2,300	3,319	6,393	5,127	2,965	8,904	9,160
Public works	16,438	13,168	2,383	2,421	3,731	4,152	5,002	5,560	7,970	7,263
Parks, Recreation, and Cultural Affairs	1,932	1,418	2,267	2,556	3,581	3,405	3,519	5,454	4,698	16,284
Total Governmental activities	\$ 117,383	\$ 101,361	\$ 120,684	\$ 115,654	\$ 121,455	\$ 145,463	\$ 157,501	\$ 157,120	\$ 210,933	\$ 214,808
Operating Grants	\$ 42,336	\$ 78,533	\$ —	\$ 56,663	\$ 75,657	\$ 63,249	\$ 51,070	\$ 61,369	\$ 73,217	\$ 65,388
Capital Grants and Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,540	\$ 77,707	\$ 253	\$ —	\$ —
Business-type activities:										
Charges for Services										
Watershed Management	\$ 351,743	\$ 380,413	\$ 433,183	\$ 466,052	\$ 448,167	\$ 436,644	\$ 459,673	\$ 466,929	\$ 486,285	\$ 478,132
Aviation	389,535	400,799	411,213	394,132	490,386	496,252	483,022	486,812	497,955	525,477
Sanitation	46,513	51,414	51,985	53,993	54,071	55,565	54,593	46,527	54,698	54,324
Parks and Recreational Facilities	498	472	487	512	475	513	482	15	—	—
Underground Atlanta	2,340	2,220	1,941	1,898	1,707	2,309	4,229	1,695	1,281	—
Parking Deck	—	1,340	740	698	805	805	870	857	1,019	776
Permit Fund	—	—	—	10,716	18,464	21,541	25,977	28,155	—	—
City Plaza	—	—	—	—	—	—	—	500	1,261	960
Civic Center	1,660	1,697	1,601	1,428	1,196	1,560	724	398	344	263
Capital Grants & Contributions										263,784
Total Business-type activities	\$ 792,289	\$ 838,355	\$ 901,150	\$ 929,429	\$ 1,015,271	\$ 1,015,189	\$ 1,029,570	\$ 1,031,888	\$ 1,042,843	\$ 1,323,716
Total Primary Government	\$ 952,008	\$ 1,018,249	\$ 1,021,834	\$ 1,101,746	\$ 1,212,383	\$ 1,228,441	\$ 1,315,848	\$ 1,250,630	\$ 1,326,993	\$ 1,603,912

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 4

City of Atlanta, Georgia

Fund Balances, Governmental Funds (unaudited)

Last Ten Fiscal Periods

(modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 3,382	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved	4,011	—	—	—	—	—	—	—	—	—
Nonspendable	—	10,383	7,834	4,377	4,972	11,101	1,946	15,726	5,941	5,247
Restricted	—	11,398	6,388	15,231	14,159	—	—	—	—	—
Committed	—	16,260	—	—	—	—	—	—	47,208	30,944
Assigned	—	9,919	6,912	26,877	20,516	12,287	7,814	7,254	8,537	10,624
Unassigned	—	24,473	73,216	80,235	98,517	118,597	141,254	130,169	138,396	132,065
Total General Fund	\$ 7,393	\$ 72,433	\$ 94,350	\$ 126,720	\$ 138,164	\$ 141,985	\$ 151,014	\$ 153,149	\$ 200,082	\$ 178,880
Capital Project										
Restricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 327,865	\$ 298,438	\$ 247,278	\$ 291,580
Assigned	—	—	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—	—
Total Capital Project	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 327,865	\$ 298,438	\$ 247,278	\$ 291,580
All Other Governmental Funds										
Reserved	\$ 65,518	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved, reported in										
Special revenue funds	(19,560)	—	—	—	—	—	—	—	—	—
Capital projects funds	—	—	—	48,909	—	—	—	—	—	—
Debt service funds	—	—	—	1,433	—	—	—	—	—	—
Restricted	—	363,183	579,842	406,854	408,501	412,152	339,006	339,884	497,596	493,938
Committed	—	—	—	—	—	—	—	—	—	—
Unassigned	—	(33,216)	(28,661)	(23,388)	(14,490)	(12,815)	(2,510)	(12,035)	(19,274)	(10,960)
Total all other Governmental Funds	\$ 45,958	\$ 329,967	\$ 551,181	\$ 433,808	\$ 394,011	\$ 399,337	\$ 336,496	\$ 327,849	\$ 478,322	\$ 482,978

Notes:

The Municipal Option Sales Tax Fund is considered a major governmental fund but has no fund balance.

Beginning in FY11, GASB 54 was implemented and the Governmental Fund balances are presented accordingly.

See accompanying independent auditors' report

City of Atlanta 2018 Comprehensive Annual Financial Report

Schedule 5

City of Atlanta, Georgia

Changes in Fund Balance, Governmental Funds (unaudited)

Last Ten Fiscal Periods

(Modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Property taxes	\$ 253,204	\$ 329,127	\$ 321,425	\$ 288,771	\$ 277,919	\$ 281,369	\$ 298,123	\$ 325,494	\$ 331,389	\$ 353,616
Local and municipal option sales taxes *	87,789	202,014	203,887	212,536	218,623	223,976	233,803	236,168	247,175	167,852
Public utility, alcoholic beverages and other taxes *	270,605	148,332	172,597	168,894	156,227	165,135	175,931	188,994	180,528	189,448
Licenses and permits	62,503	58,130	63,889	59,922	56,473	67,994	70,703	79,523	118,063	118,350
Charges for current services	20,765	17,843	17,312	16,745	23,904	30,023	34,286	37,556	36,477	40,121
Fines, forfeitures and penalties	15,820	15,847	22,368	24,550	24,293	26,119	28,827	26,333	24,352	20,594
Investment income	6,750	3,975	3,819	2,698	699	4,115	3,779	8,289	1,308	9,803
Intergovernmental revenues and contributions										
Federal revenues	36,649	65,422	43,437	40,671	53,278	40,839	34,675	46,723	54,655	52,402
State and local grants and contributions	9,094	14,307	16,576	16,291	22,379	22,412	16,395	14,646	18,562	13,689
Building rentals and contributions	18,295	8,344	7,153	7,583	7,400	8,178	8,845	8,267	12,450	15,078
Other	13,738	17,491	9,995	6,854	9,385	13,149	14,840	5,441	19,591	20,665
TOTAL REVENUES	\$ 795,212	\$ 880,832	\$ 882,458	\$ 845,515	\$ 850,580	\$ 883,309	\$ 920,207	\$ 977,434	\$ 1,044,550	\$ 1,001,618
EXPENDITURES										
Current										
General government	\$ 319,202	\$ 250,558	\$ 215,655	\$ 217,879	\$ 224,452	\$ 304,137	\$ 252,123	\$ 304,634	\$ 387,514	\$ 361,235
Police	186,364	179,455	189,309	190,917	195,017	204,830	208,128	226,517	231,513	222,083
Fire	82,581	75,180	74,608	78,018	82,478	82,418	87,805	87,938	84,134	89,087
Corrections	36,503	28,037	23,929	30,675	29,203	32,108	36,243	36,662	37,444	37,811
Public works	45,032	45,477	51,622	41,547	39,516	52,132	55,846	79,667	114,303	154,518
Parks, recreation and cultural affairs	39,569	35,866	43,799	40,565	49,181	47,484	48,635	51,008	55,845	81,672
Debt service										
Principal	54,919	55,730	49,155	52,648	59,949	47,006	89,650	82,310	44,508	71,688
Interest	50,429	47,617	48,909	46,460	44,411	36,337	33,002	44,413	37,011	58,956
Bond issuance costs	6,065	4,446	1,433	311	33	1,647	1,050	375	1,162	638
TOTAL EXPENDITURES	\$ 820,664	\$ 722,366	\$ 698,419	\$ 699,020	\$ 724,240	\$ 808,099	\$ 812,482	\$ 913,524	\$ 993,434	\$ 1,077,688
Excess of Revenues Over (Under) Expenditures	(25,452)	158,466	184,039	146,495	126,340	75,210	107,725	63,910	51,116	(76,070)
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 134,042	\$ 78,120	\$ —	\$ —	\$ 6	\$ 21,000	\$ 307,390	\$ 84,844	\$ 235,690	\$ 43,335
Capital leases	48,602	—	—	—	2,198	363	—	—	8,735	20,110
Premium on bonds sold	4,027	—	—	—	—	277	39,325	10,903	16,077	15,732
Discount on bonds sold	(484)	(1,257)	—	—	—	—	—	—	—	—
Issuance of refunding bonds	—	—	—	—	—	—	—	—	—	85,380
Refunding bonds issued	78,025	—	—	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	(80,550)	(64,500)	—	—	—	—	(58,866)	(77,443)	(128,993)	(125,392)
Sales of assets	851	456	7,089	14,623	123	2,547	3,376	1,287	380	1,275
Transfers in (out)	(118,523)	(119,590)	(120,880)	(123,580)	(114,431)	(90,250)	(124,897)	(119,440)	(36,759)	63,386
Total Other Financing Sources (Uses)	\$ 65,990	\$ (106,771)	\$ (113,791)	\$ (108,957)	\$ (112,104)	\$ (66,063)	\$ 166,328	\$ (99,849)	\$ 95,130	\$ 103,826
Extraordinary Loss	—	(2,231)	—	—	—	—	—	—	—	—
NET CHANGE IN FUND BALANCE	\$ 40,538	\$ 49,464	\$ 70,248	\$ 37,538	\$ 14,236	\$ 9,147	\$ 274,053	\$ (35,939)	\$ 146,246	\$ 27,756
Debt service as a percentage of noncapital expenditures	14.7%	15.4%	15.0%	14.7%	16.8%	10.7%	16.3%	14.8%	9.1%	13.7%

* Prior to 2010, the Local Municipal Option Sales Tax was included in Public utility, alcoholic beverages and other taxes

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 6
City of Atlanta, Georgia
Assessed and Estimated Actual Value of Taxable Property (unaudited)
Last Ten Fiscal Periods

Fiscal Period Ended	Residential Property	Commercial Property	Industrial Property	Other Property(1)	Less: Tax-exempt Property(2)	Total Taxable Assessed Value	Total Direct Tax Rate
June 30, 2009	13,872,372,979	11,249,746,299	890,877,231	1,720,999,874	1,910,282,501	25,823,713,882	30.49%
June 30, 2010	12,749,326,810	11,746,535,282	806,421,455	1,542,422,321	2,831,876,995	24,012,828,873	33.63%
June 30, 2011	12,609,751,900	10,924,151,062	775,954,220	1,525,316,851	2,731,195,758	23,103,978,275	33.63%
June 30, 2012	11,506,413,986	11,148,297,009	758,400,890	1,528,992,043	2,880,803,214	22,061,300,714	33.63%
June 30, 2013	10,896,664,314	10,752,062,104	723,400,082	1,658,974,465	2,660,010,749	21,371,090,216	33.68%
June 30, 2014	11,183,385,556	10,556,075,940	687,309,657	1,671,292,251	2,430,432,837	21,667,630,567	33.49%
June 30, 2015	11,687,041,707	11,151,391,836	683,832,400	1,554,353,314	2,599,674,413	22,476,944,844	33.19%
June 30, 2016	12,848,381,757	12,774,083,537	711,630,623	1,503,577,204	2,874,052,314	24,963,620,807	33.49%
June 30, 2017	13,444,916,986	12,741,070,429	746,742,197	1,357,032,493	2,726,925,124	25,562,836,981	32.60%
June 30, 2018	13,493,027,408	14,154,056,870	843,130,074	1,210,968,574	2,985,921,567	26,715,261,359	32.56%

(1) Other Property consists of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Mobile Homes, etc.

(2) Tax Exempt Property consists of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.

Source: Assessed values are established by the Fulton & DeKalb Counties Board of Tax Assessors on January 1 of each year at 40% of the market value as required by State Law.

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 7

City of Atlanta, Georgia

Direct and Overlapping Property Tax Rates (unaudited)

Last Ten Fiscal Periods

(per \$1,000 of assessed value)

Fiscal Period Ended	DeKalb County						Fulton County			Total
	General Operating Levy	Hospital Levy	Bond Levy	Library Levy	State of Georgia Levy	Total Levy	County Levy	County Bond Levy	Georgia State Levy	
June 30, 2009	7.99	0.84	0.51	0.83	0.25	10.42	10.28	—	0.25	10.53
June 30, 2010	8.00	0.96	0.57	1.00	0.25	10.78	10.28	—	0.25	10.53
June 30, 2011	8.00	0.96	0.57	0.88	0.25	10.66	10.28	—	0.25	10.53
June 30, 2012	9.43	0.88	0.87	1.02	0.25	12.45	10.28	0.27	0.25	10.80
June 30, 2013	10.43	0.94	0.70	1.22	0.20	13.49	10.28	0.27	0.2	10.75
June 30, 2014	10.71	0.80	—	1.16	0.15	12.82	10.21	0.27	0.15	10.63
June 30, 2015	8.22	0.80	0.01	1.06	0.10	10.19	11.78	0.27	0.10	12.15
June 30, 2016	10.39	0.89	0.01	1.11	0.05	12.45	10.50	0.25	0.05	10.80
June 30, 2017	8.76	0.74	0.48	0.97	—	10.95	10.45	0.25	—	10.70
June 30, 2018	8.69	0.74	0.43	1.18	—	11.04	10.38	0.25	—	10.63

Fiscal Period Ended	City Atlanta			Board of Education		Total
	General Levy	Bond Levy	Parks Levy	Operating Levy	School Bond Levy	
June 30, 2009	7.12	1.18	0.50	21.64	0.05	30.49
June 30, 2010	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2011	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2012	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2013	10.24	1.20	0.50	21.64	0.10	33.68
June 30, 2014	10.05	1.20	0.50	21.64	0.10	33.49
June 30, 2015	9.75	1.20	0.50	21.64	0.10	33.19
June 30, 2016	8.89	1.48	0.50	21.64	0.10	32.61
June 30, 2017	8.88	1.48	0.50	21.72	0.03	32.61
June 30, 2018	8.84	1.48	0.50	21.74	—	32.56

Sources: Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor.
 Debt outstanding data provided by each governmental unit.

See accompanying independent auditors' report

City of Atlanta

2018 Comprehensive Annual Financial Report

Schedule 8

City of Atlanta, Georgia

Principal Property Tax Payers (unaudited)

Last Ten Fiscal Periods

Taxpayer	Type of Business	Fiscal Periods																						
		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017				
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		
AT & T	Telecommunications	\$ —	—	—	\$ —	—	—	\$233,061,383	5	1.10%	\$ —	—	—	—	—	—	—	—	—	—	—	—	—	
Bell South	Communication Service	332,146,406	2	1.36%	197,316,319	3	0.86%	288,336,703	3	1.37%	—	—	—	—	—	—	—	—	—	—	—	—	—	
BF ATL, LLC	Commercial Real Estate	158,985,279	6	0.65%	135,349,360	6	0.59%	135,349,360	7	0.64%	135,349,360	4	0.64%	154,833,309	8	0.76%	158,398,076	3	0.77%	—	—	—	—	
Coca-Cola Company	Marketing and Manufacturing	174,796,651	4	0.72%	166,718,521	4	0.73%	239,494,269	4	1.13%	160,539,113	3	0.76%	158,398,076	3	0.77%	—	—	—	—	—	—	—	—
Corporate Property Corporation	Commercial Real Estate	—	—	—	—	—	—	—	—	—	87,232,239	9	0.41%	72,222,920	6	0.35%	—	—	—	—	—	—	—	
Delta Airlines	Transportation	—	—	—	—	—	—	144,071,482	6	0.68%	—	—	—	—	—	—	—	—	—	—	—	—	—	
Development Authority of Fulton	Government	333,432,299	1	1.36%	505,772,282	1	2.21%	864,964,916	1	4.10%	652,260,501	1	3.09%	643,688,110	1	3.15%	—	—	—	—	—	—	—	—
GA Promenade LLC	Residential Real Estate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Georgia Pacific Company	Pulp and Paper Manufacturing	105,231,889	8	0.43%	98,028,880	8	0.43%	—	—	—	84,328,320	8	0.40%	76,031,870	7	0.37%	—	—	—	—	—	—	—	—
Georgia Power Company	Utility Service	206,701,589	3	0.85%	222,362,604	2	0.97%	355,267,690	2	1.68%	258,789,449	2	1.23%	278,823,406	2	1.36%	—	—	—	—	—	—	—	—
Google Inc	Technology	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hines One Atlantic Center LP	Commercial Real Estate	101,252,131	9	0.41%	86,807,370	10	0.38%	—	—	—	74,287,820	10	0.35%	72,158,940	10	0.35%	—	—	—	—	—	—	—	—
IEP Peachtree LLC	Commercial Real Estate	—	—	—	—	—	—	93,279,610	10	0.44%	91,879,110	7	0.44%	78,922,880	9	0.39%	—	—	—	—	—	—	—	—
Kan AM Grund America LP	Commercial Real Estate	91,507,582	10	0.37%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Post Apartment Homes	Residential Real Estate	168,194,137	5	0.69%	148,085,301	5	0.65%	129,959,779	8	0.62%	128,772,451	5	0.61%	96,136,850	4	0.47%	—	—	—	—	—	—	—	—
SunTrust Plaza Association	Commercial Real Estate	119,200,000	7	0.49%	103,661,410	7	0.45%	103,532,500	9	0.49%	96,150,900	6	0.46%	87,837,149	5	0.43%	—	—	—	—	—	—	—	—
Total		\$ 1,791,447,963		7.33%	\$ 1,664,102,047		7.27%	\$ 2,587,317,692		12.25%	\$ 1,769,589,263		8.39%	\$ 1,719,053,510		8.40%								

Taxpayer	Type of Business	Fiscal Periods																							
		2013		2014		2015		2016		2017		2018		2019											
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value									
AC Property Owner LP	Commercial Real Estate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Bell South/AT&T	Communication Service	144,069,022	5	0.7%	170,914,613	4	0.80%	155,862,813	4	0.66%	179,628,391	3	0.74%	140,954,632	5	0.53%	—	—	—	—	—	—	—	—	—
BF ATL, LLC	Commercial Real Estate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Coca-Cola Company	Marketing and Manufacturing	154,658,325	4	0.75%	154,851,783	5	0.72%	146,645,787	5	0.62%	145,352,469	5	0.6%	144,804,388	4	0.54%	—	—	—	—	—	—	—	—	—
Corporate Property Corporation	Commercial Real Estate	87,232,240	8	0.42%	107,531,880	6	0.50%	136,742,310	6	0.58%	110,808,080	7	0.46%	110,808,080	8	0.41%	—	—	—	—	—	—	—	—	—
Development Authority of Fulton	Government	708,697,642	1	3.42%	914,748,466	1	4.27%	979,728,452	1	4.12%	1,146,589,582	1	4.74%	1,219,165,494	1	4.56%	—	—	—	—	—	—	—	—	—
Delta Airlines	Transportation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
GA-Met	Commercial Real Estate	—	—	—	72,000,000	10	0.34%	82,628,961	10	0.35%	82,628,961	10	0.34%	—	—	—	—	—	—	—	—	—	—	—	
Georgia Pacific Company	Pulp and Paper Manufacturing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Georgia Power Company	Utility Service	287,889,088	2	1.39%	281,251,853	2	1.31%	296,597,925	2	1.25%	282,000,331	2	1.17%	283,491,164	2	1.06%	—	—	—	—	—	—	—	—	
Google Inc	Technology	99,021,890	6	0.48%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hines One Atlantic Center LP	Commercial Real Estate	—	—	—	80,341,160	8	0.38%	96,895,409	8	0.41%	96,894,280	8	0.4%	—	—	—	—	—	—	—	—	—	—	—	
IEP Peachtree LLC	Commercial Real Estate	72,222,920	10	0.35%	74,371,960	9	0.35%	96,592,350	9	0.41%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services	80,772,360	9	0.39%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Post Apartment Homes	Residential Real Estate	164,277,960	3	0.79%	176,237,783	3	0.82%	172,256,249	3	0.72%	172,644,191	4	0.71%	130,285,628	6	0.49%	—	—	—	—	—	—	—	—	
Norfolk Southern Corp	Transportation	—	—	—	—	—	—	—	—	—	—	—	—	96,767,666	10	0.36%	—	—	—	—	—	—	—	—	
SunTrust Plaza Association	Commercial Real Estate	96,130,950	7	0.46%	94,698,251	7	0.44%	110,808,080	7	0.47%	135,009,840	6	0.56%	150,955,860	3	0.56%	—	—	—	—	—	—	—	—	
HRLP Monarch LLC	Commercial Real Estate	—	—	—	—	—	—	—	—	—	96,479,600	9	0.4%	—	—	—	—	—	—	—	—	—	—	—	
Total		\$ 1,894,972,397		9.15%	\$ 2,126,947,749		9.93%	\$ 2,274,758,336		9.59%	\$ 2,448,035,725		10.12%	\$ 2,498,184,421		9.34%									

** 2017 Based on Net Assessed Value of \$26,740,764,082 Source: Fulton County Tax Commission office

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 9
City of Atlanta, Georgia
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Periods
(amounts expressed in thousands)

Fiscal Period Ended	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
		Amount(1)	Percentage of Levy	Collections, net of adjustments in Subsequent Years	Amount	Percentage of Levy
June 30, 2009	198,378	190,475	96.02%	6,615	197,090	96.02%
June 30, 2010	264,371	257,062	97.24%	5,720	262,782	97.24%
June 30, 2011	240,586	234,895	97.63%	4,111	239,006	97.63%
June 30, 2012	222,633	218,472	98.13%	2,996	221,467	98.13%
June 30, 2013	219,177	214,494	97.86%	3,545	218,038	97.86%
June 30, 2014	222,103	218,184	98.24%	2,757	220,941	98.24%
June 30, 2015	227,842	224,808	98.67%	1,761	226,570	98.67%
June 30, 2016	239,875	237,840	99.15%	—	238,838	99.15%
June 30, 2017	247,078	243,948	98.73%	—	243,948	98.73%
June 30, 2018	255,610	250,068	97.83%	—	250,068	97.83%

(1) Does not include tax revenues retained by Fulton and Dekalb County for administrative expenses, therefore the collection rate shown is slightly less than actual.

See accompanying independent auditors' report

City of Atlanta

2018 Comprehensive Annual Financial Report

Schedule 10

City of Atlanta, Georgia

Taxable Sales by Category (unaudited)

Last Ten Fiscal Periods

(Dollars in thousands)

Local Option Sales Tax	Fiscal Period										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Food	\$ 20,038,407	\$ 18,811,248	\$ 18,665,973	\$ 19,260,191	\$ 20,170,413	\$ 20,421,886	\$ 21,981,932	\$ 23,194,803	\$ 23,803,463	\$ 23,941,493	
Apparel	5,594,865	5,619,424	7,607,374	8,735,985	9,191,131	9,916,645	9,692,190	8,803,428	8,736,540	9,131,013	
General	10,374,329	11,803,657	11,459,576	11,480,986	12,082,498	12,062,397	12,630,008	12,799,010	12,398,959	12,381,060	
Automotive	9,275,605	6,007,107	6,781,055	7,620,570	6,842,220	2,350,901	2,250,224	2,403,091	2,498,320	2,233,973	
Home	9,939,476	7,437,672	7,721,742	8,237,476	8,006,529	8,180,418	8,660,495	9,006,150	8,815,470	9,092,674	
Lumber	4,235,049	728,285	587,895	484,572	645,845	896,719	1,030,259	1,121,857	1,149,400	1,286,249	
Miscellaneous Services	12,773,311	12,220,815	10,259,330	11,682,787	12,799,653	14,187,954	13,322,206	13,045,306	13,615,484	16,045,853	
Manufacturers	3,425,878	5,640,201	5,253,551	5,043,131	5,023,612	5,910,241	6,459,079	5,702,950	5,414,370	5,967,053	
Utilities	10,274,982	6,472,235	6,556,758	5,653,587	6,423,578	6,283,211	6,389,567	6,452,505	6,157,788	5,857,190	
Miscellaneous	9,864,146	17,721,003	18,365,457	20,689,057	19,160,653	19,497,898	19,808,260	20,986,349	20,764,655	24,247,218	
Total	\$ 95,796,048	\$ 92,461,647	\$ 93,258,711	\$ 98,888,342	\$ 100,346,132	\$ 99,708,270	\$ 102,224,220	\$ 103,515,449	\$ 103,354,449	\$ 110,183,776	
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Municipal Option Sales Tax (1)	Fiscal Period										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Food	\$ 25,487,704	\$ 23,115,908	\$ 24,249,636	\$ 24,474,659	\$ 25,875,374	\$ 27,193,787	\$ 29,072,255	\$ 31,087,468	\$ 32,390,909	\$ 18,132,972	
Apparel	8,265,601	6,819,859	7,411,259	7,844,861	8,659,305	9,081,924	8,575,055	8,085,793	7,676,618	8,036,125	
General	10,829,434	13,496,332	14,539,307	15,198,078	15,821,702	16,527,598	17,425,387	17,544,873	17,354,996	10,500,771	
Automotive	5,489,521	929,297	1,021,811	1,006,061	1,088,903	862,640	893,948	887,289	905,611	1,006,166	
Home	13,952,527	8,302,473	10,528,843	11,254,508	10,342,273	10,625,539	11,079,218	11,758,120	11,228,626	11,783,938	
Lumber	5,591,719	991,117	858,527	811,933	937,818	1,257,158	1,361,648	1,638,714	1,611,894	1,665,362	
Miscellaneous Services	19,360,539	15,006,917	14,608,176	12,914,807	17,624,898	17,423,469	17,955,003	16,713,310	17,445,223	22,418,492	
Manufacturers	4,399,557	6,763,647	7,374,252	6,797,657	6,283,568	7,090,205	7,258,328	6,818,479	6,869,995	7,849,422	
Utilities	12,691,282	7,177,663	8,488,688	12,243,140	7,232,826	7,386,966	7,825,616	7,674,084	7,516,300	7,608,192	
Miscellaneous	15,976,758	25,295,149	24,720,146	26,593,552	25,199,982	26,787,112	29,237,076	30,911,020	28,709,431	56,242,103	
Total	\$ 122,044,642	\$ 107,898,362	\$ 113,800,645	\$ 119,139,256	\$ 119,066,649	\$ 124,236,398	\$ 130,683,534	\$ 133,119,150	\$ 131,709,603	\$ 145,243,543	
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	

Note: (1) Effective October 1, 2004, the City began collecting a 1% Municipal Option Sales Tax (MOST) for retail sales and use occurring within the incorporated city limits of Atlanta

Source: Georgia Department of Revenue; Local Government Division

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 11
City of Atlanta, Georgia
Direct and Overlapping Sales Tax Rates (unaudited)
Last Ten Fiscal Periods

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Fulton County</u>
2009	1.00%	7.00%
2010	1.00%	7.00%
2011	1.00%	7.00%
2012	1.00%	7.00%
2013	1.00%	7.00%
2014	1.00%	7.00%
2015	1.00%	7.00%
2016	1.00%	7.00%
2017	1.00%	7.00%
2018	1.90%	7.00%

Source: Sales Tax Rates, Georgia Department of Revenue

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 12

City of Atlanta, Georgia

Principal Sales Tax Remitters (unaudited)

Last Ten Fiscal Periods

Tax Remitters	2009		2010		2011		2012		2013	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 25,487,704	20.89%	\$ 23,115,908	21.42%	\$ 24,249,636	21.31%	\$ 24,474,659	20.54%	\$ 25,875,374	21.73%
Apparel	8,265,601	6.77%	6,819,859	6.32%	7,411,259	6.51%	7,844,861	6.58%	8,659,305	7.27%
General	10,829,434	8.88%	13,496,332	12.51%	14,539,307	12.78%	15,198,078	12.76%	15,821,702	13.29%
Automotive	5,489,521	4.5%	929,297	0.86%	1,021,811	0.9%	1,006,061	0.84%	1,088,903	0.91%
Home	13,952,527	11.44%	8,302,473	7.69%	10,528,843	9.25%	11,254,508	9.45%	10,342,273	8.69%
Lumber	5,591,719	4.58%	991,117	0.92%	858,527	0.75%	811,933	0.68%	937,818	0.79%
Miscellaneous Services	19,360,539	15.87%	15,006,917	13.91%	14,608,176	12.84%	12,914,807	10.84%	17,624,898	14.8%
Manufacturers	4,399,557	3.61%	6,763,647	6.27%	7,374,252	6.48%	6,797,657	5.71%	6,283,568	5.28%
Utilities	12,691,282	10.4%	7,177,663	6.65%	8,488,688	7.46%	12,243,140	10.28%	7,232,826	6.07%
Miscellaneous	15,941,494	13.07%	25,295,149	23.44%	24,720,146	21.72%	26,593,552	22.32%	25,199,982	21.16%
Total	\$ 122,009,378	100%	\$ 107,898,362	100%	\$ 113,800,645	100%	\$ 119,139,256	100%	\$ 119,066,649	100%
Tax Remitters	2014		2015		2016		2017		2018	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 27,193,787	21.88%	\$ 29,072,255	22.25%	\$ 31,087,468	23.35%	\$ 32,390,909	24.59%	\$ 18,132,972	12.48%
Apparel	9,081,924	7.31%	8,575,055	6.56%	8,085,793	6.07%	7,676,618	5.83%	8,036,125	5.53%
General	16,527,598	13.3%	17,425,387	13.33%	17,544,873	13.18%	17,354,996	13.18%	10,500,771	7.23%
Automotive	862,640	0.69%	893,948	0.68%	887,289	0.67%	905,611	0.69%	1,006,166	0.69%
Home	10,625,539	8.55%	11,079,218	8.48%	11,758,120	8.83%	11,228,626	8.53%	11,783,938	8.11%
Lumber	1,257,158	1.01%	1,361,648	1.04%	1,638,714	1.23%	1,611,894	1.22%	1,665,362	1.15%
Miscellaneous Services	17,454,787	14.05%	17,955,003	13.74%	16,713,310	12.56%	17,445,223	13.25%	22,418,492	15.44%
Manufacturers	7,090,205	5.71%	7,258,328	5.55%	6,818,479	5.12%	6,869,995	5.22%	7,849,422	5.4%
Utilities	7,386,966	5.94%	7,825,616	5.99%	7,674,084	5.76%	7,516,300	5.71%	7,608,192	5.24%
Miscellaneous	26,787,112	21.56%	29,237,076	22.37%	30,911,020	23.22%	28,709,431	21.8%	56,242,103	38.72%
Total	\$ 124,267,716	100%	\$ 130,683,534	100%	\$ 133,119,150	100%	\$ 131,709,603	100%	\$ 145,243,543	100%

Source: Georgia Department of Revenue, Local Government Division

Note: Effective October 1, 2004, the City began collection 1% Municipal Option Sale Tax (MOST) for retail sales and use within the incorporated city limits of Atlanta

See accompanying independent auditors' report

Schedule 13

City of Atlanta, Georgia

Ratio of Outstanding Debt by Type (unaudited)

Last Ten Fiscal Periods

(Dollars in thousands, except per capita)

Fiscal Period Ended	Governmental Activities													% Personal Income (c)	Per Capita (c)	
	General Obligation Debt (a)	2016 Certificate of participation	APSJFA Revenue Bonds (b)	SWMA Revenue Refunding Bonds	Limited Obligation Bonds* (a)	Section 108 Loans	Capital Leases	1990 GMA Lease Pool	1998 GMA Lease Pool	2002 Certificates of Participation	Installment Sale Program	Inter-Govt Agreements	Notes Payable			Total Governmental Activities
June 30, 2009	277,190	—	—	20,265	652,075	6,175	69,005	5,782	32,444	45,540	58,575	15,983	15,509	1,198,543	6.05%	2,249
June 30, 2010	275,269	—	—	18,837	633,806	5,115	83,396	2,555	32,444	—	52,885	15,177	14,083	1,133,567	5.70%	2,493
June 30, 2011	255,077	—	—	17,658	623,602	4,025	76,567	—	32,444	—	46,905	14,329	12,590	1,083,197	5.06%	2,681
June 30, 2012	239,310	—	—	16,419	603,862	2,890	69,349	—	32,444	—	40,660	13,432	11,027	1,029,393	4.63%	2,507
June 30, 2013	222,562	—	—	15,410	591,587	2,180	64,121	—	32,444	—	34,135	40,841	9,394	1,012,674	4.44%	2,318
June 30, 2014	205,176	—	—	14,005	519,521	1,175	57,129	—	32,444	—	29,780	133,358	7,683	1,000,271	4.38%	2,258
June 30, 2015	437,112	—	36,027	12,530	464,734	1,175	50,620	—	32,444	—	25,195	350,468	5,892	1,416,197	6.21%	2,194
June 30, 2016	395,623	36,889	33,681	10,980	444,681	930	19,261	—	32,444	—	20,385	353,455	4,016	1,352,345	5.88%	3,106
June 30, 2017	384,058	33,704	31,280	9,360	515,522	660	23,544	—	32,444	—	15,330	376,552	2,054	1,424,508	5.53%	3,159
June 30, 2018	355,482	80,038	28,232	7,665	453,900	440	37,406	—	32,444	—	10,025	452,845	—	1,458,478	5.32%	3,080

Fiscal Period Ended	Business-Type Activities													Total Business-Type Activities	Total Primary Government	% Personal Income (c)	Per Capita (c)
	Department of Aviation		Department of Watershed Management				Nonmajor Proprietary										
	Facilities Revenue Bonds and Bond Anticipation Notes	Capital Lease/Other Obligations	System Revenue Bonds	Issuance Premiums and Discounts	GEFA Notes Payable	Capital Lease/Other Obligations	Underground Atlanta Revenue Bonds	Parking Deck Capital Lease	Underground Atlanta Capital Lease	City Plaza	Civic Center Renovations Agreement	Parking Deck					
June 30, 2009	2,342,431	—	3,218,275	3,330	148,767	—	—	—	—	—	—	—	—	5,712,803	6,911,346	34.89%	14,378
June 30, 2010	2,233,835	—	3,202,025	25,830	145,353	—	—	—	—	—	—	—	—	5,607,043	6,740,610	33.89%	15,943
June 30, 2011	2,857,133	—	3,163,655	24,675	141,823	20,563	—	21,685	35,895	—	—	—	—	6,265,429	7,348,626	34.34%	17,005
June 30, 2012	3,202,610	—	3,117,570	23,526	147,940	—	—	21,040	29,415	—	—	—	—	6,542,101	7,571,494	34.07%	17,052
June 30, 2013	3,167,584	—	3,069,145	22,390	168,829	5,456	—	20,365	22,605	—	—	—	—	6,476,374	7,489,048	32.83%	16,701
June 30, 2014	3,102,242	—	3,006,165	37,783	172,445	3,930	—	19,660	15,445	—	—	—	—	6,357,670	7,357,941	32.25%	16,136
June 30, 2015	2,978,917	—	2,870,765	207,886	168,843	2,724	—	18,930	7,915	—	—	—	—	6,255,980	7,672,177	33.64%	16,829
June 30, 2016	3,145,561	—	2,814,455	209,685	168,222	1,304	—	18,165	—	10,680	1,734	—	—	6,369,806	7,722,151	33.81%	16,621
June 30, 2017	3,007,984	—	2,740,300	234,491	176,874	7,143	—	—	—	10,316	—	—	—	6,177,108	7,601,616	29.59%	16,897
June 30, 2018	2,865,383	9,300	2,727,860	227,331	201,680	130,691	1,592	—	—	9,903	—	16,767	—	6,190,507	7,648,985	27.90%	16,155 (d)

(a) Net of any discount or premium

(b) APSJFA revenue bonds reported as Limited Obligation Bonds prior to Fiscal Period 2015.

(c) See schedule for personal income and population data

(d) Personal income and per capital data not available for 2018, % based on 2017 data

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

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 14

City of Atlanta, Georgia

Ratio of General Bonded Debt Outstanding (unaudited)

Last Ten Fiscal Periods

(Dollars in thousands, except per capita)

Fiscal Period Ended	General Obligation Debt	Bond Sinking Fund	Net General Obligation Debt	Certificate of Participation	SWMA Revenue Refunding Bonds	APSJFA Revenue Bond	Inter-Governmental Agreements	Notes Payable	Other Long-term Debt (a)	Capital Leases	Total	Percentage of Actual Taxable Value of Property (b)	Per Capita (c)
June 30, 2008	\$ 296,915	\$ (45,479)	\$ 251,436	—	20,265	\$ 48,385	\$ 16,373	\$ 17,000	\$ 149,301	\$ 26,564	\$ 529,324	1.92%	1,109
June 30, 2009	277,190	(47,912)	229,278	—	20,265	46,700	15,983	15,509	158,324	69,605	555,664	2.15%	1,156
June 30, 2010	260,490	(51,828)	208,662	—	18,837	44,950	15,177	14,083	103,062	83,396	488,167	2.03%	1,155
June 30, 2011	244,965	(55,198)	189,767	—	17,658	43,125	14,329	12,590	93,678	76,567	447,714	1.94%	1,036
June 30, 2012	230,680	(59,150)	171,530	—	16,745	41,230	13,433	11,026	86,537	69,349	409,850	1.86%	923
June 30, 2013	215,320	(62,496)	152,824	—	15,410	39,265	40,841	9,394	79,070	64,120	400,924	1.88%	894
June 30, 2014	199,215	(66,646)	132,569	—	14,005	37,230	133,358	7,683	62,224	57,129	444,198	2.05%	974
June 30, 2015	395,890	(33,756)	362,134	—	12,530	35,110	350,468	5,892	57,639	50,620	874,393	3.89%	1,918
June 30, 2016	357,955	(15,145)	342,810	32,160	10,980	32,900	343,455	4,016	53,759	19,261	839,341	3.36%	1,809
June 30, 2017	384,058	(33,773)	350,285	29,780	9,360	27,150	376,552	2,054	48,434	23,544	867,159	3.52%	1,907
June 30, 2018	355,482	(30,052)	325,430	80,038	7,665	28,232	452,845	—	42,909	37,406	974,525	3.71%	2,040

(a) Inclusive of GMA Lease Pool and 1998 Installment Sales Program

(b) See Schedule 6 for assessed property value

(c) See Schedule 18 for population value

(d) Population data not available for 2018, percentage based on 2017 data

See accompanying independent auditors' report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt (unaudited)

	Net Debt Outstanding	Percentage Applicable to City of Atlanta (a)	Amount Applicable to City of Atlanta
City of Atlanta General Obligation Debt	\$ 355,482,000	100.00%	\$ 355,482,000
Certificate of Participation	80,038,000	100.00%	80,038,000
APSJFA revenue bonds	28,232,000	100.00%	28,232,000
SWMA revenue refunding bonds	7,665,000	100.00%	7,665,000
Limited Obligation bonds	453,900,000	100.00%	453,900,000
Capital Leases	37,406,000	100.00%	37,406,000
Net Direct Debt			962,723,000
Overlapping Debt:			
Fulton County (1)	314,568,279	47.00%	147,847,091
DeKalb County (2)	304,459,000	4.60%	14,005,114
Contractual General Obligation Debt:			
Atlanta and Fulton Recreation Authority (AFCRA)			
Series 2010 Improvement Bonds (5)	91,690,000	66.70%	61,157,230
Series 2005A/B AFCRA Revenue & Refunding Bonds (5)	22,440,000	100.00%	22,440,000
Series 2014A/B Park Improvement Bonds (5)	60,490,000	100.00%	60,490,000
Series 2017 Zoo Parking Deck Bonds (5)	30,390,000	100.00%	30,390,000
Series 2017A Philips Arena Downtown Project Refu (CRT) (5)	106,505,000	100.00%	106,505,000
Series 2017B Philips Arena Downtown Project (CRT) (5)	43,285,000	100.00%	43,285,000
AURA Bonds Series 2010 (ADA) - COA (3)	16,065,000	100.00%	16,065,000
AURA Downtown Parking Deck Series 2017 (ADA) - COA (3)	15,605,000	100.00%	15,605,000
Urban Residential Finance Authority (URFA) - COA (4)	63,685,000	100.00%	63,685,000
AFCRA Revenue Zoo Series 2007 (5)	9,325,000	75.00%	6,993,750
Overlapping Contractual Obligations:			
Fulton-DeKalb Hospital Authority (1)	84,115,000	47%	39,534,050
Total Overlapping Debt			628,002,235
Total Direct and Overlapping Debt			\$ 1,590,725,235

- (1) Fulton County CAFR - Year Ended December 31, 2017
- (2) DeKalb County CAFR - Year Ended December 31, 2017
- (3) DDA - Financial Statements as of June 30, 2017
- (4) URFA Financial Statements as of June 30, 2017
- (5) AFCRA Financial Statement Year Ended December 31 2017 & 2016

See accompanying independent auditors' report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt (unaudited)

(continued)

(a) Method used to calculate overlapping debt:

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used by the City's capital leases and other debt.

Sources: Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor. Debt outstanding data provided by each governmental unit.

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 16
City of Atlanta, Georgia
Legal Debt Margin Information (unaudited)
Last Ten Fiscal Periods

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 2,730,015,271	\$ 2,626,080,388	\$ 2,434,184,113	\$ 2,354,198,460	\$ 2,201,603,385	\$ 2,166,763,057	\$ 2,247,694,484	\$ 2,615,707,678	\$ 2,680,586,893	\$ 2,874,146,148
Total net debt applicable to limit	795,340,000	260,490,000	244,965,000	230,680,000	215,320,000	199,215,000	395,890,000	357,955,000	350,285,000	325,430,000
Legal debt margin	<u>\$ 1,934,675,271</u>	<u>\$ 2,365,590,388</u>	<u>\$ 2,189,219,113</u>	<u>\$ 2,123,518,460</u>	<u>\$ 1,986,283,385</u>	<u>\$ 1,967,548,057</u>	<u>\$ 1,851,804,484</u>	<u>\$ 2,257,752,678</u>	<u>\$ 2,330,301,893</u>	<u>\$ 2,548,716,148</u>
Total net debt applicable to the limit as a percentage of debt limit	29.13%	9.92%	10.06%	9.8%	9.78%	9.19%	17.61%	13.68%	13.07%	10.0%

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 17A
City of Atlanta, Georgia
Department of Aviation
Schedule of Revenue Bond Coverage (unaudited)
Last Ten Fiscal Periods
(Dollars in thousands)

Period	Operating Revenue (1)	Current Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			
				General Revenue Debt	Debt Paid From PFC Revenues	Debt Paid From Net Revenue	Coverage Percentage
2009	404,724	165,995	238,729	152,181	23,100	152,158	2.10
2010	414,898	184,275	230,623	145,835	19,000	145,816	1.85
2011	416,748	169,799	246,949	120,154	24,800	120,129	1.82
2012	407,094	186,808	220,286	125,366	8,300	125,358	2.59
2013	497,165	211,196	285,969	157,237	—	157,237	1.88
2014	509,891	224,276	285,615	158,935	—	158,935	1.82
2015	512,952	225,189	287,763	153,298	—	153,298	1.80
2016	499,792	240,432	259,360	168,552	42,675	168,509	1.88
2017	512,726	264,125	248,601	167,951	28,318	167,923	2.06
2018	549,120	248,854	300,266	167,964	25,310	142,654	1.78

(1) Represents total operating revenues on a cash basis and includes interest earnings from the Operating Fund, and Renewal and Extension Fund as permitted under the Master Bond Ordinance. Parking revenues are reported on a gross basis.

(2) Represents total operating expenses on a cash basis.

(3) Debt service requirements are calculated per the requirements of the Master Bond Ordinance (dated March 20, 2000), as amended.

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 17B
City of Atlanta, Georgia
Department of Watershed Management
Schedule of Revenue Bond Coverage (unaudited)
Last Ten Fiscal Periods
(Dollars in thousands)

Period	Operating Revenue (1)(2)	Current Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total (4)	Coverage Percentage
2009	498,216	220,962	277,254	26,300	127,452	153,752	1.80
2010	511,667	206,186	305,481	28,980	172,074	201,054	1.52
2011	561,485	191,816	369,669	38,370	182,157	220,527	1.68
2012	596,680	192,177	404,503	46,085	180,893	226,978	1.78
2013	576,474	205,520	370,954	48,425	178,763	227,188	1.63
2014	575,656	210,265	365,391	51,370	158,893	210,263	1.74
2015	601,210	202,633	398,577	53,710	124,383	178,093	2.24
2016	614,633	224,954	389,679	56,310	155,241	211,551	1.84
2017	621,905	228,027	393,878	60,120	143,824	203,944	1.93
2018	640,537	239,020	401,517	63,650	138,913	202,563	1.98

- (1) The Department's revenue is pledged to the extent of the annual debt service of the Revenue Bonds.
- (2) Total operating revenue plus investment income and Municipal Optional Sales Tax (MOST) included in operating transfer prior to 2018 and in nonoperating revenue in 2018
- (3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation, amortization and legal fees.
- (4) Annual debt service includes sinking fund requirements of the Water and Wastewater revenue fund, net of capitalized interest.

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 18
City of Atlanta, Georgia
Demographic and Economic Statistics (unaudited)
Last Ten Years

Year	Population	Personal Income (millions of dollars)	Per Capita Personal income	Median Age	Educational Attainment	School Enrollment	Unemployment Rate	
2008	477,300	206,232	39,889	32.0	87.0	51,377	6.2%	
2009	480,700	198,067	37,793	35.0	83.4	48,093	9.9%	
2010	422,806	198,872	37,493	35.0	87.3	48,696	10.3%	
2011	432,135	214,002	39,826	34.0	85.5	49,874	9.9%	
2012	444,032	222,204	40,738	32.9	86.8	49,474	8.8%	
2013	448,409	228,134	41,307	33.2	88.0	48,831	7.8%	
2014	456,002	228,134	41,307	33.2	88.0	49,842	6.8%	
2015	463,878	244,065	43,472	33.3	88.4	50,708	5.3%	
2016	472,522	257,510	45,092	33.0	89.0	51,296	4.6%	
2017	486,290	(1) 274,129	(2) 47,348	(3) 36.4	(4) 90.5	(5) 51,662	(6) 3.8%	(7)

1. U.S. Census Bureau, QuickFacts Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2017; as of September 27, 2018.
2. U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2016 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta as of September 27, 2018.
3. U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2016 for Atlanta MSA as of September 27, 2018.
4. U.S. Census Bureau, American Community Survey data for City of Atlanta; data limited to household population, excludes institutions, college dormitories, & other group quarters; data available 2005 through 2017 as of September 27, 2018
5. U.S. Census Bureau, American Community Survey for City of Atlanta, % of population that attained high school degree or higher educational degrees; data based on population 25 years and over and
6. Georgia Department of Education - Enrollment as of March 1, 2018.
7. U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for July 2018 (Preliminary) is not seasonally adjusted and is inclusive of Atlanta-Sandy Springs-Marietta.

See accompanying independent auditors' report

Schedule 19
 City of Atlanta, Georgia
 Principal Employers (unaudited)
 Last Ten Years

Employer	Type of Business	2008		Employer	Type of Business	2009	
		Employees	Percentage of Total City Employment			Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,827	1.95 %	Allied Barton Security Services	Security Services	4,058	2.11%
Allied Barton Security Services	Security Services	3,702	1.88 %	International Business Machine Corp.	Technology Services	3,739	1.94%
The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53 %	The Coca-Cola Company	Marketing and Manufacturing	3,020	1.57%
Accenture LLP	Consulting	1,900	0.97 %	Accenture LLP	Consulting	2,100	1.09%
Cable News network	Media	1,871	0.95 %	Turner Broadcasting System, Inc.	Media/Entertainment	1,868	0.97%
Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91 %	Cable News network	Media	1,792	0.93%
Tenet Health System , Inc.	Healthcare	1,251	0.64 %	Air Service Corp	Transportation	1,386	0.72%
Georgia-Pacific Corporation	Pulp and Paper	1,099	0.56 %	AT & T Services Inc.	Telecommunication	1,172	0.61%
Air Service Corp	Transportation	1,060	0.54 %	Tenet Health System , Inc.	Healthcare	1,164	0.60%
Atlanta Journal and Constitution	Media	1,008	0.51 %	Georgia-Pacific Corporation	Pulp and Paper	1,139	0.59%
Total		20,508	10.44 %	Total		21,438	11.13%
		2010				2011	
Allied Barton Security Services	Security Services	4,205	2.24 %	Delta Air Lines, Inc.	Transportation	3,678	1.87%
International Business Machine Corp.	Technology Services	3,769	2.01 %	The Coca-Cola Company	Marketing and Manufacturing	3,670	1.87%
The Coca-Cola Company	Marketing and Manufacturing	3,608	1.92 %	International Business Machine Corp.	Technology Services	3,561	1.81%
Turner Broadcasting System, Inc.	Media/Entertainment	2,000	1.07 %	Turner Broadcasting System, Inc.	Media/Entertainment	2,090	1.06%
Cable News network	Media	1,889	1.01 %	Cable News network	Media	1,884	0.96%
Air Service Corp	Transportation	1,665	0.89 %	AT & T Services Inc.	Telecommunication	1,845	0.94%
Accenture LLP	Consulting	1,555	0.83 %	Air Service Corp	Transportation	1,733	0.88%
AT & T Services Inc.	Telecommunication	1,247	0.67 %	Accenture LLP	Consulting	1,725	0.88%
Georgia-Pacific Corporation	Pulp and Paper	1,170	0.62 %	Allied Barton Security Services	Security Services	1,465	0.74%
Tenet Health System , Inc.	Healthcare	1,164	0.62 %	Tenet Health System , Inc.	Healthcare	1,166	0.59%
Total		22,272	11.88 %	Total		22,817	11.6%
		2012				2013	
Delta Air Lines, Inc.	Transportation	3,815	1.98 %	Delta Air Lines, Inc.	Transportation	4,357	2.20%
The Coca-Cola Company	Marketing and Manufacturing	3,469	1.80 %	The Coca-Cola Company	Marketing and Manufacturing	3,498	1.77%
International Business Machine Corp.	Technology Services	4,228	2.20 %	Accenture LLP	Consulting	2,200	1.11%
Turner Broadcasting System, Inc.	Media/Entertainment	2,163	1.12 %	AT & T Services Inc.	Telecommunication	2,179	1.10%
Cable News network	Media	1,873	0.97 %	Turner Broadcasting System, Inc.	Media/Entertainment	2,057	1.04%
AT & T Services Inc.	Telecommunication	1,845	0.96 %	Cable News network	Media	1,823	0.92%
Air Service Corp	Transportation	1,733	0.90 %	Air Service Corp	Transportation	1,733	0.88%
Accenture LLP	Consulting	1,791	0.93 %	Allied Barton Security Services	Security Services	1,467	0.74%
Allied Barton Security Services	Security Services	1,448	0.75 %	Tenet Health System , Inc.	Healthcare	1,359	0.69%
Tenet Health System , Inc.	Healthcare	1,140	0.59 %	Deloitte Consulting LLP	Consulting	1,195	0.60%
Total		23,505	12.20 %	Total		21,868	11.05%
		2014				2015	
Accenture LLP	Consulting	2,200	1.10 %	Delta Air Lines, Inc.	Transportation	5,031	2.36%
Air Service Corp	Transportation	2,350	1.18 %	The Coca-Cola Company	Marketing and Manufacturing	4,316	2.03%
Allied Barton Security Services	Security Services	1,467	0.73 %	Air Service Corp	Transportation	2,800	1.31%
AT & T Services Inc.	Telecommunication	2,179	1.09 %	Accenture LLP	Consulting	2,253	1.06%
Cable News Network	Media	1,823	0.91 %	AT & T Services Inc.	Telecommunication	1,826	0.86%
Deloitte Consulting LLP	Consulting	1,195	0.60 %	Turner Broadcasting System, Inc.	Media/Entertainment	1,800	0.84%
Delta Air Lines, Inc.	Transportation	4,357	2.18 %	Cable News Network	Media	1,733	0.81%
Tenet Health System , Inc.	Healthcare	1,359	0.68 %	Allied Barton Security Services	Security Services	1,645	0.77%
The Coca-Cola Company	Marketing and Manufacturing	3,498	1.75 %	Tenet Health System , Inc.	Healthcare	1,275	0.60%
Turner Broadcasting System, Inc.	Media/Entertainment	2,057	1.03 %	Deloitte Consulting LLP	Consulting	1,231	0.58%
Total		22,485	11.25 %	Total		23,910	11.22%
		2016				2017	
Accenture LLP	Consulting	2,159	0.93 %	Accenture LLP	Consulting	2,223	0.94%
Air Service Corp	Transportation	1,733	0.75 %	Air Service Corp	Transportation	2,824	1.19%
Atlanta Medical center Inc.	Healthcare	1,425	0.61 %	Allied Universal Security Services	Security Services	1,594	0.01%
AT & T Services Inc.	Telecommunication	2,139	0.92 %	Cable News Network	Media	1,507	0.63%
Cable News Network	Media	1,732	0.75 %	Deloitte Consulting	Consulting	1,236	0.52%
CapGemini US LLC		1516	0.65 %	Delta Air Lines, Inc.	Transportation	5,306	2.23%
Delta Air Lines, Inc.	Transportation	5348	2.30 %	The Coca-Cola Co One Coca Cola	Marketing and Manufacturing	4,445	1.87%
The Coca-Cola Co One Coca Cola	Marketing and Manufacturing	4256	1.83 %	The Coca-Cola Company	Marketing and Manufacturing	1,300	0.55%
The Coca-Cola Company	Marketing and Manufacturing	1737	0.75 %	Turner Broadcasting System, Inc.	Media/Entertainment	1,517	0.64%
Turner Broadcasting System, Inc.	Media/Entertainment	1614	0.69 %	Universal Protection	Security Services	1,596	0.67%
Total		23,659	10.18 %	Total		23,548	9.25%

Source: City of Atlanta, Department of Finance - Office of Revenue

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 20
City of Atlanta, Georgia
Full-time Equivalent City Government Employees by Function/Program (unaudited)
Last Ten Fiscal Periods

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Mayors Office	3	3	4	5	5	5	5	5	5	5
City Council	39	39	40	46	46	47	48	49	48	46
Finance	183	174	159	153	145	141	165	138	146	145
Planning	227	181	167	193	153	164	166	161	213	214
Procurement	40	39	34	34	40	46	41	41	82	81
Human Resources	62	56	56	57	148	143	147	134	136	134
Police										
Officers	1,786	1,751	1,772	1,959	2,001	1,973	2,009	2,007	2,368	2,420
Civilian	434	445	452	475	490	444	525	520	169	169
Fire										
Officers	939	938	975	985	1,060	1,060	1,062	1,064	1,069	1,086
Civilian	38	46	46	49	49	49	65	65	65	65
Corrections										
Officers	473	313	313	309	313	313	326	346	359	359
Public Works										
Streets	468	397	396	390	383	371	371	374	461	369
Refuse Collection	385	337	336	348	346	346	346	348	176	326
Parks, Recreation and Cultural Affairs	377	304	352	358	362	347	370	365	393	430
Water/Wastewater	1,816	1,680	1,545	1,535	1,475	1,515	1,486	1,567	1,162	1,096
Aviation	707	705	575	594	583	600	616	596	595	657
Total full-time equivalent employees	7,977	7,408	7,222	7,490	7,599	7,564	7,748	7,780	7,447	7,602

Source: City of Atlanta Fiscal Year 2018 Adopted Budget Book

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 21

City of Atlanta, Georgia

Operating Indicators by Function/Program (unaudited)

Last Ten Fiscal Periods

	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Police										
Arrests	42,670	38,628	37,276	38,773	46,974	44,428	42,439	35,886	35,634	32,562
Parking violations	52,577	56,692	17,599	17,105	13,613	14,818	12,430	10,621	12,335	8,393
Traffic violations	107,050	125,011	138,244	167,848	168,699	167,421	203,761	188,450	157,399	125,546
Fire										
Emergency responses	57,292	53,089	58,943	67,420	83,662	91,379	93,725	97,106	92,380	93,015
Fires extinguished	2,096	1,994	2,252	1,892	1,756	1,701	1,731	1,763	1,940	1,920
Inspections	6,439	10,777	9,987	1,155	12,112	17,843	15,710	14,234	13,226	14,026
Refuse collection										
Refuse collected (tons per day)	113,204	115,142	111,312	99,236	457	467	511	427	514	447
Other public works										
Miles of streets resurfaced	33	13	17	5	21	12	33	24	69	51
Potholes repaired	1,152	5,892	6,367	3,255	1,784	5,006	2,561	3,919	3,771	6,402
Parks and recreation										
Athletic field permits issued	172	165	180	109	249	326	449	553	469	572
Community center admissions	97,264	474,945	522,440	478,535	758,000	600,000	455,388	503,421	465,504	492,308
Water										
New connections	1,084	1,100	947	820	1,104	1,041	1,115	1,541	1,694	1,760
Water main breaks	475	495	431	401	432	514	372	401	588	471
Average daily consumption (thousands of gallons)	93,100,000	90,320,000	94,130,000	95,030,000	91,700,000	90,880,000	92,930,000	96,930,000	97,570,000	96,840,000
Peak daily consumption (thousands of gallons)	111,370,000	101,690,000	118,820,000	119,230,000	117,570,000	129,510,000	113,210,000	124,500,000	131,870,000	116,890,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	112,194,000	131,709,000	121,950,000	111,000,000	119,394,000	127,900,000	132,738,000	132,340,000	120,940,000	129,850,000
Aviation										
Number of passengers served	88,648,633	88,430,343	90,852,787	94,393,355	95,155,163	94,778,483	98,267,049	103,689,041	104,258,612	105,208,100

See accompanying independent auditors' report

City of Atlanta
2018 Comprehensive Annual Financial Report

Schedule 22
City of Atlanta, Georgia
Capital Asset Statistics by Function/Program (unaudited)
Last Ten Fiscal Periods

Function/Program	Fiscal Period									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	10	10	9	10	15	14	16	17	15	11
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	336	336	311	376	355	357	337	377	396	365
Fire Stations	37	36	36	35	35	35	35	35	36	36
Refuse collection										
Collection trucks	73	66	66	78	84	85	95	94	88	87
Parks and recreation										
Acreage	3,748	3,755	3,781	3,818	3,904	3,922	4,395	4,781	4,810	4,970
Playgrounds	105	106	107	109	109	109	111	111	113	135
Baseball/softball diamonds	82	82	82	84	85	86	86	58	58	76
Soccer/football fields	21	26	26	26	31	32	32	36	36	21
Community centers	41	42	42	42	42	42	42	44	42	43
Water										
Water mains (miles)	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,828
Storage capacity (thousands of gallons)	247	246	246	246	246	246	247	247	247	247
Wastewater										
Sanitary sewers (miles)	2,259	2,259	2,259	2,259	2,259	2,259	2,259	2,259	2,259	1,865
Treatment capacity (thousands of gallons)	181.7MGD	181.7MGD	181.7MGD	181.7MGD	155.3MGD	181.7MGD	188.0MGD	202.0MGD	188.0MGD	188.0MGD
Aviation										
Number of Runways	5	5	5	5	5	5	5	5	5	5
Number of Feet for each Runway:										
9R 27L 9,000 feet or 2,743 meters										
9L 27R 12,390 feet or 3,777 meters										
8R 27L 10,000 feet or 3,048 meters										
8L 26R 9,000 feet or 2,743 meters										
10-28 9,000 feet or 2,743 meters										

Sources: Various city departments

See accompanying independent auditors' report