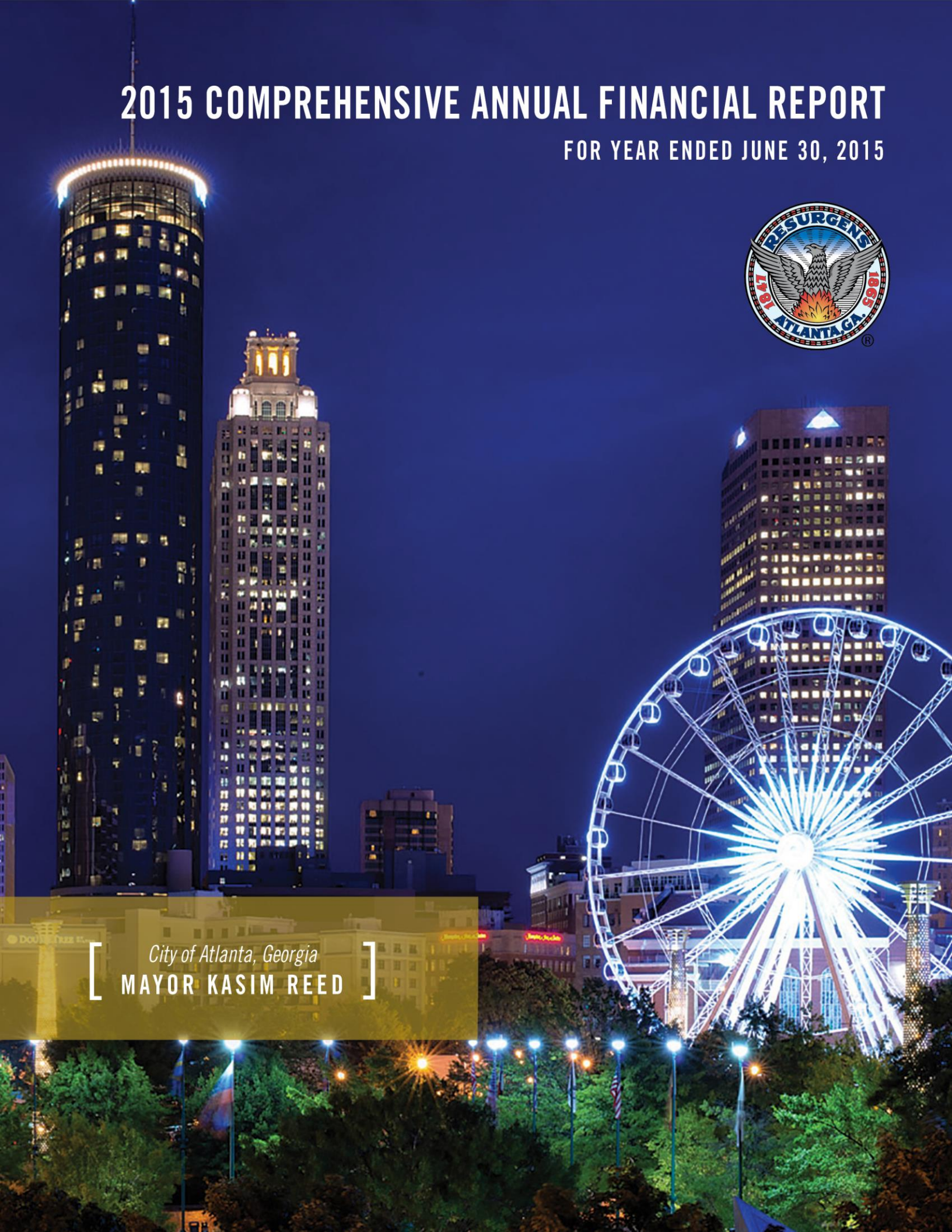


2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2015



City of Atlanta, Georgia
[**MAYOR KASIM REED**]





THE CITY OF ATLANTA, GEORGIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended June 30, 2015

Kasim Reed
Mayor

J. Anthony Beard
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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Introductory Section



CITY OF ATLANTA

Kasim Reed
MAYOR

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

J. Anthony Beard
CHIEF FINANCIAL OFFICER

TEL (404) 330-6100

December 18, 2015

The Honorable Ceasar C. Mitchell, President
Members of City Council
Atlanta City Council
55 Trinity Avenue
Atlanta, GA 30303

Dear President Mitchell 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, 2015. 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 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,

2015, 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, 2015, 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 131.4 square miles, with a population of 456,002 in the City and 5,614,323 in the Atlanta Metropolitan area, according to 2014 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 also uses a separate enterprise fund for the building permitting function. 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 separate pension boards.

In addition, the City is financially accountable as of June 30, 2015, for the Atlanta-Fulton County Recreation Authority, the Urban Design Commission (UDC), the Solid Waste Management Authority (SWMA), the Atlanta Public Safety and Judicial Facilities Authority (APSJFA), the Atlanta CoRA Inc., 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 InvestAtlanta. Invest Atlanta 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. Public transportation initiatives like the Atlanta BeltLine will also play a vital role in ensuring continued building and investing in the City. The Department of Planning and Community Development (DPCD) manages construction and development activity throughout the City of Atlanta. During the calendar year 2014, the DPCD permitted over \$2.6 billion in new construction.

LOCAL ECONOMY

Atlanta has a gross domestic product of approximately \$295 billion which ranks it 10th in the nation and makes it larger than 28 states in the union. Home to the world's most traveled airport – Hartsfield-Jackson Atlanta International Airport – metro Atlanta is a leading center for business activity and logistics. Atlanta is a major national and international transportation hub and is among the top three distribution cities in the U.S. – with 40 percent of North American manufacturing and distribution locations within 500 miles of the city. Atlanta ranks third in the nation for the number of FORTUNE 500 company headquarters with 13 calling the metro area home.

The City has a strong economic base grounded in a diverse set of industries. Substantial concentrations of employers in government, manufacturing, education, finance, logistics and health care 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.

MAJOR INITIATIVES AND FINANCIAL PLANNING

Priorities and Investments	
Public Safety	<ul style="list-style-type: none"> ○ Continue reduction in crime rate, with a goal of a 25% reduction in crimes over Mayor Reed’s two terms in office ○ Achieve Fire and EMS emergency response benchmarks set forth during Atlanta Fire and Rescue’s reaccrreditation process ○ Ensure that municipal jail is in full compliance with federal Prison Rape Elimination Act (PREA)
City Infrastructure	<ul style="list-style-type: none"> ○ Execute quickly and effectively on vertical and horizontal infrastructure projects financed by \$250M bond dedicated to addressing the City’s \$1B backlog of needed infrastructure repairs ○ Implement sustainability-focused infrastructure programs, ensuring that Atlanta continues to leads as a sustainable city ○ Lead rehabilitation of Proctor Creek corridor ○ Make significant progress on watershed sewer line, water main, plant and water supply capital projects
Human Capital and Youth Development	<ul style="list-style-type: none"> ○ Increase youth enrollment and attendance in afterschool, recreation center programs, and Centers of Hope, as well as meet established quality and safety standards ○ Focus on increasing graduate retention rates from local institutions of higher education
Economic Development	<ul style="list-style-type: none"> ○ Maintain Hartsfield-Jackson Atlanta International Airport’s #1 global passenger ranking and deliver positive passenger volume growth ○ Deliver positive year-over-year cargo volume growth at HJAIA ○ Westside and downtown redevelopment ○ Improve Department of Planning and Community Development’s building permitting processes, procedures and effectiveness
Government Efficiency	<ul style="list-style-type: none"> ○ Sustain reforms recommended by Blue Ribbon Efficiency Commission, continuing to deliver savings necessary to finance infrastructure improvements without raising property taxes ○ Deliver on sixth consecutive budget under Mayor Reed with no property tax increases and achieve upgrades in bond ratings ○ Maintain and upgrade critical information technology hardware and software systems

The Atlanta Police Department (APD) achieved a 4% reduction in violent crime during 2014. Since the beginning of 2010, major crimes are down 22% in the City. Crime in Atlanta is at its lowest level since 1969. The Video Integration Center (VIC) is a vital tool that APD uses to monitor large-scale events, manage disasters and prevent crime. The VIC utilizes a network of over 3,500 cameras city-wide to monitor and detect problems, deploy resources more effectively and quickly respond to developing situations. The Atlanta Fire and Rescue department (AFR) invested over \$9 million during 2015 to improve the condition of its vehicles and equipment. The E911 center also logged a 12% reduction in the median dispatch time for fire calls during calendar year 2014.

Fiscal 2015 marked the 6th year in a row that the City was able to improve the financial position of the general fund. Strong cost control, targeted investment and conservative revenue projections resulted in a general fund operating surplus, before transfer, of \$31.0 million. The City subsequently transferred \$22 million of the surplus to reduce deficit fund balances and ended the year with a \$9.0 million addition to fund balance. Since the beginning of 2010, the deficit fund balances have been reduced by over \$78 million. Receivable balances from other funds now represent less than 25% of the general fund assets compared with 45% at the beginning of 2010. The general fund closed fiscal 2015 with \$151 million in

fund balance and an unrestricted reserve balance of 25% of the fiscal 2016 budgeted expenditures. A healthy fund balance gives the City protection against unforeseen events and lowers the cost of borrowing. Since 2010, the City has received 8 separate debt ratings increases covering General Obligation and the Departments of Aviation and Watershed.

The Department of Corrections provides inmate labor crews for “clean and close” for properties violating the City’s housing code, tree planting and graffiti removal. In 2014, Corrections increased the number of community service hours performed by 95%. The City’s new 311 central call center now fields approximately 375,000 calls annually and is handling 66% of calls in 20 seconds or less. During 2014, 96% of the 311 requests were completed on time. 2015 will be the 18th consecutive year for Hartsfield-Jackson International Airport to be the world’s busiest; 96.2 million passengers, the most ever, passed through during 2014.

The Atlanta Streetcar began operations in December 2014. The 2.7 mile streetcar loop, offers last mile connectivity to the city center for MARTA, the Atlanta BeltLine and other transit options. Additional phases will expand that service even further. The Atlanta Streetcar system will make access easier within the city, and it will also function as a metaphorical link between the city’s rich history with rail transportation and its evolution into a robust centerpiece of the New South and 21st century connectivity.

In June 2015, the City issued \$252 million in General Obligation Public Improvement Bonds. The projects funded by this bond are the most critical infrastructure and facilities needs in an approximately \$1 billion capital backlog. The Mayor’s Blue Ribbon Commission on Waste & Efficiency in Government, convened in 2014, identified strategic initiatives which are expected to generate additional revenue or cost savings that can be used to fund the additional debt service without impacting property taxes.

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, 2014. This was the 30th consecutive year that the City has received this prestigious award. 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 to the City of Atlanta for its Popular Annual Financial Report for the fiscal year ended June 30, 2014. 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 2014. This award recognizes state and local governments that have prepared budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting.

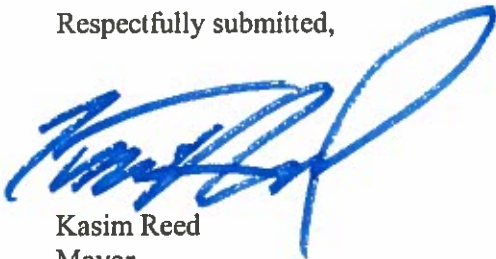
OTHER INFORMATION

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 in conformance with the highest standards of financial reporting.

Respectfully submitted,



Kasim Reed
Mayor



J. Anthony Beard, CTP
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, 2014

Executive Director/CEO

ATLANTA CITY COUNCIL MEMBERS

ATLANTA CITY COUNCIL



Michael Julian Bond
Post 1 At-Large



Mary Norwood
Post 2 At-Large



Andre Dickens
Post 3-At-Large



Carla Smith
District 1



Kwanza Hall
District 2



Ivory Lee Young, Jr.
District 3



Cleta Winslow
District 4



Natalyn Archibong
District 5



Alex Wan
District 6



Howard Shook
District 7



Yolanda Adrean
District 8



Felicia Moore
District 9



C.T. Martin
District 10



Keisha Lance Bottoms
District 11



Joyce Sheperd
District 12



Caesar C. Mitchell
Atlanta City Council President



CITY OFFICIALS



Kasim Reed
Mayor

Daniel L. Gordon
Chief Operating Officer

Candace L. Byrd
Chief of Staff

J. Anthony Beard
Chief Financial Officer

Cathy Hampton
City Attorney

MEMBERS OF CITY COUNCIL

Cesar Mitchell
Council President

Carla Smith
District 1

Kwanza Hall
District 2

Ivory Lee Young Jr.
District 3

Cleta Winslow
District 4

Natalyn Mosby Archibong
District 5

Alex Wan
District 6

Howard Shook
District 7

Yolanda Adrean
District 8

Felicia Moore
District 9

C.T. Martin
District 10

Keisha Bottoms
District 11

Joyce M. Sheperd
District 12

Michael Julian Bond
Post 1, At-Large

Mary Norwood
Post 2, At-Large

Andre Dickens
Post 3, At-Large

Rhonda Dauphin-Johnson
Municipal Clerk

JUDICIAL OFFICERS

COURT OPERATIONS	Christopher E. Ward <i>Chief Judge</i>
PUBLIC DEFENDER	Rosalie Joy <i>Interim Public Defender</i>
SOLICITOR	Raines F. Carter <i>Solicitor</i>

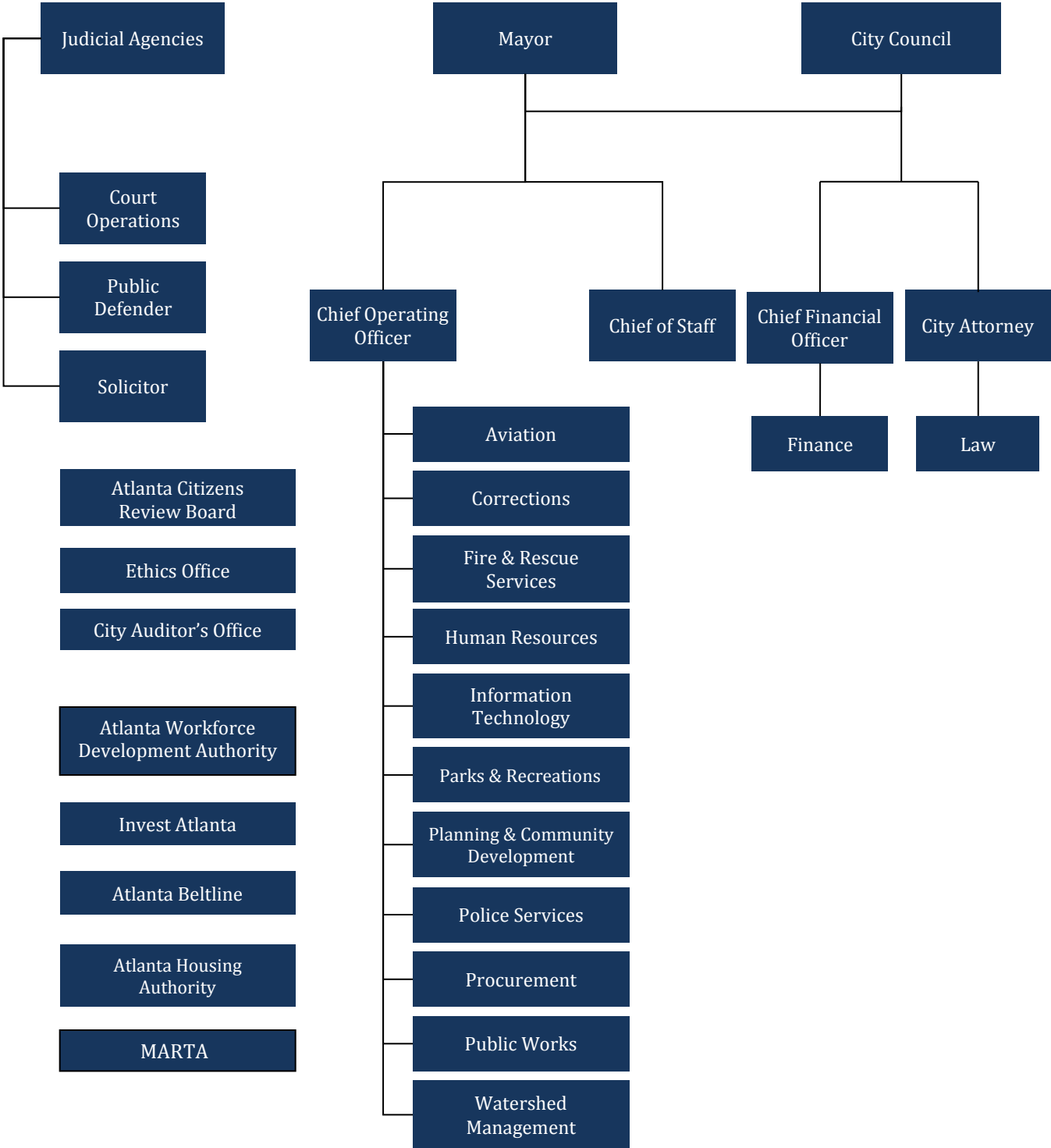
BOARD OFFICERS

ATLANTA CITIZENS REVIEW DIRECTOR	Samuel Reid <i>Executive Director</i>
ETHICS OFFICER	Nina Hickson <i>Ethics Officer</i>
CITY AUDITOR	Leslie Ward <i>City Auditor</i>

DEPARTMENT OFFICERS

AVIATION	Miguel Southwell <i>General Manager</i>
CORRECTIONS	Patrick Labat <i>Corrections Chief</i>
FINANCE	J. Anthony Beard <i>Chief Financial Officer</i>
FIRE & RESCUE SERVICES	Joel Baker <i>Fire Chief</i>
HUMAN RESOURCES	Yvonne Yancy <i>Commissioner</i>
INFORMATION TECHNOLOGY	Samir Saini <i>Chief Information Officer</i>
LAW	Cathy Hampton <i>City Attorney</i>
PARKS & RECREATION	Amy Phuong <i>Commissioner</i>
PLANNING & COMMUNITY DEVELOPMENT	Tim Keane <i>Commissioner</i>
POLICE SERVICES	George N. Turner <i>Police Chief</i>
PROCUREMENT	Adam L. Smith <i>Chief Procurement Officer</i>
PUBLIC WORKS	Richard Mendoza <i>Commissioner</i>
WATERSHED MANAGEMENT	Jo Ann J. Macrina <i>Commissioner</i>

CITY ORGANIZATIONAL STRUCTURE





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 financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for the aggregate discretely presented component units, is based 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, 2015, 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 1G to the basic financial statements, in 2015, the City adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27 and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*. Our opinion is 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 4-19, schedule of funding progress for other post-employment benefits, schedule of employer net pension liability, schedules of changes in net pension liability, schedule of employer contributions, schedule of investment returns, statement of revenues, expenditures and changes in fund balances – budget and actual – general fund, and statement of revenues, expenditures, and changes in fund balances – budget and actual – municipal option sales tax (MOST) fund pages 124-134 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 that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and respective budgetary comparison information 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 non-major fund financial statements and respective budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and respective budgetary comparisons 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 18, 2015 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 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 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 18, 2015

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2015

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, 2015, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2015 with the year ended June 30, 2014. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on pages i-vi 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 other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2015 by approximately \$6.7 billion. This amount represents the City's Net Position. Of this amount, \$107 million in unrestricted net position may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$205.2 million or 2.7% compared to 2014; a decrease of \$76.6 million from governmental activities and an increase of \$281.8 million from business-type activities. The City's opening net position has been restated to reflect the recognition of net pension liabilities totaling \$1.2 billion during fiscal year 2015.
- As of the close of fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$815.4 million. The unrestricted General Fund balance of \$149.1 million is available for spending at the City's discretion, and represents approximately 25% of General Fund expenditure budget for fiscal year 2016.
- The City's long-term debt, including capital leases, at June 30, 2015 totaled \$7.7 billion, a net increase of \$316.1 million or 4.3% from the prior year's balance of \$7.4 billion.

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

The *Statement of Net Position* presents information on all of the City's assets and liabilities, deferred outflows and deferred inflows with the difference between the above 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). Both of the government-wide financial statements distinguish functions of the City that are

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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, public safety, highways and streets, recreation, cultural affairs and economic development.

The business-type activities of the City include the Department of Watershed Management (Water and Wastewater System), the Department of Aviation (Hartsfield-Jackson Atlanta International Airport), Sanitation, Parks and Recreational Facilities, Underground Atlanta, Parking Deck, Building Permits, and the Civic Center.

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 (doing business as Invest Atlanta) for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government. The Atlanta Housing Opportunity, Inc. and Atlanta CoRA, Inc., are also component units but their financial statements are blended with the primary government. Other blended component units of the City include Urban Design Commission, Atlanta Public Safety and 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.

The government-wide financial statements can be found following this section of the report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City utilizes four generic fund types of governmental funds (see section I note B in the notes to the financial statements). The City maintains twenty-six individual governmental funds within the

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generic fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, municipal option sales tax (MOST) fund, and capital project fund which are considered to be major funds. Data from the other twenty-three 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 elsewhere 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 governmental funds financial statements immediately follow the government-wide financial statements.

The City has a formal fund balance policy applicable to governmental funds included in its Charter. The policy defines fund balance categories consistent with Governmental Accounting Standards Board 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 specifying 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, the Hartsfield-Jackson Atlanta International Airport, Sanitation, Parks and Recreational Facilities, Underground Atlanta, Parking Deck, Building Permits, and the Civic Center.

An *internal service fund* is an accounting device 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 have been allocated 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, both 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* elsewhere in this report. The proprietary funds financial statements follow the governmental funds statements.

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 own programs.

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The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds financial statements follow the proprietary funds statements.

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.

Other information - In addition to the basic financial statements, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide post-employment benefits to its employees; the changes in net pension liability, the employer contributions, and the investment returns for the three plans; and general fund and MOST fund budgetary compliance. 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, are presented immediately following the required supplementary information.

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 \$6.7 billion at the close of the year ended June 30, 2015. Table 1 summarizes the major categories of assets and deferred outflows of resources, liabilities and deferred inflows of resources and Net Position for governmental activities, business-type activities, and the government as a whole.

Table 1. City of Atlanta Net Position, Year Ended June 30, 2015 and June 30, 2014 (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	As of 30-Jun-15	As of 30-Jun-14	As of 30-Jun-15	As of 30-Jun-14	As of 30-Jun-15	As of 30-Jun-14
Current and other assets	\$ 937,934	\$ 646,652	\$ 3,494,617	\$ 3,446,411	\$ 4,432,551	\$ 4,093,063
Capital assets, net of depreciation	1,121,263	1,050,896	10,835,990	10,751,245	11,957,253	11,802,141
Total assets	2,059,197	1,697,548	14,330,607	14,197,656	16,389,804	15,895,204
Deferred outflows of resources	137,918	10,412	281,798	121,823	419,716	132,235
Total assets and deferred outflows of resources	2,197,115	1,707,960	14,612,405	14,319,479	16,809,520	16,027,439
Long-term liabilities						
Current	172,494	166,169	478,678	429,256	651,172	595,425
Non-Current	2,370,768	1,201,948	6,870,394	6,514,246	9,241,162	7,716,194
Total liabilities	2,543,262	1,368,117	7,349,072	6,943,502	9,892,334	8,311,619
Deferred inflows of resources	178,219	7,424	69,516	-	247,735	7,424
Total liabilities and deferred inflows of resources	2,721,481	1,375,541	7,418,588	6,943,502	10,140,069	8,319,043
Net Position						
Net investment in capital assets, net of related debt	(292,446)	53,144	5,174,578	5,032,865	4,882,132	5,086,009
Restricted	666,871	412,152	1,013,484	936,495	1,680,355	1,348,647
Unrestricted	(898,791)	(132,877)	1,005,755	1,406,617	106,964	1,273,740
Total Net Position	\$ (524,366)	\$ 332,419	\$ 7,193,817	\$ 7,375,977	\$ 6,669,451	\$ 7,708,396

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Financial Analysis - Government-wide Statements, continued

By far the largest portion of the City's net position, \$4.9 billion (73.2%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debts and deferred 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 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, \$1.7 billion (25.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$107.0 million (1.6%) in unrestricted net position may be used to meet the government's ongoing obligations of the City.

The City reported a positive balance of \$ 1.0 billion in unrestricted net position for business-type activities. For governmental activities, the City reported a negative balance of \$898.8 million in unrestricted net position primarily due to the adoption of GASB 68. The general fund reported a positive balance of \$149.1 million in unrestricted 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.

Table 2. City of Atlanta's Changes in Net Position, Year Ended June 30, 2015 and June 30, 2014 (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	Year Ended 30-Jun-15	Year Ended 30-Jun-14	Year Ended 30-Jun-15	Year Ended 30-Jun-14	Year Ended 30-Jun-15	Year Ended 30-Jun-14
Revenues						
Program revenues						
Charges for services	\$ 157,501	\$ 145,463	\$ 1,029,570	\$ 1,015,189	\$ 1,187,071	\$ 1,160,652
Operating grants and contributions	51,070	63,249	-	-	51,070	63,249
Capital grants and contributions	77,707	4,540	259,682	235,883	337,389	240,423
General revenues						
Property taxes	296,721	280,042	-	-	296,721	280,042
Other taxes	409,734	389,111	-	-	409,734	389,111
State formula aid	-	2	-	-	-	2
Investment income (loss)	3,864	4,228	32,985	35,429	36,849	39,657
Other	-	-	3	(3,053)	3	(3,053)
Total revenues	996,597	886,635	1,322,240	1,283,448	2,318,837	2,170,083
Expenses:						
General government:	472,818	346,897	-	-	472,818	346,897
Police	197,267	210,418	-	-	197,267	210,418
Fire	86,906	87,587	-	-	86,906	87,587
Corrections	33,990	32,324	-	-	33,990	32,324
Public Works	73,280	72,476	-	-	73,280	72,476
Parks, Recreation and Cultural Affairs	60,246	56,124	-	-	60,246	56,124
Interest on long-term debt	29,788	36,508	-	-	29,788	36,508
Water and Wastewater System	-	-	443,300	454,742	443,300	454,742
Department of Aviation	-	-	628,824	638,452	628,824	638,452
Sanitation	-	-	59,732	55,473	59,732	55,473
Other	-	-	27,532	30,354	27,532	30,354
Total Expenses	954,295	842,334	1,159,388	1,179,021	2,113,683	2,021,355
Change in Net Position before transfers	42,302	44,301	162,852	104,427	205,154	148,728
Transfers in(out)	(118,897)	(84,250)	118,897	84,250	-	-
Change in Net Position	(76,595)	(39,949)	281,749	188,677	205,154	148,728
Net Position, Beginning of Period, restated for 2015	(447,771)	372,368	6,912,068	7,187,300	6,464,297	7,559,668
Net Position, End of Period	\$ (524,366)	\$ 332,419	\$ 7,193,817	\$ 7,375,977	\$ 6,669,451	\$ 7,708,396

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Financial Analysis - Government-wide Statements, continued

Revenue for the City in fiscal year 2015, which totaled approximately \$2.3 billion, increased by \$148.8 million or 6.9% when compared to the year ended June 30, 2014. Charges for services increased \$26.4 million or 2.3% for the primary government as a whole. Charges for services of governmental activities increased by \$12.0 million or 8.3 %, and business-type activities charges which increased by \$14.4 million or 1.4%. The increased charges for governmental activities were the result of increases from a variety of governmental services including general business licenses, police services for the Atlanta Board of Education, Municipal Court fines and E911 charges. Operating Grants showed a decrease of \$12.2 million or 19.3% as result of decreased federal grants funding. Capital grants and contributions reflected an increase of \$97.0 million mainly due to a \$77.7 million capital contribution related to Streetcar infrastructure and a \$16.0 million increase in Federal FAA capital contributions at the Department of Aviation. Property taxes during fiscal year 2015 increased by \$16.7 million or 6.0%, due mainly to new construction throughout the City. Other taxes increased by \$20.6 million or 5.3% driven primarily by a \$9.8 million or 4.4% increase in local and municipal option sales taxes as well as increased revenues from hotel-motel taxes, public utility franchise and alcoholic beverage taxes.

1. Total expenses for the City were \$2.1 billion in fiscal year 2015, up \$92.3 million or 4.6% when compared to fiscal year 2014. Total expenses for governmental activities, excluding transfers, reflect an increase of \$112.0 million or 13.3% year-over-year. Expenses for business-type activities decreased by \$19.6 million, or 1.7% compared to fiscal 2014. Governmental expenses include \$221.4 million as a result of an intergovernmental agreement between the City and Invest Atlanta in connection with debt issued by Invest Atlanta related to the new multi-purpose stadium.

The City's opening net position has been restated to reflect the recognition of net pension liabilities totaling \$1.2 billion during fiscal year 2015. The recognition of the pension liability was a result of implementation of the Governmental Accounting Standard Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*- an amendment of GASB Statement No. 27. Excluding the recognition of pension, the City's Net Position increased by \$205.2, or 2.7% since June 30, 2014. The net position for governmental funds decreased by \$76.6 or 23.0%, while the net position of business-type funds increased by \$281.8 million or 3.82%. The majority of the increase is attributable to charges for services within the enterprises activities including the Departments of Aviation and Watershed Management.

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**Management’s Discussion and Analysis (Unaudited)
June 30, 2015**

Financial Analysis - Government-wide Statements, continued

Governmental Activities - A comparative analysis of the governmental activities program revenues and expenses is presented below. The net position of the City’s governmental activities declined by \$76.6 million or 23.0 % during fiscal year 2015.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2015 (in thousands):

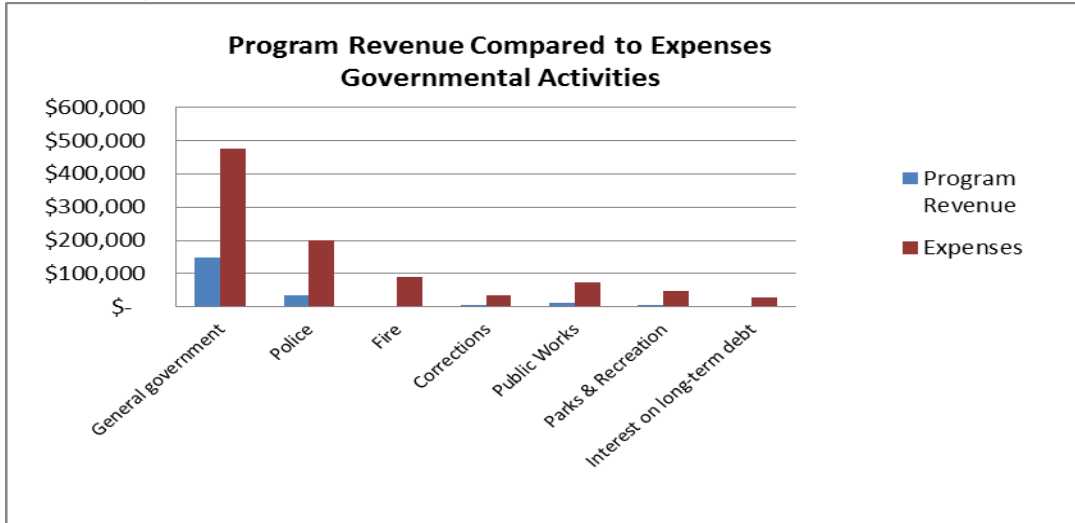
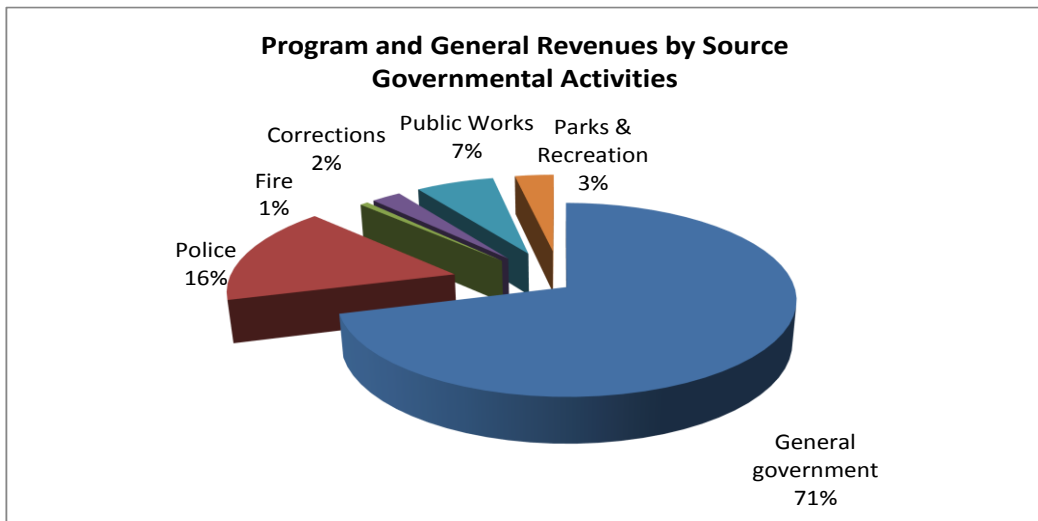


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2015 (in thousands):



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**Management’s Discussion and Analysis (Unaudited)
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Financial Analysis – Business-type activities

Business-type activities – A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below. The net position of the City’s business-type activities increased by \$281.8 million, representing growth of 3.8 % over June 30, 2014. This growth is attributable to the operations of the Departments of Watershed Management and Aviation.

Figure 3 - Expenses for Business-type Activities, Year Ended June 30, 2015 (in thousands):

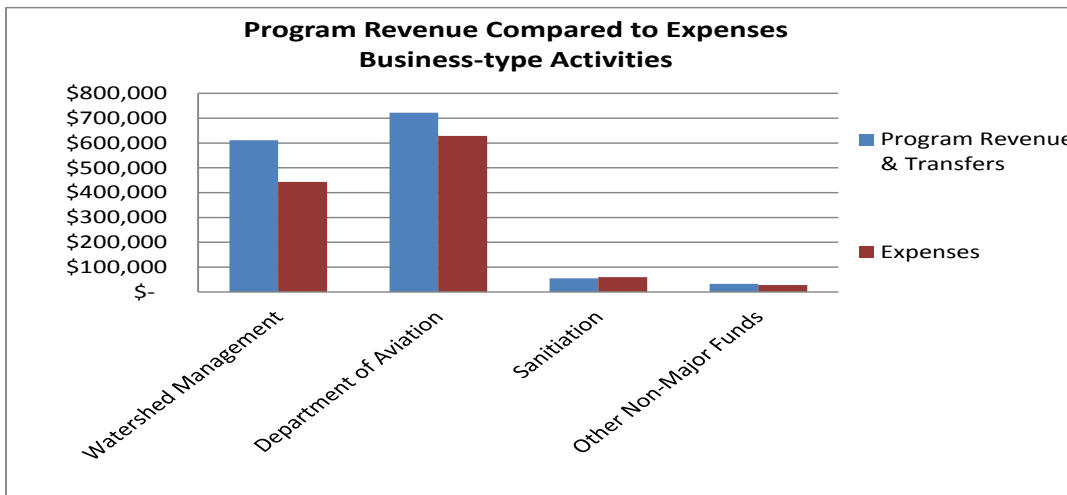
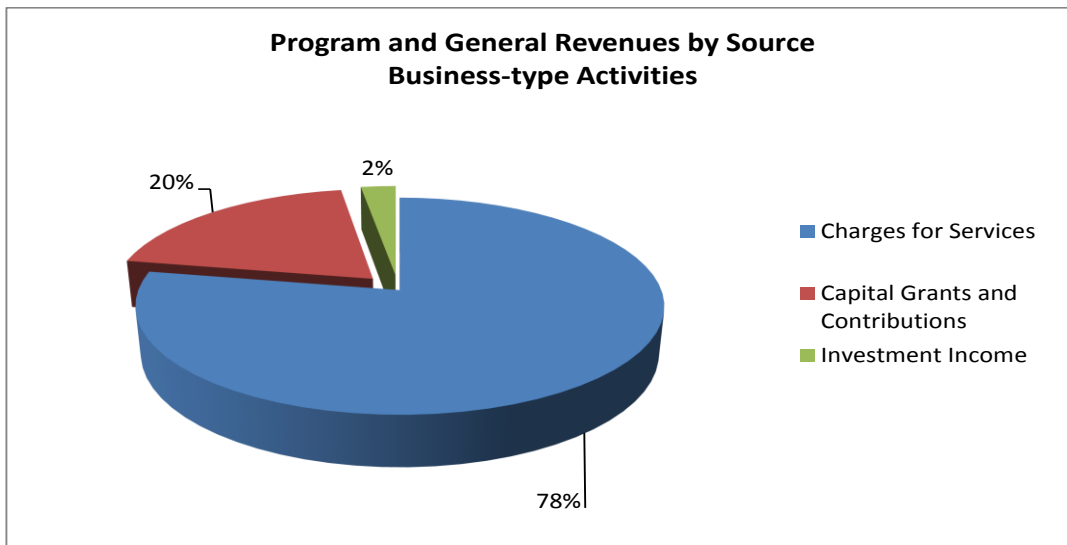


Figure 4 - Program Revenues for Business-type Activities, Year Ended June 30, 2015 (in thousands):



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Financial Analysis – Business-type activities, continued

Department of Watershed Management (DWM) The net position for DWM for the twelve month period ended June 30, 2015 increased by \$155.5 million or 5.9% to \$2.6 billion.

Table 3 - Department of Watershed Management Revenues and Expenses – Year Ended June 30, 2015 and June 30, 2014 (in thousands):

	Year Ended June 30		Change
	2015	2014	
REVENUES			
Total operating revenues	\$ 459,673	\$ 436,644	\$ 23,029
Non-operating revenues, net	9,958	12,626	(2,668)
Total revenues	<u>\$ 469,631</u>	<u>\$ 449,270</u>	<u>\$ 20,361</u>
EXPENSES			
Total operating expenses	\$ 296,420	\$ 301,957	\$ (5,537)
Non-operating expenses			
Loss on derivative instrument	-	887	(887)
Interest expense	139,532	150,592	(11,060)
Other expenses	7,348	2,193	5,155
Total expenses	<u>\$ 443,300</u>	<u>\$ 455,629</u>	<u>\$ (12,329)</u>
Income before Capital Contributions & Transfers	<u>\$ 26,331</u>	<u>\$ (6,359)</u>	<u>\$ 32,690</u>
Capital Contributions	20,010	17,171	2,839
Transfers, net	109,139	89,709	19,430
Change In Net Position	<u>\$ 155,480</u>	<u>\$ 100,521</u>	<u>\$ 54,959</u>
Net Position, beginning of period restated for 2015 (Note 1G)	<u>2,416,547</u>	<u>2,556,668</u>	<u>(140,121)</u>
Net Position, end of period	<u>\$ 2,572,027</u>	<u>\$ 2,657,189</u>	<u>\$ (85,162)</u>

Total DWM revenues for the year ended June 30, 2015 increased \$20.4 million or 4.5% to \$469.6 million compared to June 30, 2014. Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by \$23.0 million or 5.3% to \$459.7 million. The increase was due primarily to an increase in consumption as a result of economy recovery and a decrease in the allowance for non-collectable water and waste water receivables.

Non-operating revenue decreased by \$2.7 million or 21.1%, which was due to a lower gain on investments. Transfer amounts includes the Municipal Option Sales Tax (MOST); for fiscal year 2015 the MOST transfer totaled \$131.6 million compared with \$124.3 million in fiscal year 2014, an increase of 5.9%. Pilot and Franchise Fees paid by DWM are also included as an offset in net transfer amounts and totaled \$19.4 million during fiscal year 2015.

Total DWM expenses declined \$12.3 million or 2.7% to \$443.3 million when compared to the year ended June 30, 2014. The decrease is primarily driven by interest expenses. Total operating revenues less operating expenses, or operating margin, was \$163.3 million for fiscal year 2015, an increase of \$28.6 million or 21.2% compared to fiscal year 2014.

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Financial Analysis – Business-type activities, continued

Department of Aviation (DOA) The Net Position of the DOA for the twelve month period ended June 30, 2015 increased by \$115.8 million or 2.5% to \$4.7 billion.

Table 4 - Department of Aviation Revenues and Expenses – Year Ended June 30, 2015 and June 30, 2014 (in thousands):

	Year Ended June 30		Change
	2015	2014	
REVENUES			
Operating revenues	\$ 483,022	\$ 496,252	\$ (13,230)
Investment income	22,601	23,322	(721)
Non-operating revenues, net	198,987	187,356	11,631
Total revenues	<u>\$ 704,610</u>	<u>\$ 706,930</u>	<u>\$ (2,320)</u>
EXPENSES			
Operating expenses	\$ 487,211	\$ 482,163	\$ 5,048
Interest expense	127,941	139,826	(11,885)
Total expenses	<u>\$ 615,152</u>	<u>\$ 621,989</u>	<u>\$ (6,837)</u>
Income before Capital Contributions & Transfers	<u>\$ 89,458</u>	<u>\$ 84,941</u>	<u>\$ 4,517</u>
Capital Contributions	26,851	10,888	15,963
Transfers, net	(518)	(6,781)	
Change In Net Position	<u>\$ 115,791</u>	<u>\$ 89,048</u>	<u>\$ 26,743</u>
Net Position, beginning of period restated for 2015 (Note 1G)	<u>4,551,171</u>	<u>4,620,602</u>	<u>(69,431)</u>
Net Position, end of period	<u>\$ 4,666,962</u>	<u>\$ 4,709,650</u>	<u>\$ (42,688)</u>

Total DOA revenues for the year ended June 30, 2015 of \$704.6 million were down \$2.3 million or 0.3% 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 decreased \$13.2 million, or 2.7% when compared to fiscal year 2014. Operating revenues were down due to an increase in concession credits given to the airlines and a decrease in cargo operations. Additionally, landing fees decreased due to the DOA's decision to utilize Passenger Facility Charge Funds to offset General Airport Revenue Bond related debt associated with the Fifth Runway Project.

Non-operating revenues consist of net investment income, passenger facility charges (PFC's), customer facility charges (CFC's), and other non-operating income net of expenses. PFCs were \$187.3 million in fiscal 2015 compared with \$180.4 million in fiscal 2014. CFCs, which are collected to fund the financing and operation of the Rental Car Center, were \$35.3 million in fiscal 2015 compared with \$34.0 million in fiscal 2014. Net investment income decreased to \$22.6 million during fiscal year 2015.

Total DOA expenses decreased by \$6.8 million or 1.1% to \$615.2 million. Operating expenses for the period were \$487.2 million which reflect an increase of \$5.0 million or 1.1% over June 30, 2014. Repairs, maintenance and other contractual services contributed \$11.7 million to this increase, offset by a \$3.9 million reduction in employee costs driven by lower OPEB costs. Depreciation and amortization expenses declined slightly to \$218.7 million, due large airfield and terminal assets that became fully depreciated during the year.

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Financial Analysis – Business-type activities, continued

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 PFCs restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Also included are the CFCs used to repay the Consolidated Car Rental Facility (CONRAC) bonds and related expenses. Unrestricted Net Position may be used to meet any of the DOA's ongoing capital and operating obligations. The balance in unrestricted Net Position at June 30, 2015 decreased by \$201.9 million or 28.5% to \$506.1 million.

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, 2015, the City's governmental funds reported combined ending fund balances of \$815.4 million, an increase of \$274.1 million or 50.6%. The increase was primarily the result of the proceeds associated with the \$252 million General Obligation bond (Capital Projects Fund). Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2015, the City's governmental funds had an unassigned fund balance of \$138.7 million, an increase of \$33.0 million compared to fiscal year 2014.

The General Fund is the chief operating fund of the City. During fiscal 2015, the fund balance of the general fund increased by \$9.0 million or 6.4% to \$151.0 million. The increase in fund balance was enabled by revenue collections that were consistent with the adopted budget combined with closely monitored spending. At the close of the year, \$22.0 million of the annual operating surplus was transferred to deficit funds (E911, Fleet Services, Capital Finance and Underground Atlanta). Deficit funds totaled \$56.8 million at the close of fiscal 2015 and are included in Due From Other Funds on the general fund balance sheet. *Unrestricted* fund balance is the combination of unassigned fund balance (\$141.3 million) and assigned fund balance (\$7.8 million) and totals \$149.1 million.

The Capital Projects Fund has a variety of funding sources which are separately tracked. During fiscal 2015, the City issued a \$252 million General Obligation bond to address an infrastructure and facilities maintenance backlog of approximately \$900 million. Proceeds will be spent approximately 75% and 25% on infrastructure (roads, bridges, streetscapes etc.) and municipal facilities respectively. Future debt issues are likely until the backlog is addressed.

The Municipal Option Sales Tax (MOST) fund is a special revenue fund used to report a 1% sales and use tax. These proceeds are subsequently transferred to the Department of Watershed Management (DWM) to be used for operations, debt service or improvements to the City's water and sewer system. Collections for fiscal year 2015 increased by \$7.3 million or 5.9% to \$131.6 million. The MOST was originally approved by voters in July 2004 and subsequently reauthorized in

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2015

Financial Analysis – Business-type activities, continued

February 2008 and again in March 2014. It is currently set to expire in 2016. The MOST is a significant funding source for the DWM and represents approximately 22% of total DWM revenue.

General Fund Budgetary Highlights

The General Fund is the principal operating fund of the City and 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, is mostly comprised of 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 2015 General Fund revenues on a GAAP basis were \$517.1 million, \$7.0 million more than the final budget of \$510.0 million. However, the final revenue budget included \$3.5 million of prior year fund balance. Actual revenue anticipations were \$10.5 million or 2.1% above budget. Current year property taxes were \$191.0 million and \$9.4 million or 5.2% above budget due mainly to new construction value coming online. Local option sales taxes totaled \$102.2 million and were \$2.2 million or 2.2% above budget. Licenses and permits revenue of \$69.7 million was \$7.4 million or 12.0% above budget. The Hotel-Motel excise tax is budgeted as transfer-in revenue, amounted to \$17.2 million and was \$2.9 million above the 2014 Hotel-Motel tax collections.

Total 2015 General Fund expenditures on a GAAP basis were \$500.1 million, which was \$15.3 million or 3.0% less than the final budgeted expenditures. The Department of Police, Public Works, and Parks exceeded their budgets due to preparation for two winter events. Additionally, Corrections and Police departments were over budget due to local protests in response to national events. Although the aforementioned departments were over budget, the General Fund ended the year under budget mainly due to funded vacant positions in other City operating departments. There was \$12.2 million in debt service and operating subsidies paid by the General Fund, but reflected as a transfer out to a non-major enterprise funds (Underground Atlanta). Finally, the City budgeted a reserve amount of 1% or \$5.7 million of total budget, which was not available for spending at the department level.

Capital Assets and Debt Administration

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

Table 5 - Capital Assets Schedule (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
					Total	
	As of 30-Jun-15	As of 30-Jun-14	As of 30-Jun-15	As of 30-Jun-14	As of 30-Jun-15	As of 30-Jun-14
Land	\$ 207,483	\$ 205,184	\$ 1,003,024	\$ 1,017,353	\$ 1,210,507	\$ 1,222,537
Land improvements	19,986	3,936	1,919,625	1,836,484	1,939,611	1,840,420
Buildings and building improvements	370,541	373,292	6,893,646	6,982,534	7,264,187	7,355,826
Other property and equipment	75,122	55,836	195,206	185,054	270,328	240,890
Infrastructure	368,642	293,189	-	-	368,642	293,189
Construction in progress	79,489	119,459	824,489	729,820	903,978	849,279
Total	\$ 1,121,263	\$ 1,050,896	\$ 10,835,990	\$ 10,751,245	\$ 11,957,253	\$ 11,802,141

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2015

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, 2015 totaled \$12.0 billion, net of accumulated depreciation. 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 twelve month period ended June 30, 2015 was \$155.1 million or 1.3%.

Highlights of capital asset activity during the year ended June 30, 2015 included the following:

- The Atlanta Streetcar was placed-in service and is partly reflected as a \$77.7 million increase to infrastructure via a capital contribution.
- \$129.2 million was added to the Construction-In-Progress (CIP) balance for various Department of Watershed Management projects and \$54.1 million was removed from CIP and placed in-service.
- \$277.7 million was added to the Construction-In-Progress (CIP) balance related to various Department of Aviation projects and \$255.5 million was removed from CIP and placed in-service.
- Depreciation expense during fiscal year 2015 totaled \$362.1 million city-wide.

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

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

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

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	<u>30-Jun-15</u>	<u>30-Jun-14</u>	<u>30-Jun-15</u>	<u>30-Jun-14</u>	<u>30-Jun-15</u>	<u>30-Jun-14</u>
General obligation and annual bonds	\$ 395,890	\$ 199,215	\$ -	\$ -	\$ 395,890	\$ 199,215
Premium on bonds	41,222	5,961	-	-	41,222	5,961
APSJFA revenue bonds	35,110	37,230	-	-	35,110	37,230
Deferred issuance premiums	917	1,061	-	-	917	1,061
SWMA revenue refunding bonds	12,530	14,005	-	-	12,530	14,005
Limited obligation bonds	464,745	481,185	-	-	464,745	481,185
Discount on bonds	(11)	45	-	-	(11)	45
Section 108 loans	1,175	1,175	-	-	1,175	1,175
Other general long-term obligations	57,639	62,224	-	-	57,639	62,224
Intergovernmental agreements	350,468	133,358	-	-	350,468	133,358
Notes Payable	5,892	7,683	-	-	5,892	7,683
Water and Wastewater Revenue Bonds	-	-	2,870,765	3,006,165	2,870,765	3,006,165
Premium on bonds	-	-	207,886	37,783	207,886	37,783
GEFA notes payable	-	-	168,843	172,445	168,843	172,445
Airport Facilities Revenue Bonds	-	-	2,818,210	2,923,325	2,818,210	2,923,325
Issuance discounts and premiums	-	-	160,707	178,917	160,707	178,917
Atlanta Gas Light Company Rate E-1 Contract (Civic Center Renovations)	-	-	1,859	-	1,859	0
Capital Leases:						
General fund	50,620	57,129	-	-	50,620	57,129
Water and Wastewater System	-	-	2,724	3,930	2,724	3,930
Parking Deck	-	-	18,930	19,660	18,930	19,660
Underground Atlanta	-	-	7,915	15,445	7,915	15,445
Total	\$ 1,416,197	\$ 1,000,271	\$ 6,257,839	\$ 6,357,670	\$ 7,674,036	\$ 7,357,941

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2015**

Capital Assets and Debt Administration, continued

Long-term debt - The City’s long-term debt, including capital leases, reflected a net increase of \$316.1 million or 4.3% during the current twelve-month period. Multiple debt refundings across governmental and enterprise funds were completed during the year, resulting in significant present value interest savings to the City. General and limited obligation debt increased by \$211.7 million, due primarily to the issuance of a \$252 million General Obligation bond during the year to address a capital maintenance backlog of \$900 million. The Department of Aviation debt decreased by \$123.3 and Department of Watershed Management debt, including GEFA notes payable, increased by \$31.1 million. Government-wide capital lease obligations decreased by \$16.0 million during the current fiscal year.

The City’s underlying ratings for its bond issuances at June 30, 2015 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	Aa2	AA	AA+
WATER AND WASTEWATER REVENUE BONDS	Aa3	AA-	A+
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT REVENUE BONDS	Aa3	A+	A+

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation. The City’s outstanding general obligation debt is significantly less than the current debt limitation of \$2.4 billion. See the Legal Debt Margin Information in the Statistical Section of this report.

Additional information regarding the City’s long-term obligations can be found in Note III. G. in the Notes to the Financial Statements.

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CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2015

Economic Factors and Next Year's Budgets and Rates

The 2015 US economic forecast indicates that the economic recovery that began in the second half of 2009 will be sustained. The 2015 baseline forecast calls for Georgia's inflation-adjusted GDP to increase by 3.3 percent, which exceeds the 2.5 percent growth estimated for 2014. Georgia's 2015 GDP growth rate will be 0.5 percentage points higher than the 2.8 percent rate estimated for US GDP. The positive differential reflects (1) projects in the economic development pipeline, (2) strategic shifts in the state's economic development strategy, (3) leverage from the housing recovery, (4) slightly more supportive demographic forces, and (5) low oil and gas prices.

In the Atlanta MSA, population growth and housing recovery will strongly underpin ongoing economic recovery. A high concentration of college-educated workers will continue to attract high technology companies in life sciences, information technology, professional services and high-tech manufacturing. Atlanta's outsized information industry will benefit from expanding film and television production as well as surging demand for more sophisticated wireless services.

Real GDP growth in the Atlanta MSA of 3.8% is forecasted to be above the national forecast of 2.8%. Personal income in the Atlanta area is expected to grow by 5.5% versus the national expectation of 3.5%. Invest Atlanta, the City's economic development arm, helped relocate 18 businesses, attracting over \$183 million in private sector capital creating 3,021 jobs in Atlanta during 2014. The Atlanta MSA is expected to add 69,100 jobs in 2015 or 2.8% on an average annual basis.

Atlanta benefits from a reliable economic base, attributable to its diverse employment sectors and its strategic location within the southeast region. Atlanta's newly completed international terminal helps the City maintain its reputation as one of the most desirable logistical locations in the country. One major plus for Atlanta in this new era of federal fiscal austerity is that the metro area is not overly dependent on federal jobs. Only 4.0 percent of the Atlanta area's nonfarm earnings come from federal employment versus 7.7 percent for the state as a whole.

Property tax, sales tax and building permits continue to be monitored closely. These are key indicators for the City in projecting overall revenue performance in fiscal year 2016. Based on the City's internal financial reporting and forecasting processes, administration and management are able to respond quickly to changing economic and business cycles.

Highlights of the fiscal year 2016 budget include:

- General Fund revenue anticipation of \$593.1 million, including a slight reduction to the property tax millage rate. This represents a 5.1 % increase over the fiscal 2015 revenue anticipation of \$564.5 million.
- Department of Watershed Management revenue anticipation of \$531.2 million, an increase of \$16.5 million or 3.2 % compared to fiscal 2015.
- Department of Aviation revenue anticipation of \$515.0 million, an increase of \$25.7 million or 5.25 % compared to fiscal 2015.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2015

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.



Basic Financial Statements



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CITY OF ATLANTA, GEORGIA

Statement of Net Position

June 30, 2015

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	1,995	\$ 18,885	\$ 20,880	\$ 22,408
Restricted cash	616,826	188,124	804,950	249,414
Equity in cash management pool	232,495	1,554,346	1,786,841	-
Investments	378	-	378	731
Restricted investments	-	-	-	65,226
Receivables (net of allowances for uncollectables)	78,514	111,947	190,461	5,054
Due from other governments	9,430	56,909	66,339	-
Due from primary government	-	-	-	1,581
Due from component unit	-	-	-	1,539
Capital lease receivable, current portion	-	-	-	2,381
Internal balances	(29,544)	29,544	-	-
Inventories	713	18,560	19,273	-
Other restricted assets	-	41,899	41,899	-
Prepaid expenses and other current assets	-	1,101	1,101	426
Total current assets	910,807	2,021,315	2,932,122	348,760
Noncurrent assets:				
Restricted cash	-	866,503	866,503	59,473
Restricted investments	-	490,894	490,894	2,896
Investments	-	-	-	13,510
Due from primary government	-	-	-	334,463
Capital assets:				
Capital assets not being depreciated	286,972	1,827,513	2,114,485	166,873
Capital assets being depreciated	1,951,847	13,809,513	15,761,360	310,422
Less accumulated depreciation	(1,117,556)	(4,801,036)	(5,918,592)	(166,256)
Investments in joint venture	-	79,582	79,582	-
Restricted investments in escrow	17,325	-	17,325	-
Due from other parties	-	10,640	10,640	-
Due from component unit	-	24,000	24,000	24,364
Other assets	9,802	1,683	11,485	14,341
Long-term receivable	-	-	-	31,343
Total noncurrent assets	1,148,390	12,309,292	13,457,682	791,429
Total Assets	2,059,197	14,330,607	16,389,804	1,140,189
Deferred outflows of resources				
Pension related deferred outflows	126,133	42,346	168,479	-
Accumulated decrease in fair value of derivative instruments	-	33,533	33,533	-
Accumulated deferred losses on refunding	11,785	205,919	217,704	-
Total deferred outflows of resources	137,918	281,798	419,716	-
Total assets and deferred outflows of resources	2,197,115	14,612,405	16,809,520	1,140,189

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position

June 30, 2015

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	75,233	123,170	198,403	9,654
Accrued expenses and vacations	13,369	40,729	54,098	-
Accrued interest payable	-	104,273	104,273	5,872
Claims payable	2,356	6,675	9,031	-
Contract retentions	2,091	10,692	12,783	-
Due to other governments	10,055	-	10,055	-
Due to primary government	-	-	-	-
Other liabilities	-	4,566	4,566	34,935
Unearned revenues	656	-	656	1,002
Current portion of long-term debt, capital leases, SWAPS	63,081	188,573	251,654	94,703
Current portion of other liabilities	5,653	-	5,653	-
Total current liabilities	172,494	478,678	651,172	146,166
Noncurrent liabilities				
Noncurrent portion of long-term debt	952,028	6,049,913	7,001,941	621,193
Noncurrent portion of capital leases	50,620	19,353	69,973	-
Noncurrent portion of contract retentions	-	4,194	4,194	-
Pension liability	725,475	432,879	1,158,354	-
Net OPEB obligation	233,864	181,794	415,658	-
Due to primary government	-	-	-	24,000
Due to component unit	350,468	-	350,468	-
Other long-term liabilities	58,313	182,261	240,574	28,193
Total non-current liabilities	2,370,768	6,870,394	9,241,162	673,386
Total Liabilities	2,543,262	7,349,072	9,892,334	819,552
Deferred inflows of resources				
Pension related deferred inflows	168,450	69,516	237,966	-
Accumulated increase in fair value of derivative instruments	9,769	-	9,769	-
Total deferred inflows of resources	178,219	69,516	247,735	-
Total liabilities and deferred inflows of resources	2,721,481	7,418,588	10,140,069	819,552
NET POSITION				
Net investment in capital assets	(292,446)	5,174,578	4,882,132	82,383
Restricted for:				
Debt service	232,789	406,162	638,951	-
Programs	64,806	-	64,806	53,393
Capital projects	369,276	607,322	976,598	-
Unrestricted	(898,791)	1,005,755	106,964	184,861
Total Net Position	(524,366)	\$ 7,193,817	\$ 6,669,451	\$ 320,637

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Activities

For the Year Ended June 30, 2015

(Dollars in Thousands)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		TOTALS	Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	\$ 472,818	\$ 115,798	\$ 31,563	\$ 77,707	\$ (247,750)	\$ -	\$ (247,750)	
Police	197,267	27,149	7,183	-	(162,935)	-	(162,935)	
Fire	86,906	906	506	-	(85,494)	-	(85,494)	
Corrections	33,990	5,127	-	-	(28,863)	-	(28,863)	
Public Works	73,280	5,002	8,595	-	(59,683)	-	(59,683)	
Parks, Recreation and Cultural Affairs	60,246	3,519	3,223	-	(53,504)	-	(53,504)	
Interest on long-term debt	29,788	-	-	-	(29,788)	-	(29,788)	
Total Governmental activities	954,295	157,501	51,070	77,707	(668,017)	-	(668,017)	
Business-type activities:								
Watershed Management	443,300	459,673	-	20,010	-	36,383	36,383	
Aviation	628,824	483,022	-	239,510	-	93,708	93,708	
Sanitation	59,732	54,593	-	162	-	(4,977)	(4,977)	
Parks and Recreational Facilities	548	482	-	-	-	(66)	(66)	
Underground Atlanta	9,884	4,229	-	-	-	(5,655)	(5,655)	
Parking Deck	1,356	870	-	-	-	(486)	(486)	
Permit Fund	13,895	25,977	-	-	-	12,082	12,082	
Civic Center	1,849	724	-	-	-	(1,125)	(1,125)	
Total Business-type activities	1,159,388	1,029,570	-	259,682	-	129,864	129,864	
Total Primary Government	\$ 2,113,683	\$ 1,187,071	\$ 51,070	\$ 337,389	\$ (668,017)	\$ 129,864	\$ (538,153)	
Component Units	\$ 92,347	\$ 22,975	\$ 247,780	\$ 23,065				\$ 201,473

General revenues:

Taxes:

Property Taxes Levied for general purposes	189,613	-	189,613	-
Property Taxes Levied for debt service	107,108	-	107,108	-
Local and Municipal Option Sales Tax	233,803	-	233,803	-
Public utility, alcoholic beverage and other taxes	175,931	-	175,931	3,079
Federal and State aid not restricted	-	-	-	-
Investment income	3,864	32,985	36,849	42
Other	-	3	3	4,347
Total General revenues	710,319	32,988	743,307	7,468
Transfers	(118,897)	118,897	-	-
Total general revenues, special items and transfers	591,422	151,885	743,307	7,468
Change in net position	(76,595)	281,749	205,154	208,941
Net Position - beginning of period as restated (Note 1G)	(447,771)	6,912,068	6,464,297	111,696

NET POSITION- END OF PERIOD

\$ (524,366) \$ 7,193,817 \$ 6,669,451 \$ 320,637

The accompanying notes are an integral part of this statement.



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CITY OF ATLANTA, GEORGIA

Balance Sheet
Governmental Funds
June 30, 2015
(Dollars in Thousands)

	General Fund	Municipal Option Sales Tax (MOST)	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,668	\$ -	\$ -	\$ -	\$ 1,668
Cash and cash equivalents, restricted	-	125	302,252	314,449	616,826
Equity in cash management pool	169,030	-	9,871	41,717	220,618
Investments	-	-	-	378	378
Receivables:					
Taxes	10,147	11,205	-	14,388	35,740
Accounts	17,187	-	-	24,927	42,114
Due from other governments	-	-	-	9,430	9,430
Due from other funds	64,622	-	3,623	760	69,005
Other assets	33	-	-	-	33
Investments in escrow	-	-	17,325	-	17,325
TOTAL ASSETS	\$ 262,687	\$ 11,330	\$ 333,071	\$ 406,049	\$ 1,013,137
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 32,406	\$ -	\$ 2,356	\$ 37,399	\$ 72,161
Accrued expenses	11,706	-	-	821	12,527
Contract retentions	31	-	1,137	923	2,091
Due to other governments	-	-	-	10,055	10,055
Due to other funds	1,462	11,330	1,713	11,230	25,735
Advance due to other funds	56,199	-	-	-	56,199
Unearned revenue	35	-	-	621	656
Total Liabilities	101,839	11,330	5,206	61,049	179,424
Deferred inflows of resources					
Deferred inflows of property taxes	9,834	-	-	8,504	18,338
Total liabilities and deferred inflows of resources	111,673	11,330	5,206	69,553	197,762
Fund Balances:					
Nonspendable	1,946	-	-	-	1,946
Restricted	-	-	327,865	339,006	666,871
Assigned	7,814	-	-	-	7,814
Unassigned	141,254	-	-	(2,510)	138,744
Total fund balances	151,014	-	327,865	336,496	815,375
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 262,687	\$ 11,330	\$ 333,071	\$ 406,049	\$ 1,013,137

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
 Reconciliation of Governmental Fund Balance Sheet
 To the Government-wide Statement of Net Position
 June 30, 2015
 (Dollars in Thousands)

Total fund balances		\$ 815,375
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Other liabilities are not recognized as current year revenues and, therefore, are classified as deferred inflows in the above funds		18,338
Capital assets used in governmental activities are not financial resources and therefore are not reported in the above funds:		
Land and construction in progress	286,972	
Cost of capital assets	1,951,847	
Less: accumulated depreciation	<u>(1,117,556)</u>	1,121,263
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	22,535	
Deferred outflows-Fire pension	34,115	
Deferred outflows-Police pension	<u>69,483</u>	126,133
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>11,785</u>	11,785
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	(407)	
Net Position for internal service fund	<u>(6,545)</u>	(6,952)
Certain amounts related to the net pension liability are deferred and amortized over time		
Deferred inflows of resources- General pension	(42,971)	
Deferred inflows of resources- Fire pension	(43,196)	
Deferred inflows of resources- Police pension	<u>(82,283)</u>	(168,450)
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 unit	(350,468)	
Long-term debt	(395,890)	
APSJFA revenue bonds	(36,027)	
SWMA revenue refunding bonds	(12,530)	
Limited obligation bonds	(464,745)	
Capital leases	(50,620)	
Other general long-term obligations	(58,814)	
Unamortized premiums (discounts) on bond issues	(41,211)	
Vacation and compensated absences payable	(17,092)	
Notes payable	(5,892)	
Net Pension liability	(725,475)	
Net OPEB obligation	(233,864)	
Health, dental and general claims payable	(23,448)	
Workers' compensation	<u>(25,782)</u>	(2,441,858)
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (524,366)</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015
(Dollars in Thousands)

	General Fund	Municipal Option Sales Tax (MOST)	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 191,015	\$ -	\$ -	\$ 107,108	\$ 298,123
Local and municipal option sales taxes	102,224	131,579	-	-	233,803
Public utility, alcoholic beverage and other taxes	105,197	-	-	70,734	175,931
Licenses and permits	69,681	-	-	1,022	70,703
Charges for current services	10,087	-	-	24,199	34,286
Fines, forfeitures and penalties	26,670	-	-	2,157	28,827
Investment income	2,030	-	567	1,182	3,779
Intergovernmental revenues and contributions:					-
Federal revenues	-	-	-	34,675	34,675
State and local grants and contributions	-	-	-	16,395	16,395
Building rentals and concessions	7,808	-	-	1,037	8,845
Other	2,354	-	9,177	3,309	14,840
Total revenues	517,066	131,579	9,744	261,818	920,207
EXPENDITURES					
Current:					
General government	125,658	-	4,902	121,563	252,123
Police	177,971	-	4,748	25,409	208,128
Fire	82,104	-	5,431	270	87,805
Corrections	33,457	-	496	2,290	36,243
Public Works	33,328	-	5,614	16,904	55,846
Parks, recreation and cultural affairs	32,103	-	4,601	11,931	48,635
Debt Service:					
Principal payments	11,094	-	3,911	74,645	89,650
Interest payments	4,394	-	2,280	26,328	33,002
Bond issuance costs	-	-	840	27	867
Paying agent fees	15	-	-	168	183
Total Expenditures	500,124	-	32,823	279,535	812,482
Excess (deficiency) of revenues over expenditures	16,942	131,579	(23,079)	(17,717)	107,725
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	2,119	-	-	1,257	3,376
Payment to refunded bond escrow agent	-	-	(58,866)	-	(58,866)
Proceeds from refunding bonds	-	-	55,390	-	55,390
Proceeds from general bonds	-	-	252,000	-	252,000
Premium from bond sold	-	-	39,325	-	39,325
Transfers in	39,134	-	16,869	22,053	78,056
Transfers out	(49,166)	(131,579)	(3,882)	(18,326)	(202,953)
Total Other Financing Sources (Uses)	(7,913)	(131,579)	300,836	4,984	166,328
Net change in fund balances	9,029	-	277,757	(12,733)	274,053
Fund Balance:					
Beginning of the period	141,985	-	50,108	349,229	541,322
FUND BALANCE, END OF PERIOD	\$ 151,014	\$ -	\$ 327,865	\$ 336,496	\$ 815,375

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
 To the Government-wide Statement of Activities
 For the Year Ended June 30, 2015
 (Dollars in Thousands)

Net change in fund balance - total governmental funds \$ 274,053

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the above funds (1,402)

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	59,542	
	Capital contributions	77,707	
	Disposal of assets	(10,239)	
	Depreciation expense	(56,648)	
		70,362	70,362

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	143,635	
	Proceeds from long-term debt	(307,390)	
	Recognition of intergovernmental agreement	(217,110)	
	Capitalization of premiums and discounts	(39,325)	
	Amortization of premiums and discounts	4,264	
		(415,926)	(415,926)

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. 6,553

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	22,535	
	Deferred outflows-Fire pension	34,115	
	Deferred outflows-Police pension	69,483	
	Deferred inflows of resources- General pension	(42,971)	
	Deferred inflows of resources- Fire pension	(43,196)	
	Deferred inflows of resources- Police pension	(82,283)	
		(42,317)	(42,317)

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 pension liability	54,715	
	Amortization of deferred losses on refunding	1,373	
	Change in health, dental and general claims payable	(2,830)	
	Change in vacation and compensated absences	(53)	
	Change in net OPEB obligation	(18,758)	
	Change in workers' compensation	(2,365)	
		32,082	32,082

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (76,595)

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Governmental	
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Internal Service Fund	
			Total		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 18,828	\$ 57	\$ -	\$ 18,885	\$ 327
Restricted cash and cash equivalents	121,773	66,351	-	188,124	-
Equity in cash management pool	710,076	799,317	44,953	1,554,346	11,877
Receivables:					
Accounts	149,761	15,077	49,216	214,054	660
Less allowance for doubtful accounts	(87,193)	(3,869)	(11,045)	(102,107)	-
Interest	-	-	-	-	-
Total receivables, net	<u>62,568</u>	<u>11,208</u>	<u>38,171</u>	<u>111,947</u>	<u>660</u>
Due from other governments	56,909	-	-	56,909	-
Due from other funds	12,033	-	-	12,033	-
Advance to other funds, current portion	10,000	-	-	10,000	-
Inventories	10,514	8,046	-	18,560	713
Prepaid expenses	-	1,101	-	1,101	-
Restricted assets	-	41,899	-	41,899	-
Total current assets	<u>1,002,701</u>	<u>927,979</u>	<u>83,124</u>	<u>2,013,804</u>	<u>13,577</u>
Noncurrent assets:					
Restricted cash and cash equivalents	260,737	605,766	-	866,503	-
Restricted investments	17,187	473,703	4	490,894	-
Advance to other funds, less current portion	46,198	-	-	46,198	-
Investment in joint venture	79,582	-	-	79,582	-
Due from other parties	-	10,640	-	10,640	-
Due from other component units	24,000	-	-	24,000	-
Other assets	-	-	1,683	1,683	-
Capital assets:					
Land	119,116	584,230	21,902	725,248	136
Construction in progress	561,771	262,717	1	824,489	-
Land improvements	12,195	3,205,540	6,693	3,224,428	29
Land purchased for noise abatement	-	277,776	-	277,776	-
Buildings and other structures	-	3,862,425	91,306	3,953,731	5,508
Water collection and distribution system	4,270,169	-	-	4,270,169	-
Water and wastewater plant and treatment facilities	1,794,699	-	-	1,794,699	-
Machinery, equipment, and other	206,775	299,935	59,776	566,486	6,049
Less accumulated depreciation	(2,142,775)	(2,542,805)	(115,456)	(4,801,036)	(11,315)
Capital assets, net	<u>4,821,950</u>	<u>5,949,818</u>	<u>64,222</u>	<u>10,835,990</u>	<u>407</u>
Total assets	<u>6,252,355</u>	<u>7,967,906</u>	<u>149,033</u>	<u>14,369,294</u>	<u>13,984</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	15,715	22,423	4,208	42,346	-
Accumulated decrease in fair value of derivative instruments	33,533	-	-	33,533	-
Accumulated losses on debt refunding	138,902	67,017	-	205,919	-
Total assets and deferred outflows of resources	<u>\$ 6,440,505</u>	<u>\$ 8,057,346</u>	<u>\$ 153,241</u>	<u>\$ 14,651,092</u>	<u>\$ 13,984</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
LIABILITIES					
Liabilities:					
Current liabilities					
Accounts payable	\$ 20,296	\$ 23,570	\$ 4,080	\$ 47,946	\$ 3,072
Accrued expenses	8,384	30,991	1,354	40,729	842
Claims payable	6,675	-	-	6,675	-
Deposits and advances	6,963	-	-	6,963	-
Accrued interest payable	-	44,925	-	44,925	-
Due to other funds	-	-	27,623	27,623	27,679
Current portion of other debt	5,798	80,600	-	86,398	-
Current portion of other liabilities	-	-	-	-	-
Current maturities of capital leases	1,536	-	8,680	10,216	-
Accrued workers' compensation	1,706	64	2,796	4,566	-
Termination fee on interest rate swaps	-	-	-	-	-
Current liabilities	<u>51,358</u>	<u>180,150</u>	<u>44,533</u>	<u>276,041</u>	<u>31,593</u>
Current liabilities payable from restricted assets:					
Accounts payable	28,053	40,208	-	68,261	-
Accrued interest payable	32,694	26,581	73	59,348	-
Contract retention	4,716	5,976	-	10,692	-
Current maturities of long-term debt	56,310	35,485	164	91,959	-
Total current liabilities payable from restricted assets	<u>121,773</u>	<u>108,250</u>	<u>237</u>	<u>230,260</u>	<u>-</u>
Total current liabilities	<u>173,131</u>	<u>288,400</u>	<u>44,770</u>	<u>506,301</u>	<u>31,593</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,185,386	2,862,832	1,695	6,049,913	-
Capital lease obligations, excluding current maturities	1,188	-	18,165	19,353	-
Pension liability	225,241	146,995	60,643	432,879	-
Net OPEB obligation	100,909	56,199	24,686	181,794	-
Claims Payable	5,755	-	-	5,755	-
Contract retention, excluding current portion	-	4,194	-	4,194	-
Accrued workers' compensation	8,447	319	13,845	22,611	-
Interest rate SWAP	138,425	-	-	138,425	-
Landfill postclosure costs	-	-	15,470	15,470	-
Total noncurrent liabilities	<u>3,665,351</u>	<u>3,070,539</u>	<u>134,504</u>	<u>6,870,394</u>	<u>-</u>
Total Liabilities	<u>3,838,482</u>	<u>3,358,939</u>	<u>179,274</u>	<u>7,376,695</u>	<u>31,593</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	29,996	31,445	8,075	69,516	-
Total liabilities and deferred inflows of resources	<u>3,868,478</u>	<u>3,390,384</u>	<u>187,349</u>	<u>7,446,211</u>	<u>31,593</u>
NET POSITION					
Net investment in capital assets	1,991,656	3,147,404	35,518	5,174,578	407
Restricted					
Debt service	-	406,162	-	406,162	-
Programs	-	-	-	-	-
Capital projects	-	607,322	-	607,322	-
Unrestricted	<u>580,371</u>	<u>506,074</u>	<u>(69,626)</u>	<u>1,016,819</u>	<u>(18,016)</u>
Total Net Position	<u>\$ 2,572,027</u>	<u>\$ 4,666,962</u>	<u>\$ (34,108)</u>	<u>\$ 7,204,881</u>	<u>\$ (17,609)</u>
				<u>(11,064)</u>	
					<u>\$ 7,193,817</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015
(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	\$ 435,128	\$ 297,751	\$ 79,583	\$ 812,462	\$ 169,531
Sewer service charges from other governmental units	23,619	-	-	23,619	-
Rentals, admissions and concessions	102	130,383	5,868	136,353	-
Other	824	54,888	1,424	57,136	1,245
Total operating revenues	<u>459,673</u>	<u>483,022</u>	<u>86,875</u>	<u>1,029,570</u>	<u>170,776</u>
Operating expenses:					
Salaries and employee benefits	94,235	87,756	41,515	223,506	88,230
Utilities	22,213	8,983	474	31,670	715
Supplies and materials	16,564	5,003	719	22,286	12,343
Repairs, maintenance and other contractual services	11,880	13,038	426	25,344	3,772
Motor equipment services	6,891	3,545	7,514	17,950	192
Engineering and consultant fees	24,926	111,301	14,533	150,760	1,163
General services and other costs	25,924	38,853	13,372	78,149	63,468
Depreciation and amortization	93,787	218,732	6,792	319,311	113
Total operating expenses	<u>296,420</u>	<u>487,211</u>	<u>85,345</u>	<u>868,976</u>	<u>169,996</u>
Operating income (loss)	<u>163,253</u>	<u>(4,189)</u>	<u>1,530</u>	<u>160,594</u>	<u>780</u>
Non-operating revenues (expenses):					
Investment income, net of capitalized interest	9,958	22,601	426	32,985	85
Interest expense	(139,532)	(127,941)	(1,913)	(269,386)	(428)
Passenger facility charges	-	187,308	-	187,308	-
Customer facility charges	-	25,351	-	25,351	-
Other revenue (expenses), net	(7,348)	(13,672)	(6)	(21,026)	-
Total nonoperating revenues (expenses), net	<u>(136,922)</u>	<u>93,647</u>	<u>(1,493)</u>	<u>(44,768)</u>	<u>(343)</u>
Income before capital contributions and transfers	26,331	89,458	37	115,826	437
Capital contributions	20,010	26,851	162	47,023	-
Transfers in	131,579	-	15,839	147,418	6,000
Transfers out	(22,440)	(518)	(5,563)	(28,521)	-
Change in net Position	155,480	115,791	10,475	281,746	6,437
Net Position, beginning of period as restated (Note 1G)	2,416,547	4,551,171	(44,583)	6,923,135	(24,046)
Net Position, end of period	<u>\$ 2,572,027</u>	<u>\$ 4,666,962</u>	<u>(34,108)</u>	<u>\$ 7,204,881</u>	<u>\$ (17,609)</u>
				281,746	
				3	
				\$ 281,749	

Change in net position **281,746**
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds **3**
Change in net position of business-type activities **\$ 281,749**

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, 2015
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Governmental	
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Internal Service Fund	
			Total		
Cash flows from operating activities					
Cash received from user charges	\$ 434,898	\$ 498,580	\$ 90,818	\$ 1,024,296	\$ 170,756
Cash received for interfund services received	12,043	-	-	12,043	-
Cash paid for interfund services received	(13,206)	-	-	(13,206)	-
Cash paid to employees for services	(89,654)	(86,274)	(28,993)	(204,921)	(107,462)
Cash paid to suppliers for goods and services	(86,866)	(175,378)	(49,977)	(312,221)	(69,130)
Net cash provided by (used in) operating activities	257,215	236,928	11,848	505,991	(5,836)
Cash flows from noncapital financing activities					
Non-capital grants and donations	(7,348)	-	-	(7,348)	-
Transfers in	131,579	-	15,839	147,418	6,000
Transfers out	(22,440)	-	(5,563)	(28,003)	-
Net cash provided by noncapital financing activities	101,791	-	10,276	112,067	6,000
Cash flows from capital and related financing activities					
Capital grants and donations	20,010	25,451	162	45,623	-
Principal repayments of long-term debts	(1,378,630)	(105,115)	(5,948)	(1,489,693)	-
Acquisition, construction and improvements of capital assets	(129,376)	(295,471)	(4,556)	(429,403)	1
Passenger and customer facility charges	-	210,332	-	210,332	-
Contract retention withheld, net	-	3,658	-	3,658	-
Proceeds from bond/note issuances	1,238,423	-	-	1,238,423	-
Premium from issuance of debt	190,931	-	-	190,931	-
Interest paid	(261,583)	(117,723)	(1,916)	(381,222)	(468)
Net cash used in capital and related financing activities	(320,225)	(278,868)	(12,258)	(611,351)	(467)
Cash flows from investing activities					
Change in equity in cash management pool	(77,210)	(2,738)	(10,284)	(90,232)	338
Interest on investments	81,215	25,093	421	106,729	125
Purchases of restricted investments	-	(192,838)	(4)	(192,842)	-
Sales & redemptions of restricted investments	-	155,895	-	155,895	-
Net cash provided by (used in) investing activities	4,005	(14,588)	(9,867)	(20,450)	463
Increase (decrease) in cash and cash equivalents	42,786	(56,528)	(1)	(13,743)	160
Cash and cash equivalents:					
Beginning of year	358,552	728,702	1	1,087,255	167
End of year	\$ 401,338	\$ 672,174	\$ -	\$ 1,073,512	\$ 327

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, 2015
 (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 to net cash provided by operating activities:					
Operating income	\$ 163,253	\$ (4,189)	\$ 1,530	\$ 160,594	\$ 780
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	93,787	218,732	6,792	319,311	113
Changes in assets and liabilities					
Accounts receivables - net of allowance	(3,476)	234	3,943	701	(20)
Materials and supplies - net of allowances	650	(69)	-	581	-
Due from other funds	9,261	-	-	9,261	-
Prepaid expenses	-	71	(4,208)	(4,137)	(713)
Due (from) other governmental units, net	(9,868)	-	-	(9,868)	-
Investment in joint venture	610	-	-	610	-
Accounts payable and accrued expenses	1,866	20,713	540	23,119	1,005
Other Liabilities	-	1,436	10,916	12,352	48
Claims payable	520	-	-	520	-
Customer deposits	612	-	-	612	-
Due to other funds	-	-	(7,665)	(7,665)	(7,049)
Net cash provided by (used in) operating activities	<u>\$ 257,215</u>	<u>\$ 236,928</u>	<u>\$ 11,848</u>	<u>\$ 505,991</u>	<u>\$ (5,836)</u>
 Schedule of noncash capital and related financing activity:					
Acquisition of capital assets with account payables	7,138	33,629	-	40,767	-
Amortization of bond discount and premium, net	20,829	18,210	-	39,039	-

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statements of Fiduciary Net Position

Fiduciary Funds

June 30, 2015

(Dollar amounts in thousands)

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 234,432	\$ 251
Securities lending cash collateral	54,638	—
Equity in cash management pool	—	22,822
Receivables:		
Other Employee Contributions	1,298	—
Other Employer Contributions	8,571	—
Due from brokers	3,251	—
Accrued interest receivable	4,959	—
Prepaid expenses	—	945
Other receivables	5,089	95
	<u>23,168</u>	<u>1,040</u>
Investments:		
Domestic fixed income securities	413,780	—
Domestic equities	2,056,671	—
International fixed income securities	3,370	—
International equities	178,960	—
Limited partnerships	22,119	—
Alternative partnerships:		—
Limited partnerships	54,977	—
Comingled funds	44,870	—
	<u>2,774,747</u>	<u>—</u>
Total investments	<u>2,774,747</u>	<u>—</u>
Total assets	<u>3,086,985</u>	<u>24,113</u>
LIABILITIES		
Payables:		
Accounts payables	3,473	24,113
Due to brokers for investments purchased	11,200	—
Collateral payable for securities lending	54,638	—
	<u>69,311</u>	<u>24,113</u>
Total liabilities	<u>69,311</u>	<u>24,113</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 3,017,674</u>	<u>\$</u>

See accompanying notes to financial statements.

CITY OF ATLANTA, GEORGIA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ending June 30, 2015

(Dollars in Thousands)

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer contributions	\$ 158,522
Employee contributions	43,394
Total Contributions	<u>201,916</u>
Investment income:	
Net change in fair value of investments	36,564
Investment income	50,217
Securities lending income	830
Less: Investment expenses	<u>(10,191)</u>
Net investment income gain	<u>77,420</u>
Refund and other	116
Total Additions	<u>279,452</u>
Deductions	
Benefit Payments	272,305
Administrative Expense	<u>2,670</u>
Total Deductions	<u>274,975</u>
Change in Net Position	<u>4,477</u>
Net Position Held in Trust for Pension Benefits:	
Beginning of period	<u>3,013,197</u>
End of Period	<u>\$ 3,017,674</u>

The accompanying notes are an integral part of this statement



Component Units

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



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CITY OF ATLANTA, GEORGIA
Component Units

Statement of Net Position
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,682	\$ 15,726	\$ 22,408
Restricted cash	13,987	235,427	249,414
Restricted Investments	65,226	-	65,226
Short-term investments	-	731	731
Receivables:			
Accounts	24	-	24
Other receivables	-	5,030	5,030
Total receivables	24	5,030	5,054
Due from primary government	-	1,581	1,581
Due from other component units	-	1,539	1,539
Current portion of capital lease receivable	-	2,381	2,381
Prepaid expenses and other assets	45	381	426
Total current assets	85,964	262,796	348,760
Noncurrent Assets:			
Unrestricted assets:			
Due from primary government	78,368	256,095	334,463
Investments	-	13,510	13,510
Other receivable	-	2,372	2,372
Mortgage loans receivable	-	3,708	3,708
Capital lease receivable	-	25,263	25,263
Due from other component units	-	24,364	24,364
Other assets	-	11,919	11,919
Restricted assets:			
Cash and cash equivalents	59,473	-	59,473
Investments	2,896	-	2,896
Other assets	2,422	-	2,422
Total restricted assets	64,791	-	64,791
Property and equipment - at cost:			
Land	22,644	67,703	90,347
Construction-in-progress	-	76,468	76,468
Land improvements	969	7,687	8,656
Buildings and improvements	242,693	38,440	281,133
Other property and equipment	17,482	3,151	20,633
	283,788	193,449	477,237
Less accumulated depreciation	(146,647)	(19,609)	(166,256)
Property and equipment, net	137,141	173,840	310,981
Total assets	366,264	773,867	1,140,131

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, 2015
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 40	\$ 9,614	\$ 9,654
Accrued interest payable	-	5,872	5,872
Due to primary government	-	-	-
Other liabilities	17	1,698	1,715
Deferred revenues	-	1,002	1,002
Current maturities of long-term debt	-	15,133	15,133
Total current liabilities	<u>57</u>	<u>33,319</u>	<u>33,376</u>
Liabilities payable from restricted assets:			
Current maturities of long-term debt	79,570	-	79,570
Other liabilities	33,220	-	33,220
Total liabilities payable from restricted assets	<u>112,790</u>	<u>-</u>	<u>112,790</u>
Long-term liabilities:			
Long-term debt, less current portion	217,561	403,632	621,193
Other long-term liabilities	-	28,193	28,193
Due to primary government	-	24,000	24,000
Total long-term liabilities	<u>217,561</u>	<u>455,825</u>	<u>673,386</u>
Total liabilities	<u>330,408</u>	<u>489,144</u>	<u>819,552</u>
NET POSITION			
Net investment in capital assets	5,639	76,686	82,325
Restricted	21,101	32,292	53,393
Unrestricted	9,116	175,745	184,861
Total net position	<u>\$ 35,856</u>	<u>\$ 284,723</u>	<u>\$ 320,579</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, 2015
(Dollars in Thousands)

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Atlanta Fulton County Recreation Authority</u>	<u>Atlanta Development Authority</u>	<u>TOTALS</u>
Component Units							
Business-type activities							
Atlanta Fulton County Recreation Authority	\$ 19,917	\$ 1,421	\$ 129	\$ 13,658	\$ (4,709)	\$ -	\$ (4,709)
Atlanta Development Authority	72,516	21,554	247,737	9,349	-	206,124	206,124
Total Business-type activities	<u>92,433</u>	<u>22,975</u>	<u>247,866</u>	<u>23,007</u>	<u>(4,709)</u>	<u>206,124</u>	<u>201,415</u>
Total Component Units	<u>\$ 92,433</u>	<u>\$ 22,975</u>	<u>\$ 247,866</u>	<u>\$ 23,007</u>	<u>\$ (4,709)</u>	<u>\$ 206,124</u>	<u>\$ 201,415</u>
General revenues:							
Other taxes					3,079	-	3,079
Investment income					35	7	42
Other					-	4,347	4,347
Total General revenues					<u>3,114</u>	<u>4,354</u>	<u>7,468</u>
Change in net position					(1,595)	210,478	208,883
Net position - beginning of period					37,451	74,245	111,696
Net position - end of period					<u>\$ 35,856</u>	<u>\$ 284,723</u>	<u>\$ 320,579</u>

The accompanying notes are an integral part of this statement.



Notes to Financial Statements

City of Atlanta, Georgia

Notes to Financial Statements

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

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 Statement No. 61 of the Governmental Accounting Standards Board. The component units discussed below are included in the Government's reporting entity because of the significance of their operational or financial relationships with the Government. Each discretely presented component units is reported separately in the basic financial statements to emphasize that it is legally separate from the Government.

All blended component units have a June 30 year end. Of the discretely presented component units, the Atlanta Fulton County Recreation Authority has a December 31 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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.

Atlanta Fulton County Recreation Authority - Created in 1961, 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 which comprise the Recreation Authority may be obtained from the Atlanta Fulton County Recreation Authority, 755 Hank Aaron Drive, Atlanta, Georgia 30315.

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 the County. For the Arena, there were no such deficiencies during the fiscal year that required funding by the City or 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 the County based on their proportionate shares noted above, upon joint request of the City and the County. The component unit presentation in these 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 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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 \$1,112,000 during the fiscal year ended June 30, 2015. These capital costs are reflected as Investment in the Joint Venture.

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 cost, 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 \$2,573,000 for the year ended June 30, 2015. The costs are reflected in operating costs. At June 30, 2015 the City owes the County approximately \$552,000 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, 2014 (in thousands):

Total assets	<u>\$ 162,908</u>
Total fund net position	<u>\$ 155,784</u>
Total operating revenue	<u>\$ 8,851</u>
Total operating expenses	<u>\$ 13,021</u>
Total nonoperating losses	<u>\$ (152)</u>
Net loss	<u>\$ (4,322)</u>

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, 2015, the City paid approximately \$305,073 in such 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Separate financial statements may be obtained from the Atlanta Regional Commission at 40 Courtland St. NE, Atlanta, Georgia 30303.

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 segments 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, even though the latter are 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

B. Basis of Presentation, continued

depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. 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 *Municipal Option Sales Tax (MOST) Fund* is used to account for a special 1% sales tax collected by the City for use by the Department of Watershed Management. The fund is accounted for as a special revenue fund, and carries no fund balance as all revenue collections are subsequently transferred to the Department of Watershed Management. The amount of revenue collected on an annual basis by the MOST Fund qualifies it to be reported as a major governmental fund.

The *Capital Projects 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 funds 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 *Trust Funds* account for activities in which the City acts as trustee for an individual or organization. Additionally, these funds account for *Pension Trust Funds* which accumulate resources for pension benefit payments to members of the Plans and their beneficiaries.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

C. Measurement Focus and Basis of Accounting

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

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

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

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.

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 in the State of Georgia, Municipal Securities, Bankers Acceptances, Local Government Investment Pools and Certificate of Deposit. According to City policy, up to 75% 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 quoted fair value at June 30, 2015. 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.

Materials and Supplies

Materials and supplies 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

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

Prepaid Items

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

Restricted Assets

Restricted assets represent amounts which are required to be maintained pursuant to City ordinances 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; and 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 are recorded at their estimated fair value at the date of donation. 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.

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

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
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	50-75 years
Water collection and distribution system	75 years
Wastewater system	67 years
Stormwater drainage system	75 years
Machinery, equipment, and other	4-10 years
Land Improvements	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

Underground Atlanta:

Parking garage	20-50 years
Buildings	20-50 years
Machinery, equipment, and other	5-15 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
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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

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 \$23,584,000 and \$11,325,000, respectively, in net interest costs during the year ended June 30, 2015.

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 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 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 revenues, expenses, 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, 2015

Notes to the Financial Statements - Continued

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

Fund Balance

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. Fund expenditures are from restricted fund balance to the extent of the restricted fund revenue and followed by committed then assigned and unassigned fund balance. 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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements - Continued

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

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 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, 2015 (dollars in thousands).

	<u>General Fund</u>	<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable				
Advances Receivable	\$ 1,946	\$ -	\$ -	\$ 1,946
	<u>1,946</u>	<u>-</u>	<u>-</u>	<u>1,946</u>
Restricted				
HUD -Community Development	-	-	862	862
Tax Allocation Districts	-	-	15,673	15,673
Debt Service	-	-	232,789	232,789
Expendable Trust	-	-	34,356	34,356
HUD Section 108 Loans	-	-	5,823	5,823
HUD Home Investment	-	-	474	474
AHOI	-	-	7,618	7,618
Capital Projects	-	327,865	41,411	369,276
	<u>-</u>	<u>327,865</u>	<u>339,006</u>	<u>666,871</u>
Assigned				
Unrestricted encumbrances	7,814	-	-	7,814
	<u>7,814</u>	<u>-</u>	<u>-</u>	<u>7,814</u>
Unassigned				
E911	-	-	(1,046)	(1,046)
Intergovernmental grants	-	-	(1,464)	(1,464)
General Fund	141,254	-	-	141,254
	<u>141,254</u>	<u>-</u>	<u>(2,510)</u>	<u>138,744</u>
Total Fund Balance	\$ <u>151,014</u>	\$ <u>327,865</u>	\$ <u>336,496</u>	\$ <u>815,375</u>

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, 2015

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, 2015 as follows (dollars in thousands):

	<u>General Fund</u>
Contract Services	\$ 5,377
Supplies	2,109
Capital	325
Other	<u>3</u>
Total	<u>\$ 7,814</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 charge 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. The swaps are considered to be derivatives, the effective of which is accounted for as a deferred outflow of resources. The amount for pensions relates to certain

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

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

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.

Deferred Inflows of Resources

In addition to liabilities, the Balance Sheets and Statements of Net Position report a separate section for 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. The *unavailable revenue* reported in the Balance Sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The *interest rate swap*, which relates to an interest rate swap agreement, is considered to be a hedging derivative. Changes in the fair market value of hedging derivatives are reported as deferred inflows or outflows of resources. The amounts for *pensions* 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 revenues, expenses, and changes in net position on a separate line as capital contributions after non-operating revenues and expenses. 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, 2015, such allocated expenses amounted to \$13,206,000 for the Department of Watershed Management, \$7,945,000 for the Department of Aviation, \$3,565,000 for the Sanitation Fund, and \$2,338,000 for the Internal Service Funds.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements

Pronouncements effective for the 2015 Financial Statements:

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, effective for the City's fiscal year beginning July 1, 2014. This Statement revises existing standards for employer financial statements relating to measuring and reporting pension liabilities for pension plans provided by the City to its employees. The financial statements report the liability of the net pension liability, which is measured as the total pension liability, less the amount of the pension fiduciary net position. Changes in pension liability are included in pension expense in the period of the change (see note Section 1G).

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for the City's fiscal year beginning July 1, 2014. This Statement establishes standards for accounting and financial reporting of government combinations and disposals of government operations. Government combinations include mergers, acquisitions and transfers of operations of government or nongovernment entities to a continuing government. There is no impact of this statement on the City of Atlanta financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, effective for the City concurrently with the implementation of GASB Statement No. 68. This Statement addresses an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of GASB 68 by employer contributions. This statement is implemented in conjunction with GASB State No. 68.

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

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement generally requires investments to be measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuations techniques will be required to be used that are appropriate with defined approaches. Disclosures are required to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. This Statement will be effective for the City in fiscal year 2016. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In June 2015, the GASB issued Statement No.73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions that are provided to the employees not within the scope of Statement 68. Requirements are also established for the assets accumulated for the purposes of providing pensions through defined

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements, continued

benefit pension plans that are not administered through trusts that meet the criteria within the scope of Statement 67. This Statement will be effective for the City in fiscal year 2016. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes financial reporting standards for Other Post-Employment Plans (OPEB) that is administered through trusts or equivalent arrangements which involve contributions from employers and nonemployer contributing entities to the OPEB plan. This Statement is effective for financial statements with fiscal years beginning after June 15, 2016. The City is in the process of evaluating the impact of this pronouncement on its 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 Plans (OPEB) that is administered through trusts or equivalent arrangements which involve contributions from employers and nonemployer contributing entities to the OPEB plan. This Statement is effective for financial statements with fiscal years beginning after June 15, 2017. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement establishes the hierarchy of GAAP for state and local governments. This Statement will be effective for the City in fiscal year 2016. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires state and local governments to disclose tax abatement agreements entered by other governments and that reduce the reporting government's tax revenues. The reduction in tax revenues can result from an agreement between one or more governments and an individual entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled. The individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This statement is effective for the City in fiscal year 2017. 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, 2015

Notes to the Financial Statements - Continued

G. Change in Accounting Principle

The City implemented GASB No. 68, *Accounting and Financial Reporting for Pensions* in fiscal year 2015. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. It requires employers to report their proportionate share of the plan's net pension liability, pension expense, and deferred inflows and outflows of resources as well as additional note disclosures and required supplementary information.

The following schedule reflects the impact of GASB 68 (dollars in thousands):

	Governmental Activities	Department of Watershed Management	Department of Aviation	Non-major Enterprise	Internal Service Adjusted	Business Type Activity Total	Total
Net position - beginning of period, as previously reported	\$ 332,419	\$ 2,657,189	\$ 4,709,650	\$ 20,205	\$ (11,067)	\$ 7,375,977	\$ 7,708,396
Adoption of GASB Statement No. 68							
Pension liability - General Employees'	(344,729)	(240,642)	(84,401)	(64,788)	-	(389,831)	(734,560)
Pension liability - Firefighters'	(156,130)	-	(50,118)	-	-	(50,118)	(206,248)
Pension liability - Police Officers'	(279,331)	-	(23,960)	-	-	(23,960)	(303,291)
Total prior year adjustment	<u>(780,190)</u>	<u>(240,642)</u>	<u>(158,479)</u>	<u>(64,788)</u>	<u>-</u>	<u>(463,909)</u>	<u>(1,244,099)</u>
Net position - beginning of period, as restated	<u>\$ (447,771)</u>	<u>\$ 2,416,547</u>	<u>\$ 4,551,171</u>	<u>\$ (44,583)</u>	<u>(11,067)</u>	<u>6,912,068</u>	<u>\$ 6,464,297</u>

II. Stewardship, Compliance and Accountability

A. Compliance with Finance Related Legal and Contractual Provisions

Management, in coordination with the Law Department, is not aware the City has any material violations of finance related legal and contractual provisions as of June 30, 2015.

B. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section, page 132.

C. Deficit Fund Balances/Net Position

The following funds reported deficits in fund balance/net position at June 30, 2015 (dollars in thousands):

- Emergency Telephone System had an accumulated deficit of \$1,046. During the year, the deficit was reduced by \$11.8 million, mainly as a result of an \$8 million general fund transfer.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements - Continued

C. Deficit Fund Balances/Net Position, continued

A Public Safety assessment was approved by the State Legislature in 2015, which will ensure that the future costs of operations will be covered by revenue.

- Intergovernmental Grant funds had an accumulated deficit of \$1,464. This deficit was primarily the result of timing differences between the expense and drawing down the grant funds.
- Sanitation Fund had an accumulated deficit of \$65,915. The operations deficit increased by approximately \$7.4 million, while the fund deficit related to pension liability is \$49.9 million allocated in accordance with GASB 68. Fee reviews and ongoing cost control measures should continue to address and eliminate the operating deficit. On a cash basis the Sanitation Fund deficit is \$15 million.
- Parks and Recreation Facilities Fund had an accumulated deficit of \$1,033. The increase in the deficit of \$700 thousand is due primarily to the allocation of pension liability.
- Civic Center had an accumulated deficit of \$4,509. The operating deficit increased by approximately \$1,120, while the fund deficit related to pension liability is \$1.9 million. Use of the facility has decreased as the City moves forward in the sale of the Civic Center.
- Fleet Services had an accumulated deficit of \$30,070. Fleet operations continued to be reviewed and efforts are ongoing to reduce costs. During fiscal year 2015, the deficit was reduced by approximately \$6.9 million mainly as a result of a general fund transfer.

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, 2015 (dollars in thousands).

	Primary Government			Total	Component Units	
	Unrestricted	Restricted	Cash Pool		Unrestricted	Restricted
Cash and Cash Equivalents	\$ 20,880	\$ 1,671,453	\$ 231,439	\$ 1,923,772	\$ 22,408	\$ 308,887
Georgia Fund 1	-	-	101,803	101,803	-	-
State and local bonds	-	-	108,005	108,005	-	-
Federal Agency Obligations	-	370,921	1,114,264	1,485,185	-	-
US Treasury Obligation	-	79,992	231,330	311,322	-	-
GICs (Guaranteed Investment Contracts)	-	39,981	-	39,981	-	-
Investment in escrow	-	17,325	-	17,325	-	-
Other Investments	378	-	-	378	14,241	68,122
	<u>\$ 21,258</u>	<u>\$ 2,179,672</u>	<u>\$ 1,786,841</u>	<u>\$ 3,987,771</u>	<u>\$ 36,649</u>	<u>\$ 377,009</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

The OCGA 36-83-4 authorize 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 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 in the State of Georgia	5 years	0%	25%
Other Municipal Securities	5 years	0%	25%
Repurchase Agreements (Repos)	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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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.

Pooled Cash and Investments Held in the State Treasury

The OCGA 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 \$1.00 value and a weighted maturity of 60 days or less, with the maximum maturity of any investment limited to 397 days. At June 30, 2015, the GF1 weighted average maturity was 56 days. Portfolio composition in GF1 consisted of Federal Home Loan Bank ("FHLB") 17%, Federal Home Loan Mortgage Corporation ("FHLMC") 4%, Federal National Mortgage Association ("FNMA") 2%, Federal Farm Credit Bank ("FFCB") 2%, overnight repo 23%, term repo 10%, and negotiated of deposit agreement 34%.

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 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 City of Atlanta 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 City of Atlanta 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.

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.

Investments in Employee Retirement 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 is administered by its own Board of Trustees. The respective Boards are ultimately responsible for making all decisions with regard to the administration of their respective 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 respective Boards. The investments are held in trust by the 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 Pension Boards 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 U.S. government or agency guaranteed

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

securities. During 2014, the Plans made a combined capital commitment of \$64,000,000 to a limited partnership. As of June 30, 2015, the Plans had an alternative investment in a limited partnership totaling \$54,829,000. 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.

INVESTMENT RISK DISCLOSURES

Governmental and Business-Type Activities

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, 2015, was approximately 2.3 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.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

As of June 30, 2015, the City had the following fixed income 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	
Georgia Fund 1	AAAf	\$ 65,459	\$ 23,710	\$ 12,634	\$ -	\$ -	\$ 101,803
State and local bonds	Aaa-Aa2	-	-	-	108,005	-	108,005
Federal Agency Obligations	AA+	10,018	95,213	133,797	1,246,157	-	1,485,185
US Treasury Obligations	Exempt	-	20,127	80,359	210,836	-	311,322
GICs	*	-	-	-	-	39,981	39,981
		\$ <u>75,477</u>	\$ <u>139,050</u>	\$ <u>226,790</u>	\$ <u>1,564,998</u>	\$ <u>39,981</u>	\$ <u>2,046,296</u>

* All Guaranteed Investment Contracts (GIC's) are fully collateralized by U.S. Government Obligations or Agency securities.

Custodial Credit Risk. Custodial credit risk for *deposits* 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 for *investments* 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, 2015.

Concentration 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, 2015, individual issuers that represent 5% or more of total financial instruments by reporting unit were as follows:

Issuer	Investment Type	Investment %
Fannie Mae	Agency Bond	16.3%
Federal Farm Credit Bank	Agency Bond	12.0%
Federal Home Loan Bank	Agency Bond	13.9%
Feddie Mac	Agency Bond	23.8%
U.S. Governemnt	U.S. Government Treasuries	14.6%

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

Pension Trust Fund Activities

Interest Rate and Credit Risks. As of June 30, 2015, the City’s 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. Government Agencies	AAA/AA-	\$ 2,699	\$ 1,293	\$ 9,747	\$ 12,221	\$ 6,003	\$ 31,963
U.S. Government Agencies	NR	-	-	-	1,900	769	2,669
U.S. Government Agencies	AGY	3	2,704	5,663	21,473	93,530	123,373
Corporate Bonds	AAA/AA-	3,675	30,260	20,743	35,886	14,847	105,411
Corporate Bonds	BBB+/B-	1,506	3,935	10,545	14,445	15,975	46,406
Corporate Bonds	NR	903	718	70	317	-	2,008
Mutual Bonds	NR	10,956	-	-	-	-	10,956
State and Local Obligations	AAA/AA-	-	-	-	3,954	4,525	8,479
Automobile Loan Receivables	A+/AAA	305	729	321	-	-	1,355
Automobile Loan Receivables	NR	-	286	2,037	-	-	2,323
Credit Card Receivables	AAA	-	-	2,300	-	-	2,300
Asset Backed Securities	AAA/A	711	2,882	5,011	723	110	9,437
Asset Backed Securities	NR	-	1,134	4,808	-	26	5,968
Corporate CMO's	AAA/B-	-	-	4	-	568	572
Corporate CMO's	NR	-	-	15	-	2,498	2,513
CMO's	AAA/B+	-	9	220	67	15,959	16,256
CMO's	NR	-	-	-	-	3,549	3,549
Other Fixed Income	NR	-	3,526	2,132	397	-	6,055
		\$ 20,758	\$ 47,476	\$ 63,616	\$ 91,383	\$ 158,359	\$ 381,593

Securities Lending Transactions. 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 to the Plan within a specified period of time.

As of June 30, 2015, the General Employee Pension Plan had funds with \$53,405,000 market value of outstanding loans was under a securities lending agreement. The amount of collateral was \$54,638,000 which consisted of cash, collateral investment, and noncash loans. 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.

Custodial Risk. As of June 30, 2015, the Pension Plans had no deposits or investments with custodial risk.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

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>Investment Type</u>	<u>Market Value</u>
Firefighters' Pension Plan:		
BlackRock, Inc.	Equities	\$ 122,438
Johnston	Equities	\$ 32,899
Rhumblin	Equities	\$ 98,538
Police Officers' Pension Plan:		
BlackRock, Inc.	Equities	\$ 72,890
Collective	Bond Index Fund	\$ 168,558
General Pension Plan:		
Artisan Funds	International Equities	\$ 74,661
Ishares Select Dividend ETF	Domestic Equities	\$ 95,526
Johnston International Equity Group	Domestic Equities	\$ 67,531
Northern Trust	Domestic Equities	\$ 81,964
Rhumblin	Domestic Equities	\$ 66,709
Vanguard	Domestic Equities	\$ 191,568

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

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

The following table provides investments of the Defined Benefit Plans in international markets. As of June 30, 2015, the exposure to foreign currency risk is as follows (dollars in thousands):

	Short Term	Debt	Equity	Total
Australia	-	272	-	272
Bermuda	-	-	5,990	5,990
Canada	-	1,218	1,645	2,863
Cayman Islands	-	-	1,002	1,002
China	493	-	3,646	4,139
Curacao	-	-	25	25
Europe/Far East Region	-	-	30,202	30,202
France	-	388.00	-	388
Germany	-	-	524	524
Guernsey, CI	-	-	58	58
Ireland	-	-	10,512	10,512
Israel	-	-	3,006	3,006
Jersey, C.I.	-	-	317	317
Luxembourg	-	-	26	26
Netherlands	-	150	473	623
Singapore	-	-	135	135
Switzerland	-	-	377	377
United Kingdom	-	1,342	810	2,152
Total Securities subject to Foreign Currency Risk	493	3,370	58,748	62,611
International Region	-	-	116,609	116,609
Total International subject to Foreign Currency Risk	493	3,370	175,357	179,220

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, 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 OCGA 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, and Car Rental Taxes, continued

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 2014 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	9.750
General Obligation Bond Sinking Fund:	
City Bonds	1.200
School Bonds	0.100
Park Improvement Fund (included in Capital Projects Funds)	0.500
Board of Education (operations)	21.640
Special Tax District DeKalb County	1.060
	<u>34.250</u>

The Fulton and DeKalb County Tax Assessors establish assessed values at 40% of the fair market value. The property valuation in calendar year 2014 resulted in a gross assessed value of \$25,076,619,257 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 \$2,278,547 in fiscal year 2014. 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.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

C. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2015 follows (dollars in thousands):

	Balance at June 30, 2014	Additions	Capital Contributions	Deletions and Retirements	Transfers	Balance at June 30, 2015
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 205,184	\$ -	\$ -	\$ -	\$ 2,299	\$ 207,483
Construction in progress	119,459	42,503	-	(3,803)	(78,670)	79,489
Total capital assets not being depreciated	<u>324,643</u>	<u>42,503</u>	<u>-</u>	<u>(3,803)</u>	<u>(76,371)</u>	<u>286,972</u>
Capital assets being depreciated:						
Land improvements	84,803	14	-	-	24,812	109,629
Buildings and building improvements	550,655	2,165	4,197	-	3,177	560,194
Other property and equipment	246,107	14,841	18,633	(3,576)	712	276,717
Infrastructure	907,819	24	56,447	(6,653)	47,670	1,005,307
Total capital assets being depreciated	<u>1,789,384</u>	<u>17,044</u>	<u>79,277</u>	<u>(10,229)</u>	<u>76,371</u>	<u>1,951,847</u>
Totals at historical cost	<u>2,114,027</u>	<u>59,547</u>	<u>79,277</u>	<u>(14,032)</u>	<u>-</u>	<u>2,238,819</u>
Less: Accumulated Depreciation						
Land improvements	80,867	8,776	-	-	-	89,643
Buildings and building improvements	177,363	12,241	49	-	-	189,653
Other property and equipment	190,271	14,418	482	(3,576)	-	201,595
Infrastructure	614,630	21,213	1,039	(217)	-	636,665
Total accumulated depreciation	<u>1,063,131</u>	<u>56,648</u>	<u>1,570</u>	<u>(3,793)</u>	<u>-</u>	<u>1,117,556</u>
Governmental activities capital assets, net	<u>\$ 1,050,896</u>	<u>\$ 2,899</u>	<u>\$ 77,707</u>	<u>\$ (10,239)</u>	<u>\$ -</u>	<u>\$ 1,121,263</u>

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

General government	\$ 10,251
Police	4,113
Fire	5,396
Corrections	343
Public Works	21,444
Parks, Recreation and Cultural Affairs	<u>15,101</u>
Total	<u>\$ 56,648</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

C. Capital Assets, continued

	Balance at June 30, 2014	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2015
Business-type activities:					
Capital assets not being depreciated					
Land	\$ 1,017,353	\$ 281	\$ (15,431)	\$ 821	\$ 1,003,024
Construction	729,820	406,939	(545)	(311,725)	824,489
Total capital assets not being depreciated	<u>1,747,173</u>	<u>407,220</u>	<u>(15,976)</u>	<u>(310,904)</u>	<u>1,827,513</u>
Capital assets being depreciated					
Land improvements	3,112,637	-	(65,984)	177,775	3,224,428
Buildings and other structures	9,905,149	2,138	(6,865)	118,177	10,018,599
Other property and equipment	553,129	22,561	(24,156)	14,952	566,486
Total capital assets being depreciated	<u>13,570,915</u>	<u>24,699</u>	<u>(97,005)</u>	<u>310,904</u>	<u>13,809,513</u>
Totals at historical cost	<u>15,318,088</u>	<u>431,919</u>	<u>(112,981)</u>	<u>-</u>	<u>15,637,026</u>
Less: Accumulated Depreciation					
Land improvements	1,276,153	85,731	(57,081)	-	1,304,803
Buildings and other structures	2,922,615	204,725	(2,387)	-	3,124,953
Other property and equipment	368,075	27,166	(23,961)	-	371,280
Total accumulated depreciation	<u>4,566,843</u>	<u>317,622</u>	<u>(83,429)</u>	<u>-</u>	<u>4,801,036</u>
Business-type activities capital assets, net	<u>\$ 10,751,245</u>	<u>\$ 114,297</u>	<u>\$ (29,552)</u>	<u>\$ -</u>	<u>\$ 10,835,990</u>

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, 2015, there is approximately \$75,664,000 of CIP recorded in Invest Atlanta financial statements for corridor design and development that are expected to become assets of the City.

Additionally, the DWM advanced \$25 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, 2015, total project costs to date were \$23,890,000.

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 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, 2015, the land value is now estimated at \$44 million. Upon completion of redevelopment, it is anticipated that title to the land will be transferred to the City.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

D. 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, 2015, are as follows (dollars in thousands):

		Due to				
		General Fund	Capital Projects	Watershed Management	Non-major Government	Total
Due from	General Fund	\$ -	\$ -	\$ 56,901	\$ 760	\$ 57,661
	Capital Projects	1,713	-	-	-	1,713
	Internal Service	27,679	-	-	-	27,679
	MOST	-	-	11,330	-	11,330
	Non-major Enterprise	24,000	3,623	-	-	27,623
	Non-major Government	11,230	-	-	-	11,230
	Total	\$ <u>64,622</u>	\$ <u>3,623</u>	<u>68,231</u>	\$ <u>760</u>	\$ <u>137,236</u>

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 \$10,000,000 per year plus interest, until paid and 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, 2015 is \$56,199,000 in principal and \$702,000 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, 2015, 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	\$ <u>24,000</u>	\$ <u>24,000</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

D. Interfund Receivables, Payables, and Transfers, continued

Transfers

Transfers for the year ended June 30, 2015, are as follows (dollars in thousands):

	Transfer from							Total
	General Fund	Capital Projects	Department of Aviation	Department of Watershed Management	MOST	Non-major Enterprise	Non-major Governemt	
General Fund	\$ -	\$ 3,657	-	\$ 19,401	\$ -	\$ -	\$ 16,076	\$ 39,134
Capital Projects	13,340	175	518	1,128	-	458	1,250	16,869
Management	-	-	-	-	131,579	-	-	131,579
Non-major Enterprise	12,839	-	-	-	-	3,000	-	15,839
Internal Services	6,000	-	-	-	-	-	-	6,000
Non-major Government	16,987	50	-	1,911	-	2,105	1,000	22,053
Total	\$ 49,166	\$ 3,882	\$ 518	\$ 22,440	\$ 131,579	\$ 5,563	\$ 18,326	\$ 231,474

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.

E. 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 2017. The City is in the process of negotiation renewals of these operating lease agreements with the airlines. The total cost of the facilities described above that are substantially leased to various tenants is \$5.3 billion with a carrying value of \$3.5 billion. Depreciation expense for fiscal 2015 on the facilities was \$149.2 million.

Certain of the leases provide for fixed and variable rental payments, and all are generally designed to allow the DOA 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 DOA 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

E. Leases, continued

At June 30, 2015 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):

2016	323,643
2017	254,340
2018	230,303
2019	101,840
2020	103,127
2021 - 23	317,360
	<u>\$ 1,330,613</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 were \$124.0 million for the year ended June 30, 2015.

Department of Watershed Management (DWM) – Capital Lease Obligations

The DWM has entered into several lease agreements as lessee for power generators. These lease agreements qualify 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. Included in machinery and equipment is \$17,484,000 of equipment acquired under capital leases. The accumulated amortization on this equipment is \$15,759,000 as of June 30, 2015. Amortization expense was \$1,031,000 for the fiscal year ended June 30, 2015.

The present values of the future minimum capital lease payments as of June 30, 2015, are as follows (dollars in thousands):

	2016	1,536
	2017	<u>1,188</u>
Total minimum payments		<u>\$ 2,724</u>

General Fund – Capital Lease Obligations

The City has entered into multiple lease agreements as lessee for various purposes. These lease agreements qualify as capital leases for accounting purposes.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

E. Leases, continued

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

	<u>Municipal Traffic Court</u>	<u>Digital Radio Upgrade</u>	<u>Total</u>
2016	3,919	4,892	8,811
2017	3,909	4,892	8,801
2018	3,907	4,892	8,799
2019	3,903	1,954	5,857
2020	3,902	-	3,902
2021-2025	19,456	-	19,456
2026-2027	<u>7,751</u>	<u>-</u>	<u>7,751</u>
Total minimum payments	46,747	16,630	63,377
Less amounts representing interest	<u>(12,067)</u>	<u>(690)</u>	<u>(12,757)</u>
Present value of minimum capital lease payments	<u>\$ 34,680</u>	<u>\$ 15,940</u>	<u>\$ 50,620</u>
Gross Capital Asset Value	\$ 55,195	\$ 43,300	\$ 98,495
Accumulated Depreciation	<u>(9,760)</u>	<u>(30,033)</u>	<u>(39,793)</u>
Net Capital Asset Value	<u>\$ 45,435</u>	<u>\$ 13,267</u>	<u>\$ 58,702</u>

Downtown Development Authority of the City of Atlanta (DDA)

In 2009, the Atlanta Development Authority, through DDA issued \$52,790,000 of refunding revenue bonds (\$44,975,000, Series 2009A, and \$7,815,000, Series 2009B). The bonds were used in part to refund the principal of the City of Atlanta Series 2002, Variable Rate Refunding Revenue Bonds (Underground Atlanta Project). The principal and interest on the Series 2009 Revenue Bonds are special limited obligations of DDA and are payable solely from monies payable to DDA by the City of Atlanta under a capital lease arrangement for the Underground Atlanta Project. The lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and has been recorded in business activities of the government-wide financial statements at the present value of the future minimum lease payments as of the date of inception. See schedule of lease payments below.

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

Total minimum payments in 2016	8,311
Less amounts representing interest	<u>(396)</u>
Present value of minimum capital lease payments	<u>\$ 7,915</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

E. Leases, continued

The capitalized asset cost related to Underground as of June 30, 2015 is \$92,112,000 and accumulated depreciation of \$69,963,000.

In 2006, the Atlanta Development Authority, through DDA, issued Revenue Bonds (Downtown Parking Deck Project) Series 2006A in the aggregate principal amount of \$17,990,000 and Series 2006B \$5,490,000. The Series 2006 Bonds were issued for the purpose of financing the acquisition of land, and construction, equipping and installation of a five story parking facility consisting of approximately 836 spaces. The Series 2006 Bonds are special limited obligations of DDA, payable solely from rental payments to be made by the City to DDA under a capital lease arrangement for the parking facility project.

The lease agreement qualifies as a capital lease for accounting purposes (bargain purchase price at the end of the lease term) and has been recorded in the government-wide financial statements at the present value of the future minimum lease payments as of the date of inception.

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

2016	1,623
2017	1,620
2018	1,621
2019	1,620
2020	1,616
2021-2025	8,093
2026-2030	8,000
2031-2032	3,239
Total minimum payments	27,432
Less amounts representing interest	(8,501)
Present value of minimum capital lease payments	<u>\$ 18,931</u>

The capital asset cost of the parking deck as of June 30, 2015, is \$23,480,000 and accumulated depreciation totals \$3,444,000.

General Fund

For its General Fund, the City has entered into several lease agreements for operating purposes. These lease agreements qualify as operating leases for accounting purposes.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

E. Leases, continued

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

2016	2,722
2017	2,445
2018	2,013
2019	1,828
2020	1,078
Thereafter	<u>19,597</u>
Total minimum payments	<u>\$ 29,683</u>

The amount of lease expenditures for the year ended June 30, 2015, amounted to \$4,506,000.

F. Notes Payable

General Fund

On February 27, 2008 the City, through the Atlanta Public Safety and Judicial Facilities Authority, borrowed \$17,000,000 for construction and build-out expenses related to the Public Safety Annex. The loan, in the form of a note payable, has a ten year term and is scheduled to be paid in full by February 1, 2018. The outstanding principal balance as of June 30, 2015 is \$5,892,000.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long Term Obligations

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2015, follow (dollars in thousands):

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015	Due within One Year
Governmental activities:					
Long-term debt:					
General obligation and annual bonds	\$ 199,215	\$ 307,390	\$ (110,715)	\$ 395,890	\$ 14,185
Deferred issuance premiums	5,961	39,325	(4,064)	41,222	-
	<u>205,176</u>	<u>346,715</u>	<u>(114,779)</u>	<u>437,112</u>	<u>14,185</u>
APSJFA revenue bonds	37,230	-	(2,120)	35,110	2,210
Deferred issuance premiums	1,061	-	(144)	917	-
	<u>38,291</u>	<u>-</u>	<u>(2,264)</u>	<u>36,027</u>	<u>2,210</u>
SWMA revenue refunding bonds	14,005	-	(1,475)	12,530	1,550
Limited obligation bonds	481,185	-	(16,440)	464,745	24,485
Deferred issuance premiums	1,049	-	(153)	896	-
Deferred issuance discounts	(1,004)	-	97	(907)	-
	<u>481,230</u>	<u>-</u>	<u>(16,496)</u>	<u>464,734</u>	<u>24,485</u>
Other long-term debt:					
Notes payable	7,683	-	(1,791)	5,892	1,875
Section 108 loans	1,175	-	-	1,175	245
1998 GMA lease pool	32,444	-	-	32,444	-
Intergovernmental agreements	133,358	295,280	(78,170)	350,468	7,013
Installment sale program	29,780	-	(4,585)	25,195	4,810
Capital leases	57,129	-	(6,509)	50,620	6,708
	<u>57,129</u>	<u>-</u>	<u>(6,509)</u>	<u>50,620</u>	<u>6,708</u>
Total long-term debt	<u>1,000,271</u>	<u>641,995</u>	<u>(226,069)</u>	<u>1,416,197</u>	<u>63,081</u>
Other long-term liabilities:					
Vacation and compensation payable	17,039	20,499	(20,446)	17,092	-
Health and dental claims payable	6,080	64,415	(63,565)	6,930	1,321
General claims payable	14,538	8,190	(6,210)	16,518	2,356
Pension liability	780,190	-	(54,715)	725,475	-
Net OPEB obligation	215,106	46,915	(28,157)	233,864	-
Workers' compensation	23,417	7,308	(4,943)	25,782	4,332
	<u>23,417</u>	<u>7,308</u>	<u>(4,943)</u>	<u>25,782</u>	<u>4,332</u>
Total other long-term liabilities	<u>1,056,370</u>	<u>126,881</u>	<u>(178,036)</u>	<u>1,025,661</u>	<u>8,009</u>
Total governmental activities long-term liabilities	<u>\$ 2,056,641</u>	<u>\$ 768,876</u>	<u>\$ (404,105)</u>	<u>\$ 2,441,858</u>	<u>\$ 71,090</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, 2015

Notes to the Financial Statements – Continued

G. Long Term Obligations, continued

Changes in long-term liabilities for business-type activities during the fiscal year ended June 30, 2015, follow (dollars in thousands):

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015	Due within One Year
Business-type activities:					
Long-term debt:					
Department of Aviation					
Facilities revenue bonds	\$ 2,923,325	\$ -	\$ (105,115)	\$ 2,818,210	\$ 116,085
Bond issuance premiums	179,110	-	(18,229)	160,881	-
Bond issuance discounts	(193)	-	19	(174)	-
Department of Watershed Management					
System revenue bonds	3,006,165	1,237,405	(1,372,805)	2,870,765	56,310
Deferred issuance premiums	49,754	190,932	(28,489)	212,197	-
Deferred issuance discounts	(11,971)	-	7,660	(4,311)	-
GEFA notes payable	172,445	1,017	(4,619)	168,843	5,798
Capital lease obligations (equipment)	3,930	-	(1,206)	2,724	1,536
Nonmajor funds					
Capital lease obligation					
Parking deck	19,660	-	(730)	18,930	765
Underground Atlanta Project	15,445	-	(7,530)	7,915	7,915
Atlanta Gas Light Company Rate E-1 Contract	-	2,138	(279)	1,859	164
Total long-term debt	6,357,670	1,431,492	(1,531,323)	6,257,839	188,573
Other long-term liabilities					
Landfill postclosure liability	16,194	-	(724)	15,470	-
Contract retention	-	4,194	-	4,194	-
General claims payable	13,810	1,200	(2,580)	12,430	6,675
Pension liability	463,909	-	(31,030)	432,879	-
Net OPEB obligation	169,720	27,226	(15,152)	181,794	-
Workers' compensation	20,122	9,376	(2,321)	27,177	4,566
Interest rate swaps	121,599	16,826	-	138,425	-
Total other long-term liabilities	805,354	58,822	(51,807)	812,369	11,241
Total business-type activities long-term liabilities	\$ 7,163,024	\$ 1,490,314	\$ (1,583,130)	\$ 7,070,208	\$ 199,814
Component Units					
Long-term Debt					
Atlanta Fulton County Recreation Authority					
Revenue bonds	142,040	160,285	(10,770)	291,555	79,570
Bond issuance premiums	-	9,843	-	9,843	-
Unamortized charges	(4,609)	-	342	(4,267)	-
Total Atlanta Fulton County Recreation Authority	137,431	-	(5,688)	297,131	79,570
Atlanta Development Authority					
Revenue and other bonds	156,724	224,842	(11,305)	370,261	12,820
Bond issuance premiums	340	23,069	(366)	23,043	-
Bond issuance discounts	(139)	-	8	(131)	-
Capital leases	41	-	(33)	8	5
Notes payable	24,087	-	(2,169)	21,918	2,308
Other long-term liabilities:					
Loans payable	4,989	3,666	(4,989)	3,666	-
Due to primary government	24,000	-	-	24,000	-
Other long-term liabilities	28,925	-	(732)	28,193	-
Total Atlanta Development Authority	238,967	251,577	(19,586)	470,958	15,133
Total component units long-term debt	376,398	251,577	(25,274)	768,089	94,703

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. 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 October 8, 2014, the City placed in escrow an amount sufficient to make the final maturity and accrued interest payments on seven (G.O) bonds issuances. On December 1, 2014 the Series 2001A Various Purpose (\$925,000), Series 2001B Public Improvement (\$3,445,000), Series 2002 Various Purpose (\$4,045,000), Series 2003 Various Purpose (\$4,355,000), Series 2004A Various Purpose (\$5,095,000), and Series 2004B Public Improvement Bonds (\$17,070,000) were retired. The Series 2005B Various Purpose Bonds (\$4,735,000) were retired on December 1, 2015.

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. The refunding will reduce the Government's debt service payments over the next 13 years by an estimated \$3.17 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.

Public Safety Judicial Facilities Authority Facility Project Bonds - On October 1, 2006, the Atlanta Public Safety and Judicial Facilities Authority ("APSJFA"), (a blended component unit of the City), issued \$50,000,000 in revenue bonds, Public Safety Facility Project Series 2006 for the purpose of (i) financing all or a portion of the cost of acquiring, designing, constructing, improving and equipping a public safety headquarters and a parking deck and the parcel or parcels of property on which such facilities will be situated, all for lease to the City (the "Project"); and (ii) paying the costs of issuance of the bonds, including the premium for the municipal bond insurance policy. Under a lease agreement dated October 1, 2006, between APSJFA and the City, the City is obligated to make payments to APSJFA sufficient in time and amount to enable APSJFA to pay the principal of and interest on the bonds.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. 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 G. 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.

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. This makes it one of the most potent and important public investment tools that HUD offers to local governments. 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 will 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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 on-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.

Intergovernmental Agreements:

On December 15, 2005, the Atlanta Fulton County Recreation Authority (“AFCRA”) issued \$75,510,000 in revenue bonds, Series 2005A and \$12,650,000 in revenue refunding bonds, Series 2005B to finance projects that include the acquisition, construction, equipping, maintenance and operation of recreation centers and areas owned and operated by the City. Upon issuance of the Series 2005B Bonds, \$12,265,000 was refunded in aggregate principal amount of prior bonds Series 2000. Under an intergovernmental contract dated December 1, 2005, between AFCRA and the City, the City is obligated to make payments to AFCRA amounts sufficient in time and amount to pay the principal and interest on the Series 2005 bonds.

On June 1, 2007, the Atlanta Fulton County Recreation Authority (“AFCRA”) issued \$14,315,000 in revenue bonds, Zoo Series 2007A and \$7,515,000 in revenue bonds, Zoo Series 2007B 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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 make payments to ARCFA 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 April 11, 2007, the Urban Residential Finance Authority (“URFA”) issued \$35,000,000 of Georgia Taxable Revenue Bonds (Housing Opportunity Program), Series 2007A, for the purpose of loaning the proceeds from the sale of the bonds to Atlanta Housing Opportunity, Inc. (“AHOI), a blended component unit of the City. AHOI uses the bond proceeds to finance single-family and multi-family housing purchases in the City of Atlanta. Under an intergovernmental agreement dated April 1, 2007, between AHOI and the City, the City has guaranteed that it will make payments to AHOI sufficient in time and amount to enable AHOI to pay the loan payments due to URFA.

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.

On December 11, 1997, the Atlanta Fulton County Recreation Authority (“AFCRA”), a discretely presented component unit of the City, issued taxable revenue bonds, Series 1997 (Arena Bonds) to finance the cost of privately financed improvements, primarily the new arena (“Phillips Arena”), in the aggregate principal amount of \$147,510,000. The Arena Bonds were secured by gross revenues of the operator of the Arena, certain other guaranties and pledges provided by TBD (Turner Broadcasting System) and its related entities and by an intergovernmental secured by gross revenues of the Operator of the arena, certain other guaranties and pledges provided by TBS (Turner Broadcasting System) and its related entities and by an intergovernmental lease agreement between AFCRA, the City, and Fulton County. The Atlanta Hawks NBA Franchise executed a 30-year lease with the Operator to use the arena for their home games. As further security for the bonds, TBS provided an irrevocable standby letter of credit, not to exceed \$15,000,000. TBS sold its interest in the Operator (Arena Operations, LLC) to the Atlanta Spirit. Effective November 8, 2007, the letter of credit and the \$60,000,000 perfected lien on the Atlanta Hawks NBA Franchise was released, subject to reinstatement in accordance with the Hawks Security agreement.

On November 9, 2010, AFCRA issued \$124,515,000 in revenue refunding and improvement bonds, Series 2010 to current refund the outstanding bonds Series 1997 taxable revenue bonds (Arena Bonds). The proceeds of the bond issue, along with a contribution of Arena Operations, LLC (the “Operator”) are intended to be used to refund and redeem AFCRA’s Series 1997 bonds, provide funds for certain permitted recreation and cultural facility and program costs and expenses of the City and Fulton County, pay the costs of a debt service reserve insurance policy to fund the deposit to the debt service reserve fund in the amount of the reserve requirement, with respect to the Series 2010 bonds and pay the costs of issuance with respect

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

to the 2010 bonds, including premium of the municipal bond insurance policy insuring the Series 2010 bonds. The bonds are payable from various sources delineated in the trust indenture, including Operator revenues pursuant to the Operation Agreement, collectively amended. Pursuant to the lease agreement between AFCRA, the City, and Fulton County, the City and Fulton County are obligated to fund any deficiencies in principal or interest payments on the Series 2010 bonds. The City has a two-thirds interest in AFCRA and Fulton County has one-third interest. Any payments related to the Series 2010 bonds will be based on this proportionate ownership. For the Arena, there were no such deficiencies during the fiscal year that required funding by the City.

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 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.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

A summary of governmental-type activities bonds payable and other general long-term obligations as of June 30, 2015, is as follows (dollars in thousands):

Bonds payable:	
General Obligation Bonds:	
2005A Refunding Issue, \$85,980, 3.75% - 5.00%, due December 1, 2026	\$ 14,150
2008 Public Imp. Issue, \$36,820, 4.25% - 5.00% due December 1, 2018	11,040
2009A Refunding Issue, \$78,028, 3.20% - 5.25%, due December 1, 2023	62,205
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	40,025
2015 Public Imp. Issue, \$252,000, 4.50% - 5.00%, due December 1, 2034	252,000
Annual G.O. Bond Issues:	
2005B Issue, \$8,000, 4.00%, due December 1, 2015	380
2007A Issue, \$8,000, 3.75% - 5.00%, due December 1, 2025	725
	<u>395,890</u>
Deferred amount on bond issuance premiums	41,222
Total general obligation and annual bonds payable	<u>437,112</u>
APSJFA Revenue Bonds	
2006 Public Safety Facility Project, \$50,000, 4.25% - 5.00%, issued by the Atlanta Public Safety Judicial Facilities Authority, due December 1, 2026	35,110
Deferred amount on bond issuance premium	917
Total APSJFA revenue bonds payable	<u>36,027</u>
SWMA Revenue Refunding Bonds:	
Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority due December 1, 2021	<u>12,530</u>
Limited Obligation Bonds:	
2001 Westside Project, \$14,995, fixed and variable rate (2.12% at June 30, 2015), due December 1, 2021	6,370
2005A Westside Project, \$72,350, fixed and variable rate (2.12% at June 30, 2015), due December 1, 2023	43,290
2005B Westside Project, \$10,215, fixed and variable rate (2.12% at June 30, 2015), due December 1, 2023	6,590
2005A Eastside Project, \$9,480, 5.625%, due January 1, 2016	35
2005B Eastside Project, \$38,000, 5.40 - 5.60%, due January 1, 2030	38,000
2006 Atlantic Station, \$166,515, variable rate (3.25% at June 30, 2015), December 1, 2024	151,425
2006 Princeton Lakes Project, \$21,000, 5.50, due January 1, 2031	13,180
2007 Atlantic Station, \$85,495 4.375% - 5.25%, due December 1, 2024	59,585
2008 Westside, \$63,760 3.27%, due December 1, 2037	55,265
2008A BeltLine Reoffering, \$26,420, 7.50%, due January 1, 2031	24,155
2008B BeltLine Reoffering, \$33,725, 6.75%, term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	30,815
2008C BeltLine, \$4,355 7.50%, due January 1, 2031	3,990
2009B BeltLine, \$12,590, 6.75% term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	11,515
2009C BeltLine, \$1,030, 7.50% term bond due January 1, 2031	945
2014 Perry Bolton Project, \$21,000, 2.00% - 5.00%, due July 1, 2041	19,585
	<u>464,745</u>
Deferred amounts:	
Bond issuance premiums	896
Bond issuance discounts	(907)
Total limited obligation bonds payable	<u>464,734</u>
Total bonds payable	<u>950,403</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Other general long-term debt	
Section 108 Loans, \$4,850, 0.28% - 4.48%, due August 1, 2019 (MMPH II & Mechanicsville)	1,175
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)	25,195
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, 2022	10,448
2007 Intergovernmental Agreement guaranteed payments toward 2007A Georgia Taxable (Housing Opportunity Program) Revenue Bonds, \$35,000, 5.278% - 5.802%, issued by the Urban Residential Finance Authority, due December 1, 2027	26,270
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	18,470
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	61,180
2014 Intergovernmental Agreement Guaranteed payments toward 2014B Park Improvement, Revenue and Refunding Bonds, \$9,445, 0.63% - 2.72%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2020	9,445
2015 Intergovernmental Agreement Guaranteed payments toward 2015 Revenue Bonds (New Downtown Atlanta Stadium Project), \$224,665, 1.40% - 5.00%, issued by the Atlanta Development Authority, due July 1, 2044	224,655
Total other general long-term debt	<u>409,282</u>
Notes payable	<u>5,892</u>
Capital leases	<u>50,620</u>
Total long-term debt	<u>\$ 1,416,197</u>

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, 2015, the City had no arbitrage rebate liability.

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. As of June 30, 2015, the City believes it is in compliance with all significant limitations and restrictions.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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.

Department of Aviation (DOA)

Summary of Department of Aviation long-term debt at June 30, 2015, consists of the following (dollars in thousands):

Facilities Revenue Bonds:

General Revenue and Refunding Bonds:	
Airport General Revenue Bonds, Series 2004F, at 5.25% due serially through 2017	\$ 9,950
Airport General Revenue Bonds, Series 2010A, combination serial at 2.0% - 5.0% and term at 4.625% - 5.0% through 2040	171,205
Airport General Revenue and Refunding Bonds, Series 2010C, combination serial at 4.0% - 5.875% and term at 5.25% - 6.0% through 2030	451,030
Airport General Revenue and Refunding Bonds, Series 2011A, at 3.0% - 5.0% , due serially through 2021	192,245
Airport General Revenue Refunding Bonds, Series 2011B, at 3.0% - 5.0% , due serially through 2030	177,730
Airport General Revenue Refunding Bonds, Series 2012A, at 3.0% - 5.0% , due serially through 2042	62,845
Airport General Revenue Refunding Bonds, Series 2012B, at 4.0% - 5.0% , due serially through 2042	182,650
Airport General Revenue Refunding Bonds, Series 2012C, at 4.0% - 5.0% , due serially through 2042	222,905
Airport General Revenue Refunding Bonds, Series 2014B, at 3.0% - 5.0% , due serially through 2033	141,005
Airport General Revenue Refunding Bonds, Series 2014C, at 4.0% - 5.0% , due serially through 2030	164,795
Total General Revenue and Refunding Bonds	<u>1,776,360</u>
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	333,030
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	<u>856,635</u>
Customer Facility Charge (CFC) Restriced 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)	168,550
City of College Park Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4.0% - 4.5% (Conduit Debt)	16,665
Total Customer Facility Charge (CFC) Bonds	<u>185,215</u>
Total Facilities Revenue Bonds	2,818,210
Deferred amounts:	
Bond issuance premiums	160,881
Bond issuance discounts	(174)
Total long-term debt	\$ 2,978,917

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. 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 payment 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, 2015, the balance of outstanding conduit debt totaled \$185.2 million.

On April 10, 2014, the City of Atlanta issued approximately \$523.6 million of its Airport Passenger Facility Charge and Sub-ordinate Lien General Revenue Refunding Bonds, Series 2014A (Non-AMT), \$141.0 million of its Airport General Revenue Refunding Bond, Series 2014B (Non-AMT), and \$181.9 million of its General Airport Revenue Refunding Bond Series 2014C, collectively referred to as the “Series 2014 Bonds”. The Series 2014 Bonds were issued to refund and redeem all of the outstanding principal amount of the City’s Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004C and 2004J, the City’s Airport General Revenue Refunding Bonds, Series 2003 RF-D, the City’s Airport General Revenue Bonds, Series 2004A, Series 2004B, and a portion of the Series 2004F, and Series 2004G (the Refunded Bonds), to fund a deposit to the respective subaccounts in the Debt Service Reserve Account securing the Outstanding PFC Revenue Bonds and the Outstanding Senior Lien General Revenue Bonds, and to pay the costs of issuance with respect to the Refunded Bonds. The refunding of the Series 2014 Bonds resulted in a net present value savings of \$73.6 million and a reduction in annual debt service of \$3.2 million.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Department of Watershed Management

Summary of revenue bonds payable and GEFA notes payable at June 30, 2015 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	\$ 259,400
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 (0.47% at June 30, 2015), 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	74,400
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	445,745
Water and Wastewater Revenue Bonds, \$178,835 Series 2013A1, variable rate (1.625% at June 30, 2015), due serially and term through 2038	178,735
Water and Wastewater Revenues Bonds, \$50,000 Series 2013A2A (1.025% at June 30, 2015), due serially and term through 2038	49,490
Water and Wastewater Revenues Bonds, \$50,000 Series 2013A2 B, (1.025% at June 30, 2015), due serially and term through 2038	49,490
Water and Wastewater Revenue Bonds, \$50,000 Series 2013A2C, (1.025% at June 30, 2015), due serially and term through 2038	50,000
Water and Wastewater Refunding Revenue Bonds, \$200,140 Series 2013B, (4.50% - 5.25%), due serially and term through 2030	200,140
Water and Wastewater Revenue Refunding Bonds, \$1,237,405,000 Series 2015, 2.00% - 5.00%, due serially and term through 2043	<u>1,237,405</u>
Total Revenue Bonds	2,870,765
Deferred amounts:	
Bond issuance premiums	212,197
Bond issuance discounts	<u>(4,311)</u>
Total revenue bonds	<u>3,078,651</u>
 Georgia Environmental Facilities Authority (GEFA) Notes Payable:	
Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3.00% due serially through 2023	2,332
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035	15,087
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036	15,674
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038	16,234
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027	25,947
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028	25,815
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027	25,442
Georgia Environmental Facilities Authority (GEFA) \$5,500 Loan, 3.00%, due serially through 2032	4,924
Georgia Environmental Facilities Authority (GEFA) \$3,000 Loan, 3.81%, due serially through 2032	2,719
Georgia Environmental Facilities Authority (GEFA) 34,990 Loan, 3.00%, due serially through 2035	<u>34,669</u>
Total GEFA notes payable	<u>168,843</u>
Capital leases	<u>2,724</u>
Total long-term debt	<u>\$ 3,250,218</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The City issued various revenue bonds on behalf of the Department of Watershed Management to refinance existing bonds or finance capital improvements for its Water and Wastewater projects. The revenue bonds issued are authorized under the Master Bond Ordinance adopted March 31, 1999 as amended and supplemented from time to time with the issuance of any additional bonds. Net operating revenues from the system are pledged as security for the bonds as defined in the Constitution and laws of the State of Georgia, including the Revenue Bond Law of Georgia, as amended (the “Revenue Bond Law”). Debt service payments on outstanding bonds are made semi-annually on the first of November and May or as defined by the applicable bond indenture.

The Department of Watershed Management entered into three loan agreements with the Georgia Environmental Facilities Authority (GEFA) totaling \$50 million for projects to: (1) replace the East Point sewer trunk line; (2) provide sewer rehabilitation, replacement, and capacity relief; and (3) provide piping and equipment to capture digester gas and convert it to power for use at the RM Clayton Wastewater Treatment Plant. In February 2012, the Department entered into three loan agreements totaling \$41 million, with the purpose of financing final payments on three existing loans due February 2027, September 2027, and February 2028. Liabilities for these loans will be recorded at the time the funds are drawn. In fiscal year 2015, The Department received \$1,017,000 in GEFA funding. As of June 30, 2015, the Department had \$168,844,000 in short-term and long-term loans outstanding to GEFA. The proceeds of the GEFA loans were used to finance a portion of the cost associated with the DWM Clean Water Atlanta Program (See Note IV. C. First Amended Consent Decree).

On September 12, 2013 the City of Atlanta issued approximately \$328.7 million of its Water and Wastewater Revenue Refunding Bonds, Series 2013A, and \$200.1 million of its Water and Wastewater Revenue Refunding Bonds Series 2013B, collectively referred to as the “Series 2013 Bonds.” Of these amounts, \$178.7 million of the Series 2013A Bonds were 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 Water, 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 and Refunding Bonds, Series 2015 collectively referred to as 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, Water and Wastewater Revenue Bonds, Series 2004, Water and Wastewater Bonds, 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 \$156.1 million.

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Interest Rate Exchange Agreements (Swap’s)

Department of Watershed Management (DWM) (“Department”)

At June 30, 2015, the Department has two derivative instruments that are interest rate swaps referred to as Swap Three and Swap Four.

The Department entered into two interest rate swap agreements in December 2001. These swap agreements are currently associated with the Department’s Water and Wastewater Revenue Refunding Bonds, Series 2013A (Swap Three), and the Department’s Water and Wastewater Revenue Bonds, Series 2008 and Water and Wastewater Revenue Refunding Bonds, Series 2015 (Swap Four), and have notional amounts of \$433,420,000. Swap Three became effective on January 3, 2002 and will mature on November 1, 2038. Swap Four became effective on January 3, 2002 and will mature on November 1, 2041.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows (dollars in thousands):

Swap	Cash Flow Hedges	Changes in Fair Value		Fair Value at June 30, 2015		
		Classifications	Amount	Classification	Amount	Notional
	Pay-fixed rate 4.09% per annum. Receive	Deferred				
3	67% IM LIBOR	outflows	\$ (6,903)	Debt	\$ (106,983)	\$ 327,715
	Pay-fixed rate 4.09% per annum. Receive SIFMA	Investment				
4a (partial)		expense	\$ -	Investment	\$ (4,812)	\$ 25,265
	Pay-fixed rate 4.09% per annum. Receive SIFMA	Deferred				
4b (partial)		outflow	\$ (9,923)	Debt	\$ (26,630)	\$ 80,440
				Total	\$ (138,425)	

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 2015 was approximately \$17,330,000.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Objective and Terms of Hedging Derivative Instruments (Swap 4B) - The following table displays the objective and terms of the Department's hedging derivative instrument outstanding at June 30, 2015, along with the credit rating of the associated counterparty.

Swap	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
4b (partial)	Pay-fixed interest rate swap	Hedge of changes in cash flows of variable debt obligations	\$ 80,440	1/2/2002	11/1/2041	Receive SIFMA Municipal Swap Index; pay 4.09%	A/A2/A
3	Pay-fixed interest rate swap	Hedge of changes in cash flows of variable debt obligations	\$ 327,715	1/3/2002	11/1/2038	Receive 67% IM LIBOR pay 4.09%	A/A2/A

Risks

Credit Risk. Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2015, the two swaps were in liability positions; therefore, the Department is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps to become assets, the Department would be exposed to credit risks.

The Department executes hedging derivatives with one counterparty, comprising 100% of the net exposure to credit risk. This one counterparty is rated A as issued by Fitch, London, A2 as issued by Moody's, New York, and A as issued by Standard & Poor's, New York.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Department's financial instruments or its cash flows. The Department is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As LIBOR or the SIFMA swap index decreases the Department's net obligation 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. The Department is exposed to basis risk on its pay-fixed interest rate swap hedging instruments because the variable-rate payments received by the Department on these hedging derivative instruments are based on a rate or index other than interest rates the Department pays on its hedge variable-rate debt. As of June 30, 2015, the interest rate on the Department's hedged variable-rate debt is 1.625 percent, while the SIFMA swap index rate is 0.07 percent.

Termination Risk. Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the Department's asset and liability strategy or will present the Department with potentially significant unscheduled termination payments to the counterparty. Amendments to the swap transaction, 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Additionally, Swap 3 contains a barrier option, which provides the counterparty the right, but not the obligation date 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 the Department 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. The Department is not exposed to rollover risks because the hedging derivative instruments associated with the hedgeable debt items extend to the maturity of the hedgeable debt items.

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 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 \$15,470,000 reported as the landfill post-closure costs liability at June 30, 2015, 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.

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2015 (dollars in thousands):

Year Ended June 30	Governmental Activities					
	General Obligations		Annual Bonds		SWMA Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 13,455	\$ 16,783	\$ 730	\$ 30	\$ 1,550	\$ 561
2017	14,025	16,987	375	7	1,620	488
2018	24,545	16,228	-	-	1,695	405
2019	26,015	15,259	-	-	1,780	318
2020	27,695	14,185	-	-	1,870	227
2021-2025	119,770	53,298	-	-	4,015	172
2026-2030	75,350	31,726	-	-	-	-
2031-2035	93,930	11,935	-	-	-	-
	<u>\$ 394,785</u>	<u>\$ 176,401</u>	<u>\$ 1,105</u>	<u>\$ 37</u>	<u>\$ 12,530</u>	<u>\$ 2,171</u>

Year Ended June 30	APSJFA Revenue Bond		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2016	\$ 2,210	\$ 1,675	\$ 26,465	\$ 20,824	\$ 13,943
2017	2,310	1,579	27,710	19,213	14,510	17,524
2018	2,420	1,469	28,980	20,296	19,388	16,878
2019	2,540	1,345	30,295	18,850	13,239	16,236
2020	2,670	1,215	31,650	17,328	13,728	15,714
2021-2025	15,565	3,872	216,055	65,500	69,218	69,221
2026-2030	7,395	374	69,810	20,099	92,154	52,726
2031-2035	-	-	23,500	3,982	59,385	38,929
2036-2040	-	-	9,515	863	54,990	24,688
2041-2045	-	-	765	39	64,621	10,416
	<u>\$ 35,110</u>	<u>\$ 11,529</u>	<u>\$ 464,745</u>	<u>\$ 186,994</u>	<u>\$ 415,176</u>	<u>\$ 271,022</u>

Year Ended June 30	Business-Type Activities						
	Aviation		GA Environmental Facilities-DWM		Watershed Management		Interest Rate Swaps, Net
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 116,085	\$ 143,013	\$ 5,798	5,452	56,310	140,573	17,216
2017	121,480	137,403	5,989	5,261	60,120	129,161	17,194
2018	127,675	131,377	6,187	5,063	63,650	125,967	17,170
2019	134,710	124,996	6,391	4,859	66,850	122,492	17,146
2020	136,490	118,244	6,602	4,648	70,890	118,763	17,120
2021-2025	666,685	488,732	35,859	19,831	410,155	533,837	83,535
2026-2030	838,035	302,315	71,863	10,536	532,175	423,654	69,502
2031-2035	437,835	113,331	25,439	3,201	615,030	293,401	50,240
2036-2040	179,185	42,762	4,715	205	774,640	140,391	27,521
2041-2045	60,030	4,540	0	0	220,945	17,029	2,007
	<u>\$ 2,818,210</u>	<u>\$ 1,606,713</u>	<u>\$ 168,843</u>	<u>59,056</u>	<u>2,870,765</u>	<u>2,045,268</u>	<u>318,651</u>

Year Ended June 30	Business-Type Activities		Component Units			
	Civic Center		Recreation Authority		Atlanta Development Authority	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	164	216	\$ 79,570	\$ 8,653	\$ 15,128	\$ 14,293
2017	102	138	15,375	14,294	20,138	17,662
2018	110	129	12,665	10,599	12,650	17,101
2019	120	119	13,310	9,940	13,189	16,665
2020	131	109	14,015	9,227	13,788	16,184
2021-2025	844	354	70,500	34,416	72,615	71,932
2026-2030	389	30	61,990	13,810	65,520	55,126
2031-2035	-	-	19,600	3,678	58,265	40,210
2036-2040	-	-	4,530	113	63,440	24,396
2041-2045	-	-	-	-	52,960	8,743
	<u>1860</u>	<u>1095</u>	<u>\$ 291,555</u>	<u>\$ 104,730</u>	<u>\$ 387,693</u>	<u>\$ 282,312</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

G. Long-Term Debt, 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, 2015 (dollars in thousands):

Description of Bonds	Date	Original par Amount	Redemption Call Date	Date Defeased	Maturities Defeased	Interest	Amount Defeased	Outstanding 6/30/2015
	Originally Issued					Rate Defeased Bonds %		
General Obligation Bonds								
1993 School Improvement	11/1/1993	\$ 94,000	12/1/2003	2/28/2001	2002-2018	5.5-5.6	\$ 81,760	\$ 31,005
1996A Various Purpose	12/1/1996	8,000	12/1/2006	5/1/2005	2008-2016	5.0	2,290	605
1997A Various Purpose	11/1/1997	8,000	12/1/2007	5/1/2005	2009-2021	5.0-5.125	2,720	1,135
1998 Various Purpose	12/1/1998	8,000	12/1/2008	5/1/2005	2012-2020	4.4-4.9	1,710	335
1999 Various Purpose	12/1/1999	8,000	12/1/2009	5/1/2005	2011-2024	5.125-5.8	2,840	2,240
2000 Various Purpose	11/1/2000	8,000	12/1/2010	5/1/2005	2013-2025	5.0-5.5	2,960	1,800
2001A Various Purpose	12/1/2001	8,000	12/1/2014	10/15/2014	2021-2022	5.0-5.0	925	-
2001B Public Improvement	12/1/2001	61,220	12/1/2014	10/15/2014	2021-2021	5.0-5.0	3,445	-
2002 Various Purpose	12/1/2002	8,000	12/1/2014	10/15/2014	2015-2022	4.4-5.0	4,045	-
2003 Various Purpose	12/1/2003	8,000	12/1/2014	10/15/2014	2015-2023	3.4-4.6	4,355	-
2004A Various Purpose	12/1/2004	8,000	12/1/2014	10/15/2014	2015-2024	4.0-4.4	5,095	-
2004B Public Improvement	12/1/2004	47,500	12/1/2014	10/15/2014	2015-2021	5.0	17,070	-
2005B Various Purpose	12/1/2005	8,000	12/1/2014	10/15/2015	2016-2025	4.1-4.5	4,735	-
2005A Refunding	5/1/2005	58,805	12/1/2015	11/4/2014	2017-2024	4.125-5.0	37,775	37,775
		<u>\$ 341,525</u>					<u>\$ 171,725</u>	<u>\$ 74,895</u>
Revenue Bonds								
2009A Water & Wastewater	6/25/2009	<u>\$ 750,000</u>	11/1/2019	3/12/2015	2020-2039	6.0-6.25	<u>\$ 608,885</u>	<u>\$ 608,885</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

H. 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, 2015 is as follows (dollars in thousands):

	<u>Department of Aviation</u>	
Debt service and debt service reserve	\$	406,162
Capital Projects		607,322
Total	\$	<u>1,013,484</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. G. 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.

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, 2015 are as follows (dollars in thousands):

	<u>Department of Watershed Management</u>	<u>Department of Aviation</u>	<u>Total</u>
Airport Revenue Fund:			
Cash and cash equivalents	\$ -	\$ 5,060	\$ 5,060
Renewal and Extension Fund:			
Cash and cash equivalents	-	23,599	23,599
Other assets	-	8,468	8,468
Passenger Facility Charge Fund:			
Cash and cash equivalents	-	122,652	122,652
Other assets	-	30,419	30,419
Investments	-	450,913	450,913
Customer Facility Charge Fund:			
Cash and cash equivalents	-	28,202	28,202
Other assets	-	3,013	3,013
Construction Fund:			
Cash and cash equivalents	-	109,231	109,231
Sinking Funds:			
Cash and cash equivalents	-	383,372	383,372
Investments	-	22,790	22,790
Construction Revenue Funds:			
Cash and cash equivalents	125,611	-	125,611
Sinking Fund:			
Cash and cash equivalents	256,899	-	256,899
Investments - Guaranteed Investment Contract:	17,187	-	17,187
Total	<u>\$ 399,697</u>	<u>\$ 1,187,719</u>	<u>\$ 1,587,416</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

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 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 workers' compensation, parts of the medical and dental plan, 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 2015. 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Risk Management, continued

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.

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2015 were as follows (dollars in thousands):

	Beginning of period liability	Period claims and changes in estimates	Claim payments	End of period liability	Payments Within One Year
Workers' compensation:					
2014	\$ 37,292	\$ 10,508	\$ (4,261)	\$ 43,539	
2015	\$ 43,539	\$ 16,684	\$ (7,264)	\$ 52,959	\$ 8,898
Health and Dental claims:					
2014	\$ 7,150	\$ 59,622	\$ (60,692)	\$ 6,080	
2015	\$ 6,080	\$ 64,415	\$ (63,565)	\$ 6,930	\$ 1,321
General claims liability:					
2014	\$ 34,798	\$ 12,085	\$ (18,535)	\$ 28,348	
2015	\$ 28,348	\$ 9,390	\$ (8,790)	\$ 28,948	\$ 9,031

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.

Construction and Commitments

At June 30, 2015, the total estimated remaining costs on committed projects are \$326,700,000 for the Department of Aviation, and \$284,340,000 for the Department of Watershed Management.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

Department of Aviation

The Department has several significant construction projects budgeted. As of June 30, 2015 the Department was contractually obligated to expenditures of approximately \$326.7 million related to these projects.

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest 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, 2015, a restricted noncurrent asset is recorded for approximately \$5.0 million 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 Forest Park, 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 of the operation and maintenance costs for the plants was

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

\$23,619,000 for the period ended June 30, 2015. 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 \$20,010,000 for the year ended June 30, 2015. 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

The Department 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 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.

CSO Consent Decree

With respect to the October 10, 1995 action brought against the City by the 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, operation, and management of the existing treatment facilities. As of June 30, 2015, all projects required under the CSO Consent Decree were substantially complete.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

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 over-loading 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 2015 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 extensions that were also subject to voter referendum. In 2010, the statute was amended to allow for up to three four-year extensions. The voters approved the first term in July 2004, the second term in March 2008, and the third term in February 2014. The statute allows the City to place before the voters a referendum to approve a fourth four-year term during the presidential preference primary election in 2016. The third four-year term ends on September 30, 2016. A fourth four-year term would end on September 30, 2020. Since October 1, 2004, a 1% Municipal sales and use tax

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

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 2015 were \$131,579,000, of which \$11,330,000 were receivable from the Georgia Department of Revenue at June 30, 2015.

- 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 2015, the City received \$1,018,000 in GEFA funding. As of June 30, 2015, the City had \$168,843,000 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 20011-2015 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 2016.

Graduated Monthly Water Rate Structure:

Water <u>Consumption</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Base charge	\$5.86	\$6.56	\$6.56	\$6.56	\$6.56
0-3 ccf	\$2.30	\$2.58	\$2.58	\$2.58	\$2.58
4-6 ccf	\$4.77	\$5.34	\$5.34	\$5.34	\$5.34
Above 7 ccf	\$5.50	\$6.16	\$6.16	\$6.16	\$6.16

Graduated Monthly Wastewater Rate Structure:

Water <u>Consumption</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Base charge	\$5.86	\$6.56	\$6.56	\$6.56	\$6.56
1-3 ccf	\$8.70	\$9.74	\$9.74	\$9.74	\$9.74
4-6 ccf	\$12.18	\$13.64	\$13.64	\$13.64	\$13.64
Above 7 ccf	\$14.01	\$15.69	\$15.69	\$15.69	\$15.69

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

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 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 \$2.94 billion.

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

Project Types	Total 2006-2027 CIP (In Millions)
Wastewater Projects:	
CSO Consent Decree	\$ 714
First Amended Decree	1,694
Regulatory	96
Renewal & Extension Fund Projects	829
Subtotal	<u>3,333</u>
Water Projects:	
Consent Order	80
Non-Consent Order	<u>2,017</u>
Subtotal	<u>2,097</u>
Grand total	<u>\$ 5,430</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

V. Pension 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

A stand-alone audited financial report is issued for the three defined benefit plans and can be obtained at the below address. The defined contribution plan does not have separately issued financial statements. At page 120 is a condensed financial statement for the defined contribution plan.

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, 2014. The measurement date for the three defined benefit plans is June 30, 2014. The allocation of the pension liability is based upon fiscal year 2014 contributions from the various departments. The City is presenting net pension liability as of June 30, 2014 for its' fiscal year 2015 financials.

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, 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 nonclassified 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.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

General Employees' Pension Plan

a. Administration of the GEPP

The GEPP is administered as an agent multiple-employer defined benefit pension plan by the Board of Trustees (the Board). Board membership includes The Mayor or his designee, the City's Chief Financial Officer, a member of the City Council, two active City employee representatives, one retired City representative, one active School System representative, and one retired School System Representative. All modifications to the GEPP must be supported by actuarial analysis and receive the recommendations of the City Attorney, the Chief Financial Officer, and the Board of Trustees. Each pension law modification must be adopted by at least two-thirds vote of the City Council and approved by the Mayor.

b. Contribution requirements of the GEPP – The City

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Pension Board has the authority to administer the GEPP. The funding methods and determination of benefits payable were established by the Atlanta Code of Ordinances, Part 1, Section 6 legislative acts creating the GEPP, 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.

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 the GEPP includes a 1% multiplier, which 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 contributions at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

Beginning on November 1, 2011, employees participating in the GEPP and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the GEPP 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).

Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the GEPP 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 plans, which include General Employees', Firefighters' and Police Officers' 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 coverage, subject only to a provision that employee contributions may not increase more than 5%. Contribution requirements may be amended by the

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums. During fiscal year 2015, the City had an actuarial assessment conducted to review the pay cap. The assessment determined the City was at 26.9%, well within the cap. During the year ended June 30, 2015 the City contributions were \$47,970.

Contribution requirements to the GEPP – the School System

Employee contributions for the School System are:

Unmarried employees without dependents	7% of base salary
Unmarried employees with dependent minor children	8% of base salary
Married employees	8% of base salary

Employer contributions for the School System changed in 2014 as a result of the Atlanta Board of Education adopting resolution (Report 13/14-01177) dated June 2, 2014, to the funding policy. The fiscal year 2015 contribution under the prior policy was based on a level percent of payroll amortization method using a closed amortization period with 12.5 years remaining as of July 1, 2013. The new policy increases the prior year's contribution 3.0% annually until the Plan is fully funded.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

d. Description of GEPP benefit terms – The City

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 five 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 10 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.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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 15 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 5 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.

Firefighters' and Police Officers' Plan

Plan Description

City of Atlanta, Georgia Firefighters' (FPP) and Police Officers' (PPP) Pension Plans are single-employer defined benefit plans and 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 pre-retirement 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. Administration of the FPP and PPP

The FPP and PPP are administered as a single-employer defined-benefit plan by separate Boards of Trustees with each Board including an appointee of The Mayor or his designee, the City's Chief Financial Officer, a member of City Council, two active employee representatives and one retired employee representative. All modifications to the FPP and PPP must be supported by actuarial analysis input and receive the recommendations of the City Attorney, the Chief

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

Financial Officer, and the pertinent Board of Trustees. Each pension law modification must be adopted by at least two thirds vote of the City Council and approved by the Mayor.

b. 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). Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the defined benefit pension funds measured as a percentage of payroll. The City's annual contribution to the funds may not exceed 35% of payroll of the participants in the three Plans in aggregate. 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%. During fiscal year 2015 the City had an actuary assessment conducted to review the pay cap. The assessment determined the City was at 26.9%, well within the cap.

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 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

b. Contribution Requirements to the FPP and PPP continued

Contributions to the FPP and PPP during the year ended June 30, 2015 were \$20,865 and \$30,197 respectively.

c. 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:

Age 65 with at least five years of service

Age 57 with at least 15 years of service

*Age 55 with at least 15 years of service (hired before
September 1, 2011)*

*Age 55 with at least 10 years of service (hired before
July 1, 2010)*

Any age with at least 30 years of service

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:

*Age 47 with at least 15 years of service (hired after
August 31, 2011)*

*Any age with at least 15 years of service (hired during the
period July 1, 2010 through August 31, 2011)*

*Any age with at least 10 years of service (hired before
July 1, 2010)*

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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).

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 comp or other payments (payable to the eligible beneficiary for first two years after 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 June 30, 2014, pension plan membership consisted of the following:

	General Employees - The City	Firefighters	Police Officers
Inactive plan members or beneficiaries currently receiving benefits	3,875	994	1,405
Inactive plan members entitled to, but not yet receiving benefits	167	9	30
Active plan members	2,822	1,045	2,021
Total membership	<u>6,864</u>	<u>2,048</u>	<u>3,456</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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 Boards have been granted the authority by City Ordinance to establish and amend the Plan investment policy. The Boards are responsible for making all decisions with regard to the administration of their Plan, including the management of Plan assets, establishing the investment policy and carrying out the policy on behalf of the Plan.

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

State of Georgia Code and City statutes authorize the Plan's 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 invests 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, each of the Boards 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 policy in fiscal year 2015. 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, 2015, are summarized in the following tables.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

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%	6.6%
International equity	20%	2.2%
Fixed income	25%	7.1%
Alternative investments	5%	6.2%
	<u>100%</u>	

Firefighters' and Police Officers' Plans

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad equity market	7%	6.0%
Domestic large-cap equity	30%	6.9%
Domestic mid-cap equity	15%	8.9%
Domestic small-cap equity	9%	5.0%
International equity	9%	3.3%
Fixed income	25%	0.8%
Alternative investments	5%	7.5%
	<u>100%</u>	

For the year ended June 30, 2015, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense was 4.64%, .79%, and 1.22%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The total pension liability is based on the July 1, 2013 actuarial valuation rolled forward to June 30, 2014 using standard roll-forward techniques (dollars in thousands):

	General Employees' - the City	Firefighters'	Police Officers'	Total
Total pension liability	\$ 1,832,882	846,325	1,270,494	3,949,701
Plan fiduciary net position	<u>1,145,333</u>	<u>658,508</u>	<u>987,507</u>	<u>2,791,348</u>
Net pension liability	<u>687,549</u>	<u>187,817</u>	<u>282,987</u>	<u>1,158,353</u>

Plan fiduciary net position as a percentage of the total pension liability	62.49%	77.81%	77.73%	70.67%
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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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, 2014 (dollars in thousands):

	<u>General Employees'</u>	<u>Percent Allocated</u>	<u>Firefighters'</u>	<u>Percent Allocated</u>	<u>Police Officers'</u>	<u>Percent Allocated</u>	<u>Total</u>
General Government	\$ 322,667	46.9%	\$ 142,177	75.7%	\$ 260,631	92.1%	\$ 725,475
Department of Airport	78,999	11.5%	45,640	24.3%	22,356	7.9%	146,995
Department of Watershed Management	225,241	32.8%	—	—	—	—	225,241
Other Non-major Enterprise	<u>60,643</u>	<u>8.8%</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>60,643</u>
Total	\$ <u>687,550</u>	<u>100.0%</u>	\$ <u>187,817</u>	<u>100.0%</u>	\$ <u>282,987</u>	<u>100.0%</u>	\$ <u>1,158,354</u>

Changes in Net Pension Liability

The City is presenting net pension liability for the year June 30, 2015 based on the June 30, 2014 measurement date, as follows (dollars in thousands):

<u>General Employees' - the City</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2013	\$ 1,791,135	1,014,429	776,706
Changes for the year:			
Service cost	19,644	—	19,644
Interest expense	130,279	—	130,279
Difference between expected and actual experience	—	—	—
Contributions - employer	—	42,145	(42,145)
Contributions - employee	—	17,366	(17,366)
Net investment income	—	188,381	(188,381)
Benefit payments and refunds	(108,175)	(108,175)	—
Administrative expenses	—	(8,813)	8,813
Net changes	<u>41,748</u>	<u>130,904</u>	<u>(89,156)</u>
Balances at June 30, 2014	\$ <u>1,832,883</u>	<u>1,145,333</u>	<u>687,550</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

<u>Firefighters'</u>	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2013	\$ 788,355	561,450	226,905
Changes for the year:			
Service cost	13,783	—	13,783
Interest expense	59,473	41,046	18,427
Difference between expected and actual investment earnings	10,092	—	10,092
Assumption changes	16,251	—	16,251
Contributions - employer	—	20,656	(20,656)
Contributions - employee	—	5,670	(5,670)
Net investment income	—	71,328	(71,328)
Benefit payments and refunds	(41,629)	(41,268)	(361)
Administrative expenses	—	(374)	374
Net changes	<u>57,970</u>	<u>97,058</u>	<u>(39,088)</u>
Balances at June 30, 2014	<u>\$ 846,325</u>	<u>658,508</u>	<u>187,817</u>

<u>Police Officers'</u>	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2013	\$ 1,158,631	828,815	329,816
Changes for the year:			
Service cost	23,755	—	23,755
Interest expense	89,442	60,960	28,482
Difference between expected and actual investment earnings	—	—	—
Demographic experience	36,363	—	36,363
Assumption changes	13,373	—	13,373
Contributions - employer	—	30,197	(30,197)
Contributions - employee	—	11,157	(11,157)
Net investment income	—	108,004	(108,004)
Benefit payments and refunds	(51,070)	(51,299)	229
Administrative expenses	—	(327)	327
Net changes	<u>111,863</u>	<u>158,692</u>	<u>(46,829)</u>
Balances at June 30, 2014	<u>\$ 1,270,494</u>	<u>987,507</u>	<u>282,987</u>

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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, 2014:

General Employees' Plan		Firefighters	Police Officers
City	School System		
7.50%	7.50%	7.41%	7.41%

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 of June 30, 2014, 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):

	1% Decrease	Current discount rate	1% Increase
	6.50%	7.50%	8.50%
General Employees - the City	\$ 893,643	687,550	499,734
General Employees - School System	\$ 575,030	512,279	460,706
	6.41%	7.41%	8.41%
Firefighters' Pension	\$ 290,823	187,817	92,966
Police Officers' Pension	\$ 460,925	282,987	138,238

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement.

	<u>Inflation</u>	<u>Salary increases</u>	<u>Investment rate of return</u>
General Employees'	2.75%	3.5%	7.5%
Firefighters'	2.5%	4.0%	7.41%
Police Officers'	2.5%	4.0%	7.41%

Each of the Plans last experience study was conducted in 2011. The assumed interest (or discount) rate was decreased from 7.75% per annum to 7.41% per annum for the Firefighters' and Police Officers' Plans.

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:

	<u>The City</u>	<u>Firefighters'</u>	<u>Police Officers'</u>
Valuation date	July 1, 2013	July 1, 2013	July 1, 2013
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed
Remaining amortization period	27 years	28 years	28 years
Asset valuation method	Market value	Market value	Market value
Inflation rate	2.75%	2.25%	2.25%
Salary increases	3.50%	4.00%	4.00%
Investment rate of return	7.50%	7.41%	7.41%

For the General Employees' Plan, the mortality rates 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 mortality will be assessed again

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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 \$82,771,000 for the year ended June 30, 2015. Of the total pension expense, \$53,742,000 was recognized in the governmental activities and \$29,029,000 was recognized in the business type activities.

Deferred outflows of resources totaling \$168,479,000 and represents \$99,032,000 of contributions made after the plan's measurement date, \$42,351,000 for demographic gains/losses and \$27,096,000 for assumption changes (dollars in thousands):

<u>Deferred Outflows</u>		<u>General Government</u>	<u>Department of Watershed Management</u>	<u>Department of Aviation</u>	<u>Other non- major enterprise funds</u>	<u>Total</u>
General employees'						
Fiscal year 2015 contributions	\$	22,535	15,715	5,512	4,208	47,970
Firefighters'						
Fiscal year 2015 contributions		15,795	—	5,070	—	20,865
Assumption changes		11,302	—	3,628	—	14,930
Demographic gain/loss		7,018	—	2,253	—	9,271
Police Officers'						
Fiscal year 2015 contributions		27,811	—	2,386	—	30,197
Assumption changes		11,205	—	961	—	12,166
Demographic gain/loss		30,467	—	2,613	—	33,080
Total	\$	<u>126,133</u>	<u>15,715</u>	<u>22,423</u>	<u>4,208</u>	<u>168,479</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

Deferred inflows of resources totaling \$237,966,000 represents the pension plans net differences between projected and actual investment earnings (dollars in thousands):

<u>Deferred Inflows</u>	General Government	Department of Watershed Management	Department of Aviation	Other non- major enterprise units	Total
General employees' Net difference between projected and actual pension investment earnings	\$ 42,971	29,996	10,521	8,075	91,563
Firefighters' Net difference between projected and actual pension investment earnings	43,196	—	13,866	—	57,062
Police Officers' Net difference between projected and actual pension investment earnings	82,283	—	7,058	—	89,341
Total	<u>\$ 168,450</u>	<u>29,996</u>	<u>31,445</u>	<u>8,075</u>	<u>237,966</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

Years ending June 30,

	General Government	Department of Watershed Management	Department of Aviation	Other non- major enterprise	Total
<u>General Employees' - the City</u>					
2016	\$ 8,595	6,000	2,105	1,615	\$ 18,315
2017	8,594	5,999	2,104	1,615	18,312
2018	8,594	5,999	2,104	1,615	18,312
2019	8,594	5,999	2,104	1,615	18,312
2020	8,594	5,999	2,104	1,615	18,312
<u>Firefighters'</u>					
2016	\$ 8,640	—	2,774	—	\$ 11,414
2017	8,639	—	2,773	—	11,412
2018	8,639	—	2,773	—	11,412
2019	8,639	—	2,773	—	11,412
2020	8,639	—	2,773	—	11,412
<u>Police Officers'</u>					
2016	\$ 16,457	—	1,412	—	\$ 17,869
2017	16,457	—	1,412	—	17,869
2018	16,457	—	1,412	—	17,869
2019	16,456	—	1,412	—	17,868
2020	16,456	—	1,410	—	17,866

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

Years ending June 30:

Firefighters'

	<u>General Government</u>	<u>Department of Aviation</u>	<u>Total</u>
2016	3,664	1,177	4,841
2017	3,664	1,176	4,840
2018	3,664	1,176	4,840
2019	3,664	1,176	4,840
2020	3,664	1,176	4,840

Police Officers'

	<u>General Government</u>	<u>Department of Aviation</u>	<u>Total</u>
2016	8,334	715	9,049
2017	8,334	715	9,049
2018	8,334	715	9,049
2019	8,335	715	9,050
2020	8,335	714	9,049

Defined Contribution Plan

The City's General Employees' Defined Contribution 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. All modifications to the 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 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

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, 2015, there were 1,364 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was approximately \$95,473,000. Employer contributions for the year ended June 30, 2015, were approximately \$8,043,000 and employee contributions were approximately \$7,874,000, totaling 17.7% of covered payroll. In addition, there were another 2,011 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 nongovernmental individual investments that exceeded 5% of the net position of the Plan.

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

A. Pensions, continued

Condensed financial statement information for the Defined Contribution Plan for the year ended June 30, 2015 is shown below (dollars in thousands):

Current assets:	
Investment	
Domestic fixed income securities	\$ 35,557
Domestic equities	20,617
Alternative partnerships	148
Comingled funds	44,870
Other assets	<u>3,600</u>
Total	\$ <u><u>104,792</u></u>
Additions:	
Employer contributions	8,043
Employee contributions	7,874
Refunds and other	<u>3,158</u>
Total additions	<u>19,075</u>
Deductions:	
Benefit Payments	6,666
Administrative expenses	<u>111</u>
Total deductions	<u>6,777</u>
Change in Net Assets held in trust for pension benefits	\$ <u><u>12,298</u></u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

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. OPEB of the City includes health, dental, and vision care and life insurance. Separate financial statements are not prepared for the 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, 2015, the City made \$43.3 million “pay-as-you-go” payments on behalf of the Plan. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed \$47.6 million through their required contributions.

Annual OPEB Cost and Net OPEB Obligation: The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC); an amount actuarially determined using the Projected Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the elements of the City’s OPEB cost for the year, the amount actually contributed on behalf of the Plan, and changes in the City’s net OPEB obligation to the Plan for the year ended June 30, 2015 (dollars in thousands):

	City-Wide	DWM	DOA	Other Business- type	General Government
Annual Required Contribution	\$ 75,479	\$ 13,348	\$ 9,646	\$ 4,723	\$ 47,762
Interest on Net OPEB Obligation	15,393	2,722	1,967	964	9,740
Adjustment to Annual Required Contribution	<u>(16,731)</u>	<u>(2,959)</u>	<u>(2,138)</u>	<u>(1,047)</u>	<u>(10,587)</u>
Annual OPEB Cost (expense)	74,141	13,111	9,475	4,640	46,915
"Pay As You Go" Payments Made	<u>(43,309)</u>	<u>(7,440)</u>	<u>(5,576)</u>	<u>(2,136)</u>	<u>(28,157)</u>
Increase in Net OPEB Obligation	30,832	5,671	3,899	2,504	18,758
Net OPEB Obligation - Beginning of Year	384,826	95,238	52,300	22,182	215,106
Net OPEB Obligation - End of Year	\$ <u>415,658</u>	\$ <u>100,909</u>	\$ <u>56,199</u>	\$ <u>24,686</u>	\$ <u>233,864</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2015

Notes to the Financial Statements – Continued

B. Post-Employment Benefits, continued

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years ended June 30, 2013 - 2015 were as follows (dollars in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
June 30, 2013	\$ 99,986	38.5%	\$ 325,652
June 30, 2014	\$ 103,766	42.1%	\$ 384,826
June 30, 2015	\$ 74,141	58.4%	\$ 415,658

Funded Status and Funding Progress: As of June 30, 2014, the most recent actuarial valuation date, the Plan was not funded. The unfunded actuarial accrued liability (UAAL) for benefits was \$1.12 billion. The covered payroll was \$348 million, and the ratio of the UAAL to the covered payroll was 321.42%.

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 and salary increases among others. 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 schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents multiyear trend information on the actuarial value of plan assets relative to the actuarial accrued liability for benefits. Under the provisions of GASB 45, *Accounting and Financial reporting by employers for postemployment benefits other than pensions*, the City elected to use the June 30, 2014, actuarial report as the basis for determining the current year ARC requirement.

Actuarial Methods and Assumptions: 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, 2014, actuarial valuation, the Individual Entry Age Normal actuarial cost method was used. It is amortized as a level percent of payroll over a 23 year period and a closed amortization method. The actuarial assumptions included 4.0 percent investment rate of return (net of administrative expenses) and an annual medical cost trend rate of 9 percent initially reduced by decrements to an ultimate trend rate of 5 percent after eight 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, 2015

Notes to the Financial Statements – Continued

A. Post-Employment Benefits, continued

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 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 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

Department of Aviation

Subsequent to the close of fiscal year 2015, the City authorized the issuance of the following Commercial Paper Notes (a) Series D-1 (Non-AMT), Series D-2 (AMT), Series D-3 (Non-AMT), Series D-4 (AMT), up to the amount of \$225,000,000 (the Series D Notes) and (b) Series E-1 (Non-AMT), Series E-2 (AMT), Series E-3 (Non-AMT), Series E-4 (AMT), up to the amount of \$225,000,000 (the 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." On August 1, 2015, the City entered into a Letter of Credit Reimbursement Agreement with Bank of America, N.A. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. to facilitate the payment of and interest on the Series D and the Series E notes in the aggregate principal amount of \$450 million (issued at \$225 million each) for the Airport Commercial Paper Program. 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 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.



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Required Supplementary Information

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Funding Progress for Other Post-Employment Benefits
Year Ended June 30
(Dollars in thousands)
(Unaudited)

Schedule of Funding Progress for OPEB
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	AAL Projected Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Percentage of Covered Payroll
July 1, 2010	-	\$ 1,408,268	\$ 1,408,268	-	\$ 312,984	449.9%
July 1, 2012	-	\$ 1,482,842	\$ 1,482,842	-	\$ 321,056	461.9%
July 1, 2014	-	\$ 1,119,869	\$ 1,119,869	-	\$ 348,412	321.4%

See accompanying notes to required supplementary schedules and accompanying Auditors' report

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

	2014		
	General Employees'	Firefighters'	Police Officers'
Total pension liability	\$ 1,832,883	\$ 846,325	\$ 1,270,494
Plan fiduciary net position	\$ 1,145,333	\$ 658,508	\$ 987,507
Employers net pension liability	\$ 687,550	\$ 187,817	\$ 282,987
Plan fiduciary net position as a percentage of total pension liability	62.49%	77.81%	77.73%
Covered-employee payroll	\$ 142,494	\$ 44,508	\$ 91,840
Employers net pension liability as a percentage of covered-employee payroll	482.51%	421.98%	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 information and accompanying independent auditors' report.

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

	2014
Total pension liability:	
Service cost	\$ 19,644
Interest	130,279
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(108,175)
Net change in total pension liability	41,748
Total pension liability - beginning	1,791,135
Total pension liability - ending	1,832,883
Plan fiduciary net position:	
Contributions - employer	42,145
Contributions - member	17,366
Net investment income	188,381
Other income	-
Benefit payments, including member refunds	(108,175)
Administrative expenses	(8,813)
Net change in plan fiduciary net position	130,904
Plan fiduciary net position - beginning	1,014,429
Plan fiduciary net position - ending	1,145,333
Plan net pension liability - ending	\$ 687,550

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 information 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)

	2014
Total pension liability:	
Service cost	\$ 13,783
Interest	59,473
Changes of benefit terms	-
Differences between expected and actual experience	10,092
Changes of assumptions	16,251
Benefit payments, including refunds of member contributions	(41,629)
Net change in total pension liability	57,970
Total pension liability - beginning	788,355
Total pension liability - ending	846,325
Plan fiduciary net position:	
Contributions - employer	20,656
Contributions - member	5,670
Net investment income	71,328
Interest	41,046
Benefit payments, including member refunds	(41,268)
Administrative expenses	(374)
Net change in plan fiduciary net position	97,058
Plan fiduciary net position - beginning	561,450
Plan fiduciary net position - ending	658,508
Plan net pension liability - ending	\$ 187,817

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 information and accompanying independent auditors' report.

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

	2014
Total pension liability:	
Service cost	\$ 23,755
Interest	89,442
Changes of benefit terms	-
Differences between expected and actual experience	36,363
Changes of assumptions	13,373
Benefit payments, including refunds of member contributions	(51,070)
Net change in total pension liability	111,863
Total pension liability - beginning	1,158,631
Total pension liability - ending	1,270,494
Plan fiduciary net position:	
Contributions - employer	30,197
Contributions - member	11,157
Net investment income	108,004
Interest	60,960
Benefit payments, including member refunds	(51,299)
Administrative expenses	(327)
Net change in plan fiduciary net position	158,692
Plan fiduciary net position - beginning	828,815
Plan fiduciary net position - ending	987,507
Plan net pension liability - ending	\$ 282,987

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 information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Employer Contributions
Years ended June 30
(Dollars in thousands)
(Unaudited)

General Employees' - the City	2015	2014	2013	2012	2011	2010	2009	2008	2007¹	2005
Actuarially determined contributions	\$ 47,970	\$ 42,145	\$ 38,688	\$ 35,237	\$ 46,068	\$ 51,762	\$ 69,991	\$ 59,780	\$ 51,772	\$ 51,785
Contributions in relation to the actuarially determined contribution	47,970	42,145	38,688	35,237	46,068	51,762	69,991	59,780	51,772	51,785
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 137,726	\$ 142,494	\$ 133,069	\$ 139,107	\$ 135,636	\$ 142,597	\$ 150,312	\$ 179,982	\$ 155,185	\$ 152,408
Contributions as a percentage of covered-employee payroll	34.8%	29.6%	29.1%	25.3%	34.0%	36.3%	46.6%	33.2%	33.4%	34.0%
Firefighters'	2015	2014	2013	2012	2011	2010	2009	2008	2007	*2006
Actuarially determined contributions	\$ 20,865	\$ 20,656	\$ 17,491	\$ 21,092	\$ 24,912	\$ 25,864	\$ 28,752	\$ 26,373	\$ 25,502	\$ 8,284
Contributions in relation to the actuarially determined contribution	20,865	20,656	17,491	21,092	24,912	25,864	28,752	26,373	25,502	8,284
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 47,181	\$ 44,508	\$ 42,797	\$ 39,482	\$ 42,963	\$ 43,910	\$ 43,275	\$ 45,561	\$ 45,686	\$ 36,440
Contributions as a percentage of covered-employee payroll	44.2%	46.4%	40.9%	53.4%	58.0%	58.9%	66.4%	57.9%	55.8%	22.7%
Police Officers'	2015	2014	2013	2012	2011	2010	2009	2008	2007	*2006
Actuarially determined contributions	\$ 32,693	\$ 30,197	\$ 26,525	\$ 33,748	\$ 39,135	\$ 41,713	\$ 44,810	\$ 45,730	\$ 45,365	\$ 15,687
Contributions in relation to the actuarially determined contribution	32,693	30,197	26,525	33,748	39,135	41,713	44,810	45,730	45,365	15,687
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 93,836	\$ 91,840	\$ 88,297	\$ 73,688	\$ 83,551	\$ 78,519	\$ 82,030	\$ 84,015	\$ 77,168	\$ 73,515
Contributions as a percentage of covered-employee payroll	34.84%	32.9%	30.0%	45.8%	46.8%	53.1%	54.6%	54.4%	58.8%	21.3%

* Six months ended June 30, 2006.

¹ The General Employees' Plan year was changed from January 1 to July 1, 2007. Therefore, the amounts as of June 30, 2007 represent the 18-month period from January 1, 2006 through June 30, 2007.

See accompanying notes to required supplementary information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
Notes Required Supplementary Information
Schedule of Investment Returns
Years ended June 30
(Unaudited)

General Employees' Pension Plan - the City

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual money-weight rate of return	4.64%	19.26%	17.55%	0.93%	19.69%	12.92%	-9.56%

Firefighters' Pension Plan

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual money-weight rate of return	0.79%	21.01%	15.34%	1.68%	25.58%	14.40%	-13.86%

Police Officers' Pension Plan

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual money-weight rate of return	1.22%	21.37%	15.73%	0.99%	21.30%	12.07%	-13.15%

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 information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
Notes Required Supplementary Information
Year ended June 30, 2015
(Unaudited)

(1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the Plan's 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 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 fiscal year 2015, 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 benefit terms: Amounts reported for fiscal year 2015 reflect no change in benefit terms.

CITY OF ATLANTA, GEORGIA
Notes Required Supplementary Information
Year ended June 30, 2015
(Unaudited)

Budgetary Data

The City is required to adopt a balanced budget each year and maintains 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 Major funds consisting of the General Fund, MOST fund, as well as the following non-Major funds: Community Development, Emergency Telephone System, Intergovernmental Grant, 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 generally accepted accounting principles (GAAP) for all legally required budgeted funds.

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 Grant 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, 2015.

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 2015, neither the General Fund nor the MOST funds had expenditures that exceeded appropriations at the fund level.

CITY OF ATLANTA, GEORGIA
General Fund
Statement of Revenues, Expenses and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015
(Dollars in Thousands)

Notes and Comments:

Total revenue for Original and Final, per Council approval, was \$567,939

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

Total Budget for Revenues:	\$	567,939	
less: Operating Transfer Budget		(25,427)	Reflected in other financing sources and uses as a transfer in
less: Proceeds from sales of assets		(675)	Reflected in other financing sources and uses
less: Indirect Cost Recovery		(31,805)	Reflected as an offset to General Government expenditures
Total Revenues	\$	510,032	

Budgeted Amounts

	Original	Final Budget	Actual Amounts	Variance with Budget
Revenues:				
Property taxes	\$ 181,633	\$ 181,633	\$ 191,015	\$ 9,382
Local option sales taxes	100,052	100,052	102,224	2,172
Public utility, alcoholic beverage and other taxes	110,019	110,019	105,197	(4,822)
Licenses and permits	62,238	62,238	69,681	7,443
Charges for current services	9,802	9,802	10,087	285
Fines, forfeitures and penalties	31,106	31,106	26,670	(4,436)
Investment income	3,577	3,577	2,030	(1,547)
Building rentals and concessions	6,492	6,492	7,808	1,316
Other	1,647	1,647	2,354	707
Fund Balance Appropriation	3,466	3,466	-	(3,466)
Total revenues	510,032	510,032	517,066	7,034
Expenditures:				
General government	147,156	147,156	125,658	(21,498)
Police	175,563	175,563	177,971	2,408
Fire	81,976	81,976	82,104	128
Corrections	31,356	31,356	33,457	2,101
Public works	25,609	25,609	33,328	7,719
Parks, recreation and cultural affairs	30,541	30,541	32,103	1,562
Debt service				
Principal payments	16,055	16,055	11,094	(4,961)
Interest payments	7,135	7,135	4,394	(2,741)
Paying agent fees	28	28	15	(13)
Bond issuance costs	-	-	-	-
Other	-	-	-	-
Total expenditures	515,419	515,419	500,124	(15,295)
Excess (Deficiency) of revenues over expenditures	(5,387)	(5,387)	16,942	22,329
Other financing sources (uses):				
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of assets	675	675	2,119	1,444
Transfers in	25,427	25,427	39,134	13,707
Transfers out	(20,715)	(20,715)	(49,166)	(28,451)
Total other financing sources (uses):	5,387	5,387	(7,913)	(13,300)
Net change in fund balance	-	-	9,029	9,029
Fund balance, beginning of the period	141,985	141,985	141,985	-
Fund balance, end of period	\$ 141,985	\$ 141,985	\$ 151,014	\$ 9,029

CITY OF ATLANTA, GEORGIA
Municipal Option Sales Tax (MOST) Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Municipal Option Sales Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Local and Municipal Option Sales	\$ 121,137	\$ 121,137	\$ 131,579	\$ 10,442
Total Revenues	121,137	121,137	131,579	10,442
EXPENDITURES				
Current:				
Parks, recreation and cultural affairs	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues Over (under) expenditures	121,137	121,137	131,579	10,442
Other Financing Sources (Uses):				
Transfers out	(121,137)	(121,137)	(131,579)	(10,442)
Total Other Financing Sources (Uses)	(121,137)	(121,137)	(131,579)	(10,442)
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	-	-
FUND BALANCE:				
Fund balances, beginning of period	-	-	-	-
Fund Balance, End of Period	\$ -	\$ -	\$ -	-

See accompanying notes to the Auditor's report



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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 the 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 Grant 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:

*Northwest Atlanta
Hollowell/M.L. King
Campbelton Road*

*Metropolitan Parkway
Stadium Neighborhoods*

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:

*Expendable Trust Fund
Home Investment Partnership Trust Fund
Section 108 Loan Trust*

*Car Rental Excise Tax Fund
Hotel/Motel Excise Tax Fund
Atlanta Housing Opportunity, Inc.*

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. Additionally, Tax Allocation Districts were 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:

*Atlantic Station
Westside
Princeton Lake*

*Eastside
Atlanta Beltline*

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.



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CITY OF ATLANTA, GEORGIA

Combining Balance Sheet
 Nonmajor Governmental Funds
 For the Year Ending June 30, 2015
 (Dollars in Thousands)

	<u>Special Revenue Funds</u>				
	<u>Community Development</u>	<u>Emergency Telephone System</u>	<u>Inter - Governmental Grants</u>	<u>Tax Allocations Districts</u>	<u>Other Special Revenue</u>
ASSETS					
Cash and cash equivalents, restricted	\$ 3,186	\$ -	\$ 7,554	\$ 15,761	\$ 11,399
Equity in cash management pool	-	-	-	-	36,575
Investments	-	-	-	-	378
Receivables:					
Taxes	-	-	-	1,825	6,053
Accounts	732	4,849	2,574	-	4,127
Due from other governments	825	-	7,002	-	1,603
Due from other funds	-	-	-	-	250
TOTAL ASSETS	<u>\$ 4,743</u>	<u>\$ 4,849</u>	<u>\$ 17,130</u>	<u>\$ 17,586</u>	<u>\$ 60,385</u>
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Account payable	\$ 3,090	\$ 237	\$ 12,315	\$ 104	\$ 4,776
Accrued expenses	47	369	227	-	135
Contract retentions	61	-	642	-	175
Due to other governments	-	-	-	-	6,553
Due to Other Funds	153	5,289	5,401	19	10
Unearned revenue	530	-	9	-	82
Total liabilities	<u>3,881</u>	<u>5,895</u>	<u>18,594</u>	<u>123</u>	<u>11,731</u>
Deferred inflows of resources					
Deferred inflows of property taxes	-	-	-	1,790	383
Total liabilities and deferred inflows of resources	<u>3,881</u>	<u>5,895</u>	<u>18,594</u>	<u>1,913</u>	<u>12,114</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	862	-	-	15,673	48,271
Assigned	-	-	-	-	-
Unassigned	-	(1,046)	(1,464)	-	-
Total Fund Balances	<u>862</u>	<u>(1,046)</u>	<u>(1,464)</u>	<u>15,673</u>	<u>48,271</u>
TOTAL LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES	<u>\$ 4,743</u>	<u>\$ 4,849</u>	<u>\$ 17,130</u>	<u>\$ 17,586</u>	<u>\$ 60,385</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA

Combining Balance Sheet
 Nonmajor Governmental Funds
 For the Year Ending June 30, 2015
 (Dollars in Thousands)

<u>Debt Service Funds</u>		<u>Capital Project Funds</u>				<u>Total</u>
<u>Bond</u> <u>Service</u> <u>Fund</u>	<u>Tax Allocation</u> <u>Districts</u>	<u>Park</u> <u>Improvement</u>	<u>Special</u> <u>Assessment</u>	<u>General</u> <u>Governmental</u> <u>Capital Outlay</u>	<u>Solid Waste</u> <u>Management</u> <u>Authority</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ 33,451	\$ 206,765	\$ -	\$ -	\$ 33,845	\$ 2,488	\$ 314,449
-	-	2,658	2,484	-	-	41,717
-	-	-	-	-	-	378
1,636	4,353	521	-	-	-	14,388
66	12,543	27	9	-	-	24,927
-	-	-	-	-	-	9,430
195	-	-	-	315	-	760
<u>\$ 35,348</u>	<u>\$ 223,661</u>	<u>\$ 3,206</u>	<u>\$ 2,493</u>	<u>\$ 34,160</u>	<u>\$ 2,488</u>	<u>\$ 406,049</u>
\$ 3	\$ 16,531	\$ 140	\$ 1	\$ 181	\$ 21	\$ 37,399
-	-	43	-	-	-	821
-	-	3	-	42	-	923
-	3,502	-	-	-	-	10,055
-	358	-	-	-	-	11,230
-	-	-	-	-	-	621
<u>3</u>	<u>20,391</u>	<u>186</u>	<u>1</u>	<u>223</u>	<u>21</u>	<u>61,049</u>
<u>1,589</u>	<u>4,237</u>	<u>505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,504</u>
<u>1,592</u>	<u>24,628</u>	<u>691</u>	<u>1</u>	<u>223</u>	<u>21</u>	<u>69,553</u>
-	-	-	-	-	-	-
33,756	199,033	2,515	2,492	33,937	2,467	339,006
-	-	-	-	-	-	-
-	-	-	-	-	-	(2,510)
<u>33,756</u>	<u>199,033</u>	<u>2,515</u>	<u>2,492</u>	<u>33,937</u>	<u>2,467</u>	<u>336,496</u>
<u>\$ 35,348</u>	<u>\$ 223,661</u>	<u>\$ 3,206</u>	<u>\$ 2,493</u>	<u>\$ 34,160</u>	<u>\$ 2,488</u>	<u>\$ 406,049</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending June 30, 2015
 (Dollars in Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter- governmental Grants	Tax Allocation Districts	Other Special Revenues
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ 3,135	\$ -
Other taxes	-	-	-	-	67,854
Licenses and permits	-	-	-	-	1,022
Charges for current services	-	14,306	-	-	3,244
Fines , forfeitures and penalties	-	-	-	-	2,157
Investment Income	-	-	(1)	10	465
Intergovernmental Revenues and Contributions:					
U.S. Government grants	5,556	-	26,544	-	2,575
State and local governments	<u>1,342</u>	<u>-</u>	<u>10,900</u>	<u>-</u>	<u>4,153</u>
Total intergovernmental revenues	6,898	-	37,444	-	6,728
Building Rentals and Concessions	-	-	-	-	1,037
Other	-	-	-	-	3,310
Total Revenues	<u>6,898</u>	<u>14,306</u>	<u>37,443</u>	<u>3,145</u>	<u>85,817</u>
EXPENDITURES					
Current:					
Executive Offices	2,106	-	12,628	-	2,284
City Council	-	-	-	-	3
Personel and human services	-	-	-	-	27
Courts and judicial agencies	21	-	112	-	76
Finance	924	-	240	-	152
Housing, planning and development	1,770	-	9,244	-	4,985
Nondepartmental	<u>-</u>	<u>498</u>	<u>-</u>	<u>1,001</u>	<u>52,108</u>
Total general government	4,821	498	22,224	1,001	59,635
Police	533	15,554	7,015	-	2,307
Fire	-	-	189	-	(1)
Corrections	-	-	1	-	2,233
Public Works	127	-	10,757	-	5,126
Parks, recreation and cultural affairs	808	-	726	-	4,838
Debt Service:					
Principal payment	-	-	-	1,415	-
Interest payments	88	-	-	666	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>6,377</u>	<u>16,052</u>	<u>40,912</u>	<u>3,082</u>	<u>74,138</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>521</u>	<u>(1,746)</u>	<u>(3,469)</u>	<u>63</u>	<u>11,679</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	-	-	-	-	12
Transfers in	110	13,515	1,493	-	4,828
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,227)</u>
Total Other Financing Sources (Uses)	<u>110</u>	<u>13,515</u>	<u>1,493</u>	<u>-</u>	<u>(12,387)</u>
Net Change in Fund Balances	631	11,769	(1,976)	63	(708)
FUND BALANCE:					
Beginning of the period	<u>231</u>	<u>(12,815)</u>	<u>512</u>	<u>15,610</u>	<u>48,979</u>
FUND BALANCE, END OF PERIOD	<u>\$ 862</u>	<u>\$ (1,046)</u>	<u>\$ (1,464)</u>	<u>\$ 15,673</u>	<u>\$ 48,271</u>

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending June 30, 2015
 (Dollars in Thousands)

<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>					<u>Total Nonmajor Governmental Funds</u>
Bond Service Fund	Tax Allocation Disticts	Park Improvement	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority		
\$ 29,731	\$ 64,591	\$ 9,651	\$ -	\$ -	\$ -	\$ -	107,108
2,070	-	810	-	-	-	-	70,734
-	-	-	-	-	-	-	1,022
-	3	-	68	6,578	-	-	24,199
-	-	-	-	-	-	-	2,157
19	589	49	20	30	1	-	1,182
-	-	-	-	-	-	-	34,675
-	-	-	-	-	-	-	16,395
-	-	-	-	-	-	-	51,070
-	-	-	-	-	-	-	1,037
-	(1)	-	-	-	-	-	3,309
<u>31,820</u>	<u>65,182</u>	<u>10,510</u>	<u>88</u>	<u>6,608</u>	<u>1</u>	-	261,818
-	-	-	-	-	-	-	17,018
-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	27
-	-	-	-	-	-	-	209
-	-	-	-	-	4	-	1,320
-	-	-	-	-	-	-	15,999
312	26,667	6,378	-	23	-	-	86,987
<u>312</u>	<u>26,667</u>	<u>6,378</u>	<u>-</u>	<u>23</u>	<u>4</u>	-	121,563
-	-	-	-	-	-	-	25,409
-	-	-	-	82	-	-	270
-	-	-	-	56	-	-	2,290
-	52	-	-	842	-	-	16,904
-	-	4,496	-	1,063	-	-	11,931
56,730	15,025	-	-	-	1,475	-	74,645
6,538	18,405	-	-	-	631	-	26,328
27	-	-	-	-	-	-	27
<u>5</u>	<u>21</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	168
<u>63,612</u>	<u>60,170</u>	<u>11,016</u>	<u>-</u>	<u>2,066</u>	<u>2,110</u>	<u>-</u>	279,535
<u>(31,792)</u>	<u>5,012</u>	<u>(506)</u>	<u>88</u>	<u>4,542</u>	<u>(2,109)</u>	<u>-</u>	(17,717)
-	1,245	-	-	-	-	-	1,257
1	-	-	-	-	2,106	-	22,053
<u>(1,099)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(18,326)
<u>(1,098)</u>	<u>1,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,106</u>	<u>-</u>	4,984
<u>(32,890)</u>	<u>6,257</u>	<u>(506)</u>	<u>88</u>	<u>4,542</u>	<u>(3)</u>	<u>-</u>	(12,733)
<u>66,646</u>	<u>192,776</u>	<u>3,021</u>	<u>2,404</u>	<u>29,395</u>	<u>2,470</u>	<u>-</u>	349,229
<u>\$ 33,756</u>	<u>\$ 199,033</u>	<u>\$ 2,515</u>	<u>\$ 2,492</u>	<u>\$ 33,937</u>	<u>\$ 2,467</u>	<u>\$ -</u>	\$ 336,496

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Tax Allocation Districts
For the Year Ending June 30, 2015
(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	\$ 9,479	\$ 2,468	\$ 2,322	\$ 1,408	\$ 84	\$ 15,761	\$ 36,586	\$ 67,459	\$ 7,131	\$ 75,263	\$ 20,326	\$ 206,765
Receivables:												
Taxes	1,347	319	117	35	7	1,825	112	2,074	42	481	1,644	4,353
Accounts	-	-	-	-	-	-	32	11,532	-	76	903	12,543
TOTAL ASSETS	\$ 10,826	\$ 2,787	\$ 2,439	\$ 1,443	\$ 91	\$ 17,586	\$ 36,730	\$ 81,065	\$ 7,173	\$ 75,820	\$ 22,873	\$ 223,661
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Account payable	22	11	15	4	52	104	4	467	5	48	16,007	16,531
Due to other governments	-	-	-	-	-	-	-	-	-	3,502	-	3,502
Due to Other Funds	15	2	2	-	-	19	2	320	8	9	19	358
Total liabilities	37	13	17	4	52	123	6	787	13	3,559	16,026	20,391
Deferred inflows of resources												
Deferred inflows of property taxes	1,317	315	117	34	7	1,790	112	2,058	42	462	1,563	4,237
Total liabilities and deferred inflows of resources	1,354	328	134	38	59	1,913	118	2,845	55	4,021	17,589	24,628
Fund Balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	9,472	2,459	2,305	1,405	32	15,673	36,612	78,220	7,118	71,799	5,284	199,033
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	9,472	2,459	2,305	1,405	32	15,673	36,612	78,220	7,118	71,799	5,284	199,033
TOTAL LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES	\$ 10,826	\$ 2,787	\$ 2,439	\$ 1,443	\$ 91	\$ 17,586	\$ 36,730	\$ 81,065	\$ 7,173	\$ 75,820	\$ 22,873	\$ 223,661

See accompanying independent auditors report
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CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds-Tax Allocation Districts
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending June 30, 2015
 (Dollars in Thousands)

	Special Revenue Funds					Debt Services Funds						
	NW Atlanta	Hollowell/ M.L.King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
REVENUES												
Property Taxes	\$ 2,523	\$ 341	\$ 64	\$ 206	\$ 1	\$ 3,135	\$ 16,267	\$ 13,015	\$ 2,014	\$ 11,552	\$ 21,743	\$ 64,591
Charges for current services	-	-	-	-	-	-	-	4	-	(1)	-	3
Investment Income	8	1	1	-	-	10	398	18	1	168	4	589
Other	-	-	-	-	-	-	-	(1)	-	-	-	(1)
Total Revenues	2,531	342	65	206	1	3,145	16,665	13,036	2,015	11,719	21,747	65,182
EXPENDITURES												
Current:												
Nondepartmental	598	43	303	36	21	1,001	132	4,852	51	540	21,092	26,667
Total general government	598	43	303	36	21	1,001	132	4,852	51	540	21,092	26,667
Public Works	-	-	-	-	-	-	-	52	-	-	-	52
Debt Service:												
Paying agent fees	-	-	-	-	-	-	6	9	-	6	-	21
Principal payment	1,415	-	-	-	-	1,415	4,515	6,785	-	1,585	2,140	15,025
Interest payments	666	-	-	-	-	666	8,429	1,647	725	2,200	5,404	18,405
Total Expenditures	2,679	43	303	36	21	3,082	13,082	13,345	776	4,331	28,636	60,170
Excess (Deficiency) of Revenues Over (under) Expenditures	(148)	299	(238)	170	(20)	63	3,583	(309)	1,239	7,388	(6,889)	5,012
OTHER FINANCING SOURCES (USES)												
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	1,245	1,245
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	1,245	1,245
Net Change in Fund Balances	(148)	299	(238)	170	(20)	63	3,583	(309)	1,239	7,388	(5,644)	6,257
FUND BALANCE:												
Beginning of the period	9,620	2,160	2,543	1,235	52	15,610	33,029	78,529	5,879	64,411	10,928	192,776
FUND BALANCE, END OF PERIOD	\$ 9,472	\$ 2,459	\$ 2,305	\$ 1,405	\$ 32	\$ 15,673	\$ 36,612	\$ 78,220	\$ 7,118	\$ 71,799	\$ 5,284	\$ 199,033

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, 2015
(Dollars in Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity	
ASSETS							
Cash and cash equivalents, restricted	\$ 1,982	\$ 851	\$ 4,574	\$ -	\$ -	\$ 3,992	\$ 11,399
Equity in cash management pool	36,193	-	-	16	366	-	36,575
Investments	378	-	-	-	-	-	378
Receivables:							
Taxes	-	-	-	-	6,053	-	6,053
Accounts	380	4	-	117	-	3,626	4,127
Due from other governments	-	592	1,011	-	-	-	1,603
Due from other funds	-	-	250	-	-	-	250
TOTAL ASSETS	\$ 38,933	\$ 1,447	\$ 5,835	\$ 133	\$ 6,419	\$ 7,618	\$ 60,385
LIABILITIES , DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Account payable	3,890	875	12	(1)	-	-	4,776
Accrued expenses	129	6	-	-	-	-	135
Contract retentions	175	-	-	-	-	-	175
Due to other governments	-	-	-	134	6,419	-	6,553
Due to Other Funds	-	10	-	-	-	-	10
Unearned revenue	-	82	-	-	-	-	82
Total liabilities	4,194	973	12	133	6,419	-	11,731
Deferred inflows of resources							
Deferred inflows of property taxes	383	-	-	-	-	-	383
Total liabilities and deferred inflows of resources	4,577	973	12	133	6,419	-	12,114
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	34,356	474	5,823	-	-	7,618	48,271
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	34,356	474	5,823	-	-	7,618	48,271
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 38,933	\$ 1,447	\$ 5,835	\$ 133	\$ 6,419	\$ 7,618	\$ 60,385

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds-Other Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending June 30, 2015
 (Dollars in Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity	
REVENUES							
Other taxes	\$ 2,191	\$ -	\$ -	\$ 1,333	\$ 64,330	\$ -	\$ 67,854
Licenses and permits	1,022	-	-	-	-	-	1,022
Charges for current services	2,679	-	-	-	-	565	3,244
Fines, forfeitures and penalties	2,157	-	-	-	-	-	2,157
Investment Income	426	-	3	-	-	36	465
Intergovernmental Revenues and Contributions:							
U.S. Government grants	-	2,575	-	-	-	-	2,575
State and local governments	4,153	-	-	-	-	-	4,153
Total intergovernmental revenues	4,153	2,575	-	-	-	-	6,728
Building Rentals and Concessions	1,037	-	-	-	-	-	1,037
Other	3,310	-	-	-	-	-	3,310
Total Revenues	16,975	2,575	3	1,333	64,330	601	85,817
EXPENDITURES							
Current:							
Executive Offices	2,016	268	-	-	-	-	2,284
City Council	3	-	-	-	-	-	3
Personel and human services	27	-	-	-	-	-	27
Courts and judicial agencies	76	-	-	-	-	-	76
Finance	152	-	-	-	-	-	152
Housing, planning and development	2,915	2,257	(187)	-	-	-	4,985
Nondepartmental	(393)	-	-	1,333	48,254	2,914	52,108
Total general government	4,796	2,525	(187)	1,333	48,254	2,914	59,635
Police	2,307	-	-	-	-	-	2,307
Fire	(1)	-	-	-	-	-	(1)
Corrections	2,233	-	-	-	-	-	2,233
Public Works	5,126	-	-	-	-	-	5,126
Parks, recreation and cultural affairs	4,838	-	-	-	-	-	4,838
Debt Service:							
Total Expenditures	19,299	2,525	(187)	1,333	48,254	2,914	74,138
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,324)	50	190	-	16,076	(2,313)	11,679
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	12	-	-	-	-	-	12
Transfers in	1,959	-	-	-	-	2,869	4,828
Transfers out	(1,151)	-	-	-	(16,076)	-	(17,227)
Total Other Financing Sources (Uses)	820	-	-	-	(16,076)	2,869	(12,387)
Net Change in Fund Balances	(1,504)	50	190	-	-	556	(708)
FUND BALANCE:							
Beginning of the period	35,860	424	5,633	-	-	7,062	48,979
FUND BALANCE, END OF PERIOD	\$ 34,356	\$ 474	\$ 5,823	\$ -	\$ -	\$ 7,618	\$ 48,271

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ending June 30, 2015

(Dollars in Thousands)

	<u>Community Development Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental Revenues:				
Federal Revenues	\$ 23,939	\$ 23,939	\$ 5,556	\$ (18,383)
State and local governments	-	-	1,342	1,342
Total intergovernmental revenues	<u>23,939</u>	<u>23,939</u>	<u>6,898</u>	<u>(17,041)</u>
Other	<u>13</u>	<u>13</u>	-	<u>(13)</u>
Total Revenues	<u>23,952</u>	<u>23,952</u>	<u>6,898</u>	<u>(17,054)</u>
EXPENDITURES				
Current:				
Executive Offices	3,601	3,601	2,106	(1,495)
Courts and judicial agencies	39	39	21	(18)
Finance	6,271	6,271	924	(5,347)
Housing, planning and development	<u>9,054</u>	<u>9,054</u>	<u>1,770</u>	<u>(7,284)</u>
General government	<u>18,965</u>	<u>18,965</u>	<u>4,821</u>	<u>(14,144)</u>
Police	1,076	1,076	533	(543)
Fire	37	37	-	(37)
Corrections	<u>8</u>	<u>8</u>	-	<u>(8)</u>
Total public safety	<u>1,121</u>	<u>1,121</u>	<u>533</u>	<u>(588)</u>
Public Works	1,069	1,069	127	(942)
Parks, recreation and cultural affairs	2,797	2,797	808	(1,989)
Debt Service:				
Interest payments	-	-	<u>88</u>	<u>88</u>
Total Expenditures	<u>23,952</u>	<u>23,952</u>	<u>6,377</u>	<u>(17,575)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>521</u>	<u>521</u>
Other Financing Sources (Uses):				
Transfers in	-	-	110	110
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>631</u>	<u>631</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>231</u>	<u>231</u>	<u>231</u>	
Fund Balance, End of Period	<u><u>\$ 231</u></u>	<u><u>\$ 231</u></u>	<u><u>\$ 862</u></u>	

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ending June 30, 2015

(Dollars in Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for Recurring Services	\$ 11,415	\$ 11,415	\$ 14,306	\$ 2,891
Other	<u>22</u>	<u>22</u>	<u>-</u>	<u>(22)</u>
Total Revenues	<u>11,437</u>	<u>11,437</u>	<u>14,306</u>	<u>2,869</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>444</u>	<u>444</u>	<u>498</u>	<u>54</u>
General government	<u>444</u>	<u>444</u>	<u>498</u>	<u>54</u>
Police	<u>16,508</u>	<u>16,508</u>	<u>15,554</u>	<u>(954)</u>
Total public safety	<u>16,508</u>	<u>16,508</u>	<u>15,554</u>	<u>(954)</u>
Total Expenditures	<u>16,952</u>	<u>16,952</u>	<u>16,052</u>	<u>(900)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,515)</u>	<u>(5,515)</u>	<u>(1,746)</u>	<u>3,769</u>
Other Financing Sources (Uses):				
Transfers in	<u>5,515</u>	<u>5,515</u>	<u>13,515</u>	<u>8,000</u>
Total Other Financing Sources (Uses)	<u>5,515</u>	<u>5,515</u>	<u>13,515</u>	<u>8,000</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>11,769</u>	<u>11,769</u>
FUND BALANCE (DEFICIT)				
Fund deficit, beginning of period	<u>(12,815)</u>	<u>(12,815)</u>	<u>(12,815)</u>	
Fund Deficit, End of Period	<u>\$ (12,815)</u>	<u>\$ (12,815)</u>	<u>\$ (1,046)</u>	

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds
Special Revenue Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	<u>Intergovernmental Grant Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Other Taxes	21	21	-	(21)
Investment Income	281	281	(1)	(282)
Intergovernmental Revenues:				
Federal Revenues	100,683	100,683	26,544	(74,139)
State and local governments	25,846	25,846	10,900	(14,946)
Total intergovernmental revenues	<u>126,529</u>	<u>126,529</u>	<u>37,444</u>	<u>(89,085)</u>
Other	<u>7</u>	<u>7</u>	<u>-</u>	<u>(7)</u>
Total Revenues	<u>126,838</u>	<u>126,838</u>	<u>37,443</u>	<u>(89,395)</u>
EXPENDITURES				
Current:				
Executive Offices	29,344	29,344	12,628	(16,716)
Courts and judicial agencies	469	469	112	(357)
Finance	1,102	1,102	240	(862)
Housing, planning and development	<u>21,697</u>	<u>21,697</u>	<u>9,244</u>	<u>(12,453)</u>
General government	<u>52,612</u>	<u>52,612</u>	<u>22,224</u>	<u>(30,388)</u>
Police	21,667	21,667	7,015	(14,652)
Fire	2,194	2,194	189	(2,005)
Corrections	<u>292</u>	<u>292</u>	<u>1</u>	<u>(291)</u>
Total public safety	<u>24,153</u>	<u>24,153</u>	<u>7,205</u>	<u>(16,948)</u>
Public Works	50,945	50,945	10,757	(40,188)
Parks, recreation and cultural affairs	3,250	3,250	726	(2,524)
Total Expenditures	<u>130,960</u>	<u>130,960</u>	<u>40,912</u>	<u>(90,048)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,122)</u>	<u>(4,122)</u>	<u>(3,469)</u>	<u>653</u>
Other Financing Sources (Uses):				
Transfers in	<u>4,122</u>	<u>4,122</u>	<u>1,493</u>	<u>(2,629)</u>
Total Other Financing Sources (Uses)	<u>4,122</u>	<u>4,122</u>	<u>1,493</u>	<u>(2,629)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(1,976)</u>	<u>(1,976)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>512</u>	<u>512</u>	<u>512</u>	
Fund Balance, End of Period	<u>\$ 512</u>	<u>\$ 512</u>	<u>\$ (1,464)</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	NW Atlanta Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 2,436	\$ 2,436	\$ 2,523	\$ 87
Investment Income	10	10	8	(2)
Other	<u>6,751</u>	<u>6,751</u>	<u>-</u>	<u>(6,751)</u>
Total Revenues	<u>9,197</u>	<u>9,197</u>	<u>2,531</u>	<u>(6,666)</u>
EXPENDITURES				
Current:				
Executive Offices	773	773	-	(773)
Nondepartmental	<u>6,343</u>	<u>6,343</u>	<u>598</u>	<u>(5,745)</u>
General government	<u>7,116</u>	<u>7,116</u>	<u>598</u>	<u>(6,518)</u>
Principal payment	1,415	1,415	1,415	-
Interest payments	<u>666</u>	<u>666</u>	<u>666</u>	<u>-</u>
Total Expenditures	<u>9,197</u>	<u>9,197</u>	<u>2,679</u>	<u>(6,518)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(148)</u>	<u>(148)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>9,620</u>	<u>9,620</u>	<u>9,620</u>	<u>-</u>
Fund Balance, End of Period	<u><u>\$ 9,620</u></u>	<u><u>\$ 9,620</u></u>	<u><u>\$ 9,472</u></u>	<u><u>-</u></u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Hollowell-Martin Luther King Dr. Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 328	\$ 328	\$ 341	\$ 13
Investment Income	3	3	1	(2)
Other	<u>1,977</u>	<u>1,977</u>	<u>-</u>	<u>(1,977)</u>
Total Revenues	<u>2,308</u>	<u>2,308</u>	<u>342</u>	<u>(1,966)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>2,308</u>	<u>2,308</u>	<u>43</u>	<u>(2,265)</u>
General government	<u>2,308</u>	<u>2,308</u>	<u>43</u>	<u>(2,265)</u>
Total Expenditures	<u>2,308</u>	<u>2,308</u>	<u>43</u>	<u>(2,265)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>2,160</u>	<u>2,160</u>	<u>2,160</u>	
Fund Balance, End of Period	<u><u>\$ 2,160</u></u>	<u><u>\$ 2,160</u></u>	<u><u>\$ 2,459</u></u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Campbellton Road Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 17	\$ 17	\$ 64	\$ 47
Investment Income	4	4	1	(3)
Other	1,813	1,813	-	(1,813)
Total Revenues	1,834	1,834	65	(1,769)
EXPENDITURES				
Current:				
Nondepartmental	1,834	1,834	303	(1,531)
General government	1,834	1,834	303	(1,531)
Total Expenditures	1,834	1,834	303	(1,531)
Excess (deficiency) of revenues over (under) expenditures	-	-	(238)	(238)
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	(238)	(238)
FUND BALANCE:				
Fund balances, beginning of period	2,543	2,543	2,543	
Fund Balance, End of Period	\$ 2,543	\$ 2,543	\$ 2,305	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Metropolitan Parkway Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 107	\$ 107	\$ 206	99
Investment Income	2	2	-	(2)
Other	<u>1,043</u>	<u>1,043</u>	<u>-</u>	<u>(1,043)</u>
Total Revenues	<u>1,152</u>	<u>1,152</u>	<u>206</u>	<u>(946)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>1,152</u>	<u>1,152</u>	<u>36</u>	<u>(1,116)</u>
General government	<u>1,152</u>	<u>1,152</u>	<u>36</u>	<u>(1,116)</u>
Total Expenditures	<u>1,152</u>	<u>1,152</u>	<u>36</u>	<u>(1,116)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>170</u>	<u>170</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>170</u>	<u>170</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>1,235</u>	<u>1,235</u>	<u>1,235</u>	<u>-</u>
Fund Balance, End of Period	<u><u>1,235</u></u>	<u><u>1,235</u></u>	<u><u>1,405</u></u>	<u>-</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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(Dollars in Thousands)

	Stadium Neighborhoods Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ 1	1
Other	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
Total Revenues	<u>5</u>	<u>5</u>	<u>1</u>	<u>(4)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>5</u>	<u>5</u>	<u>21</u>	<u>16</u>
General government	<u>5</u>	<u>5</u>	<u>21</u>	<u>16</u>
Total Expenditures	<u>5</u>	<u>5</u>	<u>21</u>	<u>16</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>52</u>	<u>52</u>	<u>52</u>	
Fund Balance, End of Period	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 32</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Debt Services Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Atlantic Station Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 13,843	\$ 13,843	\$ 16,267	\$ 2,424
Investment Income	250	250	398	148
Other	19,043	19,043	-	(19,043)
Total Revenues	<u>33,136</u>	<u>33,136</u>	<u>16,665</u>	<u>(16,471)</u>
EXPENDITURES				
Current:				
Finance	21	21	-	(21)
Nondepartmental	12,142	12,142	132	(12,010)
General government	12,163	12,163	132	(12,031)
Debt Service:				
Paying agent fees	6	6	6	-
Principal payment	12,970	12,970	4,515	(8,455)
Interest payments	7,997	7,997	8,429	432
Total Expenditures	<u>33,136</u>	<u>33,136</u>	<u>13,082</u>	<u>(20,054)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	3,583	3,583
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	3,583	3,583
FUND BALANCE:				
Fund balances, beginning of period	33,029	33,029	33,029	
Fund Balance, End of Period	<u>\$ 33,029</u>	<u>\$ 33,029</u>	<u>\$ 36,612</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Debt Services Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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(Dollars in Thousands)

	Westside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 11,482	\$ 11,482	\$ 13,015	1,533
Charges for Recurring Services	-	-	4	4
Investment Income	120	120	18	(102)
Other	<u>80,069</u>	<u>80,069</u>	<u>(1)</u>	<u>(80,070)</u>
Total Revenues	<u>91,671</u>	<u>91,671</u>	<u>13,036</u>	<u>(78,635)</u>
EXPENDITURES				
Current:				
Finance	15,356	15,356	-	(15,356)
Nondepartmental	<u>64,312</u>	<u>64,312</u>	<u>4,852</u>	<u>(59,460)</u>
General government	<u>79,668</u>	<u>79,668</u>	<u>4,852</u>	<u>(74,816)</u>
Public Works	408	408	52	(356)
Debt Service:				
Paying agent fees	9	9	9	-
Principal payment	6,785	6,785	6,785	-
Interest payments	<u>4,801</u>	<u>4,801</u>	<u>1,647</u>	<u>(3,154)</u>
Total Expenditures	<u>91,671</u>	<u>91,671</u>	<u>13,345</u>	<u>(78,326)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(309)</u>	<u>(309)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>78,529</u>	<u>78,529</u>	<u>78,529</u>	
Fund Balance, End of Period	<u>\$ 78,529</u>	<u>\$ 78,529</u>	<u>\$ 78,220</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Debt Services Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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(Dollars in Thousands)

	Princeton Lakes Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 1,726	\$ 1,726	\$ 2,014	\$ 288
Investment Income	4	4	1	(3)
Other	3,030	3,030	-	(3,030)
Total Revenues	4,760	4,760	2,015	(2,745)
EXPENDITURES				
Current:				
Nondepartmental	31	31	51	20
General government	31	31	51	20
Debt Service:				
Paying agent fees	4	4	-	(4)
Principal payment	4,000	4,000	-	(4,000)
Interest payments	725	725	725	-
Total Expenditures	4,760	4,760	776	(3,984)
Excess (deficiency) of revenues over (under) expenditures	-	-	1,239	1,239
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	1,239	1,239
FUND BALANCE:				
Fund balances, beginning of period	5,879	5,879	5,879	-
Fund Balance, End of Period	\$ 5,879	\$ 5,879	\$ 7,118	-

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Debt Services Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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(Dollars in Thousands)

	Eastside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 7,587	\$ 7,587	\$ 11,552	\$ 3,965
Charges for Recurring Services	-	-	(1)	(1)
Investment Income	240	240	168	(72)
Other	61,586	61,586	-	(61,586)
Total Revenues	69,413	69,413	11,719	(57,694)
EXPENDITURES				
Current:				
Finance	22,332	22,332	-	(22,332)
Nondepartmental	43,288	43,288	540	(42,748)
General government	65,620	65,620	540	(65,080)
Debt Service:				
Paying agent fees	8	8	6	(2)
Principal payment	1,500	1,500	1,585	85
Interest payments	2,285	2,285	2,200	(85)
Total Expenditures	69,413	69,413	4,331	(65,082)
Excess (deficiency) of revenues over (under) expenditures	-	-	7,388	7,388
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	7,388	7,388
FUND BALANCE:				
Fund balances, beginning of period	64,411	64,411	64,411	
Fund Balance, End of Period	\$ 64,411	\$ 64,411	\$ 71,799	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Tax Allocation Districts-Debt Services Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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(Dollars in Thousands)

	Atlanta Beltline Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 17,423	\$ 17,423	\$ 21,743	\$ 4,320
Investment Income	-	-	4	4
Other	6,013	6,013	-	(6,013)
Total Revenues	23,436	23,436	21,747	(1,689)
EXPENDITURES				
Current:				
Finance	306	306	-	(306)
Nondepartmental	15,582	15,582	21,092	5,510
General government	15,888	15,888	21,092	5,204
Debt Service:				
Paying agent fees	4	4	-	(4)
Principal payment	2,140	2,140	2,140	-
Interest payments	5,404	5,404	5,404	-
Total Expenditures	23,436	23,436	28,636	5,200
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,889)	(6,889)
Other Financing Sources (Uses):				
Proceeds from sale of assets	-	-	1,245	1,245
Total Other Financing Sources (Uses)	-	-	1,245	1,245
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	(5,644)	(5,644)
FUND BALANCE:				
Fund balances, beginning of period	10,928	10,928	10,928	
Fund Balance, End of Period	\$ 10,928	\$ 10,928	\$ 5,284	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Other Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Expendable Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	\$ 2,191	\$ 2,191	\$ 2,191	\$ -
Licenses & Permits	1,057	1,057	1,022	(35)
Charges for Recurring Services	2,689	2,689	2,679	(10)
Fines , Forfeitures and Penalties	2,190	2,190	2,157	(33)
Investment Income	16	16	426	410
Intergovernmental Revenues:				
State and local governments	4,288	4,288	4,153	(135)
Total intergovernmental revenues	<u>4,288</u>	<u>4,288</u>	<u>4,153</u>	<u>(135)</u>
Building Rentals and Concessions	1,030	1,030	1,037	7
Other	<u>(1,145)</u>	<u>(1,145)</u>	<u>3,310</u>	<u>4,455</u>
Total Revenues	<u>12,316</u>	<u>12,316</u>	<u>16,975</u>	<u>4,659</u>
EXPENDITURES				
Current:				
Executive Offices	4,716	4,716	2,016	(2,700)
Personnel and human servoces	79	79	27	(52)
City Council	46	46	3	(43)
Courts and judicial agencies	401	401	76	(325)
Finance	4,726	4,726	152	(4,574)
Housing, planning and development	11,544	11,544	2,915	(8,629)
Nondepartmental	<u>251</u>	<u>251</u>	<u>(393)</u>	<u>(644)</u>
Total general government	<u>21,763</u>	<u>21,763</u>	<u>4,796</u>	<u>(16,967)</u>
Police	12,123	12,123	2,307	(9,816)
Fire	30	30	(1)	(31)
Corrections	<u>2,202</u>	<u>2,202</u>	<u>2,233</u>	<u>31</u>
Total public safety	<u>14,355</u>	<u>14,355</u>	<u>4,539</u>	<u>(9,816)</u>
Public Works	7,355	7,355	5,126	(2,229)
Parks, recreation and cultural affairs	11,208	11,208	4,838	(6,370)
Debt Service:				
Paying agent fees	<u>12</u>	<u>12</u>	<u>-</u>	<u>(12)</u>
Total Expenditures	<u>54,693</u>	<u>54,693</u>	<u>19,299</u>	<u>(35,394)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,377)</u>	<u>(42,377)</u>	<u>(2,324)</u>	<u>40,053</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	9	9	12	3
Transfers in	1,959	1,959	1,959	-
Transfers out	<u>(935)</u>	<u>(935)</u>	<u>(1,151)</u>	<u>(216)</u>
Total Other Financing Sources (Uses)	<u>1,033</u>	<u>1,033</u>	<u>820</u>	<u>(213)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>(41,344)</u>	<u>(41,344)</u>	<u>(1,504)</u>	<u>39,840</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>35,860</u>	<u>35,860</u>	<u>35,860</u>	
Fund Balance, End of Period	<u>\$ (5,484)</u>	<u>\$ (5,484)</u>	<u>\$ 34,356</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Other Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	<u>Home Investment Partnership Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental Revenues:				
Federal Revenues	\$ 10,572	\$ 10,572	\$ 2,575	\$ (7,997)
Total intergovernmental revenues	<u>10,572</u>	<u>10,572</u>	<u>2,575</u>	<u>(7,997)</u>
Total Revenues	<u>10,572</u>	<u>10,572</u>	<u>2,575</u>	<u>(7,997)</u>
EXPENDITURES				
Current:				
Executive Offices	514	514	268	(246)
Finance	819	819	-	(819)
Housing, planning and development	<u>9,239</u>	<u>9,239</u>	<u>2,257</u>	<u>(6,982)</u>
General government	<u>10,572</u>	<u>10,572</u>	<u>2,525</u>	<u>(8,047)</u>
Total Expenditures	<u>10,572</u>	<u>10,572</u>	<u>2,525</u>	<u>(8,047)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>424</u>	<u>424</u>	<u>424</u>	
Fund Balance, End of Period	<u>\$ 424</u>	<u>\$ 424</u>	<u>\$ 474</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Other Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Section 108 Loan Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Investment Income	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental Revenues:				
Federal Revenues	4,706	4,706	-	(4,706)
Total intergovernmental revenues	<u>4,706</u>	<u>4,706</u>	-	<u>(4,706)</u>
Total Revenues	<u>4,706</u>	<u>4,706</u>	<u>3</u>	<u>(4,703)</u>
EXPENDITURES				
Current:				
Finance	3,121	3,121	-	(3,121)
Housing, planning and development	<u>923</u>	<u>923</u>	<u>(187)</u>	<u>(1,110)</u>
General government	<u>4,044</u>	<u>4,044</u>	<u>(187)</u>	<u>(4,231)</u>
Public Works	625	625	-	(625)
Parks, recreation and cultural affairs	<u>37</u>	<u>37</u>	-	<u>(37)</u>
Total Expenditures	<u>4,706</u>	<u>4,706</u>	<u>(187)</u>	<u>(4,893)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>190</u>	<u>190</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>5,633</u>	<u>5,633</u>	<u>5,633</u>	
Fund Balance, End of Period	<u>\$ 5,633</u>	<u>\$ 5,633</u>	<u>\$ 5,823</u>	

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Other Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Car Rental Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	\$ 965	\$ 965	\$ 1,333	\$ 368
Total Revenues	<u>965</u>	<u>965</u>	<u>1,333</u>	<u>368</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>965</u>	<u>965</u>	<u>1,333</u>	<u>368</u>
General government	<u>965</u>	<u>965</u>	<u>1,333</u>	<u>368</u>
Total Expenditures	<u>965</u>	<u>965</u>	<u>1,333</u>	<u>368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Other Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ending June 30, 2015
(Dollars in Thousands)

	Hotel Motel Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	\$ 55,446	\$ 55,446	\$ 64,330	\$ 8,884
Total Revenues	55,446	55,446	64,330	8,884
EXPENDITURES				
Current:				
Nondepartmental	41,590	41,590	48,254	6,664
General government	41,590	41,590	48,254	6,664
Total Expenditures	41,590	41,590	48,254	6,664
Excess (deficiency) of revenues over (under) expenditures	13,856	13,856	16,076	2,220
Other Financing Sources (Uses):				
Transfers out	(13,856)	(13,856)	(16,076)	(2,220)
Total Other Financing Sources (Uses)	(13,856)	(13,856)	(16,076)	(2,220)
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	-	-
FUND BALANCE:				
Fund balances, beginning of period	-	-	-	-
Fund Balance, End of Period	\$ -	\$ -	\$ -	-

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Debt Service Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ending June 30, 2015

(Dollars in Thousands)

	Bond Service Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 24,411	\$ 24,411	\$ 29,731	\$ 5,320
Other Taxes	1,652	1,652	2,070	418
Investment Income	-	-	19	19
Total Revenues	26,063	26,063	31,820	5,757
EXPENDITURES				
Current:				
Nondepartmental	(2)	(2)	311	313
General government	(2)	(2)	311	313
Debt Service:				
Bond issuance costs	-	-	27	27
Paying agent fees	75	75	5	(70)
Principal payment	17,060	17,060	56,730	39,670
Interest payments	7,831	7,831	6,538	(1,293)
Payment to escrow agent	-	-	1	1
Total Expenditures	24,964	24,964	63,612	38,648
Excess (deficiency) of revenues over (under) expenditures	1,099	1,099	(31,792)	(32,891)
Other Financing Sources (Uses):				
Transfers in	-	-	1	1
Transfers out	(1,099)	(1,099)	(1,099)	-
Total Other Financing Sources (Uses)	(1,099)	(1,099)	(1,098)	1
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	(32,890)	(32,890)
FUND BALANCE:				
Fund balances, beginning of period	66,646	66,646	66,646	
Fund Balance, End of Period	\$ 66,646	\$ 66,646	\$ 33,756	

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 Recreation Facilities, Underground Atlanta Project, 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 Fund – Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

Parks and Recreation Facilities Fund - Established to account for the financial activities of the Cyclorama.

Underground Atlanta – Established to account for the City’s portion of a major public/private downtown economic development project paid for by public funds, and expenses associated with project.

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.

Building Permits – Established to account for the City’s building permit activities including certain occupancy taxes.

Civic Center- Established to account for the fiscal activities of the Boisfeuillet Jones Atlanta Civic Center.

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Net Position
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	Civic Center	Totals
ASSETS							
Current assets:							
Equity in cash management pool	\$ 2,170	\$ -	\$ -	\$ 33	\$ 42,151	\$ 599	\$ 44,953
Receivables:							
Accounts	49,140	-	-	76	-	-	49,216
Less allowance for doubtful accounts	(11,045)	-	-	-	-	-	(11,045)
Total receivables	38,095	-	-	76	-	-	38,171
Total current assets	40,265	-	-	109	42,151	599	83,124
Noncurrent assets:							
Restricted investments	-	-	-	-	4	-	4
Other assets	-	-	1,683	-	-	-	1,683
Capital assets:							
Land	281	-	21,621	-	-	-	21,902
Construction-in-progress	-	-	-	-	1	-	1
Land improvements	1,327	-	-	-	-	5,366	6,693
Buildings and other structures	2,335	1,024	57,821	23,480	151	6,495	91,306
Other property and equipment	43,118	134	12,670	-	3,302	552	59,776
Less accumulated depreciation	(29,217)	(988)	(69,963)	(3,444)	(1,445)	(10,399)	(115,456)
Property and equipment, net	17,844	170	22,149	20,036	2,009	2,014	64,222
Total assets	\$ 58,109	\$ 170	\$ 23,832	\$ 20,145	\$ 44,164	\$ 2,613	\$ 149,033
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated deferred contribution pension	3,234	43	-	-	806	125	4,208
Total assets and deferred outflows of resources	\$ 61,343	\$ 213	\$ 23,832	\$ 20,145	\$ 44,970	\$ 2,738	\$ 153,241
LIABILITIES AND NET POSITION							
Current liabilities:							
Accounts payable	\$ 3,188	\$ 2	\$ 441	\$ -	\$ 290	\$ 159	\$ 4,080
Accrued salaries and vacation	669	27	-	-	617	41	1,354
Due to other funds	17,255	202	7,722	-	-	2,444	27,623
Current maturities of capital leases	-	-	7,915	765	-	-	8,680
Accrued workers' compensation	2,796	-	-	-	-	-	2,796
Total current liabilities	23,908	231	16,078	765	907	2,644	44,533
Liabilities payable from restricted assets:							
Accrued interest payable	-	-	-	73	-	-	73
Current maturities of long-term debt	-	-	-	-	-	164	164
Total liabilities payable from restricted assets	-	-	-	73	-	164	237
Total current liabilities	23,908	231	16,078	838	907	2,808	44,770
Long-term liabilities :							
Long-term debt, excluding current maturities	-	-	-	-	-	1,695	1,695
Capital lease obligation, excluding current maturities shown above	-	-	-	18,165	-	-	18,165
Other postemployment benefit liability	21,133	314	-	-	2,521	718	24,686
Pension liability	46,685	619	-	-	11,551	1,788	60,643
Accrued workers' compensation	13,845	-	-	-	-	-	13,845
Landfill postclosure costs	15,470	-	-	-	-	-	15,470
Total long-term liabilities	97,133	933	-	18,165	14,072	4,201	134,504
Total liabilities	121,041	1,164	16,078	19,003	14,979	7,009	179,274
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows-Investment change pension	6,217	82	-	-	1,538	238	8,075
Total liabilities and deferred inflows of resources	\$ 127,258	\$ 1,246	\$ 16,078	\$ 19,003	\$ 16,517	\$ 7,247	\$ 187,349
Net Position:							
Investment in capital assets, net of related debt	17,844	170	14,234	1,106	2,009	155	35,518
Unrestricted	(83,759)	(1,203)	(6,480)	36	26,444	(4,664)	(69,626)
Total net position	(65,915)	(1,033)	7,754	1,142	28,453	(4,509)	(34,108)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	Civic Center	Total
Operating revenues:							
Charges for services	\$ 53,123	\$ 482	\$ -	\$ -	\$ 25,975	\$ 3	\$ 79,583
Rentals, admissions, and concessions	48	-	4,229	870	-	721	5,868
Other	1,422	-	-	-	2	-	1,424
Total operating revenues	54,593	482	4,229	870	25,977	724	86,875
Operating expenses:							
Salaries and employee benefits	31,054	295	-	-	9,523	643	41,515
Utilities	213	46	-	-	2	213	474
Materials and supplies	557	5	-	-	127	30	719
Repairs, maintenance, and other contractual services	117	5	-	-	195	109	426
Motor equipment service	7,412	-	-	-	102	-	7,514
Engineering and consultant fees	7,753	152	6,059	-	412	157	14,533
General services and other costs	10,072	20	73	-	3,199	8	13,372
Depreciation and amortization	2,552	22	2,839	470	335	574	6,792
Total operating expenses	59,730	545	8,971	470	13,895	1,734	85,345
Operating income (loss)	(5,137)	(63)	(4,742)	400	12,082	(1,010)	1,530
Nonoperating revenues (expenses):							
Interest expense	-	(3)	(909)	(886)	-	(115)	(1,913)
Other revenues (expenses)	(2)	-	(4)	-	-	-	(6)
Investment income (loss)	137	-	-	-	284	5	426
Total nonoperating revenues (expenses)	135	(3)	(913)	(886)	284	(110)	(1,493)
Income (loss) before transfers	(5,002)	(66)	(5,655)	(486)	12,366	(1,120)	37
Capital contributions	162	-	-	-	-	-	162
Transfers in	3,000	-	12,222	617	-	-	15,839
Transfers out	(5,563)	-	-	-	-	-	(5,563)
Net income (loss)	(7,403)	(66)	6,567	131	12,366	(1,120)	10,475
Net Position, beginning of period as restated (Note 1G)	(58,512)	(967)	1,187	1,011	16,087	(3,389)	(44,583)
Net Position, end of period	\$ (65,915)	\$ (1,033)	\$ 7,754	\$ 1,142	\$ 28,453	\$ (4,509)	\$ (34,108)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Sanitation Services	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Building Permits	Civic Center	Total
Cash flow from operating activities							
Cash received from user charges	\$ 58,108	\$ 482	\$ 4,648	\$ 879	\$ 25,977	\$ 724	\$ 90,818
Cash payments to employees for services	(25,061)	(280)	-	-	(3,967)	315	(28,993)
Cash payments to suppliers for goods and services	(31,883)	(201)	(8,427)	(1)	(8,823)	(642)	(49,977)
Net cash provided by (used in) operating activities	1,164	1	(3,779)	878	13,187	397	11,848
Cash flows from noncapital financing activities							
Transfers in	3,000	-	12,222	617	-	-	15,839
Transfers out	(5,563)	-	-	-	-	-	(5,563)
Net cash provided by (used in) noncapital financing activities	(2,563)	-	12,222	617	-	-	10,276
Cash flows from capital and related financing activities							
Capital grants and donations	162	-	-	-	-	-	162
Principal paid on long term debt	(724)	-	(5,847)	(730)	(506)	1,859	(5,948)
Interest paid	(2)	(3)	(913)	(888)	-	(110)	(1,916)
Acquisition of capital assets	(734)	2	(1,683)	-	-	(2,141)	(4,556)
Net cash provided by (used in) capital and related financing activities:	(1,298)	(1)	(8,443)	(1,618)	(506)	(392)	(12,258)
Cash flows from investing activities							
Change in equity in cash management pool	2,560	-	-	123	(12,962)	(5)	(10,284)
Purchases of restricted investments	-	-	-	-	(4)	-	(4)
Interest on investments	137	-	-	-	284	-	421
Net cash provided by (used in) investing activities	2,697	-	-	123	(12,682)	(5)	(9,867)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	(1)	-	(1)
Cash and cash equivalents, beginning of period	-	-	-	-	1	-	1
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (5,137)	\$ (63)	\$ (4,742)	\$ 400	\$ 12,082	\$ (1,010)	\$ 1,530
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	2,552	22	2,839	470	335	574	6,792
Increase (decrease) in receivables	3,515	-	419	9	-	-	3,943
Increase (decrease) in other assets	(3,234)	(43)	-	-	(806)	(125)	(4,208)
Increase (decrease) in due from other funds	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	270	(12)	178	(1)	70	35	540
Increase (decrease) in other liabilities	9,227	58	-	-	1,506	125	10,916
Increase (decrease) in due to other funds	(6,029)	39	(2,473)	-	-	798	(7,665)
Net cash provided by (used in) operating activities	\$ 1,164	\$ 1	\$ (3,779)	\$ 878	\$ 13,187	\$ 397	\$ 11,848

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA

Combining Statement of Net Position

Internal Service Funds

For the Year Ending June 30, 2015
(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 327	\$ 327
Equity in cash management pool	-	11,877	11,877
Receivables:			
Accounts	-	660	660
Less allowance for doubtful accounts	-	-	-
Total Receivables, Net	-	660	660
Inventories	713	-	713
Total Current Assets	713	12,864	13,577
Non Current Assets:			
Capital Assets:			
Land	136	-	136
Construction in Progress	-	-	-
Land Improvements	29	-	29
Buildings and other structures	5,508	-	5,508
Other Property and Equipment	6,049	-	6,049
Less Accumulated Depreciation	(11,315)	-	(11,315)
Capital assets, net	407	-	407
Total Assets	1,120	12,864	13,984
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts Payable	2,759	313	3,072
Accrued expenses	752	90	842
Due To Other Funds	27,679	-	27,679
Current Liabilities	31,190	403	31,593
NonCurrent Liabilities:			
Total Liabilities	31,190	403	31,593
NET POSITION			
Net investment in capital assets	407	-	407
Unrestricted	(30,477)	12,461	(18,016)
Total Net Position	\$ (30,070)	\$ 12,461	\$ (17,609)

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Internal Service Funds
Combining Statement of Revenue, Expenses and Changes in Net Position
For the Year Ending June 30, 2015
(Dollars in Thousands)

	<u>Fleet Services</u>	<u>Group Insurance</u>	<u>Total</u>
Operating Revenue:			
Charges for Services	\$ 34,909	\$ 134,622	\$ 169,531
Other	<u>-</u>	<u>1,245</u>	<u>1,245</u>
Total operating revenue	<u>34,909</u>	<u>135,867</u>	<u>170,776</u>
Operating Expenses:			
Salaries and Employee Benefits	10,644	77,586	88,230
Utilities	715	-	715
Supplies and Materials	12,328	15	12,343
Repairs, maintenance, and other contractual services	3,772	-	3,772
Motor Equipment Services	192	-	192
Engineering and Consultant Fees	1,000	163	1,163
General Services and Other Costs	4,865	58,603	63,468
Depreciation and Amortization	<u>113</u>	<u>-</u>	<u>113</u>
Total operating expenses	<u>33,629</u>	<u>136,367</u>	<u>169,996</u>
Operating Income	<u>1,280</u>	<u>(500)</u>	<u>780</u>
Non operating revenues (expenses):			
Investment income (loss)	-	85	85
Interest expense	<u>(428)</u>	<u>-</u>	<u>(428)</u>
Total non operating revenues (expenses), net	<u>(428)</u>	<u>85</u>	<u>(343)</u>
Income (loss) before transfers:	852	(415)	437
Transfers in	6,000	-	6,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	6,852	(415)	6,437
Net position, beginning of period	<u>(36,922)</u>	<u>12,876</u>	<u>(24,046)</u>
Net position, end of period	<u>\$ (30,070)</u>	<u>\$ 12,461</u>	<u>\$ (17,609)</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Cash flow from operating activities			
Cash received from user charges	\$ 34,909	\$ 135,847	\$ 170,756
Cash payments to employees for services	(29,881)	(77,581)	(107,462)
Cash payments to suppliers for goods and services	(10,601)	(58,529)	(69,130)
Net cash used in operating activities	(5,573)	(263)	(5,836)
Cash flows from noncapital financing activities			
Transfers in	6,000	-	6,000
Transfers out	-	-	-
Net cash used in noncapital financing activities	6,000	-	6,000
Cash flows from capital and related financing activities			
Interest paid	(428)	(40)	(468)
Acquisition of capital assets	1	-	1
Net cash used in capital and related financing activities	(427)	(40)	(467)
Cash flows from investing activities			
Change in equity in cash management pool	-	338	338
Interest on investments	-	125	125
Net cash provided by investing activities	-	463	463
Net increase in cash and cash equivalents	-	160	160
Cash and cash equivalents, beginning of period	-	167	167
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ 327	\$ 327
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,280	\$ (500)	\$ 780
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	113	-	113
(Increase) decrease in accounts receivable	-	(20)	(20)
(Increase) decrease in Inventories	(713)	-	(713)
Increase (decrease) in accounts payable	753	252	1,005
Increase (decrease) in other liabilities	43	5	48
Increase (decrease) in due to other funds	(7,049)	-	(7,049)
Net cash used in operating activities	\$ (5,573)	\$ (263)	\$ (5,836)

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 benefits 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, other governments or other funds.

CITY OF ATLANTA, GEORGIA
Combining Statement Net Position-Pension Trust Funds
Fiduciary Funds
For the Year Ended June 30, 2015
(Dollars in Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Total
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 84,429	\$ -	\$ 61,181	\$ 88,822	\$ 234,432
Securities lending	54,638	-	-	-	54,638
Receivables					
Other Employee Contribution	648	-	237	413	1,298
Other Employer Contribution	4,826	305	-	3,440	8,571
Due from brokers	2,805	-	181	265	3,251
Accrued interest receivable	1,594	-	1,614	1,751	4,959
Other receivables	1,605	3,295	18	171	5,089
Total receivables	11,478	3,600	2,050	6,040	23,168
Investments:					
Domestic fixed income securities	139,961	35,557	95,821	142,441	413,780
Domestic equities	925,184	20,617	434,277	676,593	2,056,671
International fixed income securities	-	-	1,333	2,037	3,370
International equities	98,013	-	33,314	47,633	178,960
Limited partnerships	13,472	-	4,323	4,324	22,119
Alternative partnerships:					
Limited partnerships	22,929	148	13,807	18,093	54,977
Comingled funds		44,870	-	-	44,870
Total Investments	1,199,559	101,192	582,875	891,121	2,774,747
Total assets	1,350,104	104,792	646,106	985,983	3,086,985
 LIABILITIES AND NET POSITION HELD IN TRUST FOR PENSION BENEFITS					
Current liabilities:					
Accounts payable and other liabilities	\$ 2,508	\$ -	\$ 434	\$ 531	\$ 3,473
Due to brokers for securities purchased	8,110		1,023	2,067	11,200
Collateral payable for securities lending	54,638	-	-	-	54,638
Total liabilities	65,256	-	1,457	2,598	69,311
Net Position Held in Trust for Pension Benefits:	\$ 1,284,848	\$ 104,792	\$ 644,649	\$ 983,385	\$ 3,017,674

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA

Combining Statement of Changes in Net Position-Pension Trust Funds Fiduciary Funds For the Year Ending June 30, 2015 (Dollars in Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Total
Additions					
Contributions:					
Employer contributions	96,920	\$ 8,043	\$ 20,866	\$ 32,693	\$ 158,522
Employee contributions	18,659	7,874	5,637	11,224	43,394
Total Contributions	115,579	15,917	26,503	43,917	201,916
Investment income:					
Net change in					
fair value of investments	45,158	2,464	(5,768)	(5,290)	36,564
Investment income	20,836	838	11,197	17,346	50,217
Securities lending income	830	-	-	-	830
Less: Investment expenses	(3,947)	(144)	(2,778)	(3,322)	(10,191)
Net investment income gain (loss)	62,877	3,158	2,651	8,734	77,420
Other	108	-	4	4	116
Total Additions	178,564	19,075	29,158	52,655	279,452
Deductions					
Benefit Payments	166,796	6,666	42,590	56,253	272,305
Administrative Expense	1,608	111	427	524	2,670
Total Deductions	168,404	6,777	43,017	56,777	274,975
Change in Net Position	10,160	12,298	(13,859)	(4,122)	4,477
Net Position Held in Trust for Pension Benefits:					
Beginning of period	1,274,688	92,494	658,508	987,507	3,013,197
End of Period	1,284,848	\$ 104,792	\$ 644,649	\$ 983,385	\$ 3,017,674

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Agency Fund

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2015
(Dollars in Thousands)

ASSETS

	June 30, 2014	Additions	Deductions	June 30, 2015
Assets:				
Cash and cash equivalents	\$ 777	\$ -	\$ (526)	\$ 251
Equity in cash management pool	21,055	1,767	-	22,822
Investments:				
Equities	-	-	-	-
Prepaid expenses	2,194	-	(1,249)	945
Other receivables	76	19	-	95
 Total Assets	 \$ 24,102	\$ 1,786	\$ (1,775)	\$ 24,113

LIABILITIES

Liabilities:				
Accounts payable	\$ 23,904	\$ 1,984	\$ (1,775)	\$ 24,113
 Total Liabilities	 \$ 23,904	\$ 1,984	\$ (1,775)	\$ 24,113

See accompanying independent auditors report



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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. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



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City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 1
City of Atlanta, Georgia
Net Position by Component (unaudited)
Last Ten Periods
(accrual basis of accounting)
(Dollars in thousands)

	Fiscal Period									
	2006	2007	2008	2009	2010	2011	2012*	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 482,373	\$ 488,569	\$ 237,415	\$ 146,670	\$ 97,291	\$ 58,841	\$ 7,228	\$ 95,513	\$ 53,144	\$ (292,446)
Restricted for										
Debt service	36,532	40,162	45,479	47,912	51,828	265,371	284,933	287,948	259,422	232,789
Programs	173,138	113,914	87,259	79,096	75,482	76,517	69,776	72,591	65,332	64,806
Capital projects	127,021	137,651	219,921	238,093	250,380	49,827	47,943	47,962	87,398	369,276
Unrestricted	(199,434)	(207,696)	(320,542)	(306,113)	(260,354)	(118,112)	(128,199)	(131,646)	(132,877)	(898,791)
Total Governmental Activities Net Positions	\$ 619,630	\$ 572,600	\$ 269,532	\$ 205,658	\$ 214,627	\$ 332,445	\$ 281,681	\$ 372,368	\$ 332,419	\$ (524,366)
Business-type Activities										
Net investment in capital assets	\$ 3,177,702	\$ 3,466,892	\$ 4,484,709	\$ 4,760,260	\$ 5,092,956	\$ 4,879,760	\$ 4,721,909	\$ 5,015,922	\$ 5,032,865	\$ 5,174,578
Restricted										
Debt service	104,864	40,253	114,869	174,761	206,232	349,001	869,781	534,521	382,414	406,162
Programs	-	-	-	-	-	-	-	-	-	-
Capital projects	565,012	565,012	383,694	470,590	365,297	418,473	-	355,001	554,081	607,322
Unrestricted	612,037	787,003	888,594	787,326	721,383	1,004,136	1,240,649	1,281,856	1,406,617	1,005,755
Total Business-type Activities Net Positions	\$ 4,459,615	\$ 4,859,160	\$ 5,871,866	\$ 6,192,937	\$ 6,385,868	\$ 6,651,370	\$ 6,832,339	\$ 7,187,300	\$ 7,375,977	\$ 7,193,817
Primary Government										
Net investment in capital assets	\$ 3,660,075	\$ 3,955,461	\$ 4,722,124	\$ 4,906,930	\$ 5,190,247	\$ 4,938,602	\$ 4,729,137	\$ 5,111,435	\$ 5,086,009	\$ 4,882,132
Restricted										
Debt service	141,396	80,415	160,348	222,673	258,060	614,372	1,154,714	822,469	641,836	638,951
Programs	173,138	113,914	87,259	79,096	75,482	76,517	69,776	72,591	65,332	64,806
Capital projects	692,033	702,663	603,615	708,683	615,677	468,300	47,943	402,963	641,479	976,598
Unrestricted	412,603	579,307	568,052	481,213	461,029	886,024	1,112,450	1,150,210	1,273,740	106,964
Total Primary Government Activities Net Positions	\$ 5,079,245	\$ 5,431,760	\$ 6,141,398	\$ 6,398,595	\$ 6,600,495	\$ 6,983,814	\$ 7,114,020	\$ 7,559,668	\$ 7,708,396	\$ 6,669,451

* 2012 Net Position was restated with the implementation of GASB 65
2014 and prior has not been restated for the implementation of GASB 68

City of Atlanta

2015 Comprehensive Annual Financial 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									
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities										
General government	\$ 113,068	\$ 264,221	\$ 234,198	\$ 265,596	\$ 260,413	\$ 239,306	\$ 215,030	\$ 148,288	\$ 346,897	\$ 472,818
Police	97,514	222,490	219,614	192,161	187,800	197,598	217,777	210,751	210,418	197,267
Fire	35,715	86,775	94,871	84,454	79,190	83,596	89,016	92,018	87,587	86,906
Corrections	20,921	45,178	50,714	37,264	29,301	25,520	35,001	31,128	32,324	33,990
Public works	45,231	47,707	79,823	56,814	50,056	54,442	47,397	64,467	72,476	73,280
Parks, recreation and cultural affairs	10,768	20,387	48,626	34,161	39,976	41,939	46,280	59,732	56,124	60,246
Interest on long-term debt	19,546	40,949	43,734	51,784	51,274	47,629	47,080	42,731	36,508	29,788
Total Governmental Activities Expenses	342,763	727,707	771,580	722,234	698,010	690,030	697,581	649,115	842,334	954,295
Business-type Activities										
Watershed Management	140,848	334,755	326,279	319,790	404,629	444,133	441,092	445,647	454,742	443,300
Aviation	126,399	315,104	386,316	423,198	448,979	437,659	504,918	585,148	638,452	628,824
Other	31,500	62,898	62,630	60,446	48,735	47,694	56,342	64,050	85,827	87,264
Total Business-type Activities Expenses	298,747	712,757	775,225	803,434	902,343	929,486	1,002,352	1,094,845	1,179,021	1,159,388
Total Primary Government Expenses	\$ 641,510	\$ 1,440,464	\$ 1,546,805	\$ 1,525,668	\$ 1,600,353	\$ 1,619,516	\$ 1,699,933	\$ 1,743,960	\$ 2,021,355	\$ 2,113,683
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798
Public safety	1,747	36,849	31,989	31,218	20,627	21,727	19,669	21,633	29,742	33,182
Public works	-	-	-	16,438	13,168	2,383	2,421	3,731	4,152	5,002
Parks recreation and cultural affairs	-	-	-	1,932	1,418	2,267	2,556	3,581	3,405	3,519
Operating grants and contributions	21,182	48,620	49,832	42,336	78,533	100,943	56,663	75,657	63,249	51,070
Capital grants and contributions	-	-	-	-	-	-	-	4,540	-	77,707
Total Governmental Activities Program Revenues	95,597	170,959	174,990	159,719	179,894	221,627	172,317	197,112	213,252	286,278
Business-type Activities										
Charges for services										
Watershed Management	113,377	302,273	319,087	351,743	380,413	433,183	466,052	448,167	436,644	459,673
Aviation	147,221	330,228	386,206	389,535	400,799	411,213	394,132	490,386	496,252	483,022
Other	3,519	53,050	54,337	51,011	57,143	56,754	69,245	76,718	82,293	86,875
Capital grants and contributions	141,741	259,916	250,113	275,033	201,492	241,456	238,639	260,944	235,883	259,682
Total Business-type Activities Revenues	405,858	945,467	1,009,743	1,067,322	1,039,847	1,142,606	1,168,068	1,276,215	1,251,072	1,289,252
Total primary Government Revenues	\$ 501,455	\$ 1,116,426	\$ 1,184,733	\$ 1,227,041	\$ 1,219,740	\$ 1,364,233	\$ 1,340,385	\$ 1,473,327	\$ 1,472,325	\$ (9,176)
Net (expense) revenue										
Governmental activities	(247,166)	(556,748)	(596,590)	(562,515)	(518,116)	(468,403)	(525,264)	(452,003)	(629,082)	(668,017)
Business-type activities	107,111	232,710	234,518	263,888	137,504	213,120	165,716	181,370	72,051	129,864
Total Primary Government Net Expense	\$ (140,055)	\$ (324,038)	\$ (362,072)	\$ (298,627)	\$ (380,613)	\$ (255,283)	\$ (359,548)	\$ (270,633)	\$ (557,031)	\$ (538,153)
GENERAL REVENUES AND OTHER CHANGES in NET POSITION										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 8,739	\$ 125,999	\$ 141,913	\$ 154,567	\$ 222,087	\$ 190,406	\$ 184,021	\$ 188,099	\$ 183,109	\$ 189,613
Property taxes levied for debt service	1,522	61,736	89,628	96,082	112,358	129,965	103,258	97,690	96,933	107,108
Local and municipal option sales tax	50,460	111,978	104,101	87,789	202,014	203,887	212,536	218,623	223,976	233,803
Public utilities franchise taxes	8,488	39,364	16,230	51,381	54,312	72,450	63,327	60,825	40,125	43,193
Business taxes	38,234	97,662	126,005	219,224	94,020	100,177	105,567	95,402	125,010	132,738
Federal and state aid not restricted for specific purposes	334	4,229	4,461	3,407	-	-	299	-	2	-
Investment income	9,312	23,920	18,302	6,834	3,962	3,825	2,728	679	4,228	3,864
Gain on Sale of Assets	-	-	5,764	517	456	6,391	8,185	(4,197)	-	-
Other	11,398	26,822	8,710	13,738	17,491	-	-	-	-	-
Extraordinary Loss	-	-	-	-	(2,231)	-	-	-	-	-
Transfers	(5)	6,314	2,311	(118,523)	(119,590)	(120,880)	(123,580)	(114,431)	(84,250)	(118,897)
Total Governmental Activities	\$ 128,482	\$ 498,024	\$ 517,425	\$ 515,016	\$ 584,879	\$ 586,221	\$ 556,341	\$ 542,690	\$ 589,133	\$ 591,422
Business-Type Activities										
Property taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Local option sales tax	59,035	120,954	127,470	-	-	-	-	-	-	-
Investment income	40,831	91,596	96,244	40,739	(37,323)	(68,499)	(31,724)	58,710	35,429	32,985
Other	-	(39,401)	1,474	(14,672)	-	-	(12)	450	(3,053)	3
Extraordinary Loss	-	-	-	-	(26,840)	-	-	-	-	-
Transfers	5	(6,314)	(2,311)	118,523	119,590	120,880	123,580	114,431	84,250	118,897
Total Business-type Activities	99,871	166,835	222,877	144,590	55,427	52,381	91,844	116,626	115,885	151,885
Total Primary Government	\$ 228,353	\$ 664,859	\$ 740,302	\$ 659,606	\$ 640,306	\$ 638,602	\$ 648,185	\$ 716,281	\$ 705,759	\$ 743,307
Change in Net Position										
Governmental activities	(118,684)	(58,724)	(79,165)	(47,499)	66,763	117,818	31,077	90,687	(39,949)	(76,595)
Business-type activities	206,982	399,545	457,395	408,478	192,931	265,501	257,560	354,961	188,677	281,749
Total Primary Government	\$ 88,298	\$ 340,821	\$ 378,230	\$ 360,979	\$ 259,693	\$ 383,319	\$ 288,637	\$ 445,648	\$ 148,728	\$ 205,154

* The City changed its year-end from 12/31 to 06/30, therefore 2006 revenue shown is only for 6 months
 2014 and prior has not been restated for the implementation of GASB 68

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 3

City of Atlanta, Georgia

Program Revenues by Function/Program

Last Ten Fiscal Periods

(accrual basis of accounting)

(Dollars in thousands)

Function/Program	Fiscal Period									
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary Government										
Governmental activities:										
Charges for Services										
General government	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798
Police	1,374	19,103	15,258	14,976	14,643	19,228	16,729	17,506	22,351	27,149
Fire	1	316	258	253	428	496	640	808	998	906
Corrections	372	17,430	16,473	15,989	5,556	2,003	2,300	3,319	6,393	5,127
Public works	2,857	9,907		16,438	13,168	2,383	2,421	3,731	4,152	5,002
Parks, Recreation, and Cultural Affairs	568	1,787		1,932	1,418	2,267	2,556	3,581	3,405	3,519
Total Governmental activities	\$ 77,840	\$ 134,033	\$ 125,158	\$ 117,383	\$ 101,361	\$ 120,684	\$ 115,654	\$ 121,455	\$ 145,463	\$ 157,501
Operating Grants	\$ 21,182	\$ 48,620	\$ 49,832	\$ 42,336	\$ 78,533	\$ -	\$ 56,663	\$ 75,657	\$ 63,249	\$ 51,070
Capital Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,540	\$ 77,707
Business-type activities:										
Charges for Services										
Watershed Management	\$ 113,377	\$ 302,273	\$ 319,087	\$ 351,743	\$ 380,413	\$ 433,183	\$ 466,052	\$ 448,167	\$ 436,644	\$ 459,673
Aviation	147,221	330,228	386,206	389,535	400,799	411,213	394,132	490,386	496,252	483,022
Sanitation	663	47,951	49,768	46,513	51,414	51,985	53,993	54,071	55,565	54,593
Parks and Recreational Facilities	386	522	509	498	472	487	512	475	513	482
Underground Atlanta	1,507	2,509	2,563	2,340	2,220	1,941	1,898	1,707	2,309	4,229
Parking Deck					1,340	740	698	805	805	870
Permit Fund							10,716	18,464	21,541	25,977
Civic Center	963	2,068	1,497	1,660	1,697	1,601	1,428	1,196	1,560	724
Total Business-type activities	\$ 264,117	\$ 685,551	\$ 759,630	\$ 792,289	\$ 838,355	\$ 901,150	\$ 929,429	\$ 1,015,271	\$ 1,015,189	\$ 1,029,570
Total Primary Government	\$ 363,139	\$ 868,204	\$ 934,620	\$ 952,008	\$ 1,018,249	\$ 1,021,834	\$ 1,101,746	\$ 1,212,383	\$ 1,228,441	\$ 1,315,848

* The City changed its year-end from 12/31 to 06/30, therefore 2006 revenue shown is for 6 months only.

City of Atlanta

2015 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 7,602	\$ 2,614	\$ 4,367	\$ 3,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	92,947	91,808	5,763	4,011	-	-	-	-	-	-
Nonspendable	-	-	-	-	10,383	7,834	4,377	4,972	11,101	1,946
Restricted	-	-	-	-	11,398	6,388	15,231	14,159	-	-
Committed	-	-	-	-	16,260	-	-	-	-	-
Assigned	-	-	-	-	9,919	6,912	26,877	20,516	12,287	7,814
Unassigned	-	-	-	-	24,473	73,216	80,235	98,517	118,597	141,254
Total General Fund	\$ 100,549	\$ 94,422	\$ 10,130	\$ 7,393	\$ 72,433	\$ 94,350	\$ 126,720	\$ 138,164	\$ 141,985	\$ 151,014
MOST										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total MOST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Project										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,865
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Capital Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,865
All Other Governmental Funds										
Reserved	\$ 329,089	\$ 104,325	\$ 119,182	\$ 65,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	(9,240)	(20,091)	(50,392)	(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
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(33,216)	(28,661)	(23,388)	(14,490)	(12,815)	(2,510)
Total All other Governmental Funds	\$ 319,849	\$ 84,234	\$ 68,790	\$ 45,958	\$ 329,967	\$ 551,181	\$ 383,466	\$ 394,011	\$ 399,337	\$ 336,496

Notes:

Prior to 2005, the General Fund was considered the only major governmental fund.

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.

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 5

City of Atlanta, Georgia

Changes in Fund Balances, Governmental Funds (unaudited)

Last Ten Fiscal Periods

(modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Period									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Property taxes	\$ 10,261	\$ 195,048	\$ 227,563	\$ 253,204	\$ 329,127	\$ 321,425	\$ 288,771	\$ 277,919	\$ 281,369	\$ 298,123
Local and municipal option sales taxes *	50,460	111,978	104,101	87,789	202,014	203,887	212,536	218,623	223,976	233,803
Public utility, alcoholic beverages and other taxes *	8,488	137,922	142,235	270,605	148,332	172,597	168,894	156,227	165,135	175,931
Licenses and permits	38,234	76,915	69,127	62,503	58,130	63,889	59,922	56,473	67,994	70,703
Charges for current services	65,235	23,482	27,729	20,765	17,843	17,312	16,745	23,904	30,023	34,286
Fines, forfeitures and penalties	6,727	14,710	18,323	15,820	15,847	22,368	24,550	24,293	26,119	28,827
Investment income	9,312	23,468	18,182	6,750	3,975	3,819	2,698	699	4,115	3,779
Intergovernmental revenues and contributions										
Federal revenues	334	28,784	34,709	36,649	65,422	43,437	40,671	53,278	40,839	34,675
State and local grants and contributions	21,182	24,065	17,358	9,094	14,307	16,576	16,291	22,379	22,412	16,395
Other	-	-	-	-	-	-	-	-	-	-
Building rentals and contributions	5,877	18,926	18,962	18,295	8,344	7,153	7,583	7,400	8,178	8,845
Other	11,398	19,844	8,710	13,738	17,491	9,995	6,854	9,385	13,149	14,840
TOTAL REVENUES	\$ 227,508	\$ 675,142	\$ 686,999	\$ 795,212	\$ 880,832	\$ 882,458	\$ 845,515	\$ 850,580	\$ 883,309	\$ 920,207
EXPENDITURES										
Current										
General government	\$ 113,068	\$ 290,882	\$ 285,698	\$ 319,202	\$ 250,558	\$ 215,655	\$ 217,879	\$ 224,452	\$ 304,137	\$ 252,123
Police	97,514	225,815	230,571	186,364	179,455	189,309	190,917	195,017	204,830	208,128
Fire	35,715	83,506	87,559	82,581	75,180	74,608	78,018	82,478	82,418	87,805
Corrections	20,921	44,456	47,711	36,503	28,037	23,929	30,675	29,203	32,108	36,243
Public works	45,231	48,393	69,004	45,032	45,477	51,622	41,547	39,516	52,132	55,846
Parks, recreation and cultural affairs	10,768	44,939	53,542	39,569	35,866	43,799	40,565	49,181	47,484	48,635
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	-	36,290	39,293	54,919	55,730	49,155	52,648	59,949	47,006	89,650
Interest	19,546	40,949	42,879	50,429	47,617	48,909	46,460	44,411	36,337	33,002
Bond issuance costs	1,996	4,438	6,065	6,065	4,446	1,433	311	33	1,647	1,050
TOTAL EXPENDITURES	\$ 342,763	\$ 817,226	\$ 860,695	\$ 820,664	\$ 722,366	\$ 698,419	\$ 699,020	\$ 724,240	\$ 808,099	\$ 812,482
Excess of Revenues Over (Under) Expenditures	(115,255)	(142,084)	(173,696)	(25,452)	158,466	184,039	146,495	126,340	75,210	107,725
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ -	\$ 58,000	\$ 53,820	\$ 134,042	\$ 78,120	\$ -	\$ -	\$ -	\$ 21,000	\$ 307,390
Capital leases	-	-	23,480	48,602	-	-	-	2,198	363	-
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds sold	-	2,548	5,787	4,027	-	-	-	-	277	39,325
Other Revenue	-	-	-	-	-	-	-	-	-	-
Discount on bonds sold	-	(77)	-	(484)	(1,257)	-	-	-	-	-
Refunding bonds issued	-	-	105,760	78,025	-	-	-	-	-	-
Payment re refunded bond escrow agent	-	-	(106,177)	(80,550)	(64,500)	-	-	-	-	(58,866)
Sales of assets	7,036	9,304	6,794	851	456	7,089	14,623	123	2,547	3,376
Extraordinary Loss	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	(5)	19,280	2,311	(118,523)	(119,590)	(120,880)	(123,580)	(114,431)	(90,250)	(124,897)
Total Other Financing Sources (Uses)	\$ 7,031	\$ 89,055	\$ 91,775	\$ 65,990	\$ (106,771)	\$ (113,791)	\$ (108,957)	\$ (112,110)	\$ (66,063)	\$ 166,328
Extraordinary Loss	-	-	-	-	(2,231)	-	-	-	-	-
Correction of a Prior Year Error	-	-	37,800	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (108,224)	\$ (53,029)	\$ (44,121)	\$ 40,538	\$ 49,466	\$ 70,248	\$ 37,538	\$ 14,230	\$ 9,147	\$ 274,053
Debt service as a percentage of noncapital expenditures	6.0%	10.5%	13.5%	18.4%	19.1%	63.5%	17.4%	16.78%	10.88%	15.23%

* Prior to 2010, the Local Municipal Option Sales Tax was included in Public utility, alcoholic beverages and other taxes

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 6

City of Atlanta, Georgia

Assessed Value and Estimated Actual Value of Taxable Property (unaudited)

Last Ten Fiscal Periods

Fiscal Period Ended	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property(1)</u>	<u>Less: Tax-exempt Property(2)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
June 30, 2006	\$ 11,954,278,920	\$ 8,069,483,015	\$ 699,409,813	\$ 1,621,488,855	\$ 1,720,017,791	\$ 20,624,642,812	32.13%
June 30, 2007 (3)	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520	23,431,762,240	31.61%
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	27,600,687,168	30.49%
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%

(1) Other Property consist of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Mobile Homes, etc.

(2) Tax Exempt Property consist 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.

City of Atlanta

2015 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	City Direct Rates					Total Direct Tax Rate
	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	
June 30, 2006	7.53	22.64	0.50	1.41	0.05	32.13
June 30, 2007	7.09	22.64	0.50	1.33	0.05	31.61
June 30, 2008	7.12	21.64	0.50	1.18	0.05	30.49
June 30, 2009	7.12	21.64	0.50	1.18	0.05	30.49
June 30, 2010	10.24	21.64	0.50	1.20	0.05	33.63
June 30, 2011	10.24	21.64	0.50	1.20	0.05	33.63
June 30, 2012	10.24	21.54	0.50	1.20	0.05	33.53
June 30, 2013	10.24	21.64	0.50	1.20	0.10	33.68
June 30, 2014	10.05	21.64	0.50	1.20	0.10	33.49
June 30, 2015	9.75	21.64	0.50	1.20	0.10	33.19

Fiscal Period Ended	Overlapping Rates					Total
	Atlanta/DeKalb County Special Tax District	Downtown Improvement District Special Tax District(1)	Fulton County, Georgia			
			County Levy	County Bond Levy	Georgia State Levy	
June 30, 2006	0.99	5.00	11.41	0.06	0.25	11.72
June 30, 2007	0.96	5.00	10.28	0.06	0.25	10.59
June 30, 2008	0.83	5.00	10.28	0.06	0.25	10.59
June 30, 2009	0.83	5.00	10.28	-	0.25	10.53
June 30, 2010	1.00	5.00	10.28	-	0.25	10.53
June 30, 2011	0.88	5.00	10.28	-	0.25	10.53
June 30, 2012	1.02	5.00	10.28	-	0.25	10.53
June 30, 2013	1.22	5.00	10.21	-	0.25	10.46
June 30, 2014	1.16	5.00	10.21	0.27	0.15	10.63
June 30, 2015	1.06	5.00	11.78	0.27	0.10	12.15

(1) Tax imposed by property owners in the district pursuant to state authorization.

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 8

City of Atlanta, Georgia

Principal Property Tax Payers

Last Ten Fiscal Periods

Tasppayer	Type of Business	Fiscal Periods																				
		2005				2006				2007				2008				2009				
		Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Bell South	Communication Service	\$ 386,047,492		1	1.90%	\$ 266,293,651		1	1.29%	\$ 244,693,204		1	1.04%	\$ 332,146,406		2	1.36%	\$ 197,316,319		3	0.86%	
Coca-Cola Company	Marketing and Manufacturing	154,932,948		2	0.76%	184,395,886		2	0.89%	172,011,442		4	0.73%	174,796,651		4	0.72%	166,718,521		4	0.73%	
Georgia Power Company	Utility Service	139,188,340		3	0.69%	137,147,337		3	0.66%	197,766,434		2	0.84%	206,701,589		3	0.85%	222,362,604		2	0.97%	
Post Apartment Homes	Residential Real Estate	117,829,980		4	0.58%	128,834,887		4	0.62%	154,997,343		5	0.66%	168,194,137		5	0.69%	148,085,301		5	0.65%	
Georgia Pacific Company	Pulp and Paper Manufacturing									104,165,251		8	0.44%	105,231,889		8	0.43%	98,028,880		8	0.43%	
CSC Associates	Commercial Real Estate	77,663,640		10	0.38%	92,735,881		7	0.45%													
SunTrust Plaza Association	Commercial Real Estate	92,889,700		5	0.46%	97,202,770		6	0.47%	115,924,129		7	0.49%	119,200,000		7	0.49%	103,661,410		7	0.45%	
Atlanta Center LTD	Commercial Real Estate					83,443,109		10	0.40%													
Development Authority of Fulton	Government									181,620,042		3	0.78%	333,432,299		1	1.36%	505,772,282		1	2.21%	
Kan AM Grund America LP	Commercial Real Estate													91,507,582		10	0.37%					
Overseas Partners	Commercial Real Estate	86,232,080		6	0.42%	107,004,930		5	0.52%													
Sumito Life Realty, Inc	Commercial Real Estate	82,034,230		7	0.40%	84,919,630		9	0.41%													
Peachtree TSG Associates LLC	Commercial Real Estate	80,353,590		9	0.40%																	
Trizec Alliance Center LLC	Commercial Real Estate	81,144,630		8	0.40%	85,674,219		8	0.42%													
BF ATL, LLC	Commercial Real Estate									135,349,359		6	0.59%	158,985,279		6	0.65%	135,349,360		6	0.59%	
Hines One Atlantic Center LP	Commercial Real Estate									83,995,120		10	0.36%	101,252,131		9	0.41%	86,807,370		10	0.38%	
GA Promenade LLC	Residential Real Estate									84,941,760		9	0.36%									
Total		\$ 1,298,316,630			6.39%	1,267,652,300			6.15%	1,475,464,084			6.30%	1,791,447,963			7.33%	91,879,110		9	0.40%	
																					1,755,981,157	7.66%

Tasppayer	Type of Business	Fiscal Periods																				
		2010				2011				2012				2013				2014				
		Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Development Authority of Fulton	Government	\$ 864,964,916		1	4.10%	\$ 652,260,501		1	3.09%	\$ 643,688,110		1	3.15%	\$ 708,697,642		1	3.42%	\$ 914,748,466		1	4.27%	
Georgia Power Company	Utility Service	355,267,690		2	1.68%	258,789,449		2	1.23%	278,823,406		2	1.36%	287,889,088		2	1.39%	281,251,853		2	1.31%	
Post Apartment Homes	Residential Real Estate	129,959,779		8	0.62%	128,772,451		5	0.61%	96,136,850		4	0.47%	164,277,960		3	0.79%	176,237,783		3	0.82%	
Bell South/AT&T	Communication Service	288,336,703		3	1.37%									144,069,022		5	0.70%	170,914,613		4	0.80%	
Coca-Cola Company	Marketing and Manufacturing	239,494,269		4	1.13%	160,539,113		3	0.76%	158,398,076		3	0.77%	154,658,325		4	0.75%	154,851,783		5	0.72%	
Coporate Property Corporation	Commercial Real Estate					87,232,239		9	0.41%	72,222,920		6	0.35%	87,232,240		8	0.42%	107,531,880		6	0.50%	
SunTrust Plaza Association	Commercial Real Estate	103,532,500		9	0.49%	96,150,900		6	0.46%	87,837,149		5	0.43%	96,130,950		7	0.46%	94,698,251		7	0.44%	
Hines One Atlantic Center LP	Commercial Real Estate					74,287,820		10	0.35%	72,158,940		10	0.35%					80,341,160		8	0.38%	
IEP Peachtree LLC		93,279,610		10	0.44%	91,879,110		7	0.44%	78,922,880		9	0.39%	72,222,920		10	0.35%	74,371,960		9	0.35%	
GA-MET	Manufacturing																				72,000,000	0.34%
Google Inc	Technology													99,021,890		6	0.48%					
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services													80,772,360		9	0.39%					
BF ATL, LLC	Commercial Real Estate	135,349,360		7	0.64%	135,349,360		4	0.64%	154,833,309		8	0.76%									
Georgia Pacific Company	Pulp and Paper Manufacturing					84,328,320		8	0.40%	76,031,870		7	0.37%									
AT & T	Telecommunications	233,061,383		5	1.10%																	
Delta Airlines	Transportation	144,071,482		6	0.68%																	
Total		\$ 2,587,317,692			12.25%	\$ 1,769,589,263			8.38%	\$ 1,719,053,510			8.41%	\$ 1,894,972,397			9.15%	\$ 2,126,947,749			9.93%	

2010 Based on Net Assessed Value of \$ 22,924,256,395
 2011 Based on Net Assessed Value of \$ 21,120,062,847
 2012 Based on Net Assessed Value of \$ 20,451,081,662
 2013 Based on Net Assessed Value of \$ 20,716,616,552
 2014 Based on Net Assessed Value of \$ 21,410,436,930

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 9
City of Atlanta, Georgia
Property Tax Levies and Collections
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, 2006	\$ 6,750	\$ 6,750	100.00%	\$ -	\$ 6,750	100.00%
June 30, 2007	179,607	164,976	91.85%	13,851	178,827	99.57%
June 30, 2008	182,021	173,030	95.06%	8,165	181,195	99.55%
June 30, 2009	198,378	190,475	96.02%	6,615	197,090	99.35%
June 30, 2010	264,371	257,062	97.24%	5,507	262,570	99.32%
June 30, 2011	240,586	234,895	97.63%	3,880	238,775	99.25%
June 30, 2012	222,633	218,472	98.13%	2,757	221,229	99.37%
June 30, 2013	219,177	214,494	97.86%	3,324	217,818	99.38%
June 30, 2014	222,103	218,184	98.24%	2,417	220,602	99.32%
June 30, 2015	227,842	224,808	98.67%	149	224,957	98.73%

(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.

City of Atlanta
2015 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									
	2006*	2007**	2008	2009	2010	2011	2012	2013	2014	2015
	Food	\$ 21,181,670	\$ 12,524,653	\$ 21,525,653	\$ 20,038,407	\$ 18,811,248	\$ 18,665,973	\$ 19,260,191	\$ 20,170,413	\$ 20,421,886
Apparel	4,043,395	2,503,914	4,191,287	5,594,865	5,619,424	7,607,374	8,735,985	9,191,131	9,916,645	9,692,190
General	10,542,134	6,748,029	10,710,270	10,374,329	11,803,657	11,459,576	11,840,986	12,082,498	12,062,397	12,630,008
Automotive	10,704,116	6,322,706	11,180,684	9,275,605	6,007,107	6,781,055	7,620,570	6,842,220	2,350,901	2,250,224
Home	12,488,531	7,223,408	11,335,795	9,939,476	7,437,672	7,721,742	8,237,476	8,006,529	8,180,418	8,660,495
Lumber	7,436,668	4,228,072	6,228,429	4,235,049	728,285	484,572	587,895	645,845	896,719	1,030,259
Miscellaneous Services	12,396,264	6,765,846	12,651,427	12,773,311	12,220,815	10,259,330	11,682,787	12,799,653	14,187,954	13,322,206
Manufacturers	4,333,126	2,195,509	3,636,616	3,425,878	5,640,201	5,253,551	5,043,131	5,023,612	5,910,241	6,459,079
Utilities	9,234,770	5,247,921	9,691,811	10,274,982	6,472,235	6,556,758	5,653,587	6,423,578	6,283,211	6,389,567
Miscellaneous	8,651,981	6,688,032	11,774,540	9,864,146	17,721,003	18,365,457	20,689,057	19,160,653	19,497,898	19,808,260
Total	\$ 101,012,655	\$ 60,448,090	\$ 102,926,512	\$ 95,796,047	\$ 92,461,647	\$ 93,155,388	\$ 99,351,665	\$ 100,346,132	\$ 99,708,270	\$ 102,224,220
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Municipal Option Sales Tax (1)	Fiscal Period									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Food	\$ 12,415,988	\$ 26,529,627	\$ 27,367,773	\$ 25,487,704	\$ 23,115,908	\$ 24,249,636	\$ 24,474,659	\$ 25,875,374	\$ 27,193,787
Apparel	3,200,528	6,232,358	6,537,725	8,265,601	6,819,859	7,411,259	7,844,861	8,659,305	9,081,924	8,575,055
General	5,876,141	10,818,855	10,801,409	10,829,434	13,496,332	14,539,307	15,198,078	15,821,702	16,527,598	17,425,387
Automotive	3,770,532	4,125,484	5,190,562	5,489,521	929,297	1,021,811	1,006,061	1,088,903	862,640	893,948
Home	1,686,685	16,480,009	15,614,925	13,952,527	8,302,473	10,528,843	11,254,508	10,342,273	10,625,539	11,079,218
Lumber	8,952,687	8,107,471	7,926,075	5,591,719	991,117	858,527	811,933	937,818	1,257,158	1,361,648
Miscellaneous Services	3,472,644	17,745,384	19,228,289	19,360,539	15,006,917	14,608,176	12,914,807	17,624,898	17,423,469	17,955,003
Manufacturers	8,352,696	3,680,987	4,804,876	4,399,557	6,763,647	7,374,252	6,797,657	6,283,568	7,090,205	7,258,328
Utilities	1,730,697	11,045,370	11,307,471	12,691,282	7,177,663	8,488,688	12,243,140	7,232,826	7,386,966	7,825,616
Miscellaneous	5,573,612	15,347,660	16,126,286	15,976,758	25,295,149	24,720,146	26,593,552	25,199,982	26,787,112	29,237,076
Total	\$ 55,032,210	\$ 120,113,205	\$ 124,905,391	\$ 122,044,642	\$ 107,898,362	\$ 113,800,645	\$ 119,139,256	\$ 119,066,649	\$ 124,236,398	\$ 130,683,534
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%

* 2006 data represents the 2006 Calendar year
** 2007 represents six months of activity, January through June 2007

Source: Georgia Department of Revenue/Local Government Division

Note: 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

City of Atlanta

2015 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>
2006	1.00%	7.00%
2007	1.00%	7.00%
2008	1.00%	7.00%
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%

Source: Sales Tax Rates, Georgia Department of Revenue

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 12 City of Atlanta, Georgia Principal Sales Tax Remitters (unaudited) Last Nine Fiscal Periods

Tax Remitters	2006		2007		2008		2009		2010	
	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	\$ 12,415,988	22.56%	\$ 26,529,627	22.09%	\$ 27,367,773	21.91%	\$ 25,487,704	20.89%	\$ 23,115,908	21.42%
Apparel	3,200,528	5.82%	24,474,659	5.19%	6,537,725	5.23%	8,265,601	6.77%	6,819,859	6.32%
General	5,876,141	10.68%	7,844,861	9.01%	10,801,409	8.65%	10,829,434	8.88%	13,496,332	12.51%
Automotive	3,770,532	6.85%	15,198,078	3.43%	5,190,562	4.16%	5,489,521	4.50%	929,297	0.86%
Home	1,686,685	3.06%	1,006,061	13.72%	15,614,925	12.50%	13,952,527	11.44%	8,302,473	7.69%
Lumber	8,952,687	16.27%	11,254,508	6.75%	7,926,075	6.35%	5,591,719	4.58%	991,117	0.92%
Miscellaneous Services	3,472,644	6.31%	811,933	14.77%	19,228,289	15.39%	19,360,539	15.87%	15,006,917	13.91%
Manufacturers	8,352,696	15.18%	12,914,807	3.06%	4,804,876	3.85%	4,399,557	3.61%	6,763,647	6.27%
Utilities	1,730,697	3.14%	6,797,657	9.20%	11,307,471	9.05%	12,691,282	10.40%	7,177,663	6.65%
Miscellaneous	5,573,612	10.13%	12,243,140	12.78%	16,126,286	12.91%	15,941,494	13.07%	25,295,149	23.44%
Total	\$ 55,032,209	100%	\$ 119,075,331	100%	\$ 124,905,391	100%	\$ 122,009,378	100%	\$ 107,898,362	100%

Tax Remitters	2011		2012		2013		2014		2015	
	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	\$ 24,249,636	21.31%	\$ 24,474,659	20.54%	\$ 25,875,374	21.73%	\$ 27,193,787	21.88%	\$ 29,072,255	22.25%
Apparel	7,411,259	6.51%	7,844,861	6.58%	8,659,305	7.27%	9,081,924	7.31%	8,575,055	6.56%
General	14,539,307	12.78%	15,198,078	12.76%	15,821,702	13.29%	16,527,598	13.30%	17,425,387	13.33%
Automotive	1,021,811	0.90%	1,006,061	0.84%	1,088,903	0.91%	862,640	0.69%	893,948	0.68%
Home	10,528,843	9.25%	11,254,508	9.45%	10,342,273	8.69%	10,625,539	8.55%	11,079,218	8.48%
Lumber	858,527	0.75%	811,933	0.68%	937,818	0.79%	1,257,158	1.01%	1,361,648	1.04%
Miscellaneous Services	14,608,176	12.84%	12,914,807	10.84%	17,624,898	14.80%	17,454,787	14.05%	17,955,003	13.74%
Manufacturers	7,374,252	6.48%	6,797,657	5.71%	6,283,568	5.28%	7,090,205	5.71%	7,258,328	5.55%
Utilities	8,488,688	7.46%	12,243,140	10.28%	7,232,826	6.07%	7,386,966	5.94%	7,825,616	5.99%
Miscellaneous	24,720,146	21.72%	26,593,552	22.32%	25,199,982	21.16%	26,787,112	21.56%	29,237,076	22.37%
Total	\$ 113,800,645	100%	\$ 119,139,256	100%	\$ 119,066,649	100.00%	\$ 124,267,716	100.00%	\$ 130,683,534	100.00%

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

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 13

City of Atlanta, Georgia

Ratio of Outstanding Debt by Type (unaudited)

Last Ten Fiscal Periods

(Dollars in thousands, except per capita)

Governmental Activities																
Fiscal Period Ended	General Obligation Debt (a)	APSFJA 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	%- Personal Income (c)	Per Capita (c)	
June 30, 2006	\$ 283,865	\$ -	\$ 23,035	\$ 406,255	\$ 9,515	\$ 5,835	\$ 11,800	\$ 32,444	\$ 49,950	\$ 74,080	\$ -	\$ -	\$ 896,779	4.64%	\$ 1,986	
June 30, 2007	276,510	-	22,060	396,675	8,200	4,499	9,055	32,444	48,550	69,190	-	-	867,183	4.25%	1,877	
June 30, 2008	296,915	-	20,265	540,205	6,720	26,564	5,782	32,444	47,080	63,995	16,373	17,000	1,073,343	5.20%	2,249	
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%	2,493	
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%	2,681	
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%	2,507	
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%	2,318	
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%	2,258	
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%	2,194	
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%	\$ 3,106	

Business-Type Activities																
Fiscal Period Ended	Department of Aviation			Department of Watershed Management				Nonmajor Proprietary					Total Business- Type Activities	Total Primary Government	% - Personal Income (c)	Per Capita (c)
	Facilities Revenue Bonds	Issuance Premiums and Discounts	System Revenue Bonds	Issuance Premiums and Discounts	GEFA Notes Payable	Capital Lease/Other Obligations	Sanitation Fund Capital Lease Obligation	Underground Atlanta Revenue Bonds	Parking Deck Capital Lease	Underground Atlanta Capital Lease	Civic Center Renovations Agreement					
June 30, 2006	\$ 2,984,043	\$ (19)	\$ 2,542,765	\$ 38,388	\$ 23,106	\$ 19,614	\$ 1,134	\$ 61,280	\$ -	\$ -	\$ -	\$ -	\$ 5,670,311	\$ 6,567,090	33.98%	\$ 14,542
June 30, 2007	2,890,474	(575)	2,518,555	37,402	95,701	17,651	-	57,055	-	-	-	-	5,616,263	6,483,446	31.79%	14,035
June 30, 2008	2,419,898	(1,037)	2,494,575	849	152,073	15,710	-	52,610	-	-	-	-	5,134,678	6,208,021	30.10%	13,007
June 30, 2009	2,343,835	(1,404)	3,218,275	3,330	148,767	-	-	-	-	-	-	-	5,712,803	6,911,346	34.89%	14,378
June 30, 2010	2,235,572	(1,737)	3,202,025	25,830	145,353	-	-	-	-	-	-	-	5,607,043	6,740,610	33.89%	15,943
June 30, 2011	2,801,655	55,478	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	3,156,265	46,345	3,117,570	23,526	147,940	-	-	-	-	21,040	29,415	-	6,542,101	7,571,494	34.07%	17,052
June 30, 2013	3,059,455	108,129	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	2,923,325	178,917	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	2,818,210	160,707	2,870,765	207,886	168,843	2,724	-	-	-	18,930	7,915	1,859	6,257,839	7,674,036	33.64% (d)	16,829 (d)

(a) Net of any discount or premium

(b) Included in Limited Obligation Bond prior to 2015

(c) See Schedule 18 for personal income and population data.

(d) Personal Income and Per Capital data not available for 2015, percentages based on 2014 data

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

City of Atlanta

2015 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	SWMA Revenue Refunding Bonds	APSJFA Revenue Bond	Inter- Governmental Agreements	Notes Payable	Other Long-term Debt (a)	Capital Leases	Installment Sale Program	Total	Percentage of Actual Taxable Value of Property (b)	Per Capita (c)
June 30, 2006	\$ 283,865	\$ (36,532)	\$ 247,333	\$ 23,035	\$ -	\$ -	\$ -	\$ 168,274	\$ 5,835	\$ 74,080	\$ 444,477	2.16%	\$ 984
June 30, 2007	276,510	(40,162)	236,348	22,060	50,000	-	-	159,209	4,499		472,116	2.01%	1,022
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

- (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 2015, percentage based on 2014 data

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt (unaudited)

Last Ten Fiscal Periods

(Dollars in thousands)

	Net Debt Outstanding	Percentage Applicable to City of Atlanta (a)	Amount Applicable to City of Atlanta
City of Atlanta General Obligation Debt	\$ 395,890	100.00%	\$ 395,890
Less: Sinking Fund	(33,451)	100.00%	<u>(33,451)</u>
Net Direct Debt			<u>362,439</u>
Overlapping Debt:			
Fulton County (1)	178,180	47.00%	83,745
DeKalb County (2)	224,757	4.60%	10,339
Fulton County Building Authority (1)	-	47.00%	-
Contractual General Obligation Debt:			
Atlanta and Fulton Recreation Authority (AFCRA)			
Series 2010 Bonds (5)	107,465	66.70%	71,679
Series 2005A/B AFCRA Revenue & Refunding Bonds (5)	28,205	100.00%	28,205
Series 2005A/B Park Improvement Bonds (5)	71,330	100.00%	71,330
Series 2014A/B Park Improvement Bonds (5)	70,625	100.00%	70,625
DDA Parking Deck Series 2006 (ADA) - COA (3)	19,660	100.00%	19,660
AURA Bonds Series 2010 (ADA) - COA (3)	19,625	100.00%	19,625
Urban Residential Finance Authority (URFA) - COA (4)	27,615	100.00%	27,615
Underground Atlanta Refunding Series 2009 (ADA) COA (3)	22,605	100.00%	22,605
AFCRA Revenue Zoo Series 2007 (5)	13,930	75.00%	10,448
Overlapping Contractual Obligations:			
Fulton-DeKalb Hospital Authority (1)	127,875	47.00%	<u>60,101</u>
Total Overlapping Debt			<u>495,976</u>
Total Direct and Overlapping Debt			<u>\$ 858,416</u>

- (1) Fulton County CAFR - Year Ended December 31, 2014
(2) DeKalb County CAFR - Year Ended December 31, 2014
(3) DDA - Financial Statements as of June 30, 2014
(4) URFA Financial Statements as of June 30, 2014
(5) AFCRA Financial Statement Years Ended December 31, 2014 & 2013

(a) 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.

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 16 City of Atlanta, Georgia Legal Debt Margin Information (unaudited) Last Ten Fiscal Periods

	Fiscal Period									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 2,657,777,842	\$ 2,464,044,067	\$ 2,943,835,276	\$ 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
Total net debt applicable to limit	<u>302,654,250</u>	<u>673,185,000</u>	<u>699,290,000</u>	<u>795,340,000</u>	<u>260,490,000</u>	<u>244,965,000</u>	<u>230,680,000</u>	<u>215,320,000</u>	<u>199,215,000</u>	<u>395,890,000</u>
Legal debt margin	\$ <u>2,355,123,592</u>	\$ <u>1,790,859,067</u>	\$ <u>2,244,545,276</u>	\$ <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>
Total net debt applicable to the limit as a percentage of debt limit	11.39%	27.32%	23.75%	29.13%	9.92%	10.06%	9.80%	9.78%	9.19%	17.61%

City of Atlanta

2015 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 (4)	Operating Revenue (1)	Current Operating Expenses(2)	Net Revenue available for Debt Service	Debt Service Requirements (5)				
				Principal	Interest(3)	Net Swap Payments & Liquidity Fees (6)	Total	% Coverage(7)
2006	\$ 152,601	\$ 74,353	\$ 78,248	26,253	23,727	334	50,314	1.56
2007	339,164	133,440	205,724	37,487	56,186	(1,186)	92,487	2.22
2008	405,868	166,274	239,594	40,906	70,131	3,275	114,312	2.10
2009	404,724	165,995	238,729	42,502	67,392	19,187	129,081	1.85
2010	414,898	184,275	230,623	53,061	70,104	3,670	126,835	1.82
2011	416,748	169,799	246,949	38,395	52,665	4,293	95,353	2.59
2012	407,094	186,808	220,286	55,310	57,206	4,549	117,065	1.88
2013	497,165	211,196	285,969	66,215	86,268	4,754	157,237	1.82
2014	509,891	224,276	285,615	73,465	85,470	-	158,935	1.80
2015	512,952	225,189	287,763	71,385	81,913	-	153,298	1.88

- (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. Parking expenses are included in the Operating Expense amount.
- (3) Net of capitalized interest.
- (4) Period 2006 is a 6-month period beginning on January 1, 2006 and ending on June 30, 2006.
All subsequent periods are 12-month periods beginning on July 1 and ending on June 30.
- (5) Debt Service Requirements are calculated per the requirements of the Master Bond Ordinance (dated March 20, 2000) as amended.
- (6) Per the Master Bond Ordinance, net SWAP payments and liquidity fees are included in the debt service requirements.
- (7) Coverage ratios for the years 2006 thru 2008 have been restated due to a Material Events Notice filed by the City in October 2009, and a correction of the coverage ratio calculation.

City of Atlanta

2015 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)

<u>Period(1)</u>	<u>Operating Revenue</u>	<u>Current Operating Expenses(3)</u>	<u>Net Revenue available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage Ratio</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total(4)</u>	
2006	\$ 189,844	\$ 96,345	\$ 93,499	\$ -	\$ 61,842	\$ 61,842	1.51
2007	435,715	240,848	194,867	24,210	128,435	152,645	1.28
2008	460,285	236,316	223,969	27,647	126,285	153,932	1.45
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 (2)	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

- (1) Fiscal year 2006 is a six month period beginning January 1, 2006 and ending June 30, 2006. All subsequent periods are 12-month periods beginning on July 1 and ending on June 30.
- (2) Total operation revenue plus investment income and sales tax (Sales Tax Revenue in the amount of \$132 million was transferred for Special Revenue Fund to DWM for operating expenses.)
- (3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation and amortization, bond interest and contingent liabilities.
- (4) Annual debt service includes sinking fund requirements of the Water and Sewerage Revenue]

City of Atlanta

2015 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
2005	451,600	\$ 173,159	\$ 34,825	34.7	82.9	50,188	5.3%
2006	451,600	193,258	39,186	34.7	82.9	49,924	4.7%
2007	461,956	203,924	40,251	34.7	82.9	49,707	4.4%
2008	477,300	206,232	39,889	32*	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 ¹	228,134 ²	41,307 ³	33.2 ⁴	88.0 ⁵	49,842 ⁶	6.8% ⁷

1-U.S. Census Bureau, QuickFacts population estimate 2014.

2-U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2013 for Atlanta MSA. This figure is inclusive of Atlanta-Sandy Springs-Roswell.

3-U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2013 for Atlanta MSA. This figure is inclusive of Atlanta-Sandy Springs-Roswell.

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.

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 limited to household population, excludes institutions, college dormitories, & other group quarters.

6-Georgia Department of Education - Enrollment as of March of each fiscal year end.

7-U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for fiscal year 2014 is July 2013 through June 2014. This figure is inclusive of Atlanta-Sandy Springs-Roswell.

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 19 City of Atlanta, Georgia Principal Employers (unaudited) Last Ten Years

		2005				2006	
Employer	Type of Business	Employees	Percentage of Total City Employment	Employer	Type of Business	Employees	Percentage of Total City Employment
International Busine Technology Services		3,697	1.81%	International Business Machine Corp.	Technology Services	4,225	2.00%
The Coca-Cola Corr Marketing and Manufacturing		3,096	1.52%	The Coca-Cola Company	Marketing and Manufacturing	3,178	1.51%
Accenture LLP Consulting		3,000	1.47%	Allied Barton Security Services	Security Services	2,148	1.02%
Georgia-Pacific Cor Pulp and Paper Manufacturing		2,434	1.19%	Cable News Network, Inc.	Media	1,924	0.91%
Cable News Network Media		1,922	0.94%	Air Serv Corp.	Transportation	1,721	0.82%
Allied Barton Secur Security Services		1,896	0.93%	Accenture LLP	Consulting	1,700	0.81%
Tenet Healthsystem Healthcare		1,410	0.69%	Turner Broadcasting System, Inc.	Media/Entertainment	1,528	0.72%
Turner Broadcastin Media/Entertainment		1,351	0.66%	Tenet Healthsystem, Inc.	Healthcare	1,408	0.67%
Turner Entertainme Entertainment		1,118	0.55%	Turner Entertainment Networks	Entertainment	1,054	0.50%
Atlanta Journal and Media		1,017	0.50%	Atlanta Journal and Constitution	Media	1,036	0.49%
Total		20,941	10.26%	Total		19,922	9.45%
		2007				2008	
Employer	Type of Business	Employees	Percentage of Total City Employment	Employer	Type of Business	Employees	Percentage of Total City Employment
The Coca-Cola Corr Marketing and Manufacturing		3,029	1.65%	International Business Machine Corp.	Technology Services	3,827	1.95%
Allied Barton Secur Security Services		2,395	1.30%	Allied Barton Security Services	Security Services	3,702	1.88%
Accenture LLP Consulting		2,100	1.14%	The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53%
Cable News Network Media		1,809	0.98%	Accenture LLP	Consulting	1,900	0.97%
Turner Broadcastin Media/Entertainment		1,710	0.93%	Cable News network	Media	1,871	0.95%
Air Serv Corp. Transportation		1,391	0.76%	Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91%
Turner Entertainme Entertainment		1,290	0.70%	Tenet Health System, Inc.	Healthcare	1,251	0.64%
Tenet Healthsystem Healthcare		1,279	0.69%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,099	0.56%
Georgia-Pacific Cor Pulp and Paper Manufacturing		1,106	0.60%	Air Service Corp	Transportation	1,060	0.54%
Earthlink, Inc. Internet		1,106	0.60%	Atlanta Journal and Constitution	Media	1,008	0.51%
Total		17,215	9.35%	Total		20,508	10.44%
		2009				2010	
Employer	Type of Business	Employees	Percentage of Total City Employment	Employer	Type of Business	Employees	Percentage of Total City Employment
Allied Barton Secur Security Services		4,058	2.11%	Allied Barton Security Services	Security Services	4,205	2.24%
International Busin Technology Services		3,739	1.94%	International Business Machine Corp.	Technology Services	3,769	2.01%
The Coca-Cola Corr Marketing and Manufacturing		3,020	1.57%	The Coca-Cola Company	Marketing and Manufacturing	3,608	1.92%
Accenture LLP Consulting		2,100	1.09%	Turner Broadcasting System, Inc.	Media/Entertainment	2,000	1.07%
Turner Broadcastin Media/Entertainment		1,868	0.97%	Cable News network	Media	1,889	1.01%
Cable News network Media		1,792	0.93%	Air Service Corp	Transportation	1,665	0.89%
Air Service Corp Transportation		1,386	0.72%	Accenture LLP	Consulting	1,555	0.83%
AT & T Services Inc Telecommunication		1,172	0.61%	AT & T Services Inc.	Telecommunication	1,247	0.67%
Tenet Health System Healthcare		1,164	0.60%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,170	0.62%
Georgia-Pacific Cor Pulp and Paper Manufacturing		1,139	0.59%	Tenet Health System, Inc.	Healthcare	1,164	0.62%
Total		21,438	11.13%	Total		22,272	11.88%
		2011				2012	
Employer	Type Of Business	Employees	Percentage of Total City Employment	Employer	Type Of Business	Employees	Percentage of Total City Employment
Delta Air Lines, Inc Transportation		3,678	1.87%	Delta Air Lines, Inc.	Transportation	3,815	1.98%
The Coca-Cola Corr Marketing and Manufacturing		3,670	1.87%	The Coca-Cola Company	Marketing and Manufacturing	3,469	1.80%
International Busine Technology Services		3,561	1.81%	International Business Machine Corp.	Technology Services	4,228	2.20%
Turner Broadcastin Media/Entertainment		2,090	1.06%	Turner Broadcasting System, Inc.	Media/Entertainment	2,163	1.12%
Cable News network Media		1,884	0.96%	Cable News network	Media	1,873	0.97%
AT & T Services Inc Telecommunication		1,845	0.94%	AT & T Services Inc.	Telecommunication	1,845	0.96%
Air Service Corp Transportation		1,733	0.88%	Air Service Corp	Transportation	1,733	0.90%
Accenture LLP Consulting		1,725	0.88%	Accenture LLP	Consulting	1,791	0.93%
Allied Barton Secur Security Services		1,465	0.74%	Allied Barton Security Services	Security Services	1,448	0.75%
Tenet Health System Healthcare		1,166	0.59%	Tenet Health System, Inc.	Healthcare	1,140	0.59%
Total		22,817	11.60%	Total		23,505	12.20%
		2013				2014	
Employer	Type Of Business	Employees	Percentage of Total City Employment	Employer	Type Of Business	Employees	Percentage of Total City Employment
Delta Air Lines, Inc Transportation		4,357	2.20%	Delta Air Lines, Inc.	Transportation	4,357	2.18%
The Coca-Cola Corr Marketing and Manufacturing		3,498	1.77%	The Coca-Cola Company	Marketing and Manufacturing	3,498	1.75%
Accenture LLP Consulting		2,200	1.11%	Air Service Corp	Transportation	2,350	1.18%
AT & T Services Telecommunication		2,179	1.10%	Accenture LLP	Consulting	2,200	1.10%
Turner Broadcastin Media/Entertainment		2,057	1.04%	AT & T Services Inc.	Telecommunication	2,179	1.09%
Cable News network Media		1,823	0.92%	Turner Broadcasting System, Inc.	Media/Entertainment	2,057	1.03%
Air Service Corp Transportation		1,733	0.88%	Cable News Network	Media	1,823	0.91%
Allied Barton Secur Security Services		1,467	0.74%	Allied Barton Security Services	Security Services	1,467	0.73%
Tenet Health Sy Healthcare		1,359	0.69%	Tenet Health System, Inc.	Healthcare	1,359	0.68%
Deloitte Consult Consulting		1,195	0.60%	Deloitte Consulting LLP	Consulting	1,195	0.60%
Total		21,868	11.05%	Total		22,485	11.26%

Source: Total employment data from City of Atlanta, Office of Revenue, Business License division

Note: 2015 data is not yet available

City of Atlanta

2015 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Mayors Office	4	4	3	3	3	4	5	5	5	5
City Council	49	46	42	39	39	40	46	46	47	48
Finance	239	233	210	183	174	159	153	159	161	165
Planning	354	388	295	227	181	167	193	153	164	166
Procurement	56	56	50	40	39	34	34	40	46	41
Human Resources	73	74	73	62	56	56	57	148	143	147
Police										
Officers	1,647	1,780	1,836	1,786	1,751	1,772	1,959	2,001	1,973	2,009
Civilian	483	527	543	434	445	452	475	490	444	525
Fire										
Officers	1,005	1,054	1,070	939	938	975	985	1,060	1,060	1,062
Civilian	67	83	49	38	46	46	49	49	49	65
Corrections										
Officers	615	620	560	473	313	313	309	313	313	326
Public Works										
Streets	358	416	399	468	397	396	390	383	371	371
Refuse Collection	418	453	452	385	337	336	348	346	346	346
Parks, Recreation and Cultural Affairs										
	405	405	441	377	304	352	358	362	347	370
Water/Wastewater										
	1,351	1,547	1,964	1,816	1,680	1,545	1,535	1,475	1,515	1,486
Aviation										
	606	633	690	707	705	575	594	583	600	616
Total full-time equivalent employees	7,730	8,319	8,677	7,977	7,408	7,222	7,490	7,613	7,584	7,748

Source: Department of Human Resources and MSO (Police and Fire)

City of Atlanta

2015 Comprehensive Annual Financial Report

Schedule 21

City of Atlanta, Georgia

Operating Indicators by Function/Program (unaudited)

Last Ten Fiscal Periods

	Fiscal Period									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Police										
Arrests	39,954	59,374	142,361	42,670	38,628	37,276	38,773	46,974	44,428	42,439
Parking violations	37,339	42,668	79,546	52,577	56,692	17,599	17,105	13,613	14,818	12,430
Traffic violations	102,878	113,925	102,264	107,050	125,011	138,244	167,848	168,699	167,421	203,761
Fire										
Emergency responses	41,886	24,847	54,756	57,292	53,089	58,943	67,420	83,662	91,379	93,725
Fires extinguished	1,620	1,235	2,263	2,096	1,994	2,252	1,892	1,756	1,701	1,731
Inspections	9,317	7,261	7,200	6,439	10,777	9,987	1,155	12,112	17,843	15,710
Refuse collection										
Refuse collected (tons per day)	NA	NA	198,954	113,204	115,142	111,312	99,236	457	467	511
Other public works										
Miles of streets resurfaced	64	78	-	33	13	17	5	21	12	33
Potholes repaired	1,158	1,944	1,953	1,152	5,892	6,367	3,255	1,784	5,006	2,561
Parks and recreation										
Athletic field permits issued	59	59	185	172	165	180	109	249	326	449
Community center admissions	59,000	64,900	N/A	97,264	474,945	522,440	478,535	758,000	600,000	455,388
Water										
New connections	27,288	15,716	2,057	1,084	1,100	947	820	1,104	1,041	1,115
Water main breaks	154	241	329	475	495	431	401	432	514	372
Average daily consumption (thousands of gallons)	107,600,000	113,875,000	101,655,000	93,100,000	90,320,000	94,130,000	95,030,000	91,700,000	90,880,000	92,930,000
Peak daily consumption (thousands of gallons)	138,100,000	144,908,000	143,530,000	111,370,000	101,690,000	118,820,000	119,230,000	117,570,000	129,510,000	113,210,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	132,000,000	128,337,000	119,900,000	112,194,000	131,709,000	121,950,000	111,000,000	119,394,000	127,900,000	132,738,000
Aviation										
Number of passengers served	42,546,000	85,037,680	87,700,000	88,648,633	88,430,343	90,852,787	94,393,355	95,155,163	94,778,483	98,267,049

* Numbers previously reported were full year tonnage; 118,733.44 is full year tonnage collected.

** Prior numbers included repairs that were considered "point repairs" or larger than 3x3; DPW completed 1590 point repairs in FY13.

Sources: Various city departments

City of Atlanta

2015 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	10	10	10	10	9	10	15	14	16	17
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	355	338	336	336	311	376	355	357	337	377
Fire stations	35	36	37	36	36	35	35	35	35	35
Refuse collection										
Collection trucks	83	83	73	66	66	78	84	85	95	94
Parks and recreation										
Acreage	3,533	3,682	3,748	3,755	3,781	3,818	3,904	3,922	4,395	4,781
Playgrounds	101	101	105	106	107	109	109	109	111	111
Baseball/softball diamonds	82	82	82	82	82	84	85	86	86	58
Soccer/football fields	5	5	21	26	26	26	31	32	32	36
Community centers	49	49	41	42	42	42	42	42	42	44
Water										
Water mains (miles)	2,424	2,424	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766
Storage capacity (thousands of gallons)	247	247	247	246	246	246	246	246	247	247
Wastewater										
Sanitary sewers (miles)	2,000	2,000	2,259	2,259	2,259	2,259	2,259	2,259	2,259	2,259
Treatment capacity (thousands of gallons)	170MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD	155.3MGD	181.7MGD	188.0MGD	202.0MGD
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