

2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2016





THE CITY OF ATLANTA, GEORGIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended June 30, 2016

Kasim Reed
Mayor

J. Anthony Beard
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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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 20, 2016

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, 2016. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The law further requires that these statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The CAFR has been prepared by the City in accordance with those principles and standards. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

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

The City’s financial statements have been audited by *KPMG, LLP*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

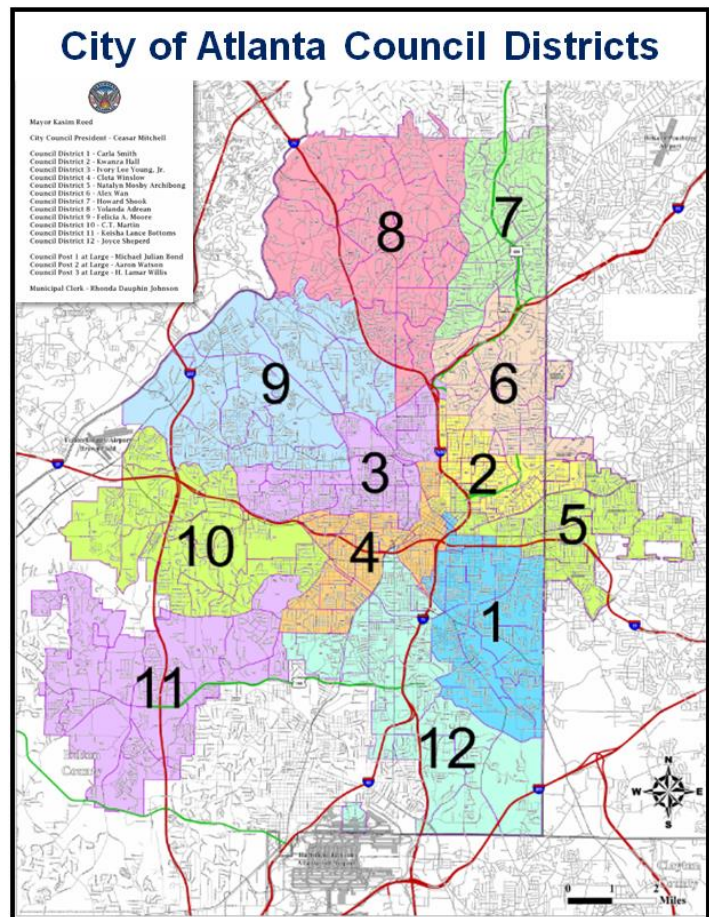
This report and other historical audited financial statements, prior year(s) fiscal operating budgets, as well as the Popular Annual Financial Report, may also be accessed via the City's website at www.atlantaga.gov.

CITY OF ATLANTA GOVERNMENT OVERVIEW

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

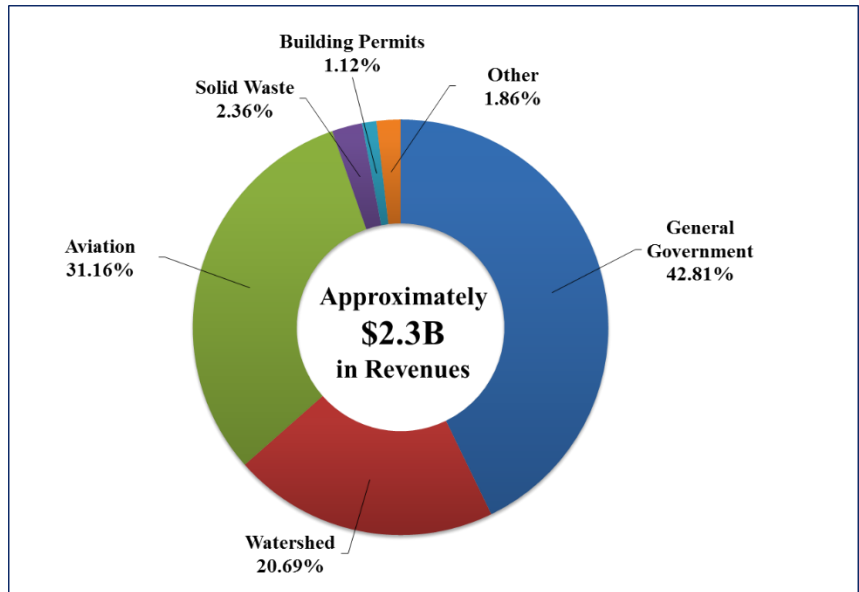
The City's policy-making and legislative authority are vested in a governing council (City Council) consisting of fifteen members and an elected City Council President who serves as presiding officer. The City Council's primary responsibilities are adopting ordinances, adopting the budget and setting policy for the City. The City's Mayor is responsible for carrying out the policies and ordinances of the City, for overseeing the day-to-day operations of the City and for appointing and directing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve four-year terms, as does the Mayor. The Mayor is limited to two consecutive terms. There are no term limits for Council Members or for the Council President. Twelve of the council members are elected by district. The Mayor, the three remaining Council Members and the Council President are elected at large.

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



PRIMARY CITY FUNCTIONS

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



reports of power outages and fallen trees to ensure a rapid and coordinated response to weather events or other events affecting public safety. The City accounts for solid waste collection and disposal activities separately within the reporting entity and attempts to recover operating costs of the function through user charges. The City is responsible for water and wastewater operations and infrastructure and operates the world's busiest airport, financed exclusively with airport-generated income. The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. The City engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses, with the exception of legal claims. The City Council has oversight responsibility for the City's Pension Trust Funds, however the defined benefit pension plans are directly governed by separate pension boards.

In addition, the City is financially accountable as of June 30, 2016, 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

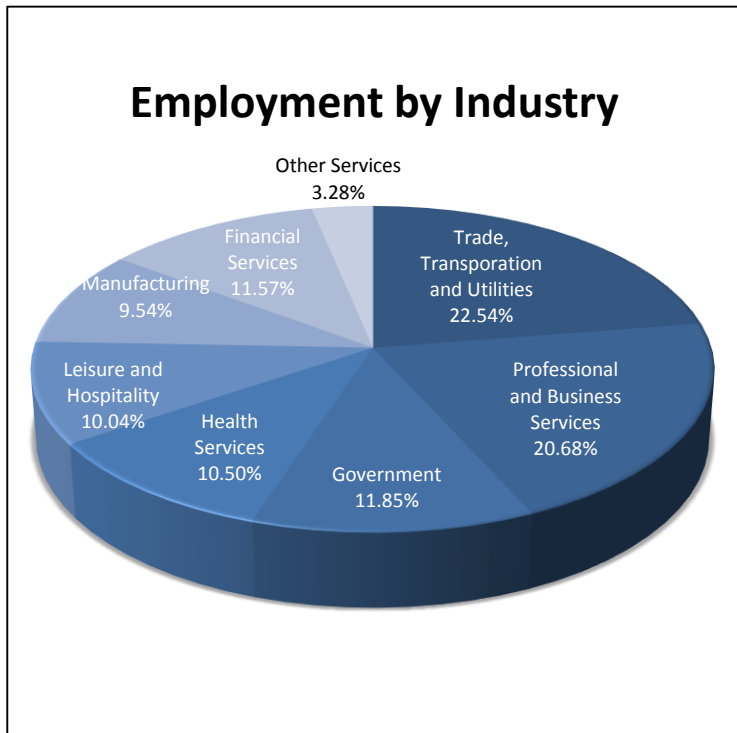
To promote economic development in undeveloped or underdeveloped areas, the City, utilizes its redevelopment agent the Atlanta Development Authority which does business as InvestAtlanta. InvestAtlanta spearheads diverse policies and activities which support increased private investment and job growth. Invest Atlanta also issues limited obligation Tax Allocation District ("TAD") bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City, but are secured solely by

and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD that exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station mixed-use development and the opening of the world’s largest Aquarium were products of TAD bonds and further strengthen the City’s core business districts. The Atlanta BeltLine TAD has created over 6,000 permanent jobs and 23,000 construction jobs since its inception. Public transportation initiatives included in the Atlanta BeltLine will also play a vital role in ensuring continued building and investing in the City. In December 2015, the City, the Atlanta BeltLine and the Atlanta Streetcar partnered to adopt the Streetcar System Plan (SSP), a planned 53 mile streetcar route. The Department of Planning and Community Development (DPCD) manages construction and development activity throughout the City of Atlanta. During calendar year 2015, the City issued 7,278 permits worth over \$3.4 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

- Continue reduction in crime rate, with a goal of a 25% reduction in crimes over Mayor Reed's two terms in office
- Leverage strategic partnerships (e.g. – GE) to continue improving public safety capabilities



City Infrastructure

- Continue implementation of \$250M bond dedicated to addressing the City's \$1B backlog of needed infrastructure repairs (Renew Atlanta)
- Meet EPA sewer rehabilitation deadlines and continue executing \$250M capital program within the Department of Watershed Management to increase water reliability



Human Capital and Youth Development

- 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

- Maintain #1 global passenger ranking and deliver positive passenger volume growth
- Westside and downtown redevelopment, and Ft McPherson
- Increase venture capital and startup activity in and around the City



Government Efficiency and Excellence

- Sustain efficiency gains and cost savings achieved through recommendations by Blue Ribbon Efficiency Commission
- Continue improving service delivery with integrated 311 call center
- Deliver balanced budget with no property tax increases and achieve upgrades in bond ratings

The safety of Atlanta's residents and visitors remains a top priority for the City. Overall, crime in Atlanta is down 26% compared to 2009 and the City continues to strive to maintain an active police force of 2000 officers. The Atlanta Police Department (APD) recently rolled out the first phase of electronic citation devices (eCitation) to the APD's Motorcycle Unit. With the ability to perform background checks on the devices, the average time to issue a citation has been reduced from about 15 minutes to five minutes. Additionally, 62% of eCitation tickets issued were paid online. The Municipal Court has partnered with the APD and the Department of Corrections (DOC) to address the issue of Failure to Appear (FTA) cases and make process improvements. Historically the clearance rate was approximately 40% of FTA cases; the Court is now seeing an 85% clearance rate.

The licensing and permitting process will soon become easier for those seeking to start a business in the City of Atlanta. The U.S. Small Business Administration's Startup in a Day prize competition awarded the City of Atlanta \$50,000 to streamline the licensing and permitting process and invest in the technology

to move the licensing and permitting process online. Once the tool is implemented, anyone starting a business in the City of Atlanta will go through one source of intake, reducing the average number of agency interactions and thereby reducing processing time from weeks or months to hours or days. This centralized process will support the growth of small businesses and entrepreneurs within the City of Atlanta.

Atlanta is emerging as an international leader in sustainability and becoming even more efficient in the types of resources it uses. Some of the major strides made in Atlanta during 2015 include: Electric Cars; Efficiency - passing the first ever Commercial Building Energy Efficiency Building Ordinance in the country to include water efficiency; Climate – becoming the only City in Georgia to pass a climate action plan; Greenspaces – working on a \$3M ecological habitat restoration study of Procter Creek in partnership with U.S. Army Corps of Engineers, and Agriculture – winning a \$40K grant to partner with at-risk and homeless youth to grow plants to be sold in local farmers’ market.

In June 2015, the City issued \$252 million in General Obligation Public Improvement Bonds to fund the Renew Atlanta program and begin to address a \$1 billion capital backlog. Renew Atlanta has already made significant infrastructure improvements throughout the City, and work will continue to fix roads and bridges, build more than 30-miles of streets and bicycle lanes, and optimize Atlanta’s traffic lights. Sidewalks and curbs are being built and repaired, and ADA (Americans with Disabilities Act) ramps are being installed. Multiple streets throughout the City have already been resurfaced.

At the close of fiscal 2016, the City’s general fund showed a surplus for the 7th consecutive year and the fund balance is in excess of 20% of total expenditures. In March 2016, Standard & Poor’s rating service, Moody’s Investors Service and Fitch ratings have all upgraded the City of Atlanta’s general obligation debt. The upgraded credit ratings are a sign of confidence in the strong financial position of the City and can impact the bottom line by reducing the cost of borrowing for new infrastructure. The upgrades represent the highest credit rating the City of Atlanta has had in more than two decades.

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, 2015. 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, 2015. 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 2015. 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, 2015

Executive Director/CEO

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



Clela Winslow
District 4



Natalyn Archibong
District 5



Alex Wan
District 6



Howard Shook
District 7



Yolanda Adrean
District 8



Felicia A. Moore
District 9



C.T. Martin
District 10



Keisha Lance Bottoms
District 11



Joyce M. Sheperd
District 12



Ceasar 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

Cristopher E. Ward
Chief Judge

PUBLIC DEFENDER

Rosalie M. Joy
Interim Public Defender

SOLICITOR

Raines F. Carter
Solicitor

BOARD OFFICERS

ATLANTA CITIZENS REVIEW DIRECTOR

Samuel Reid
Executive Director

ETHICS OFFICER

Jabu M. Sengova
Associate Ethics Officer

CITY AUDITOR

Leslie Ward
City Auditor

DEPARTMENT OFFICERS

AVIATION

Roosevelt Council, Jr.
Interim General Manager

CORRECTIONS

Patrick Labat
Corrections Chief

FINANCE

J. Anthony Beard
Chief Financial Officer

FIRE & RESCUE SERVICES

Joel Baker
Fire Chief

HUMAN RESOURCES

Yvonne Yancy
Commissioner

INFORMATION TECHNOLOGY

Samir Saini
Chief Information Officer

LAW

Cathy Hampton
City Attorney

PARKS & RECREATION

Amy Phuong
Commissioner

PLANNING & COMMUNITY DEVELOPMENT

Tim Keane
Commissioner

POLICE SERVICES

George N. Turner
Police Chief

PROCUREMENT

Adam L. Smith
Chief Procurement Officer

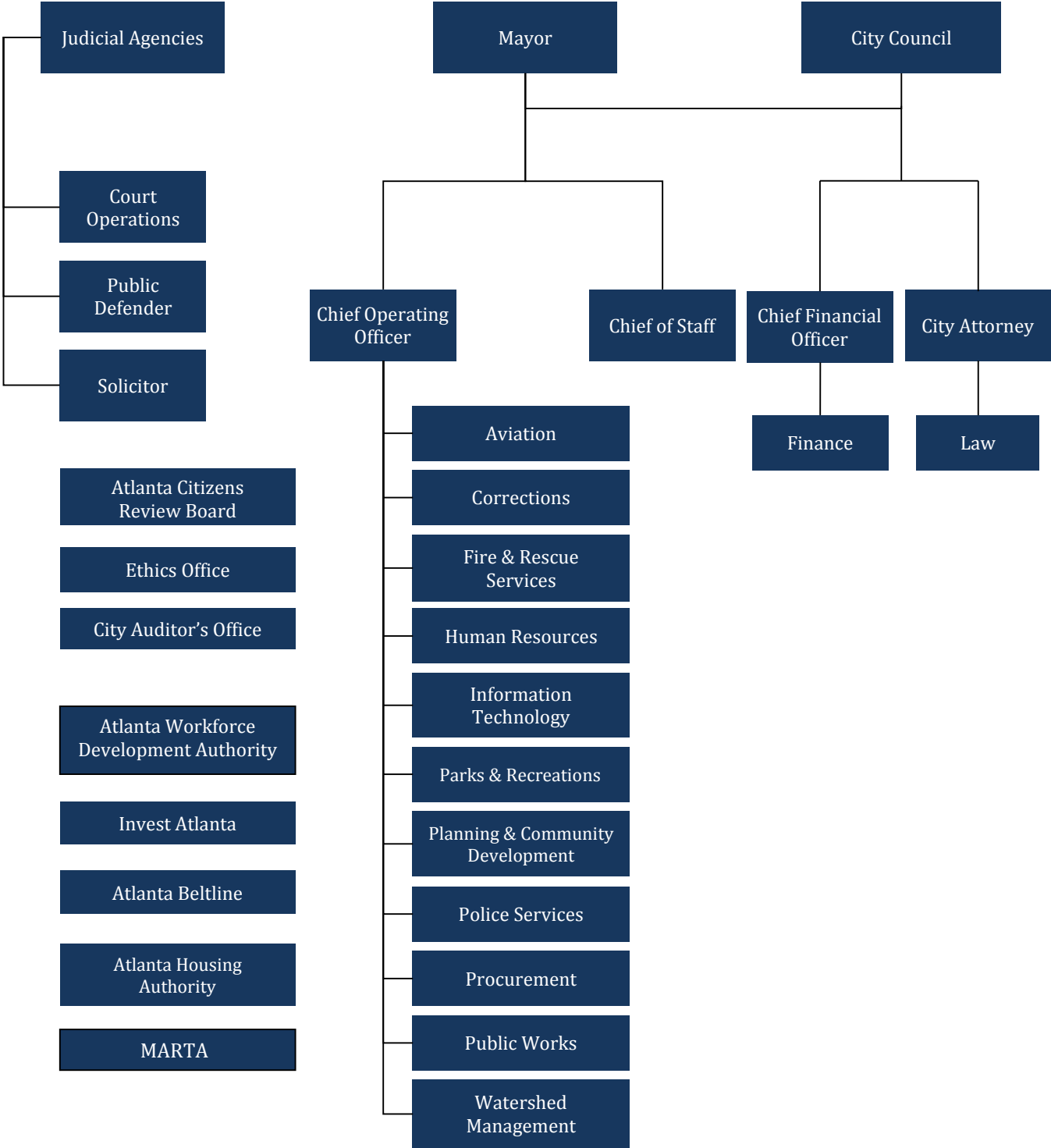
PUBLIC WORKS

Richard Mendoza
Commissioner

WATERSHED MANAGEMENT

Kishia L. Powell
Commissioner

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, 2016, 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 relates 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, 2016, 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 1E to the basic financial statements, in 2016, the City adopted Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. 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 126-136 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 nonmajor 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 nonmajor 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 Nonmajor 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 20, 2016 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 20, 2016

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

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, 2016, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2016 with the year ended June 30, 2015. 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 2016 by approximately \$7.0 billion. This amount represents the City's Net Position.
- The City's total net position increased by \$304.2 million or 4.6% compared to 2015; an increase of \$22.6 million from governmental activities and an increase of \$281.6 million from business-type activities.
- As of the close of fiscal year 2016, the City's governmental funds reported combined ending fund balances of \$779.4 million. The overall General Fund balance increased 1.4% to \$153.1 million.
- The City's long-term debt, including capital leases, at June 30, 2016 totaled \$7.7 billion, a net increase of \$38.1 million or 0.5 percent.

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 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.

CITY OF ATLANTA, GEORGIA

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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. is a component unit 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-seven individual governmental funds within the 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-four 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.

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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 (GASB) 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 (Department of Watershed Management), the Hartsfield-Jackson Atlanta International Airport (Department of Aviation), Sanitation Services, Parks and Recreational Facilities, Underground Atlanta, Parking Deck, Building Permits, City Plaza 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 is impacted through the allocation of services, based upon usage, between governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the Department of Watershed Management and the Department of Aviation, which are considered to be major funds of the City. Conversely, 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. 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.

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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 follow the required supplementary information. Required supplementary information can be found beginning on page 126 of this report.

Financial Analysis - Government-wide Statements

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$7.0 billion at the close of the year ended June 30, 2016. 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, 2016 and June 30, 2015 (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	As of 30-Jun-16	As of 30-Jun-15	As of 30-Jun-16	As of 30-Jun-15	As of 30-Jun-16	As of 30-Jun-15
Current and other assets	\$ 925,669	\$ 937,934	\$ 3,806,993	\$ 3,494,617	\$ 4,732,662	\$ 4,432,551
Capital assets, net of depreciation	1,115,706	1,121,263	10,913,919	10,835,990	12,029,625	11,957,253
Total assets	2,041,375	2,059,197	14,720,912	14,330,607	16,762,287	16,389,804
Deferred outflows of resources	127,342	137,918	341,104	281,798	468,446	419,716
Total assets and deferred outflows of resources	2,168,717	2,197,115	15,062,016	14,612,405	17,230,733	16,809,520
Long-term liabilities						
Current	182,960	172,494	480,929	478,678	663,889	651,172
Non-Current	2,390,998	2,370,768	7,070,036	6,870,394	9,461,034	9,241,162
Total liabilities	2,573,958	2,543,262	7,550,965	7,349,072	10,124,923	9,892,334
Deferred inflows of resources	96,555	178,219	35,604	69,516	132,159	247,735
Total liabilities and deferred inflows of resources	2,670,513	2,721,481	7,586,569	7,418,588	10,257,082	10,140,069
Net Position						
Net investment in capital assets, net of related debt	6,564	(292,446)	5,380,368	5,174,578	5,386,932	4,882,132
Restricted	638,322	666,871	1,042,955	1,013,484	1,681,277	1,680,355
Unrestricted	(1,146,682)	(898,791)	1,052,124	1,005,755	(94,558)	106,964
Total Net Position	\$ (501,796)	\$ (524,366)	\$ 7,475,447	\$ 7,193,817	\$ 6,973,651	\$ 6,669,451

By far the largest portion of the City's net position, \$5.4 billion (77.0%) 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.

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Financial Analysis - Government-wide Statements, continued

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 (23.9%) represents resources that are subject to external restrictions on how they may be used.

The City reported a positive balance of \$ 1.1 billion in unrestricted net position for business-type activities. For governmental activities, the City reported a negative balance of \$1.1 billion in unrestricted net position primarily due to the recording of the net pension liability. The general fund reported a positive balance of \$137.4 million in unrestricted (assigned and unassigned) fund balance. Unrestricted fund balance represents the spendable resources available for governmental activities, without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted net position is the exclusion of long term debt and capital asset balances which are not part of the current financial resources measurement focus presentation required of governmental funds.

Table 2. City of Atlanta's Changes in Net Position, Year Ended June 30, 2016 and June 30, 2015 (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	Year Ended 30-Jun-16	Year Ended 30-Jun-15	Year Ended 30-Jun-16	Year Ended 30-Jun-15	Year Ended 30-Jun-16	Year Ended 30-Jun-15
Revenues						
Program revenues						
Charges for services	\$ 157,120	\$ 157,501	\$ 1,031,888	\$ 1,029,570	\$ 1,189,008	\$ 1,187,071
Operating grants and contributions	61,369	51,070	-	-	61,369	51,070
Capital grants and contributions	253	77,707	271,863	259,682	272,116	337,389
General revenues						
Property taxes	321,991	296,721	-	-	321,991	296,721
Other taxes	425,162	409,734	-	-	425,162	409,734
Investment income (loss)	8,445	3,864	41,775	32,985	50,220	36,849
Other	-	-	245	3	245	3
Total revenues	<u>974,340</u>	<u>996,597</u>	<u>1,345,771</u>	<u>1,322,240</u>	<u>2,320,111</u>	<u>2,318,837</u>
Expenses:						
General government:	308,606	472,818	-	-	308,606	472,818
Police	213,198	197,267	-	-	213,198	197,267
Fire	86,768	86,906	-	-	86,768	86,906
Corrections	34,181	33,990	-	-	34,181	33,990
Public Works	93,719	73,280	-	-	93,719	73,280
Parks, Recreation and Cultural Affairs	58,589	60,246	-	-	58,589	60,246
Interest on long-term debt	40,686	29,788	-	-	40,686	29,788
Water and Wastewater System	-	-	450,896	443,300	450,896	443,300
Department of Aviation	-	-	640,793	628,824	640,793	628,824
Sanitation	-	-	61,471	59,732	61,471	59,732
Other	-	-	27,004	27,532	27,004	27,532
Total Expenses	<u>835,747</u>	<u>954,295</u>	<u>1,180,164</u>	<u>1,159,388</u>	<u>2,015,911</u>	<u>2,113,683</u>
Change in Net Position before transfers	138,593	42,302	165,607	162,852	304,200	205,154
Transfers in(out)	<u>(116,023)</u>	<u>(118,897)</u>	<u>116,023</u>	<u>118,897</u>	<u>-</u>	<u>-</u>
Change in Net Position	22,570	(76,595)	281,630	281,749	304,200	205,154
Net Position, Beginning of Period	<u>(524,366)</u>	<u>(447,771)</u>	<u>7,193,817</u>	<u>6,912,068</u>	<u>6,669,451</u>	<u>6,464,297</u>
Net Position, End of Period	<u>\$ (501,796)</u>	<u>\$ (524,366)</u>	<u>\$ 7,475,447</u>	<u>\$ 7,193,817</u>	<u>\$ 6,973,651</u>	<u>\$ 6,669,451</u>

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

Financial Analysis - Government-wide Statements, continued

Revenue for the City in fiscal year 2016, which totaled approximately \$2.3 billion is flat when compared to the year ended June 30, 2015. Charges for services increased \$1.9 million or 0.2% for the primary government as a whole. Charges for services of governmental activities remained relatively flat at \$157 million, and business-type activities charges which increased by \$2.3 million or 0.2%. The increased charges for business-type activities were the result of increases in passenger traffic and increase in water consumption as a result of continued economic expansion. The increase in operating grants of \$10.3 million or 20.2%, is primarily the result of increased federal funding related to the Department of Aviation projects. Governmental capital grants and contributions decreased \$77.5 million mainly due to less capital infrastructure contributions. Business-type activities capital grants and contributions increased by \$12.2 million due to increased Federal FAA capital contributions at the Department of Aviation. Property taxes during fiscal year 2016 increased by \$25.3 million or 8.5%, due mainly to new construction throughout the City. Other taxes increased by \$15.4 million or 3.8% driven primarily by a \$13 million or 3.1% increase in public utility franchise and alcoholic beverage taxes as well as increased revenues from local and municipal option sales taxes.

Total expenses for the City were \$2.0 billion in fiscal year 2016, a decrease of \$97.8 million or 4.6% when compared to fiscal year 2015. Total expenses for governmental activities, excluding transfers, reflect a decrease of \$118.4 million or 13.5% year-over-year. Expenses for business-type activities increased by \$20.8 million, or 1.8% compared to fiscal 2015.

The City's Net Position increased by \$304.2 million, or 4.6% during fiscal year 2016. The net position for governmental funds increased by \$22.6 million, or 4.3%, while the net position for business-type activities increased by \$281.6 million, or 3.9%. The increase within governmental activities can be attributed to operating grants and contributions, while the majority of the increase within business-type activities can be attributed to charges for services, capital grants and contributions, investment income and transfers out.

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Management’s Discussion and Analysis (Unaudited) June 30, 2016

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 increased by \$22.6 million or 4.3% during fiscal year 2016.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2016 (in thousands):

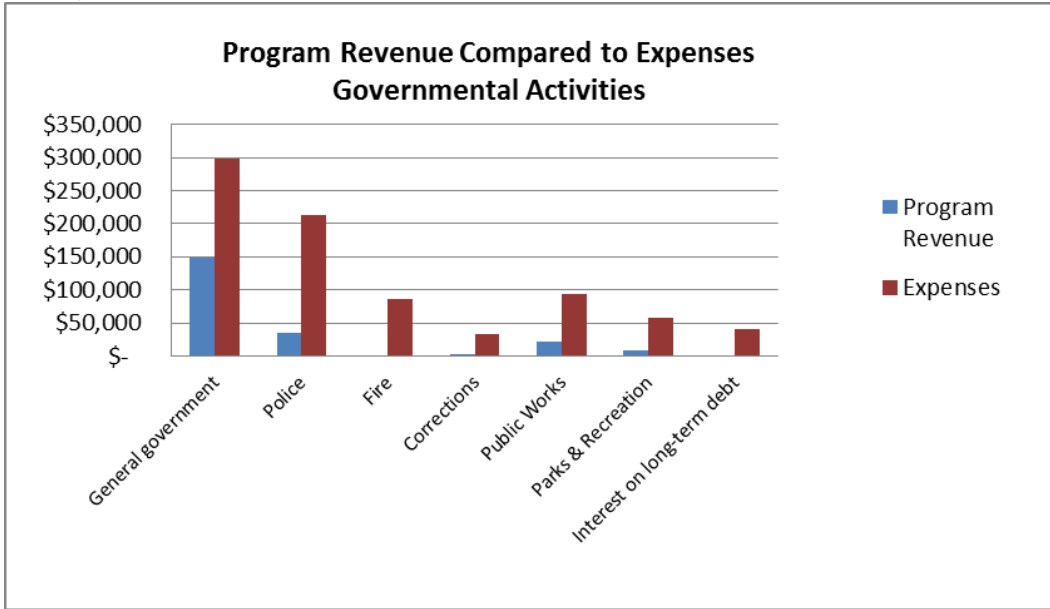
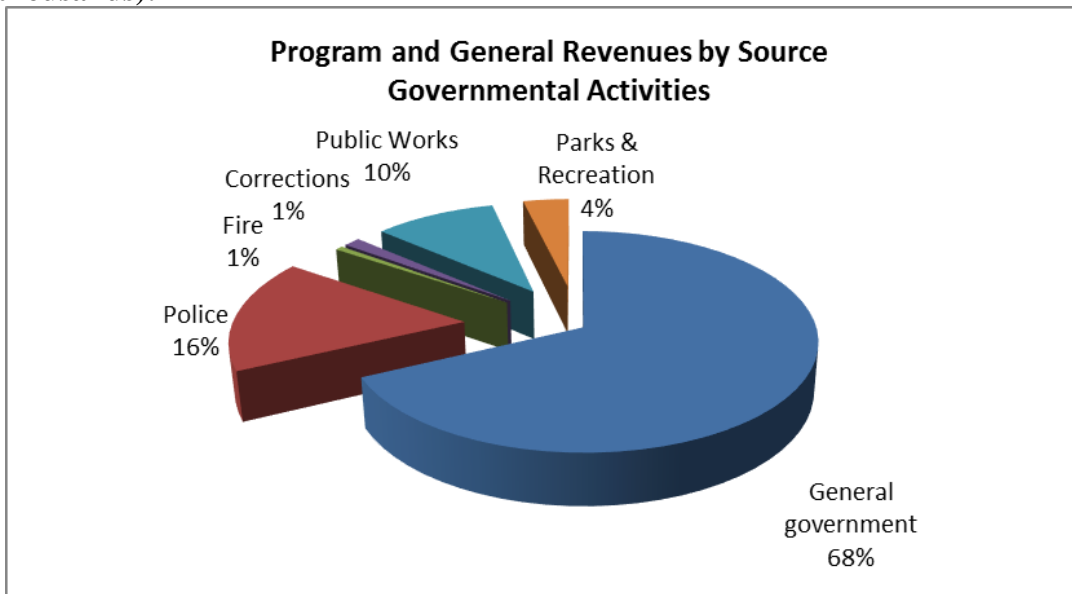


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2016 (in thousands):



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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 \$281.6 million, representing growth of 3.9 % over June 30, 2015. This growth is attributable primarily to the operations of the Departments of Watershed Management and Aviation.

Figure 3 - Expenses for Business-type Activities, Year Ended June 30, 2016 (in thousands):

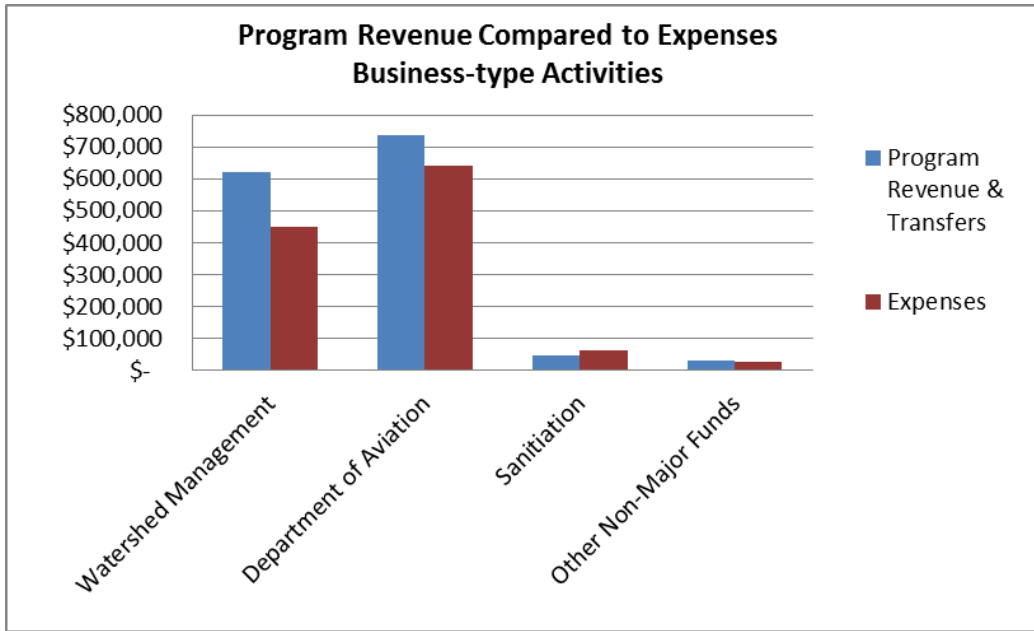
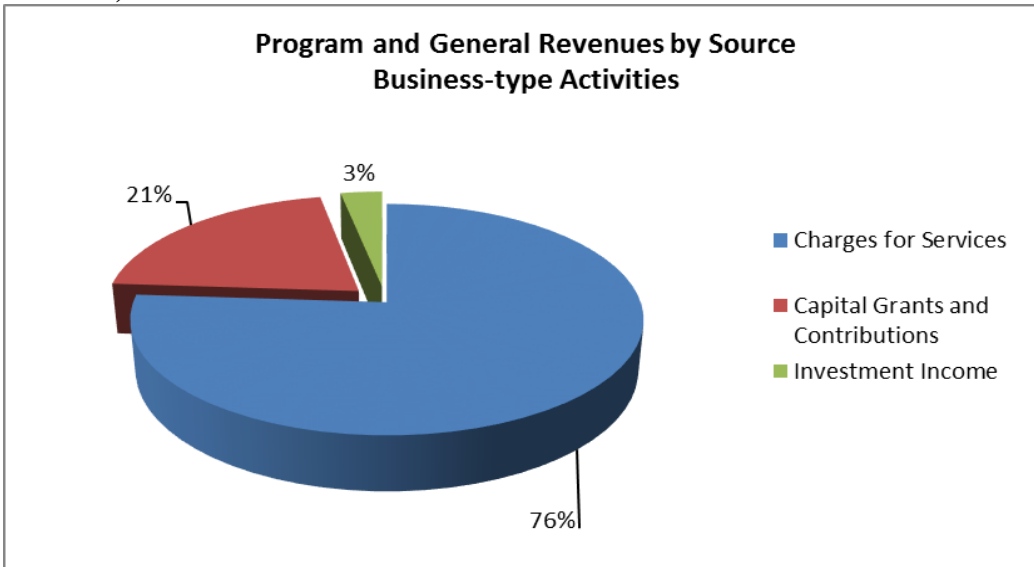


Figure 4 - Program Revenues for Business-type Activities, Year Ended June 30, 2016 (in thousands):



CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

Financial Analysis – Business-type activities, continued

Department of Watershed Management (DWM) The net position for DWM for the twelve month period ended June 30, 2016 increased by \$164.0 million or 6.4% to \$2.7 billion.

Table 3 - Department of Watershed Management Revenues and Expenses – Year Ended June 30, 2016 and June 30, 2015 (in thousands):

	Year Ended June 30		Change
	2016	2015	
REVENUES			
Total operating revenues	\$ 466,929	\$ 459,673	\$ 7,256
Non-operating revenues, net	15,051	9,958	5,093
Total revenues	<u>\$ 481,980</u>	<u>\$ 469,631</u>	<u>\$ 12,349</u>
EXPENSES			
Total operating expenses	\$ 324,042	\$ 296,420	\$ 27,622
Non-operating expenses			
Loss on derivitave instrument	-	-	0
Interest expense	123,733	139,532	(15,799)
Other expenses	3,121	7,348	(4,227)
Total expenses	<u>\$ 450,896</u>	<u>\$ 443,300</u>	<u>\$ 7,596</u>
Income before Capital Contributions & Transfers	<u>\$ 31,084</u>	<u>\$ 26,331</u>	<u>\$ 4,753</u>
Capital Contributions	19,639	20,010	(371)
Transfers, net	113,259	109,139	4,120
Change In Net Position	<u>\$ 163,982</u>	<u>\$ 155,480</u>	<u>\$ 8,502</u>
Net Position, beginning of period	2,572,027	2,416,547	155,480
Net Position, end of period	<u>\$ 2,736,009</u>	<u>\$ 2,572,027</u>	<u>\$ 163,982</u>

Total DWM revenues for the year ended June 30, 2016 increased \$12.3 million or 2.6% to \$482.0 million compared to June 30, 2015. Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by \$7.3 million or 1.6% to \$467.0 million. The increase was due primarily to an increase in consumption as a result of continued economic recovery.

Non-operating revenue increased by \$5.1 million or 51.1%, which was due primarily to investment income gains. Transfer amounts includes the Municipal Option Sales Tax (MOST); for fiscal year 2016 the MOST transfer totaled \$132.7 million compared with \$131.6 million in fiscal year 2015, an increase of 0.8%. 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 2016.

Total DWM expenses increased \$7.6 million or 1.7% to \$450.9 million when compared to the year ended June 30, 2015. The increase is primarily driven by depreciation, consultant fees, and indirect cost expenses. Total operating revenues less operating expenses, or operating margin, was \$142.9 million for fiscal year 2016, a decrease of \$20.4 million or 12.5% compared to fiscal year 2015.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

Financial Analysis – Business-type activities, continued

Department of Aviation (DOA) The Net Position of the DOA for the twelve month period ended June 30, 2016 increased by \$124.9 million or 2.7% to \$4.8 billion.

Table 4 - Department of Aviation Revenues and Expenses – Year Ended June 30, 2016 and June 30, 2015 (in thousands):

	Year Ended June 30		Change
	2016	2015	
REVENUES			
Operating revenues	\$ 486,812	\$ 483,022	\$ 3,790
Investment income (loss)	26,669	22,601	4,068
Non-operating revenues, net	228,890	198,987	29,903
Total revenues	<u>\$ 742,371</u>	<u>\$ 704,610</u>	<u>\$ 37,761</u>
EXPENSES			
Operating expenses	\$ 513,939	\$ 487,211	\$ 26,728
Interest expense	126,072	127,941	(1,869)
Total expenses	<u>\$ 640,011</u>	<u>\$ 615,152</u>	<u>\$ 24,859</u>
Income before Capital Contributions & Transfers	<u>\$ 102,360</u>	<u>\$ 89,458</u>	<u>\$ 12,902</u>
Capital Contributions	22,505	26,851	(4,346)
Transfers, net	-	(518)	
Change In Net Position	<u>\$ 124,865</u>	<u>\$ 115,791</u>	<u>\$ 9,074</u>
Net Position, beginning of period	4,666,962	4,551,171	115,791
Net Position, end of period	<u>\$ 4,791,827</u>	<u>\$ 4,666,962</u>	<u>\$ 124,865</u>

Total DOA revenues for the year ended June 30, 2016 of \$742.3 million increased by \$37.8 million or 5.4% year over year. Operating revenues are diverse and consist primarily of inside concessions, parking, car rentals, landing fees, terminal rentals and reimbursed operating expenses. Total operating revenues increased \$3.8 million, or 0.8% when compared to fiscal year 2015. Operating revenues increased primarily due to increases in concessions, and parking and rental car revenues.

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 \$201.1 million in fiscal 2016 compared with \$187.3 million in fiscal 2015. CFCs, which are collected to fund the financing and operation of the Rental Car Center, were \$28.6 million in fiscal 2016 compared with \$35.2 million in fiscal 2015. Net investment income increased to \$26.7 million during fiscal year 2016.

Total DOA expenses increased by \$24.9 million or 4.0% to \$640.0 million. Operating expenses for the period were \$513.9 million which reflect an increase of \$26.7 million or 5.5% over June 30, 2015. Repairs, maintenance and other contractual services contributed \$11.7 million to this increase. Depreciation and amortization expenses increased by \$4.6 million year over year, which is attributable to an increase of \$137.2 million of depreciable assets during fiscal year 2016. Salaries and employee benefits expense increased by \$3.6 million in comparison to fiscal year 2015.

CITY OF ATLANTA, GEORGIA

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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 capital projects restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Major components of the Airport's construction in process are concourse projects, airfield and runway projects, concourse transportation system (AGTS), terminal/passenger projects and security/operations projects. The balance in unrestricted Net Position at June 30, 2016 increased by \$52.5 million or 10.4% to \$558.5 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, 2016, the City's governmental funds reported combined ending fund balances of \$779.4 million, a decrease of \$35.9 million or 4.4%. The decrease was primarily due to increased expenditures associated with the Capital Projects Fund. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2016, the City's governmental funds had an unassigned fund balance of \$118.1 million, a decrease of 20.6 million compared to fiscal year 2015.

The General Fund is the chief operating fund of the City. During fiscal 2016, the fund balance of the general fund increased by \$2.1 million or 1.4% to \$153.1 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, \$3.5 million was transferred to the Fleet Services Fund. Deficit balances in the cash management pool totaled \$61.9 million at the close of fiscal 2016 and are included in Due From Other Funds on the general fund balance sheet. *Unrestricted* fund balance is the combination of unassigned fund balance (\$130.2 million) and assigned fund balance (\$7.2 million) and totals \$137.4 million.

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

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 2016 increased by \$1.1 million or .01% to \$132.7 million. The MOST was originally approved by voters in July 2004 and subsequently reauthorized in February 2008, in March 2014 and again in March 2016 for another four years. The MOST is a significant funding source for the DWM and represents approximately 22% of total DWM revenue.

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
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Financial Analysis – Government Funds, continued

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 2016 General Fund revenues on a GAAP basis were \$530.3 million, \$3.1 million more than the final budget of \$527.2 million. Fiscal year 2016 final revenue budget did not include any prior year fund balance. Current year property taxes were \$193.2 million and \$1.2 million less than budget. Local option sales taxes totaled \$103.5 million and were \$2.0 million or 2.0% above budget. Licenses and permits revenue of \$78.4 million was \$6.8 million or 9.5% above budget. The Hotel-Motel excise tax is budgeted as transfer-in revenue, amounted to \$18.2 million and was \$0.9 million above the 2015 Hotel-Motel tax collections.

Total 2016 General Fund expenditures on a GAAP basis were \$545.8 million, which was \$2.5 million or 0.5% more than the original budgeted expenditures. An adjustment of \$2.5 million, (indicated on page 135) was made to the original budget. The Department of Police exceeded their budget due to salary adjustments and increased overtime costs. The Department of Parks, Recreation exceeded their budgets primarily due to increased programs offered through Centers of Hope and senior citizen activities. Additionally, Corrections and Police departments were involved in responding to local protests focused on national events. Although the aforementioned departments were over budget, the General Fund ended the year over budget for the reasons previously stated. Finally, the City budgeted a reserve amount of 2.5% or \$14.8 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-16	As of 30-Jun-15	As of 30-Jun-16	As of 30-Jun-15	As of 30-Jun-16	As of 30-Jun-15
Land	\$ 207,754	\$ 207,483	\$ 1,008,118	\$ 1,003,024	\$ 1,215,872	\$ 1,210,507
Land improvements	21,154	19,986	1,901,590	1,919,625	1,922,744	1,939,611
Buildings and building improvements	377,578	370,541	6,890,804	6,893,646	7,268,382	7,264,187
Other property and equipment	82,904	75,122	195,507	195,206	278,411	270,328
Infrastructure	358,927	368,642	-	-	358,927	368,642
Construction in progress	67,389	79,489	917,900	824,489	985,289	903,978
Total	\$ 1,115,706	\$ 1,121,263	\$ 10,913,919	\$ 10,835,990	\$ 12,029,625	\$ 11,957,253

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

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, 2016 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, 2016 was \$72.4 million or 0.6%.

Highlights of capital asset activity during the year ended June 30, 2016 included the following:

- The City purchased for \$10.6 million a 3.125 acre parcel of land adjacent to City Hall consisting of a mixed-use development with 164 one and two bedroom apartment homes, approximately 29,000 square feet of ground level retail, a 274 space structured parking deck, a 52 space surface parking lot and other related improvements and amenities, commonly known as "City Plaza".
- \$182.0 million was added to the Construction-In-Progress (CIP) balance for various Department of Watershed Management projects and \$156.5 million was removed from CIP and placed in-service.
- \$199.4 million was added to the Construction-In-Progress (CIP) balance related to various Department of Aviation projects and \$131.2 million was removed from CIP and placed in-service.
- Depreciation expense during fiscal year 2016 totaled \$383.5 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.

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CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

Capital Assets and Debt Administration, continued

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

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

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	<u>30-Jun-16</u>	<u>30-Jun-15</u>	<u>30-Jun-16</u>	<u>30-Jun-15</u>	<u>30-Jun-16</u>	<u>30-Jun-15</u>
General obligation and annual bonds	\$ 357,955	\$ 395,890	\$ -	\$ -	\$ 357,955	\$ 395,890
Premium on bonds	37,668	41,222	-	-	37,668	41,222
Certificate of participation	32,160	-	-	-	32,160	-
Deferred issuance premiums	4,729	-	-	-	4,729	-
APSJFA revenue bonds	32,900	35,110	-	-	32,900	35,110
Deferred issuance premiums	781	917	-	-	781	917
SWMA revenue refunding bonds	10,980	12,530	-	-	10,980	12,530
Less: Deferred amount on refunding	-	-	-	-	0	-
Limited obligation bonds	438,930	464,745	-	-	438,930	464,745
Discount on bonds	(695)	(907)	-	-	(695)	(907)
Premium on bonds	6,446	896	-	-	6,446	896
Section 108 loans	930	1,175	-	-	930	1,175
Other general long-term obligations	62,829	57,639	-	-	62,829	57,639
Intergovernmental agreements	343,455	350,468	-	-	343,455	350,468
Notes Payable	4,016	5,892	-	-	4,016	5,892
Water and Wastewater Revenue Bonds	-	-	2,814,455	2,870,765	2,814,455	2,870,765
Bond issuance premiums	-	-	214,220	212,197	214,220	212,197
Bond issuance discounts	-	-	(4,535)	(4,311)	(4,535)	(4,311)
GEFA notes payable	-	-	168,222	168,843	168,222	168,843
Airport Facilities Revenue Bonds	-	-	2,702,125	2,818,210	2,702,125	2,818,210
Bond issuance premiums	-	-	143,593	160,881	143,593	160,881
Bond issuance discounts	-	-	(157)	(174)	(157)	(174)
Bond anticipation notes	-	-	300,000	-	300,000	-
Atlanta Gas Light Company Rate E-1 Contract (Civic Center Renovations)	-	-	1,734	1,859	1,734	1,859
City Plaza	-	-	9,465	-	9,465	-
Deferred issuance premiums	-	-	1,215	-	1,215	-
Capital Leases:						
General fund	19,261	50,620	-	-	19,261	50,620
Water and Wastewater System	-	-	1,304	2,724	1,304	2,724
Parking Deck	-	-	18,165	18,930	18,165	18,930
Underground Atlanta	-	-	-	7,915	-	7,915
Total	\$ 1,352,345	\$ 1,416,197	\$ 6,369,806	\$ 6,257,839	\$ 7,722,151	\$ 7,674,036

Long-term debt - The City's long-term debt, including capital leases, reflected a net increase of \$48.1 million or 0.6% during the current twelve-month period. General and limited obligation debt decreased by \$61.5 million in fiscal year 2016. The Department of Aviation debt increased by \$166.6, primarily as the result of the issuance of \$300 million in bond anticipation notes. The Department of Watershed Management debt, including GEFA notes payable, decreased by \$56.6 million. Government-wide capital lease obligations decreased by \$41.5 million during the current fiscal year.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

Capital Assets and Debt Administration, continued

The City's underlying ratings for its bond issuances at June 30, 2016 were as follows:

Table 7 - City of Atlanta Bond Ratings

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

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

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

Economic Factors and Next Year's Budgets and Rates

The 2016 US economic forecast indicates that the economic recovery that began in the second half of 2009 will continue to be sustained. The 2016 baseline forecast calls for Georgia's inflation-adjusted GDP to increase by 3.3 percent, which is almost identical to the 3.2 percent growth estimated for 2015. Georgia's 2015 GDP growth rate will be 0.8 percentage points higher than the 2.5 percent rate estimated for US GDP. The positive differential reflects: (1) projects in the economic development pipeline, (2) more supportive demographic forces, (3) more leverage from the housing recovery, (4) more small business startups and expansions, 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, business partners, high-tech companies, and research universities will continue to attract high technology companies in life sciences, research and development, information technology, professional and business services and advanced manufacturing. The innovation district that is developing around Tech Square has achieved the critical mass needed to attract high-tech companies.

Real GDP growth in the Atlanta MSA of 3.7% is forecasted to be above the national forecast of 2.7%. Personal income in the Atlanta area is expected to grow by 5.9% versus the national expectation of 3.5%. Invest Atlanta, the City's economic development arm, helped relocate 49 businesses, attracting over \$316 million in private sector capital creating 7,070 jobs in Atlanta during 2015. The Atlanta MSA is expected to add 69,100 jobs in 2015 or 2.8% on an average annual basis.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2016

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. State and local government accounts for only 8.9 percent of earnings in metro Atlanta versus 11.4 percent for the state.

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 2017 budget include:

- General Fund revenue anticipation of \$607.4 million, including a slight reduction to the property tax millage rate. This represents a 2.4 % increase over the fiscal 2016 revenue anticipation of \$593.1 million.
- Department of Watershed Management revenue anticipation of \$545.4 million, an increase of \$14.2 million or 2.76% compared to fiscal 2016.
- Department of Aviation revenue anticipation of \$503.7 million, an increase of \$11.3 million or 2.2% compared to fiscal 2016.

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, 2016

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,002	\$ 18,905	\$ 20,907	\$ 25,955
Restricted cash	320,194	274,024	594,218	59,923
Equity in cash management pool	195,488	1,649,376	1,844,864	-
Investments	-	-	-	759
Restricted investments	292,648	-	292,648	-
Receivables (net of allowances for uncollectables)	73,923	103,643	177,566	6,241
Due from other governments	12,632	11,570	24,202	-
Due from primary government	-	-	-	4,318
Due from component unit	-	-	-	1,642
Capital lease receivable, current portion	-	-	-	2,225
Internal balances	(10,156)	10,156	-	-
Inventories	934	18,879	19,813	-
Other restricted assets	-	40,557	40,557	-
Prepaid expenses and other current assets	-	1,069	1,069	421
Total current assets	887,665	2,128,179	3,015,844	101,484
Noncurrent assets:				
Restricted cash	-	563,929	563,929	47,413
Restricted investments	-	1,002,765	1,002,765	-
Investments	-	-	-	14,282
Due from primary government	-	-	-	326,975
Capital assets:				
Capital assets not being depreciated	275,143	1,926,018	2,201,161	187,169
Capital assets being depreciated	2,008,910	14,112,790	16,121,700	-
Less accumulated depreciation	(1,168,347)	(5,124,889)	(6,293,236)	(177,225)
Investments in joint venture	-	77,480	77,480	-
Restricted investments in escrow	18,171	-	18,171	-
Due from other parties	7,962	10,640	18,602	-
Due from component unit	-	24,000	24,000	22,900
Other assets	11,871	-	11,871	11,409
Long-term receivable	-	-	-	23,061
Total noncurrent assets	1,153,710	12,592,733	13,746,443	455,984
Total Assets	2,041,375	14,720,912	16,762,287	557,468
Deferred outflows of resources				
Pension related deferred outflows	115,593	43,354	158,947	-
Accumulated decrease in fair value of derivative instruments	-	85,958	85,958	-
Accumulated deferred losses on refunding	11,749	211,792	223,541	3,947
Total deferred outflows of resources	127,342	341,104	468,446	3,947
Total assets and deferred outflows of resources	2,168,717	15,062,016	17,230,733	561,415

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position

June 30, 2016

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable	97,511	136,326	233,837	10,677
Accrued expenses and vacations	1,846	23,863	25,709	-
Accrued interest payable	-	91,691	91,691	9,960
Claims payable	325	6,675	7,000	-
Contract retentions	1,716	8,348	10,064	-
Due to other governments	11,140	-	11,140	-
Other liabilities	-	4,184	4,184	23,480
Unearned revenues	178	-	178	1,173
Commercial paper notes payables	-	20,000	20,000	-
Current portion of long-term debt, capital leases, SWAPS	61,832	189,842	251,674	30,611
Current portion of other liabilities	8,412	-	8,412	-
Total current liabilities	<u>182,960</u>	<u>480,929</u>	<u>663,889</u>	<u>75,901</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	929,472	6,162,594	7,092,066	584,317
Noncurrent portion of capital leases	14,809	17,370	32,179	-
Noncurrent portion of contract retentions	-	4,495	4,495	-
Pension liability	782,859	457,202	1,240,061	-
Net OPEB obligation	253,209	194,890	448,099	-
Due to other governments	10,000	-	10,000	-
Due to primary government	-	-	-	24,000
Due to component unit	336,232	-	336,232	-
Other long-term liabilities	64,417	233,485	297,902	31,050
Total non-current liabilities	<u>2,390,998</u>	<u>7,070,036</u>	<u>9,461,034</u>	<u>639,367</u>
Total Liabilities	<u>2,573,958</u>	<u>7,550,965</u>	<u>10,124,923</u>	<u>715,268</u>
Deferred inflows of resources				
Pension related deferred inflows	84,753	35,604	120,357	-
Accumulated deferred gain on long term debt	-	-	-	8,423
Accumulated increase in fair value of derivative instruments	11,802	-	11,802	-
Total deferred inflows of resources	<u>96,555</u>	<u>35,604</u>	<u>132,159</u>	<u>8,423</u>
Total liabilities and deferred inflows of resources	<u>2,670,513</u>	<u>7,586,569</u>	<u>10,257,082</u>	<u>723,691</u>
NET POSITION				
Net investment in capital assets	6,564	5,380,368	5,386,932	90,046
Restricted for:				
Debt service	229,522	413,288	642,810	-
Programs	62,807	-	62,807	79,776
Capital projects	345,993	629,667	975,660	-
Unrestricted	<u>(1,146,682)</u>	<u>1,052,124</u>	<u>(94,558)</u>	<u>(18,765)</u>
Total Net Position	<u>\$ (501,796)</u>	<u>\$ 7,475,447</u>	<u>\$ 6,973,651</u>	<u>\$ 151,057</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Activities

For the Year Ended June 30, 2016

(Dollars in Thousands)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	TOTALS	
Primary Government								
Governmental activities:								
General government	\$ 308,606	\$ 113,637	\$ 34,532	\$ 253	\$ (160,184)	\$ -	\$ (160,184)	
Police	213,198	28,598	7,522	-	(177,078)	-	(177,078)	
Fire	86,768	906	485	-	(85,377)	-	(85,377)	
Corrections	34,181	2,965	-	-	(31,216)	-	(31,216)	
Public Works	93,719	5,560	16,143	-	(72,016)	-	(72,016)	
Parks, Recreation and Cultural Affairs	58,589	5,454	2,687	-	(50,448)	-	(50,448)	
Interest on long-term debt	40,686	-	-	-	(40,686)	-	(40,686)	
Total Governmental activities	<u>835,747</u>	<u>157,120</u>	<u>61,369</u>	<u>253</u>	<u>(617,005)</u>	<u>-</u>	<u>(617,005)</u>	
Business-type activities:								
Watershed Management	450,896	466,929	-	19,639	-	35,672	35,672	
Aviation	640,793	486,812	-	252,177	-	98,196	98,196	
Sanitation	61,471	46,527	-	47	-	(14,897)	(14,897)	
Parks and Recreational Facilities	161	15	-	-	-	(146)	(146)	
Underground Atlanta	4,660	1,695	-	-	-	(2,965)	(2,965)	
Parking Deck	1,325	857	-	-	-	(468)	(468)	
Permit Fund	18,943	28,155	-	-	-	9,212	9,212	
City Plaza	190	500	-	-	-	310	310	
Civic Center	1,725	398	-	-	-	(1,327)	(1,327)	
Total Business-type activities	<u>1,180,164</u>	<u>1,031,888</u>	<u>-</u>	<u>271,863</u>	<u>-</u>	<u>123,587</u>	<u>123,587</u>	
Total Primary Government	<u>\$ 2,015,911</u>	<u>\$ 1,189,008</u>	<u>\$ 61,369</u>	<u>\$ 272,116</u>	<u>\$ (617,005)</u>	<u>\$ 123,587</u>	<u>\$ (493,418)</u>	
Component Units	<u>\$ 242,026</u>	<u>\$ 22,451</u>	<u>\$ 15,686</u>	<u>\$ 32,591</u>				<u>\$ (171,298)</u>

General revenues:

Taxes:

Property Taxes Levied for general purposes	189,714	-	189,714	-
Property Taxes Levied for debt service	132,277	-	132,277	-
Local and Municipal Option Sales Tax	236,168	-	236,168	-
Public utility, alcoholic beverage and other taxes	188,994	-	188,994	3,396
Investment income	8,445	41,775	50,220	203
Other	-	245	245	598
Total General revenues	755,598	42,020	797,618	4,197
Transfers	(116,023)	116,023	-	-
Total general revenues, special items and transfers	639,575	158,043	797,618	4,197
Change in net position	22,570	281,630	304,200	(167,101)
Net Position - beginning of period	(524,366)	7,193,817	6,669,451	318,158
NET POSITION- END OF PERIOD	<u>\$ (501,796)</u>	<u>\$ 7,475,447</u>	<u>\$ 6,973,651</u>	<u>\$ 151,057</u>

The accompanying notes are an integral part of this statement.



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CITY OF ATLANTA, GEORGIA

Balance Sheet
Governmental Funds
June 30, 2016
(Dollars in Thousands)

	General Fund	Municipal Option Sales Tax (MOST)	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,915	\$ -	\$ -	\$ -	\$ 1,915
Cash and cash equivalents, restricted	-	127	41,186	278,881	320,194
Equity in cash management pool	136,204	465	8,423	40,145	185,237
Restricted Investments	-	-	253,839	38,809	292,648
Receivables:					-
Taxes	8,475	10,740	-	12,681	31,896
Accounts	21,060	-	-	20,319	41,379
Due from other governments	-	-	-	9,448	9,448
Due from other funds	81,837	-	1,381	738	83,956
Other assets	69	-	-	-	69
Investments in escrow	-	-	18,171	-	18,171
TOTAL ASSETS	\$ 249,560	\$ 11,332	\$ 323,000	\$ 401,021	\$ 984,913
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 39,721	\$ -	\$ 15,032	\$ 40,205	\$ 94,958
Accrued expenditures	1,238	-	10	84	1,332
Contract retentions	11	-	1,268	437	1,716
Due to other governments	-	-	-	11,140	11,140
Due to other funds	1,318	11,332	8,252	14,217	35,119
Advance due to other funds	46,199	-	-	-	46,199
Unearned revenue	64	-	-	114	178
Total Liabilities	88,551	11,332	24,562	66,197	190,642
Deferred inflows of resources					
Deferred inflows of property taxes	7,860	-	-	6,975	14,835
Total liabilities and deferred inflows of resources	96,411	11,332	24,562	73,172	205,477
Fund Balances:					
Nonspendable	15,726	-	-	-	15,726
Restricted	-	-	298,438	339,884	638,322
Assigned	7,254	-	-	-	7,254
Unassigned	130,169	-	-	(12,035)	118,134
Total fund balances	153,149	-	298,438	327,849	779,436
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 249,560	\$ 11,332	\$ 323,000	\$ 401,021	\$ 984,913

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, 2016
 (Dollars in Thousands)

Total fund balances		\$ 779,436
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Deferred inflows for property taxes re not recognized as current year revenues and, therefore, are classified as deferred inflows in the above funds</p>		14,835
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the above funds:</p>		
Land and construction in progress	275,143	
Cost of capital assets	2,008,910	
Less: accumulated depreciation	<u>(1,168,347)</u>	1,115,706
<p>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</p>		
Deferred outflows-General pension	25,478	
Deferred outflows-Fire pension	29,155	
Deferred outflows-Police pension	<u>60,960</u>	115,593
<p>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</p>	<u>11,749</u>	11,749
<p>Amount due from APS results from debt defeased by City used in governmental activities are not financial resources and therefore are not reported in the above funds:</p>	<u>11,146</u>	11,146
<p>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.</p>		
Capital assets included above related to the internal service fund	(446)	
Net Position for internal service fund	<u>(3,495)</u>	(3,941)
<p>Certain amounts related to the net pension liability are deferred and amortized over time</p>		
Deferred inflows of resources- General pension	(22,368)	
Deferred inflows of resources- Fire pension	(20,685)	
Deferred inflows of resources- Police pension	<u>(41,700)</u>	(84,753)
<p>Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in governmental funds.</p>		
Due to component unit	(343,455)	
Due to other government	(10,000)	
Long-term debt	(357,955)	
Certificate of Participation	(32,160)	
APSJFA revenue bonds	(32,900)	
SWMA revenue refunding bonds	(10,980)	
Limited obligation bonds	(438,930)	
Capital leases	(19,261)	
Other general long-term obligations	(53,759)	
Unamortized premiums (discounts) on bond issues	(48,929)	
Vacation and compensated absences payable	(17,928)	
Notes payable	(4,016)	
Net Pension liability	(782,859)	
Net OPEB obligation	(253,209)	
Health, dental and general claims payable	(15,390)	
Workers' compensation	<u>(39,836)</u>	<u>(2,461,567)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (501,796)</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, 2016
(Dollars in Thousands)

	General Fund	Municipal Option Sales Tax (MOST)	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 193,217	\$ -	\$ -	\$ 132,277	\$ 325,494
Local and municipal option sales taxes	103,515	132,653	-	-	236,168
Public utility, alcoholic beverage and other taxes	108,686	-	-	80,308	188,994
Licenses and permits	78,447	-	-	1,076	79,523
Charges for current services	10,230	-	-	27,326	37,556
Fines, forfeitures and penalties	24,392	-	-	1,941	26,333
Investment income	2,311	-	3,093	2,885	8,289
Intergovernmental revenues and contributions:					-
Federal revenues	-	-	-	46,723	46,723
State and local grants and contributions	-	-	-	14,646	14,646
Building rentals and concessions	7,411	-	-	856	8,267
Other	2,101	-	666	2,674	5,441
Total revenues	530,310	132,653	3,759	310,712	977,434
EXPENDITURES					
Current:					
General government	153,949	-	20,384	130,301	304,634
Police	187,437	-	4,874	34,206	226,517
Fire	78,521	-	8,342	1,075	87,938
Corrections	34,756	-	8	1,898	36,662
Public Works	39,939	-	16,494	23,234	79,667
Parks, recreation and cultural affairs	35,689	-	2,075	13,244	51,008
Debt Service:					
Principal payments	11,585	-	4,085	66,640	82,310
Interest payments	3,931	-	2,105	38,377	44,413
Bond issuance costs	-	-	146	185	331
Paying agent fees	15	-	-	29	44
Total Expenditures	545,822	-	58,513	309,189	913,524
Excess (deficiency) of revenues over expenditures	(15,512)	132,653	(54,754)	1,523	63,910
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	1,278	-	-	9	1,287
Payment to refunded bond escrow agent	-	-	(32,684)	(44,759)	(77,443)
Issuance of refunding bonds	-	-	35,735	41,330	77,065
Issuance of capital lease	7,779	-	-	-	7,779
Premium from bond sold	-	-	5,149	5,754	10,903
Transfers in	41,361	-	20,897	7,048	69,306
Transfers out	(32,771)	(132,653)	(3,770)	(19,552)	(188,746)
Total Other Financing Sources (Uses)	17,647	(132,653)	25,327	(10,170)	(99,849)
Net change in fund balances	2,135	-	(29,427)	(8,647)	(35,939)
Fund Balance:					
Beginning of the period	151,014	-	327,865	336,496	815,375
FUND BALANCE, END OF PERIOD	\$ 153,149	\$ -	\$ 298,438	\$ 327,849	\$ 779,436

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, 2016
 (Dollars in Thousands)

Net change in fund balance - total governmental funds		\$ (35,939)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property tax revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the above funds		(3,503)
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	60,132
	Capital contributions	253
	Disposal of assets	(9,298)
	Depreciation expense	(56,644)
		(5,557)
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	165,497
	Proceeds from long-term debt	(84,844)
	Recognition of due to APS	(10,000)
	Capitalization of premiums and discounts	(10,903)
	Amortization of premiums and discounts	4,102
		63,852
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.		
		3,011
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	2,943
	Deferred outflows-Fire pension	(4,960)
	Deferred outflows-Police pension	(8,523)
	Deferred inflows of resources- General pension	20,603
	Deferred inflows of resources- Fire pension	22,511
	Deferred inflows of resources- Police pension	40,583
		73,157
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 due from other parties	11,146
	Change in pension liability	(57,384)
	Amortization of deferred losses on refunding	(36)
	Change in health, dental and general claims payable	8,058
	Change in vacation and compensated absences	(836)
	Change in net OPEB obligation	(19,345)
	Change in workers' compensation	(14,054)
		(72,451)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 22,570

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position

Proprietary Funds

June 30, 2016

(Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 18,831	\$ 74	\$ -	\$ 18,905	\$ 87
Restricted cash and cash equivalents	115,589	158,435	-	274,024	-
Equity in cash management pool	747,159	847,800	54,417	1,649,376	10,251
Receivables:					
Accounts	158,363	7,264	45,075	210,702	648
Less allowance for doubtful accounts	(92,238)	(3,564)	(11,257)	(107,059)	-
Total receivables, net	<u>66,125</u>	<u>3,700</u>	<u>33,818</u>	<u>103,643</u>	<u>648</u>
Due from other governments	11,570	-	-	11,570	-
Due from other funds	11,910	-	-	11,910	-
Advance to other funds, current portion	10,000	-	-	10,000	-
Inventories	11,148	7,731	-	18,879	934
Prepaid expenses	-	1,069	-	1,069	-
Restricted assets	426	40,131	-	40,557	-
Total current assets	<u>992,758</u>	<u>1,058,940</u>	<u>88,235</u>	<u>2,139,933</u>	<u>11,920</u>
Noncurrent assets:					
Restricted cash and cash equivalents	86,059	477,870	-	563,929	-
Restricted investments	212,557	790,190	18	1,002,765	-
Advance to other funds, less current portion	36,199	-	-	36,199	-
Investment in joint venture	77,480	-	-	77,480	-
Due from other parties	-	10,640	-	10,640	-
Due from other component units	24,000	-	-	24,000	-
Capital assets:					
Land	124,045	584,230	22,067	730,342	136
Construction in progress	587,322	330,578	-	917,900	-
Land improvements	12,195	3,276,386	6,693	3,295,274	29
Land purchased for noise abatement	-	277,776	-	277,776	-
Buildings and other structures	-	3,911,973	101,986	4,013,959	5,508
Water collection and distribution system	4,276,723	-	-	4,276,723	-
Water and wastewater plant and treatment facilities	1,933,499	-	-	1,933,499	-
Machinery, equipment, and other	215,209	316,711	61,415	593,335	6,126
Less accumulated depreciation	(2,240,339)	(2,764,680)	(119,870)	(5,124,889)	(11,353)
Capital assets, net	<u>4,908,654</u>	<u>5,932,974</u>	<u>72,291</u>	<u>10,913,919</u>	<u>446</u>
Total assets	<u>6,337,707</u>	<u>8,270,614</u>	<u>160,544</u>	<u>14,768,865</u>	<u>12,366</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	17,768	20,829	4,757	43,354	-
Accumulated decrease in fair value of derivative instruments	85,958	-	-	85,958	-
Accumulated losses on debt refunding	151,841	59,951	-	211,792	-
Total assets and deferred outflows of resources	<u>\$ 6,593,274</u>	<u>\$ 8,351,394</u>	<u>\$ 165,301</u>	<u>\$ 15,109,969</u>	<u>\$ 12,366</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position

Proprietary Funds

June 30, 2016

(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	\$ 32,730	\$ 27,947	\$ 3,360	\$ 64,037	\$ 2,553
Accrued expenses	5,340	16,947	1,576	23,863	514
Claims payable	6,675	-	-	6,675	-
Deposits and advances	7,476	-	-	7,476	-
Accrued interest payable	-	43,027	-	43,027	-
Due to other funds	-	-	36,378	36,378	24,368
Current portion of other debt	6,002	83,945	-	89,947	-
Current maturities of capital leases	1,304	-	795	2,099	-
Accrued workers' compensation	1,087	140	2,957	4,184	-
Current liabilities	<u>60,614</u>	<u>172,006</u>	<u>45,066</u>	<u>277,686</u>	<u>27,435</u>
Current liabilities payable from restricted assets:					
Accounts payable	24,592	40,222	-	64,814	-
Accrued interest payable	22,843	25,691	130	48,664	-
Contract retention	8,034	314	-	8,348	-
Commercial paper notes payables	-	20,000	-	20,000	-
Current maturities of long-term debt	60,120	37,535	141	97,796	-
Total current liabilities payable from restricted assets	<u>115,589</u>	<u>123,762</u>	<u>271</u>	<u>239,622</u>	<u>-</u>
Total current liabilities	<u>176,203</u>	<u>295,768</u>	<u>45,337</u>	<u>517,308</u>	<u>27,435</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,126,240	3,024,081	12,273	6,162,594	-
Capital lease obligations, excluding current maturities	-	-	17,370	17,370	-
Pension liability	235,708	158,049	63,445	457,202	-
Net OPEB obligation	106,924	60,465	27,501	194,890	-
Claims Payable	6,111	-	-	6,111	-
Contract retention, excluding current portion	-	4,495	-	4,495	-
Accrued workers' compensation	7,474	963	20,336	28,773	-
Interest rate SWAP	182,976	-	-	182,976	-
Landfill postclosure costs	-	-	15,625	15,625	-
Total noncurrent liabilities	<u>3,665,433</u>	<u>3,248,053</u>	<u>156,550</u>	<u>7,070,036</u>	<u>-</u>
Total Liabilities	<u>3,841,636</u>	<u>3,543,821</u>	<u>201,887</u>	<u>7,587,344</u>	<u>27,435</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	15,629	15,746	4,229	35,604	-
Total liabilities and deferred inflows of resources	<u>3,857,265</u>	<u>3,559,567</u>	<u>206,116</u>	<u>7,622,948</u>	<u>27,435</u>
NET POSITION					
Net investment in capital assets	2,148,323	3,190,333	41,712	5,380,368	446
Restricted					
Debt service	-	413,288	-	413,288	-
Capital projects	-	629,667	-	629,667	-
Unrestricted	<u>587,686</u>	<u>558,539</u>	<u>(82,527)</u>	<u>1,063,698</u>	<u>(15,515)</u>
Total Net Position	<u>\$ 2,736,009</u>	<u>\$ 4,791,827</u>	<u>\$ (40,815)</u>	<u>\$ 7,487,021</u>	<u>\$ (15,069)</u>
				<u>(11,574)</u>	
					<u>\$ 7,475,447</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, 2016
(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	\$ 445,718	\$ 302,968	\$ 73,214	\$ 821,900	\$ 175,909
Sewer service charges from other governmental units	20,030	-	-	20,030	-
Rentals, admissions and concessions	66	124,110	3,474	127,650	-
Other	1,115	59,734	1,459	62,308	1,508
Total operating revenues	<u>466,929</u>	<u>486,812</u>	<u>78,147</u>	<u>1,031,888</u>	<u>177,417</u>
Operating expenses:					
Salaries and employee benefits	94,823	91,394	44,492	230,709	95,566
Utilities	20,571	9,270	642	30,483	610
Supplies and materials	19,231	4,625	1,471	25,327	10,612
Repairs, maintenance and other contractual services	13,444	21,691	480	35,615	5,648
Motor equipment services	6,302	4,134	8,306	18,742	410
Engineering and consultant fees	32,214	117,102	16,623	165,939	952
General services and other costs	38,369	42,393	8,740	89,502	64,267
Depreciation and amortization	99,088	223,330	6,158	328,576	63
Total operating expenses	<u>324,042</u>	<u>513,939</u>	<u>86,912</u>	<u>924,893</u>	<u>178,128</u>
Operating income (loss)	<u>142,887</u>	<u>(27,127)</u>	<u>(8,765)</u>	<u>106,995</u>	<u>(711)</u>
Non-operating revenues (expenses):					
Investment income, net of capitalized interest	15,051	26,669	565	42,285	156
Interest expense	(123,733)	(126,072)	(1,562)	(251,367)	(405)
Passenger facility charges	-	201,146	-	201,146	-
Customer facility charges	-	28,526	-	28,526	-
Other revenue (expenses), net	(3,121)	(782)	244	(3,659)	-
Total nonoperating revenues (expenses), net	<u>(111,803)</u>	<u>129,487</u>	<u>(753)</u>	<u>16,931</u>	<u>(249)</u>
Income before capital contributions and transfers	31,084	102,360	(9,518)	123,926	(960)
Capital contributions	19,639	22,505	47	42,191	-
Transfers in	132,653	-	4,870	137,523	3,500
Transfers out	(19,394)	-	(2,106)	(21,500)	-
Change in net Position	163,982	124,865	(6,707)	282,140	2,540
Net Position, beginning 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>
Net Position, end of period	<u>\$ 2,736,009</u>	<u>\$ 4,791,827</u>	<u>(40,815)</u>	<u>\$ 7,487,021</u>	<u>\$ (15,069)</u>
				282,140	
				(510)	
				\$ 281,630	

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, 2016
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Cash flows from operating activities					
Cash received from user charges	\$ 496,769	\$ 482,647	\$ 82,500	\$ 1,061,916	\$ 177,429
Cash received for interfund services received	12,455	-	-	12,455	-
Cash paid for interfund services received	(18,766)	-	-	(18,766)	-
Cash paid to employees for services	(97,805)	(91,513)	(36,396)	(225,714)	(95,894)
Cash paid to suppliers for goods and services	(84,823)	(194,491)	(28,227)	(307,541)	(86,550)
Net cash provided by (used in) operating activities	307,830	196,643	17,877	522,350	(5,015)
Cash flows from noncapital financing activities					
Non-capital grants and donations	(3,121)	-	-	(3,121)	-
Transfers in	132,736	-	4,870	137,606	3,500
Transfers out	(19,477)	-	(2,106)	(21,583)	-
Net cash provided by noncapital financing activities	110,138	-	2,764	112,902	3,500
Cash flows from capital and related financing activities					
Capital grants and donations	19,639	26,552	47	46,238	-
Principal repayments of long-term debts	(63,943)	(116,085)	(6,967)	(186,995)	-
Acquisition, construction and improvements of capital assets	(189,689)	(206,789)	(13,982)	(410,460)	(102)
Passenger and customer facility charges	-	227,522	-	227,522	-
Contract retention withheld, net	-	(5,361)	-	(5,361)	-
Proceeds from bond/note issuances	5,592	320,000	10,680	336,272	-
Premium from issuance of debt	14,361	-	-	14,361	-
Interest paid	(159,236)	(139,976)	(1,495)	(300,707)	(445)
Net cash used in capital and related financing activities	(373,276)	105,863	(11,717)	(279,130)	(547)
Cash flows from investing activities					
Change in equity in cash management pool	(37,083)	(52,633)	(9,464)	(99,180)	1,626
Interest on investments	6,597	30,819	552	37,968	196
Purchases of restricted investments	(70,489)	(1,481,118)	(12)	(1,551,619)	-
Sales & redemptions of restricted investments	-	1,206,623	-	1,206,623	-
Net cash provided by (used in) investing activities	(100,975)	(296,309)	(8,924)	(406,208)	1,822
Increase (decrease) in cash and cash equivalents	(56,283)	6,197	-	(50,086)	(240)
Cash and cash equivalents:					
Beginning of year	276,762	630,182	-	906,944	327
End of year	\$ 220,479	\$ 636,379	\$ -	\$ 856,858	\$ 87

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, 2016
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 142,887	\$ (27,127)	\$ (8,765)	\$ 106,995	\$ (711)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	99,088	223,330	6,158	328,576	63
Changes in assets and liabilities					
Accounts receivables - net of allowance	(3,557)	7,508	4,353	8,304	12
Materials and supplies - net of allowances	(634)	315	-	(319)	-
Due from other funds	10,122	-	-	10,122	-
Prepaid expenses	-	32	(2,480)	(2,448)	(221)
Due (from) other governmental units, net	45,339	-	-	45,339	-
Investment in joint venture	2,102	-	-	2,102	-
Accounts payable and accrued expenses	11,614	(8,630)	(721)	2,263	(519)
Other Liabilities	-	1,215	10,576	11,791	(328)
Claims payable	356	-	-	356	-
Customer deposits	513	-	-	513	-
Due to other funds	-	-	8,756	8,756	(3,311)
Net cash provided by (used in) operating activities	<u>\$ 307,830</u>	<u>\$ 196,643</u>	<u>\$ 17,877</u>	<u>\$ 522,350</u>	<u>\$ (5,015)</u>
 Schedule of noncash capital and related financing activity:					
Acquisition of capital assets with account payables	24,592	31,550	-	56,142	-
Amortization of bond discount and premium, net	12,562	17,271	-	29,833	-

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statements of Fiduciary Net Position

Fiduciary Funds

June 30, 2016

(Dollar amounts in thousands)

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 28,310	\$ 251
Securities lending cash collateral	25,448	—
Equity in cash management pool	—	21,230
Receivables:		
Other Employee Contributions	1,650	—
Other Employer Contributions	5,268	—
Due from brokers	13,578	—
Accrued interest receivable	3,166	—
Prepaid expenses	—	—
Other receivables	7,890	125
	<u>31,552</u>	<u>125</u>
Investments:		
Cash and cash equivalents	61,487	—
Domestic fixed income securities	736,081	—
Domestic equities	1,758,717	—
International fixed income securities	6,880	—
International equities	186,807	—
Limited partnerships	28,411	—
Alternative partnerships:		—
Limited partnerships	60,969	—
Comingled funds	53,125	—
	<u>2,892,477</u>	<u>—</u>
Total investments	<u>2,892,477</u>	<u>—</u>
Total assets	<u>2,977,787</u>	<u>21,606</u>
LIABILITIES		
Payables:		
Accounts payables	3,673	21,606
Due to brokers for investments purchased	20,322	—
Collateral payable for securities lending	25,448	—
	<u>49,443</u>	<u>21,606</u>
Total liabilities	<u>49,443</u>	<u>21,606</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 2,928,344</u>	

See accompanying notes to financial statements.

CITY OF ATLANTA, GEORGIA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2016

(Dollars in Thousands)

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer contributions	\$ 156,575
Employee contributions	48,434
Refunds and other	365
Total Contributions	<u>205,374</u>
Investment income:	
Net change in	
fair value of investments	(47,042)
Investment income	43,990
Securities lending income	278
Less: Investment expenses	<u>(9,311)</u>
Net investment income gain (loss)	<u>(12,085)</u>
Total Additions	<u>193,289</u>
Deductions	
Accounts payable	
Benefit payments	280,577
Administrative expenses	<u>2,042</u>
Total Deductions	<u>282,619</u>
Change in net position	(89,330)
Net position held in trust for pension benefits:	
Beginning of period	<u>3,017,674</u>
End of period	<u>\$ 2,928,344</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, 2016
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,847	\$ 19,108	\$ 25,955
Restricted cash	4,632	55,291	59,923
Restricted Investments	-	-	-
Short-term investments	-	759	759
Receivables:			
Accounts	5	-	5
Other receivables	-	6,236	6,236
Total receivables	<u>5</u>	<u>6,236</u>	<u>6,241</u>
Due from primary government	-	4,318	4,318
Due from other component units	-	1,642	1,642
Current portion of capital lease receivable	-	2,225	2,225
Prepaid expenses and other assets	37	384	421
Total current assets	<u>11,521</u>	<u>89,963</u>	<u>101,484</u>
Noncurrent Assets:			
Unrestricted assets:			
Due from primary government	75,143	251,832	326,975
Investments	-	14,282	14,282
Other receivable	-	2,128	2,128
Mortgage loans receivable	-	4,345	4,345
Capital lease receivable	-	16,588	16,588
Due from other component units	-	22,900	22,900
Other assets	-	11,409	11,409
Restricted assets:			
Cash and cash equivalents	47,413	-	47,413
Investments	-	-	-
Other assets	-	-	-
Total restricted assets	<u>47,413</u>	<u>-</u>	<u>47,413</u>
Property and equipment - at cost:			
Land	22,644	67,703	90,347
Construction-in-progress	-	96,822	96,822
Land improvements	1,012	7,830	8,842
Buildings and improvements	243,534	39,451	282,985
Other property and equipment	17,812	3,694	21,506
	<u>285,002</u>	<u>215,500</u>	<u>500,502</u>
Less accumulated depreciation	<u>(155,873)</u>	<u>(21,352)</u>	<u>(177,225)</u>
Property and equipment, net	<u>129,129</u>	<u>194,148</u>	<u>323,277</u>
Total assets	<u>263,206</u>	<u>607,595</u>	<u>870,801</u>
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated losses on debt refunding	\$ 3,947	\$ -	\$ 3,947
Total assets and deferred outflows of resources	<u>\$ 267,153</u>	<u>\$ 607,595</u>	<u>\$ 874,748</u>

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, 2016
(Dollars in Thousands)

	<u>Atlanta Fulton County Recreation Authority</u>	<u>Atlanta Development Authority</u>	<u>Total</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 60	\$ 10,617	\$ 10,677
Accrued interest payable	-	9,960	9,960
Due to primary government	-	-	-
Other liabilities	9	3,539	3,548
Deferred revenues	-	1,173	1,173
Current maturities of long-term debt	-	18,546	18,546
Total current liabilities	<u>69</u>	<u>43,835</u>	<u>43,904</u>
Liabilities payable from restricted assets:			
Current maturities of long-term debt	12,065	-	12,065
Other liabilities	19,932	-	19,932
Total liabilities payable from restricted assets	<u>31,997</u>	<u>-</u>	<u>31,997</u>
Long-term liabilities:			
Long-term debt, less current portion	196,610	387,707	584,317
Other long-term liabilities	-	31,050	31,050
Due to primary government	-	24,000	24,000
Total long-term liabilities	<u>196,610</u>	<u>442,757</u>	<u>639,367</u>
Total liabilities	<u>228,676</u>	<u>486,592</u>	<u>715,268</u>
DEFERRED INFLOWS OF RESOURCES			
Accumulated premiums on long term debt	8,423	-	8,423
Total liabilities and deferred inflows of resources	<u>237,099</u>	<u>486,592</u>	<u>723,691</u>
NET POSITION			
Net investment in capital assets	(4,247)	94,293	90,046
Restricted	27,480	52,296	79,776
Unrestricted	6,821	(25,586)	(18,765)
Total net position	<u>\$ 30,054</u>	<u>\$ 121,003</u>	<u>\$ 151,057</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, 2016
(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>TOTAL</u>
Component Units							
Business-type activities							
Atlanta Fulton County Recreation Authority	\$ 22,904	\$ 1,154	\$ 148	\$ 14,700	\$ (6,902)	\$ -	\$ (6,902)
Atlanta Development Authority	219,122	21,297	15,538	17,891	-	(164,396)	(164,396)
Total Business-type activities	<u>242,026</u>	<u>22,451</u>	<u>15,686</u>	<u>32,591</u>	<u>(6,902)</u>	<u>(164,396)</u>	<u>(171,298)</u>
Total Component Units	<u>\$ 242,026</u>	<u>\$ 22,451</u>	<u>\$ 15,686</u>	<u>\$ 32,591</u>	<u>\$ (6,902)</u>	<u>\$ (164,396)</u>	<u>\$ (171,298)</u>
General revenues:							
Other taxes					3,396	-	3,396
Investment income					125	78	203
Other					-	598	598
Total General revenues					<u>3,521</u>	<u>676</u>	<u>4,197</u>
Change in net position					(3,381)	(163,720)	(167,101)
Net position - beginning of period					33,435	284,723	318,158
Net position - end of period					<u>\$ 30,054</u>	<u>\$ 121,003</u>	<u>\$ 151,057</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, 2016

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Financial Reporting Entity

The City is a municipal corporation governed by the Mayor and the City Council. In evaluating how to define the City for financial reporting purposes, the management of the City has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 61. The 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 unit 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. They are reported discretely presented because the governing body of each of these component units is not reported

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

discretely 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, 2016

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 \$535,000 during the fiscal year ended June 30, 2016. 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 \$3,079,000 for the year ended June 30, 2016. The costs are reflected in operating costs. At June 30, 2016 the City owes the County approximately \$268,000 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, 2015 (in thousands):

Total assets	<u>\$ 156,072</u>
Total fund net position	<u>\$ 151,664</u>
Total operating revenue	<u>\$ 9,393</u>
Total operating expenses	<u>\$ 14,558</u>
Total nonoperating losses	<u>\$ (110)</u>
Net loss	<u>\$ (5,275)</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, 2016, the City paid approximately \$1,289,000 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, 2016

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

B. Basis of Presentation, continued

funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. 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.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, as part of fiduciary funds, while on the accrual basis, do not have a measurement focus since they do not report net position.

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

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

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

Cash Equivalents

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

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

Investments

The OCGA 36-83-4 authorizes the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, and obligations of a corporation of the U.S. Government, repurchase agreements and prime bankers' acceptance. The City's investment policy authorizes portfolios that consist of U.S. Treasuries, U.S. Agencies/Instrumentalities, Obligations of Other Political 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, 2016. 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.

Prepaid Items

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

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

Restricted Assets

Restricted assets represent amounts which are required to be maintained pursuant to 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, 2016

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, 2016

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 \$8,304,000 and \$9,400,000, respectively, in net interest costs during the year ended June 30, 2016.

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, 2016

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements - Continued

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

budgeted expenditures and outgoing transfers, replenishment of shortages will be made within specified time periods and upon the recommendation of the Chief Financial Officer. Should the unrestricted fund balance of the General Fund exceed the maximum of 20%, such surplus fund balance may be considered for transfer to deficit balances in other funds and for one-time expenditures that are nonrecurring. At 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, 2016 (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	\$ 15,726	\$ -	\$ -	\$ 15,726
	<u>15,726</u>	<u>-</u>	<u>-</u>	<u>15,726</u>
Restricted				
HUD-Community Development	-	-	687	687
Tax Allocation Districts	-	-	17,146	17,146
Debt Service	-	-	229,522	229,522
Expendable Trust	-	-	31,350	31,350
HUD Section 108 Loans	-	-	5,238	5,238
HUD Home Investment	-	-	363	363
AHOI	-	-	8,023	8,023
Capital Projects	-	298,438	47,555	345,993
	<u>-</u>	<u>298,438</u>	<u>339,884</u>	<u>638,322</u>
Assigned				
Unrestricted encumbrances	7,254	-	-	7,254
	<u>7,254</u>	<u>-</u>	<u>-</u>	<u>7,254</u>
Unassigned				
E911	-	-	(4,828)	(4,828)
Intergovernmental grants	-	-	(7,207)	(7,207)
General Fund	130,169	-	-	130,169
	<u>130,169</u>	<u>-</u>	<u>(12,035)</u>	<u>118,134</u>
Total Fund Balance	<u>\$ 153,149</u>	<u>\$ 298,438</u>	<u>\$ 327,849</u>	<u>\$ 779,436</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, 2016

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, 2016 as follows (dollars in thousands):

	<u>General Fund</u>
Contract Services	\$ 5,002
Supplies	2,070
Capital	146
Other	<u>36</u>
Total	<u>\$ 7,254</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 differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

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

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, 2016, such allocated expenses amounted to \$18,766,000 for the Department of Watershed Management, \$7,147,000 for the Department of Aviation, \$3,864,000 for the Sanitation Fund, and \$3,277,000 for the Internal Service Funds.

E. New Accounting Pronouncements

Pronouncements effective for the 2016 Financial Statements:

Effective during fiscal year 2016, GASB Statement No. 72, *Fair Value Measurement and Application*, was implemented. This Statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements, continued

measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. This pronouncement resulted in expanded footnote disclosures around fair value including the fair value hierarchy and valuation techniques.

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 benefit pension plans that are not administered through trusts that meet the criteria within the scope of Statement 67. This pronouncement did not impact the City.

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

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. This pronouncement will not impact the City.

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 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.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. This Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements, continued

requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The 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.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Governments receiving resources pursuant to an irrevocable split-interest agreement is to recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the City in fiscal year 2018. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement is effective for the City in fiscal year 2018. 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.

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, 2016.

B. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section, page 134.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements - Continued

C. Deficit Fund Balances/Net Position

The following funds reported deficits in fund balance/net position at June 30, 2016:

- Emergency Telephone System had an accumulated deficit of \$4.8 million. During the year, the deficit was increased by \$3.8 million. A Public Safety assessment was approved by the State Legislature in 2015, to increase revenue to fund the cost of operations. It is expected the full impact of the assessment to increase revenue will occur in fiscal year 2017. No funds were transferred from the general fund in fiscal year 2016.
- Intergovernmental Grant funds had an accumulated deficit of \$7.2 million. 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 \$82.8 million. The operations deficit increased by approximately \$16.9 million, with \$52.5 million being pension liability allocation. Fee reviews and ongoing cost control measures continue to address and eliminate the operating deficit. On a cash basis the Sanitation Fund deficit is \$18 million.
- Parks and Recreation Facilities Fund had an accumulated deficit of \$1.2 million. The increase in the deficit of \$146 thousand is due primarily to the allocation of pension liability.
- Civic Center had an accumulated deficit of \$5.8 million. The operating deficit increased by approximately \$1.3 million, because the use of the facility has decreased as the City moves forward to sell the Civic Center.
- Fleet Services had an accumulated deficit of \$25.9 million. Fleet operations are continually being reviewed and efforts are ongoing to reduce costs. During fiscal year 2016, the deficit was reduced by approximately \$4.2 million, with \$3.5 million being transferred from the general fund.

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, 2016 (dollars in thousands).

	Primary Government				Component Units	
	Unrestricted	Restricted	Cash Pool	Total	Unrestricted	Restricted
Cash and Cash Equivalent	\$ 20,907	\$ 1,158,147	\$ 436,766	\$ 1,615,820	\$ 25,955	\$ 107,336
Georgia Fund 1	-	-	31,943	31,943	-	-
State and Local Bonds	30,800	59,417	255,867	346,084	-	-
Federal Agency Obligations	-	373,052	865,033	1,238,085	-	-
Equity	-	241	-	241	-	-
US Treasury Obligations	-	155,677	255,255	410,932	-	-
GICs (Guaranteed Investment Contracts)	-	675,796	-	675,796	-	-
Other Investment Pools	412	18,189	-	18,601	15,041	-
	<u>\$ 52,119</u>	<u>\$ 2,440,519</u>	<u>\$ 1,844,864</u>	<u>\$ 4,337,502</u>	<u>\$ 40,996</u>	<u>\$ 107,336</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

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 units in the State of Georgia	5 years	0%	25%
Other Municipal Securities	5 years	0%	25%
Repurchase Agreements (Repos)/GICs	5-20 years	0%	50%
Bankers Acceptances (BA's)	270 days	0%	10%
Local Government Investment Pools	N/A	0%	40%
Certificates of Deposits (CD's)	3 years	0%	25%

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

Custodial Credit Risk – Deposits

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

Concentration of Credit Risk – Investments

The City's investment policy also requires that the weighted-average maturity of the total portfolio not exceed three (3) years, and shall limit the maturity of any single security to five (5) years. However, \$100 million of the aggregate portfolio can now be invested in assets with maturities no

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 § 36-83-1 to 36-83-8 authorizes the City to invest funds in Georgia Fund 1 (GF1). The fund is managed by the State of Georgia Office of the State Treasurer. The City maintains a cash and investment pool that is available for use by all funds. Each participating fund's portion of this pool is displayed on the accompanying financial statements as "Equity in cash management pool". The GF1 is designed to maximize current income while preserving principal and providing daily liquidity. It is managed to maintain a constant net asset value of \$1.00 value and a weighted maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. At June 30, 2016, the GF1 weighted average maturity was 42 days. Portfolio composition in GF1 consisted of Federal Home Loan Bank ("FHLB") 25%, Federal Home Loan Mortgage Corporation ("FHLMC") 4%, Federal National Mortgage Association ("FNMA") 5%, Federal Farm Credit Bank ("FFCB") 2%, overnight repo 27%, term repo 5%, negotiated deposit agreement 28% and commercial paper 4%.

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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.

Fair Value Measurement - City

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

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

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

The following tables present the City's financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2016 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities:				
US Treasury Obligations	\$ 410,932	\$ -	\$ -	\$ 410,932
Federal Agency Obligation	-	1,238,085	-	1,238,085
State and Local Bonds	-	346,084	-	346,084
Total debt securities	<u>410,932</u>	<u>1,584,169</u>	<u>-</u>	<u>1,995,101</u>
Equity securities:				
Equity	241	-	-	241
GICs (Guaranteed Investment Contracts)	-	675,796	-	675,796
Total debt securities	<u>241</u>	<u>675,796</u>	<u>-</u>	<u>676,037</u>
Total investments at fair value	<u>\$ 411,173</u>	<u>\$ 2,259,965</u>	<u>\$ -</u>	<u>\$ 2,671,138</u>
Other Investments				
Georgia Fund I and other investment pools				50,544
Total Investment				<u>\$ 2,721,682</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 are valued using the following approaches:

- Guaranteed investment contracts were valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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, 2016, was approximately 1.8 years. If it becomes necessary or strategically prudent for the City to sell a security prior to maturity, the Policy allows for occasional restructuring of the portfolio to minimize the loss of market value and/or to maximize cash flows.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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

Interest Rate and Credit Risks

As of June 30, 2016, the City had the following investments with the corresponding credit ratings and maturities (dollars in thousands):

Type of Investments	Credit Rating	Maturity					Carrying Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years	Over 5 Years	
State and local bonds	Aaa-Baa2	\$ 32,625	\$ 53,465	\$ 95,449	\$ 120,662	\$ 43,883	\$ 346,084
Federal Agency Obligations	Aaa/AA+	-	7,184	39,990	1,190,911	-	1,238,085
US Treasury Obligations	Exempt	70,012	340,920	-	-	-	410,932
Georgia Fund 1 and other investment pools	AAAF	-	50,544	-	-	-	50,544
Equity	Exempt	241	-	-	-	-	241
GICs	*	-	-	-	-	675,796	675,796
		<u>\$ 102,878</u>	<u>\$ 452,113</u>	<u>\$ 135,439</u>	<u>\$ 1,311,573</u>	<u>\$ 719,679</u>	<u>\$ 2,721,682</u>

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, 2016.

Concentration of Credit Risk. The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the OCGA. At June 30, 2016, individual issuers that represent 5% or more of total financial instruments by reporting unit were as follows:

Issuer	Investment Type	Investment %
Federal Farm Credit Bank	Agency Bond	43.9%
Federal Home Loan Bank	Agency Bond	7.3%
Freddie Mac	Agency Bond	6.0%
U.S. Government	U.S. Government Treasuries	19.0%

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 securities. As of June 30, 2016, the Plans had an alternative investment in a limited partnership totaling \$60,577,000, with an outstanding commitment of \$3,423,000. 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.

Fair Value Measurement - Pensions

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

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

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

The Plans also have investments held through limited partnerships and comingled vehicles for which fair value is estimated using the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

The following tables present the fiduciary funds financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2016 (in thousands):

	June 30, 2016			Total
	Level 1	Level 2	Level 3	
Short term investments				
Cash and cash equivalent	\$ 61,487	-	-	61,487
Debt securities:				
Asset backed securities	-	132,440	-	132,440
Comingled bond funds	-	73,251	-	73,251
Corporate and municipal bonds	-	147,044	-	147,044
Bond exchange traded funds	19,455	-	-	19,455
U.S. agency securities	-	42,130	-	42,130
U.S. treasury securities	122,870	-	-	122,870
Total debt securities	<u>142,325</u>	<u>394,865</u>	<u>-</u>	<u>537,190</u>
Equity securities:				
Comingled equity funds	-	753,964	-	753,964
Equity mutual funds	26,713	-	-	26,713
Common stock	719,551	-	-	719,551
Exchange traded funds	309,788	-	-	309,788
Total equity securities	<u>1,056,052</u>	<u>753,964</u>	<u>-</u>	<u>1,810,016</u>
Stable value funds	-	-	33,029	33,029
Total investments at fair value	<u>\$ 1,259,864</u>	<u>1,148,829</u>	<u>33,029</u>	<u>2,441,722</u>
Investments measured at NAV:				
Commingled bond funds				169,806
Commingled equity funds				191,961
Private equity funds				60,577
Real estate fund				28,411
Total investments measured at NAV				<u>450,755</u>
Total investments			\$	<u>2,892,477</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

These securities have nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Commingled equity funds classified in Level 2 are valued using prices quoted in active markets for those investment types and the readily determinable fair value per share (unit) which is determined based on the publication of the price or on the basis of current transactions.

Investments in privately held limited partnerships and comingled vehicles which do not have a readily determined fair value using the NAV provided by the general partner/investment manager as of June

30, 2016. The monthly or quarterly values of the partnership investments provided from the general partner are reviewed by the Plan to determine if any adjustments are necessary. The Plan currently has no plans to sell any of the investments resulting in these assets being carried at the NAV estimated by the general partner/investment manager.

Securities Lending

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

As of June 30, 2016, the General Employees' Pension Plan had funds under a securities lending agreement with a market value of outstanding loans of \$24,836,000 and collateral of \$25,448,000, which consisted of cash, collateral investments, 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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Alternative Investments

In fiscal year 2013, the Pension Boards authorized the Plan to invest in alternative investments. As of June 30, 2016, the Plans had alternative investments totaling \$60.6 million in the form of limited partnerships.

As of June 30, 2016, the related unfunded commitments of the Plan's alternative investments and limitations and restrictions on the Plan's ability to redeem or sell are summarized as follows (in thousands):

	<u>Unfunded commitments</u>	<u>Redemptions frequency (if currently eligible)</u>	<u>Redemptions notice period</u>
<u>General Employees' Pension Plan</u>			
Private equity fund		not eligible	not eligible
Real estate fund	\$ 3,878	quarterly	90 days
<u>Firefighters' Pension Plan</u>			
Private equity fund	\$ 3,868	not eligible	not eligible
<u>Police Officers' Pension Plan</u>			
Private equity fund	\$ 4,977	not eligible	not eligible

Real Estate Investments

Real estate investments may include joint ventures, partnerships and other participation interests with real estate owners, developers and others for the purpose of owning and operating any particular investment as of June 30, 2016, a total of \$28,411,000 are invested in alternative investments as part of the partnership agreement.

Pension Trust Fund Investment Risk Disclosures

Interest Rate and Credit Risks. As of June 30, 2016, 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. Treasury Securities	NR	\$ 4,346	\$ 28,362	\$ 22,668	\$ 45,290	\$ 22,204	\$ 122,870
U.S. Government Agencies	AAA/AA-	-	28,023	7,343	2,798	5,450	43,614
U.S. Government Agencies	NR-AGY	384	1,553	1,067	20,662	71,948	95,614
Corporate Bonds	AA/A-	4,300	22,097	12,385	33,916	13,774	86,472
Corporate Bonds	BBB+/B+	1,437	13,213	3,284	17,007	12,818	47,759
Corporate Bonds	NR	58,525	440	-	275	184	59,424
Municipal Bonds	NR	19,455	-	-	-	-	19,455
Comingled bond funds	NR	145,515	-	-	-	-	145,515
Automobile Loan Receivables	A+/AAA	-	1,002	1,030	-	-	2,032
Automobile Loan Receivables	NR	-	434	397	-	-	831
Credit Card Receivables	AAA	-	1,707	1,907	-	-	3,614
Asset Backed Securities	AAA/A	-	3,044	7,017	503	-	10,564
Asset Backed Securities	NR	-	597	3,397	-	-	3,994
CMO's	AAA/A-	-	65	74	-	6,961	7,100
CMO's	BBB/B+	-	-	-	-	3,114	3,114
CMO's	NR	-	9	-	-	5,299	5,308
State and Local Obligations	AAA/AA	-	-	-	3,106	4,302	7,408
State and Local Obligations	BBB+/B+	-	-	-	191	-	191
Other Fixed Income	NR	39,017	486	2,615	-	-	42,118
		<u>\$ 272,979</u>	<u>\$ 101,032</u>	<u>\$ 63,184</u>	<u>\$ 123,748</u>	<u>\$ 146,054</u>	<u>\$ 706,997</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

Custodial Risk. As of June 30, 2016, the Pension Plans had no deposits or investments with custodial risk.

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):

Issuer	Type	Market Value
Firefighters' Pension Plan:		
BlackRock Growth Index Fund	Commingled Equity Fund	\$ 94,622
BlackRock Value Index Fund	Commingled Equity Fund	65,561
Colchester	Commingled Bond Fund	39,017
Johnston	Commingled Equity Fund	30,195
Ishares MSCI EAFE ETF	Equity Exchange Traded Fund	30,202
Police Officers' Pension Plan:		
Colchester Global Bond Fund	Commingled Bond Fund	\$ 58,525
BlackRock Value Index Fund	Commingled Equity Fund	104,899
BlackRock Growth Index Fund	Commingled Equity Fund	149,394
General Employees' Pension Plan:		
BlackRock Growth Index Fund	Commingled Equity Fund	\$ 286,494
Artisan Funds	Equity Exchange Traded Fund	85,228
Johnston International Equity Group	Commingled Equity Fund	77,095
SSGA U.S. Aggregate Bond Index	Commingled Bond Fund	73,251
Colchester Global Bond Fund	Commingled Bond Fund	72,263

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, 2016, the exposure to foreign currency risk is as follows (dollars in thousands):

	Short Term	Debt	Fixed Income	Equity	Total
Australia	-	103	166	-	269
Belgium	-	949	1,375	764	3,088
Bermuda	-	-	-	1,950	1,950
Canada	-	650	1,092	4,319	6,061
Cayman Islands	-	-	-	639	639
China	-	-	-	2,523	2,523
Denmark	-	-	-	779	779
Europe/Far East Region	-	-	-	346	346
France	-	158	242	104	504
Germany	-	241	603	713	1,557
Guemsey, CI	-	-	-	304	304
India	-	-	-	240	240
International Region	-	-	-	152,329	152,329
Ireland	-	-	-	6,333	6,333
Israel	-	-	-	2,145	2,145
Japan	-	-	-	2,154	2,154
Jersey, C.I.	-	-	-	48	48
Korea	-	-	-	851	851
Liberia	-	-	-	1	1
Netherlands	-	-	160	900	1,060
Switzerland	-	-	-	734	734
Taiwan	-	-	-	1,556	1,556
United Kingdom	-	376	765	6,705	7,846
Virgin Islands - British	-	-	-	370	370
Total Securities subject to Foreign Currency Risk	-	2,477	4,403	186,807	193,687

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

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 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 2015 millage rate (tax rate per \$1,000 assessed taxable value) to its funds and to the Atlanta Independent School System (which operates as a separate legal entity and is not included in the City's financial reporting entity) is as follows:

Millage Rates:	
General Fund	8.890
General Obligation Bond Sinking Fund:	
City Bonds	1.480
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	1.163
	<u>33.773</u>

The Fulton and DeKalb County Tax Assessors establish assessed values at 40% of the fair market value. The property valuation in calendar year 2016 resulted in a gross assessed value of \$27,837,673,121 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 \$2,722,353 in fiscal year 2016. Real and tangible property taxes are payable to the Counties on August 15th and become delinquent on August 16th. Interest accrues at the rate of 1% per month on the 16th of each month and a 10% tax penalty accrues 90 days after the due date. Any remaining unpaid property tax amounts will attach as an enforceable lien on property as of January 1 of the following year.

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

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

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

C. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2016 follows (dollars in thousands):

	Balance at June 30, 2015	Additions	Capital Contributions	Deletions and Retirements	Transfers	Balance at June 30, 2016
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 207,483	\$ 153	\$ -	\$ -	\$ 118	\$ 207,754
Construction in progress	79,489	36,247	-	(8,993)	(39,354)	67,389
Total capital assets not being depreciated	<u>286,972</u>	<u>36,400</u>	<u>-</u>	<u>(8,993)</u>	<u>(39,236)</u>	<u>275,143</u>
Capital assets being depreciated:						
Land improvements	109,629	207	-	-	4,973	114,809
Buildings and building improvements	560,194	-	260	(426)	22,417	582,445
Other property and equipment	276,717	23,608	-	(5,739)	534	295,120
Infrastructure	1,005,307	-	-	-	11,229	1,016,536
Total capital assets being depreciated	<u>1,951,847</u>	<u>23,815</u>	<u>260</u>	<u>(6,165)</u>	<u>39,153</u>	<u>2,008,910</u>
Totals at historical cost	<u>2,238,819</u>	<u>60,215</u>	<u>260</u>	<u>(15,158)</u>	<u>(83)</u>	<u>2,284,053</u>
Less: Accumulated Depreciation						
Land improvements	89,643	4,012	-	-	-	93,655
Buildings and building improvements	189,653	15,470	7	(263)	-	204,867
Other property and equipment	201,595	16,218	-	(5,597)	-	212,216
Infrastructure	636,665	20,944	-	-	-	657,609
Total accumulated depreciation	<u>1,117,556</u>	<u>56,644</u>	<u>7</u>	<u>(5,860)</u>	<u>-</u>	<u>1,168,347</u>
Governmental activities capital assets, net	<u>\$ 1,121,263</u>	<u>\$ 3,571</u>	<u>\$ 253</u>	<u>\$ (9,298)</u>	<u>\$ (83)</u>	<u>\$ 1,115,706</u>

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

General government	\$ 15,290
Police	3,796
Fire	5,583
Corrections	344
Public Works	20,151
Parks, Recreation and Cultural Affairs	<u>11,480</u>
Total	<u>\$ 56,644</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

C. Capital Assets, continued

	Balance at June 30, 2015	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2016
Business-type activities:					
Capital assets not being depreciated					
Land	\$ 1,003,024	\$ 2,040	\$ (180)	\$ 3,234	\$ 1,008,118
Construction in progress	824,489	381,391	(1)	(287,979)	917,900
Total capital assets not being depreciated	<u>1,827,513</u>	<u>383,431</u>	<u>(181)</u>	<u>(284,745)</u>	<u>1,926,018</u>
Capital assets being depreciated					
Land improvements	3,224,428	-	-	70,846	3,295,274
Buildings and other structures	10,018,599	10,996	(124)	194,710	10,224,181
Other property and equipment	566,486	10,794	(3,217)	19,272	593,335
Total capital assets being depreciated	<u>13,809,513</u>	<u>21,790</u>	<u>(3,341)</u>	<u>284,828</u>	<u>14,112,790</u>
Totals at historical cost	<u>15,637,026</u>	<u>405,221</u>	<u>(3,522)</u>	<u>83</u>	<u>16,038,808</u>
Less: Accumulated Depreciation					
Land improvements	1,304,803	88,881	-	-	1,393,684
Buildings and other structures	3,124,953	208,471	(47)	-	3,333,377
Other property and equipment	371,280	29,541	(2,993)	-	397,828
Total accumulated depreciation	<u>4,801,036</u>	<u>326,893</u>	<u>(3,040)</u>	<u>-</u>	<u>5,124,889</u>
Business-type activities capital assets, net	<u>\$ 10,835,990</u>	<u>\$ 78,328</u>	<u>\$ (482)</u>	<u>\$ 83</u>	<u>\$ 10,913,919</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, 2016, there is approximately \$96,822,000 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 \$24 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, 2016, 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, 2016, 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, 2016

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, 2016, are as follows (dollars in thousands):

	Due to				Total
	General Fund	Capital Projects	Watershed Management	Non-major Government	
Due from					
General Fund	\$ -	\$ 3	\$ 46,776	\$ 738	\$ 47,517
Capital Projects	8,252	-	-	-	8,252
Internal Service	24,368	-	-	-	24,368
MOST	-	-	11,332	-	11,332
Non-major Enterprise	35,000	1,378	-	-	36,378
Non-major Governmental	14,217	-	-	-	14,217
Total	\$ 81,837	\$ 1,381	\$ 58,108	\$ 738	\$ 142,064

In December of 2008, the City and Department of Watershed Management (DWM) executed a Memoranda of Understanding (MOU) related to amounts owed to the DWM by the General Fund of the City. This MOU established a repayment plan in the amount of \$10 million per year plus interest, until paid in full for amounts borrowed by various governmental funds from DWM equity in the cash pool. The interest rate for the MOU is 1.25% per annum as passed by City Council. The balance owed to the DWM by the City's General Fund under this MOU at June 30, 2016 is \$46.2 million in principal and \$577 thousand in interest.

During the year ended June 30, 2008, the DWM advanced funds to a component unit, Invest Atlanta, for future work on a consent decree project. Due to the nature of this transaction, the interfund balances are considered long-term for financial reporting purposes. Balances as of June 30, 2016, are as follows (dollars in thousands):

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

D. Interfund Receivables, Payables, and Transfers, continued

Transfers

Transfers for the year ended June 30, 2016, are as follows (dollars in thousands):

	Transfer from						Total
	General Fund	Capital Projects	Department of Watershed Management	MOST	Non-major Enterprise	Non-major Government	
Transfer to General Fund	\$	\$ 3,770	\$ 19,394	\$ -	\$ -	\$ 18,197	\$ 41,361
Capital Projects	20,902	-	-	-	(5)	-	20,897
Department of Watershed Management	-	-	-	132,653	-	-	132,653
Non-major Enterprise	4,870	-	-	-	-	-	4,870
Internal Services	3,500	-	-	-	-	-	3,500
Non-major Governmental	3,582	-	-	-	2,111	1,355	7,048
Total	<u>\$ 32,854</u> *	<u>\$ 3,770</u>	<u>\$ 19,394</u>	<u>\$ 132,653</u>	<u>\$ 2,106</u>	<u>\$ 19,552</u>	<u>\$ 210,329</u>

* There is \$83,000 transfer related to capital assets presents in governmentwide financial statement

Transfers are used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and (3) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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. During fiscal year 2016, the City entered into a new Airport Use and Lease Agreement with the Signatory Airlines, which takes effect October 1, 2017. The new agreement will replace the Airport Use Agreements, Airport Use License Agreements and CPTC Leases. The total cost of the facilities described above that are substantially leased to various tenants is \$5.4 billion with a carrying value of \$3.4 billion. Depreciation expense for fiscal 2016 on the facilities was \$151.9 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, 2016

Notes to the Financial Statements – Continued

E. Leases, continued

At June 30, 2016 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):

2017	\$	242,340
2018		290,511
2019		344,226
2020		341,664
2021		374,910
2022 - 2026		1,672,109
2027 - 2031		1,952,550
2032 - 2036		2,344,455
	\$	<u>7,562,765</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 \$132.1 million for the year ended June 30, 2016.

Department of Watershed Management (DWM) – Capital Lease Obligations

The DWM has entered into two 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 \$14,787,000 of equipment acquired under capital leases. The accumulated amortization on this equipment is \$14,047,000 as of June 30, 2016. Amortization expense was \$986,000 for the fiscal year ended June 30, 2016. The present values of the future minimum capital lease payments as of June 30, 2016, is \$1,304,000.

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.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

E. Leases, continued

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

	Digital Radio Upgrade
2017	4,892
2018	4,892
2019	4,892
2020	4,892
2021-2025	800
2026-2027	-
Total minimum payments	20,368
Less amounts representing interest	(1,107)
Present value of minimum capital lease payments	\$ 19,261
Gross Capital Asset Value	\$ 51,079
Accumulated Depreciation	(35,012)
Net Capital Asset Value	\$ 16,067

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 final capital lease payment for the Underground Atlanta Project (\$8,112,875) was made to DDA on June 30, 2016.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

E. Leases, continued

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):

2017	1,620
2018	1,621
2019	1,620
2020	1,616
2021	1,620
2022-2026	8,090
2027-2031	8,003
2032	<u>1,619</u>
Total minimum payments	25,809
Less amounts representing interest	<u>(7,644)</u>
Present value of minimum capital lease payments	<u>\$ 18,165</u>

The capital asset cost of the parking deck as of June 30, 2016, is \$23,480,000 and accumulated depreciation totals \$3,913,000.

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.

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

2017	3,860
2018	3,014
2019	2,519
2020	1,892
2021	632
Thereafter	<u>22,326</u>
Total minimum payments	<u><u>34,243</u></u>

The amount of lease expenditures for the year ended June 30, 2016, amounted to \$5,303,000.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

F. Notes Payable

General Fund

On February 27, 2008 the City, through the Atlanta Public Safety and Judicial Facilities Authority, borrowed \$17 million 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, 2016 is \$4 million.

G. Long Term Obligations

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2016, follow (dollars in thousands):

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Due within One Year
Governmental activities:					
Long-term debt:					
General obligation and annual bonds	\$ 395,890	\$ 3,575	\$ (41,510)	\$ 357,955	\$ 7,670
Deferred issuance premiums	41,222	420	(3,974)	37,668	-
	<u>437,112</u>	<u>3,995</u>	<u>(45,484)</u>	<u>395,623</u>	<u>7,670</u>
Certificate of Participation	-	32,160	-	32,160	2,380
Deferred issuance premiums	-	4,729	-	4,729	-
	<u>-</u>	<u>36,889</u>	<u>-</u>	<u>36,889</u>	<u>2,380</u>
APSJFA revenue bonds	35,110	-	(2,210)	32,900	2,310
Deferred issuance premiums	917	-	(136)	781	-
	<u>36,027</u>	<u>-</u>	<u>(2,346)</u>	<u>33,681</u>	<u>2,310</u>
SWMA revenue refunding bonds	12,530	-	(1,550)	10,980	1,620
Limited obligation bonds	464,745	41,330	(67,145)	438,930	28,890
Deferred issuance premiums	896	5,754	(204)	6,446	-
Deferred issuance discounts	(907)	-	212	(695)	-
	<u>464,734</u>	<u>47,084</u>	<u>(67,137)</u>	<u>444,681</u>	<u>28,890</u>
Other long-term debt:					
Due to APS	-	10,000	-	10,000	-
Notes payable	5,892	-	(1,876)	4,016	1,962
Section 108 loans	1,175	-	(245)	930	270
1998 GMA lease pool	32,444	-	-	32,444	-
Intergovernmental agreements	350,468	-	(7,013)	343,455	7,223
Installment sale program	25,195	-	(4,810)	20,385	5,055
Capital leases	50,620	7,779	(39,138)	19,261	4,452
	<u>50,620</u>	<u>7,779</u>	<u>(39,138)</u>	<u>19,261</u>	<u>4,452</u>
Total long-term debt	<u>1,416,197</u>	<u>105,747</u>	<u>(169,599)</u>	<u>1,352,345</u>	<u>61,832</u>
Other long-term liabilities:					
Vacation and compensation payable	17,092	21,282	(20,446)	17,928	2,159
Health and dental claims payable	6,930	59,502	(60,502)	5,930	1,196
General claims payable	16,518	4,135	(11,193)	9,460	325
Pension liability	725,475	103,007	(45,623)	782,859	-
Net OPEB obligation	233,864	47,825	(28,480)	253,209	-
Workers' compensation	25,782	16,876	(2,822)	39,836	5,057
	<u>1,025,661</u>	<u>252,627</u>	<u>(169,066)</u>	<u>1,109,222</u>	<u>8,737</u>
Total other long-term liabilities	<u>1,025,661</u>	<u>252,627</u>	<u>(169,066)</u>	<u>1,109,222</u>	<u>8,737</u>
Total governmental activities long-term liabilities	<u>\$ 2,441,858</u>	<u>\$ 358,374</u>	<u>\$ (338,665)</u>	<u>\$ 2,461,567</u>	<u>\$ 70,569</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, 2016

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, 2016, follow (dollars in thousands):

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Due within One Year
Business-type activities:					
Long-term debt:					
Department of Aviation					
Facilities revenue bonds	\$ 2,818,210	\$ -	\$ (116,085)	\$ 2,702,125	\$ 121,480
Bond issuance premiums	160,881	-	(17,288)	143,593	-
Bond issuance discounts	(174)	-	17	(157)	-
Bond anticipation notes	-	300,000	-	300,000	-
Department of Watershed Management					
System revenue bonds	2,870,765	-	(56,310)	2,814,455	60,120
Bond issuance premiums	212,197	15,091	(13,068)	214,220	-
Bond issuance discounts	(4,311)	(730)	506	(4,535)	-
GEFA notes payable	168,843	5,592	(6,213)	168,222	6,002
Capital lease obligations (equipment)	2,724	-	(1,420)	1,304	1,304
Nonmajor funds					
Capital lease obligation					
Parking deck	18,930	-	(765)	18,165	795
Underground Atlanta Project	7,915	-	(7,915)	-	-
Atlanta Gas Light Company Rate E-1 Contract (Civic Center Renovations)	1,859	-	(125)	1,734	141
Revenue Bond - City Plaza	-	9,465	-	9,465	-
Bond issuance premiums	-	1,215	-	1,215	-
Total long-term debt	<u>6,257,839</u>	<u>330,633</u>	<u>(218,666)</u>	<u>6,369,806</u>	<u>189,842</u>
Other long-term liabilities					
Landfill postclosure liability	15,470	155	-	15,625	-
Contract retention	4,194	301	-	4,495	-
General claims payable	12,430	411	(55)	12,786	6,675
Pension liability	432,879	48,486	(24,163)	457,202	-
Net OPEB obligation	181,794	28,332	(15,236)	194,890	-
Workers' compensation	27,177	6,954	(1,174)	32,957	4,184
Interest rate swaps	138,425	44,551	-	182,976	-
Total other long-term liabilities	<u>812,369</u>	<u>129,190</u>	<u>(40,628)</u>	<u>900,931</u>	<u>10,859</u>
Total business-type activities long-term liabilities	<u>\$ 7,070,208</u>	<u>\$ 459,823</u>	<u>\$ (259,294)</u>	<u>\$ 7,270,737</u>	<u>\$ 200,701</u>
Component Units					
Long-term Debt					
Atlanta Fulton County Recreation Authority					
Revenue bonds	291,555	-	(82,880)	208,675	12,065
Total Atlanta Fulton County Recreation Authority	291,555	-	(82,880)	208,675	12,065
Atlanta Development Authority					
Revenue and other bonds	370,261	189	(11,850)	358,600	13,455
Bond issuance premiums	23,043	-	(1,296)	21,747	-
Bond issuance discounts	(131)	-	8	(123)	-
Capital leases	8	533	(236)	305	270
Notes payable	21,918	2,450	(2,310)	22,058	4,821
Other long-term liabilities:					
Loans payable	3,666	-	-	3,666	-
Due to primary government	24,000	-	-	24,000	-
Other long-term liabilities	28,193	10,838	(7,981)	31,050	-
Total Atlanta Development Authority	<u>470,958</u>	<u>14,010</u>	<u>(23,665)</u>	<u>461,303</u>	<u>18,546</u>
Total component units long-term liabilities	<u>762,513</u>	<u>14,010</u>	<u>(106,545)</u>	<u>669,978</u>	<u>30,611</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

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 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.

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

Public Safety Judicial Facilities Authority Facility Project Bonds - On 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, 2016

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 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. During fiscal year 2016 the Princeton Lakes and Eastside refunded bonds in the amount of \$5,730,000 and \$30,555,000, respectively.

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, 2016

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

and related buildings and the usual and convenient facilities pertaining to such undertakings, and extensions and improvements of such facilities. Under an intergovernmental agreement dated December 1, 2014, between AFCRA and the City, the City has guaranteed that it will 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,

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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 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, 2016

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, 2016, is as follows (dollars in thousands):

Bonds payable:	
General Obligation Bonds:	
2008 Public Imp. Issue, \$36,820, 4.25% - 5.00% due December 1, 2018	\$ 8,660
2009A Refunding Issue, \$78,028, 3.20% - 5.25%, due December 1, 2023	37,955
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
2016 Various Purpose General Obligation Bond \$3,575,000, 2.000%-4.000%, due December 1, 2025	3,575
2007A Issue, \$8,000, 3.75% - 5.00%, due December 1, 2025	<u>375</u>
	357,955
Deferred amount on bond issuance premiums	<u>37,668</u>
Total general obligation and annual bonds payable	<u>395,623</u>
Certificate of Participation:	
2016 City Court of Atlanta Project, Refunding \$32,160,000, 4.000%-5.000%, due December 1, 2026	32,160
Deferred amount on bond issuance premiums	<u>4,729</u>
Total certificate of participation	36,889
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	32,900
Deferred amount on bond issuance premium	<u>781</u>
Total APSJFA revenue bonds payable	<u>33,681</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>10,980</u>
Limited Obligation Bonds:	
2001 Westside Project, \$14,995, fixed and variable rate (2.12% at June 30, 2016), due December 1, 2021	5,465
2005A Westside Project, \$72,350, fixed and variable rate (2.12% at June 30, 2016), due December 1, 2023	39,920
2005B Westside Project, \$10,215, fixed and variable rate (2.12% at June 30, 2016), due December 1, 2023	6,055
2006 Atlantic Station, \$166,515, variable rate (5.00% at June 30, 2016), December 1, 2024	151,425
2007 Atlantic Station, \$85,495 4.375% - 5.25%, due December 1, 2024	54,855
2008 Westside, \$63,760 2.12%, due December 1, 2037	53,020
2008A BeltLine Reoffering, \$26,420, 7.50%, due January 1, 2031	22,445
2008B BeltLine Reoffering, \$33,725, 6.75%-7.375%, term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	29,815
2008C BeltLine, \$4,355 7.50%, due January 1, 2031	3,865
2009B BeltLine, \$12,590, 6.75% term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	11,145
2009C BeltLine, \$1,030, 7.50% term bond due January 1, 2031	910
2014 Perry Bolton Project, \$21,000, 3.00% - 5.00%, due July 1, 2041	18,680
2016 Eastside Refunding, \$30,555, 5.00%, due January 1, 2030	30,555
2016A Princeton Lakes Refunding, \$5,820,000, 2.3%, due January 2020	5,820
2016B Princeton Lake Refunding, \$4,955,000, 3.25%, due January 1, 2027	<u>4,955</u>
	438,930
Deferred amounts:	
Bond issuance premiums	6,446
Bond issuance discounts	<u>(695)</u>
Total limited obligation bonds payable	<u>444,681</u>
Total bonds payable	<u>921,854</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

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)	930
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)	20,385
Due to APS	10,000
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	9,345
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	24,855
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	17,285
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	59,390
2014 Intergovernmental Agreement Guaranteed payments toward 2014B Park Improvement, Revenue and Refunding Bonds, \$9,445, 1.060% - 2.72%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2020	7,925
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>407,214</u>
Notes payable	<u>4,016</u>
Capital leases	<u>19,261</u>
Total long-term debt	<u>\$ 1,352,345</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, 2016, 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, 2016, the City believes it is in compliance with all significant limitations and restrictions.

Department of Aviation (DOA)

The City has issued various revenue bonds on behalf of the Department of Aviation to finance its extensive airport capital improvement projects. The net revenues, as defined in the 2000 Airport Master Bond Ordinance as supplemented and amended, generated by operating activities are pledged as security for the bonds. Interest is payable semi-annually on the first of January and July.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Summary of Department of Aviation long-term debt at June 30, 2016, 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	\$ 4,755
Airport General Revenue Bonds, Series 2010A, combination serial at 2.0% - 5.0% and term at 4.625% - 5.0% through 2024	167,590
Airport General Revenue and Refunding Bonds, Series 2010C Bonds, combination serial at 4.0% - 5.875% and term at 5.25% - 6.0% through 2030	430,760
Airport General Revenue and Refunding Bonds, Series 2011A, 3.0% - 5.0%, due serially through 2021	168,905
Airport General Revenue and Refunding Bonds, Series 2011B, 3.0% - 5.0%, due serially through 2030	175,685
Airport General Revenue Refunding Bonds, Series 2012A, 2.0% - 5.0%, due serially through 2042	61,600
Airport General Revenue Refunding Bonds, Series 2012B, 2.0% - 5.0%, due serially through 2042	179,375
Airport General Revenue Refunding Bonds, Series 2012C, 2.0% - 5.0%, due serially through 2042	218,870
Airport General Revenue and Refunding Bonds, Series 2014B, 3.0% - 5.0%, due serially through 2033	141,005
Airport General Revenue and Refunding Bonds, Series 2014C, 4.0% - 5.0%, due serially through 2030	147,215
Total General Revenue and Refunding Bonds	<u>\$ 1,695,760</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	304,845
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>828,450</u>
Customer Facility Charge (CFC) Restricted Revenue Bonds:	
City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Series 2006A at 5.558% - 5.965% (Conduit Debt)	162,000
City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4.0% - 4.5% (Conduit Debt)	15,915
	<u>177,915</u>
Total Facilities Revenue Bonds	<u>2,702,125</u>
Bond Anticipation Notes	300,000
Deferred amounts:	
Bond issuance premiums	143,593
Bond issuance discounts	(157)
Total long-term debt	<u>\$ 3,145,561</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

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, 2016, the balance of outstanding conduit debt totaled \$177.9 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.

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

On August 17, 2015, the City issued 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,

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

the Series D-2 Notes, the Series E-1 Notes and the Series E-2 Notes are referred to as the “Third Lien GARB Notes.” The Series D-3 Notes, the Series D-4 Notes, the Series E-3 Notes and the Series E-4 Notes are referred to as the “Modified Hybrid PFC Notes.” The 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.

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

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

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, 2016 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	\$	232,660
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 (0.81% at June 30, 2016), 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		64,245
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		438,155
Water and Wastewater Revenue Bonds, \$178,835 Series 2013A1, variable rate (1.813% at June 30, 2016), due serially and term through 2038		178,735
Water and Wastewater Revenue Bonds, \$50,000 Series 2013A2A (1.213% at June 30, 2016), due serially and term through 2038		49,215
Water and Wastewater Revenue Bonds, \$50,000 Series 2013A2 B, (1.213% at June 30, 2016), due serially and term through 2038		49,220
Water and Wastewater Revenue Bonds, \$50,000 Series 2013A2C, (1.213% at June 30, 2016), due serially and term through 2038		50,000
Water and Wastewater Refunding Revenue Bonds, \$200,140 Series 2013B, (5.25% - 5.50%), due serially and term through 2030		188,860
Water and Wastewater Revenue Refunding Bonds, \$1,237,405,000 Series 2015, 2.00% - 5.00%, due serially and term through 2043		1,237,405
Total Revenue Bonds		2,814,455
Deferred amounts:		
Bond issuance premiums		214,220
Bond issuance discounts		(4,535)
Total revenue bonds		3,024,140
Georgia Environmental Facilities Authority (GEFA) Notes Payable:		
Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3.00% due serially through 2023		2,079
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035		14,589
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036		15,200
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038		15,789
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027		24,490
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028		24,870
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027		24,941
Georgia Environmental Facilities Authority (GEFA) \$5,500 Loan, 3.00%, due serially through 2032		4,703
Georgia Environmental Facilities Authority (GEFA) \$3,000 Loan, 3.81%, due serially through 2032		2,606
Georgia Environmental Facilities Authority (GEFA) 34,990 Loan, (3.00%), due serially through 2035		33,363
Georgia Environmental Facilities Authority (GEFA) \$51,426 maximum gross loan (2.03%), due serially through 2039		5,592
Total GEFA notes payable		168,222
Capital leases		1,304
Total long-term debt	\$	3,193,666

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The City has 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 2016, The Department received \$5,592,000 in GEFA funding. As of June 30, 2016, the Department had \$168,222,000 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.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Commercial Paper Notes Payable

In April, 2015, the Department authorized the issuance of the following Water and Wastewater Revenue Commercial Paper Notes (Series 2015 Notes): (a) Series 2015A-1, up to the amount of \$125,000,000 and (b) Series 2015A-2, up to the amount of \$125,000,000. On April 1, 2015, the Department entered into a Letter of Credit and Reimbursement Agreement with PNC Bank, National Association to facilitate the payment of and interest on the Series 2015-A1 Notes in the principal amount of \$125 million for the 2015 Commercial Paper Program. Also, on April 1, 2015, the Department entered into a Letter of Credit and Reimbursement Agreement with Wells Fargo Bank, National Association to facilitate the payment of interest on the Series 2015-A2 Notes in the principal amount of \$125 million for the 2015 Commercial Paper Program. The Series 2015 Notes were issued to: (A) finance or refinance, on an interim basis, the costs of planning, engineering, design, acquisition, construction and reconstruction of certain additions, extensions, improvements and betterments included as a part of a multi-phase long term capital improvement program for the Department, (B) refund in whole or in part the principal of and interest on Outstanding Series 2015 Notes, and (C) pay expenses necessary to accomplish the foregoing. Revenue of the Department is pledged as security for payments on the Series 2015 Notes, which is junior and subordinate to the pledge of revenue securing the Department's long-term debt. The Series 2015 Notes do not constitute a debt, liability, or obligation of the City's governmental funds, or a pledge of the faith and credit or taxing power of the City. The Series 2015 Notes are considered a short term obligation of the Department and may be repaid and reissued as often as necessary to affect the purposes set out in the program. There were no draws issued on the Water and Wastewater Commercial Paper Series 2015 Notes during fiscal years 2015 or 2016.

Interest Rate Exchange Agreements (Swap's)

Department of Watershed Management (DWM) ("Department")

At June 30, 2016, 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 \$432,875,000. 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2016, 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, 2016		
		Classifications	Amount	Classification	Amount	Notional
3	Pay-fixed rate 4.09% per annum. Receive 67% IM LIBOR	Deferred outflows	\$ (26,005)	Debt	\$ (132,988)	\$ 327,170
4a (partial)	Pay-fixed rate 4.09% per annum. Receive SIFMA	Investment expense	\$ -	Investment	\$ (4,812)	\$ 25,265
4b (partial)	Pay-fixed rate 4.09% per annum. Receive SIFMA	Deferred outflow	\$ (18,546)	Debt	\$ (45,176)	\$ 80,440
				Total	\$ (182,976)	

Swap 3 became an effective hedge during fiscal 2015 in connection with a change in hedging relationship associated with the issuance of the Series 2013A Water and Wastewater Revenue Bonds. As a result, Swap 3 is classified as an investment derivative. Amortization of the accumulated loss of Swap3, as of the date Swap 3 became an effective hedge, into deferred outflows totaled \$7,875,000 for the year ended June 30, 2016. The fair values of derivative liabilities have been adjusted for nonperformance risk, which includes, but may not be limited to the City's own credit risk. Inputs to the valuation techniques for the City's over-the-counter interest rate swaps are both directly and indirectly observable and thus categorized as Level 2 as defined in GASB Statement No. 72.

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 2016 was approximately \$14,225,000.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Objective and Terms of Hedging Derivative Instruments (Swap 3 and 4B) - The following table displays the objective and terms of the Department's hedging derivative instrument outstanding at June 30, 2016, 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	1/3/2002	11/1/2041	Receive SIFMA Municipal Swap Index; pay 4.09%	A+/Aa3/AA-
3	Pay-fixed interest rate swap	Hedge of changes in cash flows of variable debt obligations	\$ 327,170	1/3/2002	11/1/2038	Receive 67% IM LIBOR pay 4.09%	A+/Aa3/AA-

Credit Risk. Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2016, 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, Aa3 as issued by Moody's, New York, and AA- 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, 2016, the interest rate on the Department's hedged variable-rate debt is 1.813 percent. The SIFMA swap index rate is 0.41 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.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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 \$15,625,000 reported as the landfill post-closure costs liability at June 30, 2016, represents the cumulative amount of post-closure costs expected to be incurred over the required 30 year monitoring period which began in 2001. These amounts are estimates calculated by the management of the City of what it would cost to perform all post-closure care. Actual costs may differ from estimates due to inflation, changes in technology or regulations. Post-closure care costs will be funded by future sanitary charges of the Sanitation Fund or from future contributions from the General Fund if necessary.

City Plaza

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

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, 2016 (dollars in thousands):

Governmental Activities								
Year Ended June 30	General Obligations		Annual Bonds		SWMA Revenue Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest		
2017	\$ 7,295	\$ 15,966	\$ 375	\$ 7	\$ 1,620	\$ -	\$ 488	
2018	24,855	15,367	-	-	1,695	-	405	
2019	26,335	14,382	-	-	1,780	-	318	
2020	28,030	13,301	-	-	1,870	-	227	
2021	42,645	13,057	-	-	1,965	-	131	
2022-2026	74,535	45,191	-	-	2,050	-	41	
2027-2031	76,910	28,118	-	-	-	-	-	
2032-2036	76,975	7,757	-	-	-	-	-	
	<u>\$ 357,580</u>	<u>\$ 153,139</u>	<u>\$ 375</u>	<u>\$ 7</u>	<u>\$ 10,980</u>	<u>\$ -</u>	<u>\$ 1,610</u>	
APSJFA Revenue Bond								
Year Ended June 30	APSJFA Revenue Bond		Limited Obligations		Other General LT Obligations			
	Principal	Interest	Principal	Interest	Principal	Interest		
2017	\$ 2,310	\$ 1,579	\$ 28,815	\$ 18,518	\$ 18,962	\$ -	\$ 17,964	
2018	2,420	1,469	30,145	20,256	23,948	-	17,210	
2019	2,540	1,345	31,525	18,797	17,911	-	16,456	
2020	2,670	1,215	32,945	17,265	18,513	-	15,821	
2021	2,810	1,078	33,515	15,600	14,810	-	15,833	
2022-2026	16,360	3,074	200,880	37,227	100,232	-	65,220	
2027-2031	3,790	95	58,475	14,013	57,895	-	49,797	
2032-2036	-	-	15,295	3,011	62,280	-	36,014	
2037-2041	-	-	4,960	805	52,980	-	22,054	
2042-2046	-	-	2,375	59	52,960	-	7,070	
	<u>\$ 32,900</u>	<u>\$ 9,855</u>	<u>\$ 438,930</u>	<u>\$ 145,551</u>	<u>\$ 420,491</u>	<u>\$ -</u>	<u>\$ 263,439</u>	
Certificate of Participation								
Year Ended June 30	Certificate of Participation		Due to APS					
	Principal	Interest	Principal	Interest				
2017	\$ 2,380	\$ 1,343	\$ -	\$ -				
2018	2,430	1,296	1,500	-				
2019	2,525	1,197	2,000	-				
2020	2,640	1,081	2,000	-				
2021	2,775	945	2,000	-				
2022-2026	15,810	2,701	21,000	-				
2027-2031	3,600	90	43,500	-				
	<u>\$ 32,160</u>	<u>\$ 8,653</u>	<u>\$ 72,000</u>	<u>\$ -</u>				
Business-Type Activities								
Year Ended June 30	Aviation		GA Environmental Facilities- DWM		Watershed Management		Interest Rate Swaps, Net	
	Principal	Interest	Principal	Interest	Principal	Interest		
2017	\$ 121,480	\$ 137,403	\$ 6,002	\$ 5,362	\$ 60,120	\$ 129,161	\$ -	\$ 16,260
2018	127,675	131,377	6,200	5,164	63,650	125,967	-	16,237
2019	134,710	124,996	6,404	4,960	66,850	122,492	-	16,214
2020	136,490	118,244	6,616	4,748	70,890	118,763	-	16,189
2021	143,485	111,386	6,834	4,530	74,470	114,871	-	16,164
2022-2026	671,330	454,351	36,802	19,138	431,170	513,370	-	77,217
2027-2031	809,925	258,892	42,527	12,692	548,650	398,543	-	62,205
2032-2036	350,165	91,698	47,584	5,201	641,605	265,605	-	43,012
2037-2041	176,100	33,815	9,253	206	704,190	107,044	-	20,474
2042-2046	30,765	1,538	-	-	152,860	8,879	-	-
	<u>\$ 2,702,125</u>	<u>\$ 1,463,700</u>	<u>\$ 168,222</u>	<u>\$ 62,001</u>	<u>\$ 2,814,455</u>	<u>\$ 1,904,695</u>	<u>\$ -</u>	<u>\$ 283,972</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Debt Service Requirements, continued

Year Ended June 30	Business-Type Activities					
	Civic Center		City Plaza		Downtown Parking Deck	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	142	198	235	465	795	825
2018	110	129	315	385	830	791
2019	120	119	330	372	865	755
2020	131	109	345	358	900	716
2021	142	98	360	344	945	675
2022-2026	917	281	2,030	1,471	5,410	2,680
2027-2031	173	6	2,605	902	6,840	1,263
2032-2036	-	-	3,245	266	1,580	39
	<u>\$ 1,735</u>	<u>\$ 939</u>	<u>\$ 9,465</u>	<u>\$ 4,562</u>	<u>\$ 18,165</u>	<u>\$ 7,744</u>

Year Ended June 30	Component Units			
	Recreation Authority		Atlanta Development Authority	
	Principal	Interest	Principal	Interest
2017	12,065	11,202	18,276	17,735
2018	12,665	10,599	12,565	17,101
2019	13,310	9,940	13,084	16,665
2020	14,015	9,227	13,663	16,184
2021	14,745	8,466	14,283	15,634
2022-2026	70,630	30,405	71,508	68,881
2027-2031	50,660	10,473	60,860	51,688
2032-2036	20,585	2,673	57,585	37,312
2037-2041	-	-	60,230	21,164
2042-2046	-	-	52,960	5,691
	<u>\$ 208,675</u>	<u>\$ 92,985</u>	<u>\$ 375,014</u>	<u>\$ 268,055</u>

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Below is a description of the City’s defeased bonds and the outstanding balances as of June 30, 2016 (dollars in thousands):

Description of Bonds	Date		Redemption Call Date	Date Defeased	Maturities Defeased	Interest Rate		Outstanding 6/30/2016
	Originally Issued	Original par Amount				Defeased Bonds %	Amount Defeased	
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	\$ 24,225
1996A Various Purpose	12/1/1996	8,000	12/1/2007	5/1/2005	2008-2021	5.0 - 5.125	2,290	310
1997A Various Purpose	11/1/1997	8,000	12/1/2007	5/1/2005	2009-2021	5.0-5.125	2,720	1,135
1999 Various Purpose	12/1/1999	8,000	12/1/2009	5/1/2005	2011-2024	5.125-5.8	2,840	2,065
2000 Various Purpose	11/1/2000	8,000	12/1/2010	5/1/2005	2013-2025	5.0-5.5	2,960	1,640
2005A Refunding	12/1/2005	85,980	12/1/2015	1/14/2016	2015-2016	4.0 - 5.0	7,020	-
2007A Refunding	3/1/2007	8,000	12/1/2016	11/6/2014	2017-2026	4.0-4.125	5,270	375
2008 Public Improvement	2/1/2008	36,820	12/1/2018	11/6/2014	2019-2021	4.0 - 5.0	10,940	8,660
2009 Refunding	5/28/2009	78,025	1/14/2016	1/14/2016	2022-2023	4.125 - 5.250	20,305	37,955
		\$ 334,825					\$ 136,105	\$ 76,365
Revenue Bonds								
2009A Water & Wasterwater	6/25/2009	\$ 750,000	11/1/2019	3/12/2015	2020-2039	6.0-6.25	\$ 608,885	608,885

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, 2016 is as follows (dollars in thousands):

	Department of Aviation
Debt service and debt service reserve	\$ 413,288
Capital Projects	629,667
Total	\$ 1,042,955

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

H. Restricted Net Position and Restricted Assets, continued

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources that may be used only to service outstanding debt. Other assets are restricted by bond ordinances for capital purposes. Restricted assets of the enterprise funds at June 30, 2016 are as follows (dollars in thousands):

	Department of Watershed Management	Department of Aviation	Total
Renewal and Extension Fund:			
Cash and cash equivalents	-	23,603	23,603
Other assets	-	4,421	4,421
Passenger Facility Charge Fund:			
Cash and cash equivalents	-	153,656	153,656
Other assets	-	32,360	32,360
Investments	-	422,986	422,986
Customer Facility Charge Fund:			
Cash and cash equivalents	-	35,882	35,882
Other assets	-	3,221	3,221
Construction Fund:			
Cash and cash equivalents	-	36,306	36,306
Other assets	-	129	129
Investments	-	340,774	340,774
Sinking Funds:			
Cash and cash equivalents	-	386,858	386,858
Investments	-	26,430	26,430
Construction Revenue Funds:			
Cash and cash equivalents	115,623		115,623
Sinking Fund:			
Cash and cash equivalents	212,557	-	212,557
Investments - Guaranteed Investment Contract:	86,025	-	86,025
Total	\$ 414,205	\$ 1,466,626	\$ 1,880,831

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Risk Management, continued

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 2016. The City has annual excess insurance coverage with a \$5 million per occurrence retention with no annual aggregate limit.

Health and Dental Insurance

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

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2016 were as follows (dollars in thousands):

	Beginning of period liability	Period claims and changes in estimates	Claim payments	End of period liability
Workers' compensation:				
2014	\$ 37,292	\$ 10,508	\$ (4,261)	\$ 43,539
2015	\$ 43,539	\$ 16,684	\$ (7,264)	\$ 52,959
2016	\$ 52,959	\$ 23,830	\$ (3,996)	\$ 72,793
Health and Dental claims:				
2014	\$ 7,150	\$ 59,622	\$ (60,692)	\$ 6,080
2015	\$ 6,080	\$ 64,415	\$ (63,565)	\$ 6,930
2016	\$ 6,930	\$ 59,502	\$ (60,502)	\$ 5,930
General claims liability:				
2014	\$ 34,798	\$ 12,085	\$ (18,535)	\$ 28,348
2015	\$ 28,348	\$ 9,390	\$ (8,790)	\$ 28,948
2016	\$ 28,948	\$ 4,546	\$ (11,248)	\$ 22,246

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

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, 2016, the total estimated remaining costs on committed projects are \$694,400,000 for the Department of Aviation, and \$182,894,000 for the Department of Watershed Management.

Department of Aviation

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest 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, 2016, a restricted noncurrent asset is recorded for approximately \$5.1 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities

the right to use 25 MGD, or 20.83%, of the plant capacity. The Clayton Agreement with DeKalb County was amended in 1987, to increase DeKalb County's capacity in the Plant to 50 MGD, which is 48.54% of the 103 MGD of average daily flow capacity.

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

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

DeKalb County, Fulton County, the City of Hapeville, the City of East Point and the City of College Park (collectively, the "Municipalities") share in the costs of the operation and maintenance of the R.M. Clayton, South River, Intrenchment Creek and Utoy Creek Water Reclamation Centers based upon the ratio that their sewerage flow bears to the total flows to the plants. The Municipalities' share of the operation and maintenance costs for the plants was \$20,030,000 for the period ended June 30, 2016. 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 \$19,639,000 for the year ended June 30, 2016. 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

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, 2016, all projects required under the CSO Consent Decree were substantially complete.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

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. The voters approved the first term in July 2004, the second term in March 2008, and the third term in March 2012. In 2010, the statute was amended to allow up to three four-year extensions. The voters approved the fourth term in March 2016. The fourth four-year term will end on September 30, 2020. Since October 1, 2004, a 1% Municipal sales and use tax has been collected for retail sales and use occurring in the incorporated city limits of Atlanta. Proceeds from this tax are specifically for funding renovations to the City's water and sewer system. Each four year term of the MOST may raise an amount of revenue not to exceed \$750,000,000. Proceeds from the MOST for fiscal year 2016 were \$132,653,000, of which \$11,332,000 were receivable from the Georgia Department of Revenue at June 30, 2016.
- **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 2016, the City received \$5,592,000 in GEFA funding. As of June 30, 2016, the City had \$168,222,000 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 20012-2016 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

Graduated Monthly Water Rate Structure:

<u>Water Consumption</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Base charge	\$6.56	\$6.56	\$6.56	\$6.56	\$6.56
0-3 ccf	\$2.58	\$2.58	\$2.58	\$2.58	\$2.58
4-6 ccf	\$5.34	\$5.34	\$5.34	\$5.34	\$5.34
Above 7 ccf	\$6.16	\$6.16	\$6.16	\$6.16	\$6.16

Graduated Monthly Wastewater Rate Structure:

<u>Water Consumption</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Base charge	\$6.56	\$6.56	\$6.56	\$6.56	\$6.56
1-3 ccf	\$9.74	\$9.74	\$9.74	\$9.74	\$9.74
4-6 ccf	\$13.64	\$13.64	\$13.64	\$13.64	\$13.64
Above 7 ccf	\$15.69	\$15.69	\$15.69	\$15.69	\$15.69

Consent Orders for Drinking Water System

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

Estimated 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 \$2.89 billion.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Commitments and Contingent Liabilities, continued

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

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	<u>829</u>
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>

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, with the results rolled forward to the measurement date of June 30, 2015. The allocation of the pension liability is based upon fiscal year 2015 contributions from the various departments. The City is presenting net pension liability as of June 30, 2015 for the fiscal year 2016 financials.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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 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. The 35% cap is not projected to occur over the next 30 years based on the fiscal year 2016 results projected forward with Pension Reform. During the year ended June 30, 2016 the City contributions were \$54,236,000.

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 a resolution (Report 13/14-01177) dated June 2, 2014, to the funding policy. Beginning fiscal year 2015 contributions under the prior policy are 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

(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.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Disability:

Service requirement:

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

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

d. *Description of GEPP benefit terms – the School System*

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

Normal Pension: a participant may retire at age 65 or age 60 after completing 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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.

Contributions to the FPP and PPP during the year ended June 30, 2016 were \$16,454,000 and \$25,441,000 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).

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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)

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 compensation 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).

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Membership

As of the beginning of the fiscal year ended June 30, 2015, pension plan membership consisted of the following:

	General Employees - The City	Firefighters	Police Officers
Inactive plan members or beneficiaries currently receiving benefits	3,897	1,004	1,420
Inactive plan members entitled to, but not yet receiving benefits	209	12	35
Active plan members	<u>2,920</u>	<u>1,043</u>	<u>2,025</u>
Total membership	<u><u>7,026</u></u>	<u><u>2,059</u></u>	<u><u>3,480</u></u>

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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 2016. 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, 2016, are summarized in the following tables.

<u>General Employees' Plan</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	6.6%
International equity	20%	2.2%
Fixed income	25%	7.1%
Alternative investments	5%	6.2%
	<u>100%</u>	

<u>Firefighters' and Police Officers' Plans</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2016, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense was 1.24%, -1.13%, and -0.71%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Net Pension Liability

The total pension liability is based on the July 1, 2014 actuarial valuation rolled forward to June 30, 2015 using standard roll-forward techniques (dollars in thousands):

	General Employees' - the City	Firefighters'	Police Officers'	Total
Total pension liability	\$ 1,873,213	853,690	1,294,907	4,021,810
Plan fiduciary net position	<u>1,153,715</u>	<u>644,649</u>	<u>983,385</u>	<u>2,781,749</u>
Net pension liability	<u><u>719,498</u></u>	<u><u>209,041</u></u>	<u><u>311,522</u></u>	<u><u>1,240,061</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 61.59%	 75.51%	 75.94%	 69.17%

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, 2016 (dollars in thousands):

	General Employees'	Firefighters'	Police Officers'	Total
General Government	\$ 337,674	\$ 158,244	\$ 286,941	\$ 782,859
Department of Airport	82,671	50,797	24,581	158,049
Department of Watershed Management	235,708	—	—	235,708
Other Non-major Enterprise	<u>63,445</u>	<u>—</u>	<u>—</u>	<u>63,445</u>
Total	\$ <u><u>719,498</u></u>	\$ <u><u>209,041</u></u>	\$ <u><u>311,522</u></u>	\$ <u><u>1,240,061</u></u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Changes in Net Pension Liability

The City is presenting net pension liability for the year June 30, 2016 based on the June 30, 2015 measurement date, as follows (dollars in thousands):

<u>General Employees' - the City</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2014	\$ 1,832,883	1,145,333	687,550
Changes for the year:			
Service cost	20,191	—	20,191
Interest expense	133,276	—	133,276
Difference between expected and actual investments earnings	(1,399)	—	(1,399)
Contributions - employer	—	48,015	(48,015)
Contributions - employee	—	16,975	(16,975)
Net investment income	—	56,575	(56,575)
Benefit payments and refunds	(111,738)	(111,738)	—
Administrative expenses	—	(1,445)	1,445
Net changes	<u>40,330</u>	<u>8,382</u>	<u>31,948</u>
Balances at June 30, 2015	<u>\$ 1,873,213</u>	<u>1,153,715</u>	<u>719,498</u>

<u>Firefighters'</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2014	\$ 846,325	658,508	187,817
Changes for the year:			
Service cost	12,612	—	12,612
Interest expense	60,396	-	60,396
Difference between expected and actual investment earnings	—	2,833	(2,833)
Demographic experience	(23,053)	(178)	(22,875)
Assumption changes	—	—	—
Contributions - employer	—	20,866	(20,866)
Contributions - employee	—	5,637	(5,637)
Net investment income	—	—	—
Benefit payments and refunds	(42,590)	(42,590)	-
Administrative expenses	—	(427)	427
Net changes	<u>7,365</u>	<u>(13,859)</u>	<u>21,224</u>
Balances at June 30, 2015	<u>\$ 853,690</u>	<u>644,649</u>	<u>209,041</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

<u>Police Officers'</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2014	\$ 1,270,494	987,507	282,987
Changes for the year:			
Service cost	22,387	—	22,387
Interest expense	91,326	—	91,326
Difference between expected and actual investment earnings	—	9,235	(9,235)
Demographic experience	(33,047)	(497)	(32,550)
Contributions - employer	—	32,693	(32,693)
Contributions - employee	—	11,224	(11,224)
Benefit payments and refunds	(56,253)	(56,253)	—
Administrative expenses	—	(524)	524
Net changes	<u>24,413</u>	<u>(4,122)</u>	<u>28,535</u>
Balances at June 30, 2015	\$ <u>1,294,907</u>	<u>983,385</u>	<u>311,522</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 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, 2015:

<u>General Employees' Plan</u>		<u>Firefighters'</u>	<u>Police Officers'</u>
<u>City</u>	<u>School System</u>		
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, 2016, 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):

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

	Discount Rate		
	1% Decrease 6.50%	Current 7.50%	1% Increase 8.50%
General Employees - the City	\$ 935,841	719,498	537,382
General Employees - School System	\$ 559,931	500,583	449,684
	6.41%	7.41%	8.41%
Firefighters' Pension	\$ 317,918	209,041	119,100
Police Officers' Pension	\$ 490,760	311,522	165,534

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2014 rolled forward to the June 30, 2015 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

	Inflation	Salary increases	Investment rate of return
General Employees'	2.75%	3.5%	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 actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate are as follows:

	General Employees' - the City	Firefighters'	Police Officers'
Valuation date	July 1, 2014	July 1, 2014	July 1, 2014
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	26 years	27 years	27 years
Asset valuation method	Market value	Market value	Market value

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

review of mortality experience for the 2003 – 2011 period. The mortality will be assessed again at the time of the next review, and further adjustment or expected improvement in life expectancy will be made if warranted.

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

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

The City recognized total pension expense of \$69,762,000 for the year ended June 30, 2016. Of the total pension expense, \$45,599,000 was recognized in the governmental activities and \$24,163,000 was recognized in the business type activities.

Deferred outflows of resources totaling \$158,947,000, with \$96,130,000 of contributions made after the plan's measurement date, \$38,250,000 for demographic gains/losses, \$24,567,000 for assumption changes.

The deferred inflows of resources totaling \$120,357,000 with \$68,854,000 represents the pension plans net differences between projected and actual investment earnings and \$51,503,000 for demographic and assumption changes.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

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

	Year of deferral	Amortization period (in years)	Beginning of year balance	Additions	Deductions	End of year balance
<u>General employees'</u>						
Deferred Inflows						
Net difference between projected and actual pension investments	2014	5.00	\$ (91,564)	\$ —	\$ 22,891	\$ (68,673)
	2015	5.00	—	27,518	(5,504)	22,014
Difference between expected and actual experience	2015	4.00	—	(1,399)	350	(1,049)
						\$ (47,708)
Deferred Outflows						
Contributions subsequent to the measurement date			—	54,235	—	54,235
						\$ 54,235
<u>Firefighters'</u>						
Deferred Inflows						
Net difference between projected and actual pension investments	2014	5.00	(57,062)	—	14,265	(42,797)
	2015	5	—	45,540	(9,108)	36,432
Demographic gain/loss	2015	11.95	—	(22,875)	1,914	(20,961)
						\$ (27,326)
Deferred Outflows						
Contributions subsequent to the measurement date			—	16,454	—	16,454
Demographic gain/loss	2014	12	9,271	—	(820)	8,451
Assumption changes	2014	12	14,930	—	(1,321)	13,609
						\$ 38,514
<u>Police Officers'</u>						
Deferred Inflows						
Net difference between projected and actual pension investments	2014	5.00	(89,340)	—	22,335	(67,005)
	2015	5.00	—	63,969	(12,794)	51,175
Demographic gain/loss	2015	10.65	—	(32,549)	3,056	(29,493)
						\$ (45,323)
Deferred Outflows						
Contributions subsequent to the measurement date			—	25,440	—	25,440
Demographic gain/loss	2014	11.08	33,081	—	(3,282)	29,799
Assumption changes	2014	11.08	12,166	—	(1,207)	10,959
						\$ 66,198
						Grand total of deferred inflows
						\$ (120,357)
						Grand total of deferred outflows
						\$ 158,947

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

The following table presents a summary of allocations to the departments in the collective deferred outflows and deferred inflows of resources as indicated above for the year ended June 30, 2016 (amounts in thousands):

	Balance June 30, 2016	General Government	Department of Watershed Management	Department of Aviation	Other non-major enterprise funds
General employees'					
Deferred Inflows					
Net difference between projected and actual pension investments	\$ (46,659)	\$ (21,876)	\$ (15,285)	\$ (5,361)	\$ (4,137)
Difference between expected and actual experience	(1,049)	(492)	(344)	(121)	(92)
	<u>(47,708)</u>	<u>(22,368)</u>	<u>(15,629)</u>	<u>(5,482)</u>	<u>(4,229)</u>
Deferred Outflows					
Contributions subsequent to the measurement date	54,235	25,478	17,768	6,232	4,757
	<u>54,235</u>	<u>25,478</u>	<u>17,768</u>	<u>6,232</u>	<u>4,757</u>
Deferred amount to be amortized \$	<u>(47,708)</u>	<u>(22,368)</u>	<u>(15,629)</u>	<u>(5,482)</u>	<u>(4,229)</u>
Firefighters'					
Deferred Inflows					
Net difference between projected and actual pension investments	\$ (6,365)	\$ (4,818)	\$ —	\$ (1,547)	\$ —
Demographic gain/loss	(20,961)	(15,867)	—	(5,094)	—
	<u>(27,326)</u>	<u>(20,685)</u>	<u>—</u>	<u>(6,641)</u>	<u>—</u>
Deferred Outflows					
Contributions subsequent to the measurement date	16,454	12,456	—	3,998	—
Demographic gain/loss	8,451	6,397	—	2,054	—
Assumption changes	13,609	10,302	—	3,307	—
	<u>38,514</u>	<u>29,155</u>	<u>—</u>	<u>9,359</u>	<u>—</u>
Deferred amount to be amortized \$	<u>(5,266)</u>	<u>(3,986)</u>	<u>-</u>	<u>(1,280)</u>	<u>-</u>
Police Officers'					
Deferred Inflows					
Net difference between projected and actual pension investments	\$ (15,830)	\$ (14,506)	\$ —	\$ (1,324)	\$ —
Demographic gain/loss	(29,493)	(27,194)	—	(2,299)	—
	<u>(45,323)</u>	<u>(41,700)</u>	<u>—</u>	<u>(3,623)</u>	<u>—</u>
Deferred Outflows					
Contributions subsequent to the measurement date	25,440	23,426	—	2,014	—
Demographic gain/loss	29,799	27,442	—	2,357	—
Assumption changes	10,959	10,092	—	867	—
	<u>66,198</u>	<u>60,960</u>	<u>—</u>	<u>5,238</u>	<u>—</u>
Deferred amount to be amortized \$	<u>(4,565)</u>	<u>(4,166)</u>	<u>-</u>	<u>(399)</u>	<u>-</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Contributions subsequent to the measurement date of \$ 96,129,000 will be recognized as a reduction of the net pension liability during the year ended June 30, 2017. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows (amount in thousands):

	<u>General employees'</u>			
	Amortization	General	Department of	Department
	amount	Government	Watershed	of Aviation
			Management	
2017	\$ 17,736	\$ 8,317	\$ 5,811	\$ 2,038
2018	17,736	8,317	5,811	2,038
2019	17,736	8,317	5,811	2,038
2020	(5,500)	(2,583)	(1,804)	(632)
2021 and thereafter	—	—	—	—
	<u>\$ 47,708</u>	<u>\$ 22,368</u>	<u>\$ 15,629</u>	<u>\$ 5,482</u>

	<u>Firefighters'</u>			
2017	\$ 4,930	\$ 3,732	\$ —	\$ 1,198
2018	4,930	3,732	—	1,198
2019	4,930	3,732	—	1,198
2020	(9,335)	(7,067)	—	(2,268)
2021 and thereafter	(189)	(143)	—	(46)
	<u>\$ 5,266</u>	<u>\$ 3,986</u>	<u>\$ —</u>	<u>\$ 1,280</u>

	<u>Police Officers'</u>			
2017	\$ 8,109	\$ 7,452	\$ —	\$ 657
2018	8,109	7,452	—	657
2019	8,109	7,452	—	657
2020	(14,228)	(13,113)	—	(1,115)
2021 and thereafter	(5,534)	(5,077)	—	(457)
	<u>\$ 4,565</u>	<u>\$ 4,166</u>	<u>\$ —</u>	<u>\$ 399</u>

Defined Contribution Plan

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Each employee directs how the funds in their retirement account shall be invested. The employee may direct lump sum distributions from their retirement account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement. There are no assets in a Trust accumulated to pay benefits.

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 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, 2016, there were 1,603 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was approximately \$113,913,000. Employer contributions for the year ended June 30, 2016, were approximately \$9,647,000 and employee contributions were approximately \$9,727,000, totaling 17.0% of covered payroll. In addition, there were another 2,883 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

A. Pensions, continued

Condensed financial statement information for the Defined Contribution Plan for the year ended June 30, 2016, is shown below (dollars in thousands):

Current assets:

Investment

Domestic fixed income securities	\$	35,965
Domestic equities		23,255
Alternative partnerships		392
Comingled funds		53,125
Other assets		5,893
Total	\$	<u>118,630</u>

Additions:

Employer contributions		10,044
Employee contributions		10,106
Refunds and other		693
Total additions		<u>20,843</u>

Deductions:

Benefit Payments		6,946
Administrative expenses		59
Total deductions		<u>7,005</u>

Change in Net Assets held in trust
for pension benefits

\$ 13,838

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, 2016, the City made \$43.7 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 \$47.5 million through their required contributions.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Post-Employment Benefits, continued

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 Entry Age Normal actuarial 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, 2016 (dollars in thousands):

	City-Wide	DWM	DOA	Other Business-type	General Government
Annual Required Contribution	\$ 78,424	\$ 13,896	\$ 10,170	\$ 5,110	\$ 49,248
Interest on Net OPEB Obligation	16,626	2,946	2,156	1,083	10,441
Adjustment to Annual Required Contribution	<u>(18,892)</u>	<u>(3,348)</u>	<u>(2,450)</u>	<u>(1,231)</u>	<u>(11,863)</u>
Annual OPEB Cost (expense)	76,158	13,494	9,876	4,962	47,826
"Pay As You Go" Payments Made	<u>(43,717)</u>	<u>(7,479)</u>	<u>(5,610)</u>	<u>(2,147)</u>	<u>(28,481)</u>
Increase in Net OPEB Obligation	32,441	6,015	4,266	2,815	19,345
Net OPEB Obligation - Beginning of Year	415,658	100,909	56,199	24,686	233,864
Net OPEB Obligation - End of Year	<u>\$ 448,099</u>	<u>\$ 106,924</u>	<u>\$ 60,465</u>	<u>\$ 27,501</u>	<u>\$ 253,209</u>

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, 2014 – 2016 were as follows (dollars in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
June 30, 2014	\$ 103,766	42.1%	\$ 384,826
June 30, 2015	\$ 74,141	58.4%	\$ 415,658
June 30, 2016	\$ 76,158	60.4%	\$ 448,099

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%. The Plan membership as of July 1, 2014, was 14,804; consisting of 7,656 current retirees, beneficiaries and dependents and 7,148 current active participants. There are no terminated participants entitled but not yet eligible.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2016

Notes to the Financial Statements – Continued

B. Post-Employment Benefits, continued

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.

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

Business Activities Permits Fund

In September 2016, the City Council approved legislation to dissolve the Building Enterprise Fund, to anticipate and appropriate fund balances in the building permits fund and in the building renewal and extension fund into the General Fund. The Building Enterprise Fund fund balance of \$52,219,000, as of June 30, 2016 will be transferred to the general fund and segregated such that they are expended only for the purposes for which they were collected.

General Government

On September 1, 2016, the City of Atlanta issued Revenue Refunding Bonds (Public Safety Facility Project), Series 2016 Bonds for \$27,150,000. The Series 2016 Bonds were issued for the purpose of refunding the Series 2006 Bonds and paying certain costs of issuance related to the Series 2016 Bonds.



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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)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>AAL Projected Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Percentage of Covered Payroll</u>
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 independent auditors' report

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

	General Employees'		Firefighters'		Police Officers'	
	2015	2014	2015	2014	2015	2014
Total pension liability	\$ 1,873,213	\$ 1,832,883	853,690	\$ 846,325	1,294,907	\$ 1,270,494
Plan fiduciary net position	\$ 1,153,715	\$ 1,145,333	644,649	\$ 658,508	983,385	\$ 987,507
Employers net pension liability	\$ 719,498	\$ 687,550	209,041	\$ 187,817	311,522	\$ 282,987
Plan fiduciary net position as a percentage of total pension liability	61.59%	62.49%	75.51%	77.81%	75.94%	77.73%
Covered-employee payroll	\$ 145,654	\$ 142,494	47,181	\$ 44,508	93,836	\$ 91,840
Employers net pension liability as a percentage of covered-employee payroll	493.98%	482.51%	443.06%	421.98%	331.99%	308.13%

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

See accompanying notes to required supplementary 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)

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 20,191	\$ 19,644
Interest	133,276	130,279
Differences between expected and actual experience	(1,399)	-
Benefit payments, including refunds of member contributions	<u>(111,738)</u>	<u>(108,175)</u>
Net change in total pension liability	40,330	41,748
Total pension liability - beginning	<u>1,832,883</u>	<u>1,791,135</u>
Total pension liability - ending	<u><u>1,873,213</u></u>	<u><u>1,832,883</u></u>
Plan fiduciary net position:		
Contributions - employer	48,015	42,145
Contributions - member	16,975	17,366
Net investment income	56,575	188,381
Benefit payments, including member refunds	(111,738)	(108,175)
Administrative expenses	<u>(1,445)</u>	<u>(8,813)</u>
Net change in plan fiduciary net position	8,382	130,904
Plan fiduciary net position - beginning	<u>1,145,333</u>	<u>1,014,429</u>
Plan fiduciary net position - ending	<u><u>1,153,715</u></u>	<u><u>1,145,333</u></u>
Plan net pension liability - ending	<u><u>\$ 719,498</u></u>	<u><u>\$ 687,550</u></u>

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

See accompanying notes to required supplementary 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)

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 12,612	\$ 13,783
Interest	60,396	59,473
Differences between expected and actual experience	-	10,092
Demographic experience	(23,053)	-
Changes of assumptions	-	16,251
Benefit payments, including refunds of member contributions	<u>(42,590)</u>	<u>(41,629)</u>
Net change in total pension liability	7,365	57,970
Total pension liability - beginning	<u>846,325</u>	<u>788,355</u>
Total pension liability - ending	<u><u>853,690</u></u>	<u><u>846,325</u></u>
Plan fiduciary net position:		
Contributions - employer	20,866	20,656
Contributions - member	5,637	5,670
Net investment income (loss)	(45,540)	71,328
Interest	48,195	41,046
Benefit payments, including member refunds	(42,590)	(41,268)
Administrative expenses	<u>(427)</u>	<u>(374)</u>
Net change in plan fiduciary net position	(13,859)	97,058
Plan fiduciary net position - beginning	<u>658,508</u>	<u>561,450</u>
Plan fiduciary net position - ending	<u>644,649</u>	<u>658,508</u>
Plan net pension liability - ending	<u><u>\$ 209,041</u></u>	<u><u>\$ 187,817</u></u>

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

See accompanying notes to required supplementary 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)

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 22,387	\$ 23,755
Interest	91,326	89,442
Changes of benefit terms	-	-
Differences between expected and actual experience	(33,047)	36,363
Changes of assumptions	-	13,373
Benefit payments, including refunds of member contributions	<u>(56,253)</u>	<u>(51,070)</u>
Net change in total pension liability	24,413	111,863
Total pension liability - beginning	<u>1,270,494</u>	<u>1,158,631</u>
Total pension liability - ending	<u><u>1,294,907</u></u>	<u><u>1,270,494</u></u>
Plan fiduciary net position:		
Contributions - employer	32,693	30,197
Contributions - member	11,224	11,157
Net investment income	72,706	108,004
Interest	(63,968)	60,960
Benefit payments, including member refunds	(56,253)	(51,299)
Administrative expenses	<u>(524)</u>	<u>(327)</u>
Net change in plan fiduciary net position	(4,122)	158,692
Plan fiduciary net position - beginning	<u>987,507</u>	<u>828,815</u>
Plan fiduciary net position - ending	<u>983,385</u>	<u>987,507</u>
Plan net pension liability - ending	<u><u>\$ 311,522</u></u>	<u><u>\$ 282,987</u></u>

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

See accompanying notes to required supplementary 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'	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007¹
Actuarially determined contributions	\$ 54,236	\$ 48,015	\$ 42,145	\$ 38,688	\$ 35,237	\$ 46,068	\$ 51,762	\$ 69,991	\$ 59,780	\$ 51,772
Contributions in relation to the actuarially determined contribution	54,236	48,015	42,145	38,688	35,237	46,068	51,762	69,991	59,780	51,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 151,625	\$ 145,654	\$ 142,494	\$ 133,069	\$ 139,107	\$ 135,636	\$ 142,597	\$ 150,312	\$ 179,982	\$ 155,185
Contributions as a percentage of covered-employee payroll	35.8%	33.0%	29.6%	29.1%	25.3%	34.0%	36.3%	46.6%	33.2%	33.4%
Firefighters'	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contributions	\$ 16,454	\$ 20,866	\$ 20,656	\$ 17,491	\$ 21,092	\$ 24,912	\$ 25,864	\$ 28,752	\$ 26,373	\$ 25,502
Contributions in relation to the actuarially determined contribution	16,454	20,866	20,656	17,491	21,092	24,912	25,864	28,752	26,373	25,502
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 46,918	\$ 47,181	\$ 44,508	\$ 42,797	\$ 39,482	\$ 42,963	\$ 43,910	\$ 43,275	\$ 45,561	\$ 45,686
Contributions as a percentage of covered-employee payroll	35.1%	44.2%	46.4%	40.9%	53.4%	58.0%	58.9%	66.4%	57.9%	55.8%
Police Officers'	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contributions	\$ 25,441	\$ 32,693	\$ 30,197	\$ 26,525	\$ 33,748	\$ 39,135	\$ 41,713	\$ 44,810	\$ 45,730	\$ 45,365
Contributions in relation to the actuarially determined contribution	\$ 25,441	\$ 32,693	30,197	26,525	33,748	39,135	41,713	44,810	45,730	45,365
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 92,965	\$ 93,836	\$ 91,840	\$ 88,297	\$ 73,688	\$ 83,551	\$ 78,519	\$ 82,030	\$ 84,015	\$ 77,168
Contributions as a percentage of covered-employee payroll	27.4%	34.8%	32.9%	30.0%	45.8%	46.8%	53.1%	54.6%	54.4%	58.8%

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>2016</u>	<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	1.24%	4.64%	19.26%	17.55%	0.93%	19.69%	12.92%	-9.56%

Firefighters' Pension Plan

	<u>2016</u>	<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	-1.13%	0.79%	21.01%	15.34%	1.68%	25.58%	14.40%	-13.86%

Police Officers' Pension Plan

	<u>2016</u>	<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	-0.71%	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, 2016
(Unaudited)

(1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the General Employees' Plan actuary, Segal Actuarial Services and the Firefighters' and Police Officers' Pension Plan actuary, Southern Actuarial Services. A separate actuarial valuation is completed separately for The City and the School System. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan's. There are no assets accumulated in a Trust to pay benefits.

(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 2016, the General Employees' Pension Plan, used the RP-2000 Combined Healthy Mortality Table.

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

Changes of 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, 2016
(Unaudited)

Budgetary Data

The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. Annual budgets are adopted for the 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 budget is prepared and presented to City Council for adoption. The adopted budget is available on the City Web-site.

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

The responsibility for revenue anticipations and specified appropriations is fixed by law by the Budget Commission, which is composed of the Mayor, the Chief Financial Officer, the Chair of the City Council Finance Committee, and two other members of City Council. The Budget Commission may not anticipate in any year an amount in excess of 99% of the normal revenues of the City actually collected during the previous year (unless tax rates or fees are increased) plus any accumulated cash surplus carried forward from the previous year. Grant revenues are anticipated in the Community Development and Intergovernmental 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, 2016.

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 2016, neither the General Fund nor the MOST funds had expenditures that exceeded appropriations at the fund level.

CITY OF ATLANTA
General Fund
Statement of Revenues, Expenses and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2016
(Dollars in Thousands)

Notes and Comments:

Total revenue for Original and Final, per Council approval, was \$593,110

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:	\$ 593,110	
less: Operating Transfer Budget	(35,179)	Reflected in other financing sources and uses as a transfer in
less: Proceeds from sales of assets	(651)	Reflected in other financing sources and uses
less: Indirect Cost Recovery	(30,097)	Reflected as an offset to General Government expenditures
Total Revenues	\$ 527,183	

Budgeted Amounts

	Original	Adjustment	Final Budget	Actual Amounts	Variance with Budget
Revenues:					
Property taxes	\$ 194,394	\$ -	\$ 194,394	\$ 193,217	\$ (1,177)
Local option sales taxes	101,517	-	101,517	103,515	1,998
Public utility, alcoholic beverage and other taxes	106,292	-	106,292	108,686	2,394
Licenses and permits	71,652	-	71,652	78,447	6,795
Charges for current services	10,467	-	10,467	10,230	(237)
Fines, forfeitures and penalties	30,095	-	30,095	24,392	(5,703)
Investment income	2,646	-	2,646	2,311	(335)
Building rentals and concessions	8,170	-	8,170	7,411	(759)
Other	1,950	-	1,950	2,101	151
Fund Balance Appropriation	-	-	-	-	-
Total revenues	527,183	-	527,183	530,310	3,127
Expenditures:					
General government	173,020	(19,071)	153,949	153,949	-
Police	173,325	14,112	187,437	187,437	-
Fire	79,985	(1,464)	78,521	78,521	-
Corrections	32,840	1,916	34,756	34,756	-
Public works	33,004	6,935	39,939	39,939	-
Parks, recreation and cultural affairs	34,067	1,622	35,689	35,689	-
Debt service					
Principal payments	12,620	(1,035)	11,585	11,585	-
Interest payments	4,422	(491)	3,931	3,931	-
Paying agent fees	28	(13)	15	15	-
Bond issuance costs	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	543,311	2,511	545,822	545,822	-
Excess (Deficiency) of revenues over expenditures	(16,128)	(2,511)	(18,639)	(15,512)	3,127
Other financing sources (uses):					
Proceeds from sale of assets	651	-	651	1,278	627
Proceeds from general bond	-	-	-	7,779	7,779
Transfers in	35,179	-	35,179	41,361	6,182
Transfers out	(19,702)	2,511	(17,191)	(32,771)	(15,580)
Total other financing sources (uses):	16,128	2,511	18,639	17,647	(992)
Net change in fund balance	-	-	-	2,135	2,135
Fund balance, beginning of the period	151,014	-	151,014	151,014	-
Fund balance, end of period	\$ 151,014	\$ -	\$ 151,014	\$ 153,149	\$ 2,135

CITY OF ATLANTA, GEORGIA
Municipal Option Sales Tax (MOST) Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(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 taxes	\$ 125,000	\$ 125,000	\$ 132,653	\$ 7,653
Investment Income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>132,653</u>	<u>7,653</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>125,000</u>	<u>125,000</u>	<u>132,653</u>	<u>7,653</u>
OTHER FINANCING SOURCES (USES):				
Transfer out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(132,653)</u>	<u>(7,653)</u>
Total other financial sources and uses	<u>(125,000)</u>	<u>(125,000)</u>	<u>(132,653)</u>	<u>(7,653)</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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:

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

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

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

Debt Service Fund

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

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

Capital Projects Funds

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

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

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

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



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CITY OF ATLANTA, GEORGIA

Combining Balance Sheet
 Nonmajor Governmental Funds
 For the Year Ending June 30, 2016
 (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	\$ 4,154	\$ -	\$ 8,025	\$ 17,294	\$ 14,751
Equity in cash management pool	-	-	-	-	33,123
Investments	-	-	-	-	412
Receivables:					
Taxes	-	-	-	1,583	5,805
Accounts	274	1,525	1,953	-	3,607
Due from other governments	771	-	7,205	-	1,472
Due from other funds	-	-	-	-	310
TOTAL ASSETS	<u>\$ 5,199</u>	<u>\$ 1,525</u>	<u>\$ 17,183</u>	<u>\$ 18,877</u>	<u>\$ 59,480</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Account payable	\$ 3,506	\$ 896	\$ 17,130	\$ 118	\$ 5,853
Accrued expenses	5	35	28	-	11
Contract retentions	61	-	355	-	3
Due to other governments	-	-	-	-	7,638
Due to Other Funds	940	5,422	6,847	44	534
Unearned revenue	-	-	30	-	84
Total liabilities	<u>4,512</u>	<u>6,353</u>	<u>24,390</u>	<u>162</u>	<u>14,123</u>
Deferred inflows of resources					
Deferred inflows of property taxes	-	-	-	1,569	383
Total liabilities and deferred inflows of resources	<u>4,512</u>	<u>6,353</u>	<u>24,390</u>	<u>1,731</u>	<u>14,506</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	687	-	-	17,146	44,974
Assigned	-	-	-	-	-
Unassigned	-	(4,828)	(7,207)	-	-
Total Fund Balances	<u>687</u>	<u>(4,828)</u>	<u>(7,207)</u>	<u>17,146</u>	<u>44,974</u>
TOTAL LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES	<u>\$ 5,199</u>	<u>\$ 1,525</u>	<u>\$ 17,183</u>	<u>\$ 18,877</u>	<u>\$ 59,480</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, 2016
 (Dollars in Thousands)

<u>Debt Service Funds</u>		<u>Capital Project Funds</u>				<u>Total Nonmajor Governmental Funds</u>
<u>Bond Service Fund</u>	<u>Tax Allocation Districts</u>	<u>Park Improvement</u>	<u>Special Assessment</u>	<u>General Governmental Capital Outlay</u>	<u>Solid Waste Management Authority</u>	
\$ 14,746	\$ 178,776	\$ -	\$ -	\$ 38,650	\$ 2,485	\$ 278,881
-	-	4,284	2,738	-	-	40,145
-	38,397	-	-	-	-	38,809
1,420	3,443	430	-	-	-	12,681
61	12,832	25	42	-	-	20,319
-	-	-	-	-	-	9,448
243	-	-	-	185	-	738
<u>\$ 16,470</u>	<u>\$ 233,448</u>	<u>\$ 4,739</u>	<u>\$ 2,780</u>	<u>\$ 38,835</u>	<u>\$ 2,485</u>	<u>\$ 401,021</u>
\$ 3	\$ 11,835	\$ 771	\$ -	\$ 72	\$ 21	\$ 40,205
-	-	5	-	-	-	84
-	-	3	-	15	-	437
-	3,502	-	-	-	-	11,140
-	430	-	-	-	-	14,217
-	-	-	-	-	-	114
<u>3</u>	<u>15,767</u>	<u>779</u>	<u>-</u>	<u>87</u>	<u>21</u>	<u>66,197</u>
<u>1,322</u>	<u>3,304</u>	<u>397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,975</u>
<u>1,325</u>	<u>19,071</u>	<u>1,176</u>	<u>-</u>	<u>87</u>	<u>21</u>	<u>73,172</u>
-	-	-	-	-	-	-
15,145	214,377	3,563	2,780	38,748	2,464	339,884
-	-	-	-	-	-	-
-	-	-	-	-	-	(12,035)
<u>15,145</u>	<u>214,377</u>	<u>3,563</u>	<u>2,780</u>	<u>38,748</u>	<u>2,464</u>	<u>327,849</u>
<u>\$ 16,470</u>	<u>\$ 233,448</u>	<u>\$ 4,739</u>	<u>\$ 2,780</u>	<u>\$ 38,835</u>	<u>\$ 2,485</u>	<u>\$ 401,021</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, 2016
 (Dollars in Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter- governmental Grants	Tax Allocation Districts	Other Special Revenues
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ 3,683	\$ -
Other taxes	-	-	-	-	77,177
Licenses and permits	-	-	-	-	1,076
Charges for current services	-	18,036	-	-	3,154
Fines , forfeitures and penalties	-	-	-	-	1,941
Investment Income	-	-	-	14	426
Intergovernmental Revenues and Contributions:					
U.S. Government grants	9,386	-	35,480	-	1,857
State and local governments	<u>55</u>	<u>-</u>	<u>10,263</u>	<u>-</u>	<u>4,328</u>
Total intergovernmental revenues	9,441	-	45,743	-	6,185
Building Rentals and Concessions	-	-	-	-	856
Other	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>1,974</u>
Total Revenues	<u>9,441</u>	<u>18,036</u>	<u>45,759</u>	<u>3,697</u>	<u>92,789</u>
EXPENDITURES					
Current:					
Executive Offices	1,771	-	13,178	(1)	1,991
City Council	-	-	-	-	4
Personel and human services	-	-	-	-	9
Courts and judicial agencies	24	-	65	-	21
Finance	793	-	133	-	596
Housing, planning and development	3,367	-	9,739	-	4,416
Nondepartmental	<u>-</u>	<u>524</u>	<u>-</u>	<u>572</u>	<u>58,875</u>
Total general government	<u>5,955</u>	<u>524</u>	<u>23,115</u>	<u>571</u>	<u>65,912</u>
Police	929	21,294	7,595	-	4,388
Fire	-	-	459	-	7
Corrections	-	-	99	-	1,799
Public Works	746	-	20,712	-	1,317
Parks, recreation and cultural affairs	1,731	-	878	-	6,702
Debt Service:					
Principal payment	245	-	-	905	-
Interest payments	10	-	-	744	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>4</u>	<u>-</u>
Total Expenditures	<u>9,616</u>	<u>21,818</u>	<u>52,857</u>	<u>2,224</u>	<u>80,125</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(175)</u>	<u>(3,782)</u>	<u>(7,098)</u>	<u>1,473</u>	<u>12,664</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	-	-	-	-	9
Payment to bond escrow agent	-	-	-	-	-
Proceeds from general bond	-	-	-	-	-
Premium from bond sold	-	-	-	-	-
Transfers in	-	-	1,355	-	3,582
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,552)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,355</u>	<u>-</u>	<u>(15,961)</u>
Net Change in Fund Balances	(175)	(3,782)	(5,743)	1,473	(3,297)
FUND BALANCE:					
Beginning of the period	<u>862</u>	<u>(1,046)</u>	<u>(1,464)</u>	<u>15,673</u>	<u>48,271</u>
FUND BALANCE, END OF PERIOD	<u>\$ 687</u>	<u>\$ (4,828)</u>	<u>\$ (7,207)</u>	<u>\$ 17,146</u>	<u>\$ 44,974</u>

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds updated
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending June 30, 2016
 (Dollars in Thousands)

<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
<u>Bond Service Fund</u>	<u>Tax Allocation Disticts</u>	<u>Park Improvement</u>	<u>Special Assessment</u>	<u>General Governmental Capital Outlay</u>	<u>Solid Waste Management Authority</u>	
\$ 39,874	\$ 78,068	\$ 10,652	\$ -	\$ -	\$ -	\$ 132,277
2,284	-	847	-	-	-	80,308
-	-	-	-	-	-	1,076
-	1	-	262	5,873	-	27,326
-	-	-	-	-	-	1,941
6	2,317	45	26	50	1	2,885
-	-	-	-	-	-	46,723
-	-	-	-	-	-	14,646
-	-	-	-	-	-	61,369
-	-	-	-	-	-	856
-	684	-	-	-	-	2,674
42,164	81,070	11,544	288	5,923	1	310,712
-	-	-	-	-	-	16,939
-	-	-	-	-	-	4
-	-	-	-	-	-	9
-	-	-	-	-	-	110
-	-	-	-	-	4	1,526
-	-	-	-	-	-	17,522
437	27,179	6,574	-	30	-	94,191
437	27,179	6,574	-	30	4	130,301
-	-	-	-	-	-	34,206
-	-	-	-	609	-	1,075
-	-	-	-	-	-	1,898
-	-	-	-	459	-	23,234
-	-	3,919	-	14	-	13,244
41,510	22,430	-	-	-	1,550	66,640
18,813	18,249	-	-	-	561	38,377
11	174	-	-	-	-	185
4	19	3	-	-	-	29
60,775	68,051	10,496	-	1,112	2,115	309,189
(18,611)	13,019	1,048	288	4,811	(2,114)	1,523
-	-	-	-	-	-	9
-	(44,759)	-	-	-	-	(44,759)
-	41,330	-	-	-	-	41,330
-	5,754	-	-	-	-	5,754
-	-	-	-	-	2,111	7,048
-	-	-	-	-	-	(19,552)
-	2,325	-	-	-	2,111	(10,170)
(18,611)	15,344	1,048	288	4,811	(3)	(8,647)
33,756	199,033	2,515	2,492	33,937	2,467	336,496
\$ 15,145	\$ 214,377	\$ 3,563	\$ 2,780	\$ 38,748	\$ 2,464	\$ 327,849

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Tax Allocation Districts
For the Year Ending June 30, 2016
(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	\$ 10,644	\$ 2,741	\$ 2,203	\$ 1,530	\$ 176	\$ 17,294	\$ 6,494	\$ 64,835	\$ 4,942	\$ 82,201	\$ 20,304	\$ 178,776
Investments	-	-	-	-	-	-	38,397	-	-	-	-	38,397
Receivables:												
Taxes	1,161	311	73	27	11	1,583	126	1,796	42	301	1,178	3,443
Accounts	-	-	-	-	-	-	371	11,532	-	-	929	12,832
TOTAL ASSETS	<u>\$ 11,805</u>	<u>\$ 3,052</u>	<u>\$ 2,276</u>	<u>\$ 1,557</u>	<u>\$ 187</u>	<u>\$ 18,877</u>	<u>\$ 45,388</u>	<u>\$ 78,163</u>	<u>\$ 4,984</u>	<u>\$ 82,502</u>	<u>\$ 22,411</u>	<u>\$ 233,448</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Account payable	6	39	35	36	2	118	21	836	29	127	10,822	11,835
Due to other governments	-	-	-	-	-	-	-	-	-	3,502	-	3,502
Due to Other Funds	12	10	15	7	-	44	7	366	6	29	22	430
Total liabilities	<u>18</u>	<u>49</u>	<u>50</u>	<u>43</u>	<u>2</u>	<u>162</u>	<u>28</u>	<u>1,202</u>	<u>35</u>	<u>3,658</u>	<u>10,844</u>	<u>15,767</u>
Deferred inflows of resources												
Deferred inflows of property taxes	1,152	307	72	27	11	1,569	126	1,718	42	301	1,117	3,304
Total liabilities and deferred inflows of resources	<u>1,170</u>	<u>356</u>	<u>122</u>	<u>70</u>	<u>13</u>	<u>1,731</u>	<u>154</u>	<u>2,920</u>	<u>77</u>	<u>3,959</u>	<u>11,961</u>	<u>19,071</u>
Fund Balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	10,635	2,696	2,154	1,487	174	17,146	45,234	75,243	4,907	78,543	10,450	214,377
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>10,635</u>	<u>2,696</u>	<u>2,154</u>	<u>1,487</u>	<u>174</u>	<u>17,146</u>	<u>45,234</u>	<u>75,243</u>	<u>4,907</u>	<u>78,543</u>	<u>10,450</u>	<u>214,377</u>
TOTAL LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES	<u>\$ 11,805</u>	<u>\$ 3,052</u>	<u>\$ 2,276</u>	<u>\$ 1,557</u>	<u>\$ 187</u>	<u>\$ 18,877</u>	<u>\$ 45,388</u>	<u>\$ 78,163</u>	<u>\$ 4,984</u>	<u>\$ 82,502</u>	<u>\$ 22,411</u>	<u>\$ 233,448</u>

The accompanying notes are an integral part of this statement

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, 2016
 (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	\$ 2,900	\$ 319	\$ 211	\$ 159	\$ 94	\$ 3,683	\$ 18,894	\$ 15,309	\$ 1,907	\$ 13,347	\$ 28,611	\$ 78,068
Charges for current services	-	-	-	-	-	-	-	1	-	-	-	1
Investment Income	14	-	-	-	-	14	2,129	12	1	160	15	2,317
Other	-	-	-	-	-	-	-	635	-	-	49	684
Total Revenues	2,914	319	211	159	94	3,697	21,023	15,957	1,908	13,507	28,675	81,070
EXPENDITURES												
Current:												
Executive Offices	(1)	-	-	-	-	(1)	-	-	-	-	-	-
Nondepartmental	99	82	362	77	(48)	572	108	9,543	698	1,810	15,020	27,179
Total general government	98	82	362	77	(48)	571	108	9,543	698	1,810	15,020	27,179
Debt Service:												
Bond issuance costs	-	-	-	-	-	-	-	-	10	164	-	174
Paying agent fees	4	-	-	-	-	4	4	9	-	3	3	19
Principal payment	905	-	-	-	-	905	4,730	7,055	5,730	1,675	3,240	22,430
Interest payments	744	-	-	-	-	744	7,559	2,327	1,006	2,111	5,246	18,249
Total Expenditures	1,751	82	362	77	(48)	2,224	12,401	18,934	7,444	5,763	23,509	68,051
Excess (Deficiency) of Revenues Over (under) Expenditures	1,163	237	(151)	82	142	1,473	8,622	(2,977)	(5,536)	7,744	5,166	13,019
OTHER FINANCING SOURCES (USES)												
Payment to bond escrow agent	-	-	-	-	-	-	-	-	(7,450)	(37,309)	-	(44,759)
Proceeds from general bond	-	-	-	-	-	-	-	-	10,775	30,555	-	41,330
Premium from bond sold	-	-	-	-	-	-	-	-	-	5,754	-	5,754
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	3,325	(1,000)	-	2,325
Net Change in Fund Balances	1,163	237	(151)	82	142	1,473	8,622	(2,977)	(2,211)	6,744	5,166	15,344
FUND BALANCE:												
Beginning of the period	9,472	2,459	2,305	1,405	32	15,673	36,612	78,220	7,118	71,799	5,284	199,033
FUND BALANCE, END OF PERIOD	\$ 10,635	\$ 2,696	\$ 2,154	\$ 1,487	\$ 174	\$ 17,146	\$ 45,234	\$ 75,243	\$ 4,907	\$ 78,543	\$ 10,450	\$ 214,377

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Other Special Revenue Funds
For the Year Ending June 30, 2016
(Dollars in Thousands)

	Other Special Revenue Funds						
	<u>Expendable Trust</u>	<u>Home Investment Partnership</u>	<u>Section 108 Loan Trust</u>	<u>Car Rental Excise Tax</u>	<u>Hotel/Motel Excise Tax</u>	<u>Atlanta Housing Opportunity</u>	<u>Total Other Special Revenue</u>
ASSETS							
Cash and cash equivalents, restricted	\$ 3,267	\$ 1,705	\$ 4,830	\$ -	\$ -	\$ 4,949	\$ 14,751
Equity in cash management pool	31,691	-	-	-	1,432	-	33,123
Investments	412	-	-	-	-	-	412
Receivables:							
Taxes	-	-	-	-	5,805	-	5,805
Accounts	435	-	-	16	-	3,156	3,607
Due from other governments	-	461	1,011	-	-	-	1,472
Due from other funds	-	-	-	-	310	-	310
TOTAL ASSETS	<u>\$ 35,805</u>	<u>\$ 2,166</u>	<u>\$ 5,841</u>	<u>\$ 16</u>	<u>\$ 7,547</u>	<u>\$ 8,105</u>	<u>\$ 59,480</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Account payable	4,057	1,194	603	-	-	(1)	5,853
Accrued expenses	10	1	-	-	-	-	11
Contract retentions	3	-	-	-	-	-	3
Due to other governments	-	-	-	8	7,547	83	7,638
Due to Other Funds	-	526	-	8	-	-	534
Unearned revenue	2	82	-	-	-	-	84
Total liabilities	<u>4,072</u>	<u>1,803</u>	<u>603</u>	<u>16</u>	<u>7,547</u>	<u>82</u>	<u>14,123</u>
Deferred inflows of resources							
Deferred inflows of property taxes	383	-	-	-	-	-	383
Total liabilities and deferred inflows of resources	<u>4,455</u>	<u>1,803</u>	<u>603</u>	<u>16</u>	<u>7,547</u>	<u>82</u>	<u>14,506</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	31,350	363	5,238	-	-	8,023	44,974
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>31,350</u>	<u>363</u>	<u>5,238</u>	<u>-</u>	<u>-</u>	<u>8,023</u>	<u>44,974</u>
TOTAL LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES	<u>\$ 35,805</u>	<u>\$ 2,166</u>	<u>\$ 5,841</u>	<u>\$ 16</u>	<u>\$ 7,547</u>	<u>\$ 8,105</u>	<u>\$ 59,480</u>

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, 2016
 (Dollars in Thousands)

	Other Special Revenue Funds						
	Expendable Trust	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity	Total Other Special Revenue
REVENUES							
Other taxes	\$ 3,173	\$ -	\$ -	\$ 1,189	\$ 72,815	\$ -	\$ 77,177
Licenses and permits	1,076	-	-	-	-	-	1,076
Charges for current services	2,789	-	-	-	-	365	3,154
Fines, forfeitures and penalties	1,941	-	-	-	-	-	1,941
Investment Income	344	-	5	-	-	77	426
Intergovernmental Revenues and Contributions:							
U.S. Government grants	-	1,857	-	-	-	-	1,857
State and local governments	4,285	43	-	-	-	-	4,328
Total intergovernmental revenues	4,285	1,900	-	-	-	-	6,185
Building Rentals and Concessions	855	-	-	-	1	-	856
Other	1,974	-	-	-	-	-	1,974
Total Revenues	16,437	1,900	5	1,189	72,816	442	92,789
EXPENDITURES							
Current:							
Executive Offices	1,870	121	-	-	-	-	1,991
City Council	4	-	-	-	-	-	4
Personel and human services	9	-	-	-	-	-	9
Courts and judicial agencies	21	-	-	-	-	-	21
Finance	6	-	590	-	-	-	596
Housing, planning and development	2,526	1,890	-	-	-	-	4,416
Nondepartmental	164	-	-	1,189	54,619	2,903	58,875
Total general government	4,600	2,011	590	1,189	54,619	2,903	65,912
Police	4,388	-	-	-	-	-	4,388
Fire	7	-	-	-	-	-	7
Corrections	1,799	-	-	-	-	-	1,799
Public Works	1,317	-	-	-	-	-	1,317
Parks, recreation and cultural affairs	6,702	-	-	-	-	-	6,702
Debt Service:							
Total Expenditures	18,813	2,011	590	1,189	54,619	2,903	80,125
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,376)	(111)	(585)	-	18,197	(2,461)	12,664
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	9	-	-	-	-	-	9
Transfers in	716	-	-	-	-	2,866	3,582
Transfers out	(1,355)	-	-	-	(18,197)	-	(19,552)
Total Other Financing Sources (Uses)	(630)	-	-	-	(18,197)	2,866	(15,961)
Net Change in Fund Balances	(3,006)	(111)	(585)	-	-	405	(3,297)
FUND BALANCE:							
Beginning of the period	34,356	474	5,823	-	-	7,618	48,271
FUND BALANCE, END OF PERIOD	\$ 31,350	\$ 363	\$ 5,238	\$ -	\$ -	\$ 8,023	\$ 44,974

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, 2016
(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	\$ 17,465	\$ 19,764	\$ 9,386	\$ (10,378)
State and local governments	-	-	55	55
Total intergovernmental revenues	<u>17,465</u>	<u>19,764</u>	<u>9,441</u>	<u>(10,323)</u>
Total Revenues	<u>17,465</u>	<u>19,764</u>	<u>9,441</u>	<u>(10,323)</u>
EXPENDITURES				
Current:				
Executive Offices	1,881	3,485	1,771	(1,714)
Courts and judicial agencies	18	39	24	(15)
Finance	5,731	2,587	793	(1,794)
Housing, planning and development	<u>6,375</u>	<u>8,143</u>	<u>3,367</u>	<u>(4,776)</u>
General government	<u>14,005</u>	<u>14,254</u>	<u>5,955</u>	<u>(8,299)</u>
Police	613	1,094	929	(165)
Fire	37	37	-	(37)
Corrections	<u>8</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Total public safety	<u>658</u>	<u>1,132</u>	<u>929</u>	<u>(203)</u>
Public Works	911	1,124	746	(378)
Parks, recreation and cultural affairs	1,891	3,254	1,731	(1,523)
Debt Service:				
Principal payment	-	-	245	245
Interest payments	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Total Expenditures	<u>17,465</u>	<u>19,764</u>	<u>9,616</u>	<u>(10,148)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(175)</u>	<u>(175)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>862</u>	<u>862</u>	<u>862</u>	
Fund Balance, End of Period	<u>\$ 862</u>	<u>\$ 862</u>	<u>\$ 687</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, 2016
(Dollars in Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for Recurring Services	\$ 10,459	\$ 10,459	\$ 18,036	\$ 7,577
Other	<u>7,569</u>	<u>7,569</u>	-	<u>(7,569)</u>
Total Revenues	<u>18,028</u>	<u>18,028</u>	<u>18,036</u>	<u>8</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>451</u>	<u>451</u>	<u>524</u>	<u>73</u>
General government	<u>451</u>	<u>451</u>	<u>524</u>	<u>73</u>
Police	<u>17,577</u>	<u>17,577</u>	<u>21,294</u>	<u>3,717</u>
Total public safety	<u>17,577</u>	<u>17,577</u>	<u>21,294</u>	<u>3,717</u>
Total Expenditures	<u>18,028</u>	<u>18,028</u>	<u>21,818</u>	<u>3,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(3,782)</u>	<u>(3,782)</u>
FUND BALANCE (DEFICIT)				
Fund deficit, beginning of period	<u>(1,046)</u>	<u>(1,046)</u>	<u>(1,046)</u>	
Fund Deficit, End of Period	<u><u>(1,046)</u></u>	<u><u>(1,046)</u></u>	<u><u>(4,828)</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, 2016
(Dollars in Thousands)

	Intergovernmental Grant Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	553	553	-	(553)
Intergovernmental Revenues:				
Federal Revenues	56,792	90,880	35,480	(55,400)
State and local governments	16,139	23,142	10,263	(12,879)
Total intergovernmental revenues	<u>72,931</u>	<u>114,022</u>	<u>45,743</u>	<u>(68,279)</u>
Other	-	-	16	16
Total Revenues	<u>73,484</u>	<u>114,575</u>	<u>45,759</u>	<u>(68,816)</u>
EXPENDITURES				
Current:				
Executive Offices	15,857	33,721	13,178	(20,543)
Courts and judicial agencies	21	148	65	(83)
Finance	845	1,459	133	(1,326)
Housing, planning and development	9,667	16,848	9,739	(7,109)
General government	<u>26,390</u>	<u>52,176</u>	<u>23,115</u>	<u>(29,061)</u>
Police	15,262	17,593	7,595	(9,998)
Fire	584	948	459	(489)
Corrections	291	885	99	(786)
Total public safety	<u>16,137</u>	<u>19,426</u>	<u>8,153</u>	<u>(11,273)</u>
Public Works	31,750	45,280	20,712	(24,568)
Parks, recreation and cultural affairs	1,247	1,963	878	(1,085)
Paying agent fees	-	-	(1)	(1)
Total Expenditures	<u>75,524</u>	<u>118,845</u>	<u>52,857</u>	<u>(65,988)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,040)</u>	<u>(4,270)</u>	<u>(7,098)</u>	<u>(2,828)</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	-	1	-	(1)
Transfers in	<u>2,040</u>	<u>4,269</u>	<u>1,355</u>	<u>(2,914)</u>
Total Other Financing Sources (Uses)	<u>2,040</u>	<u>4,270</u>	<u>1,355</u>	<u>(2,915)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(5,743)</u>	<u>(5,743)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>(1,464)</u>	<u>(1,464)</u>	<u>(1,464)</u>	
Fund Balance, End of Period	<u>\$ (1,464)</u>	<u>\$ (1,464)</u>	<u>\$ (7,207)</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, 2016
(Dollars in Thousands)

	NW Atlanta Fund			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property Taxes	\$ 2,601	\$ 2,601	\$ 2,900	\$ 299
Investment Income	7	7	14	7
Other	<u>6,351</u>	<u>6,351</u>	<u>-</u>	<u>(6,351)</u>
Total Revenues	<u>8,959</u>	<u>8,959</u>	<u>2,914</u>	<u>(6,045)</u>
EXPENDITURES				
Current:				
Executive Offices	158	158	(1)	(159)
Nondepartmental	<u>7,146</u>	<u>7,146</u>	<u>99</u>	<u>(7,047)</u>
General government	<u>7,304</u>	<u>7,304</u>	<u>98</u>	<u>(7,206)</u>
Paying agent fees	6	6	4	(2)
Principal payment	905	905	905	-
Interest payments	<u>744</u>	<u>744</u>	<u>744</u>	<u>-</u>
Total Expenditures	<u>8,959</u>	<u>8,959</u>	<u>1,751</u>	<u>(7,208)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,163</u>	<u>1,163</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>9,472</u>	<u>9,472</u>	<u>9,472</u>	<u>-</u>
Fund Balance, End of Period	<u>\$ 9,472</u>	<u>\$ 9,472</u>	<u>\$ 10,635</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, 2016
(Dollars in Thousands)

	Hollowell-Martin Luther King Dr. Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 339	\$ 339	\$ 319	\$ (20)
Investment Income	1	1	-	(1)
Other	2,160	2,160	-	(2,160)
Total Revenues	2,500	2,500	319	(2,181)
EXPENDITURES				
Current:				
Nondepartmental	2,500	2,500	82	(2,418)
General government	2,500	2,500	82	(2,418)
Total Expenditures	2,500	2,500	82	(2,418)
Excess (deficiency) of revenues over (under) expenditures	-	-	237	237
FUND BALANCE:				
Fund balances, beginning of period	2,459	2,459	2,459	
Fund Balance, End of Period	2,459	2,459	2,696	

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, 2016
(Dollars in Thousands)

	<u>Campbellton Road Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ 211	\$ 211
Investment Income	1	1	-	(1)
Other	<u>2,280</u>	<u>2,280</u>	<u>-</u>	<u>(2,280)</u>
Total Revenues	<u>2,281</u>	<u>2,281</u>	<u>211</u>	<u>(2,070)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>2,281</u>	<u>2,281</u>	<u>362</u>	<u>(1,919)</u>
General government	<u>2,281</u>	<u>2,281</u>	<u>362</u>	<u>(1,919)</u>
Total Expenditures	<u>2,281</u>	<u>2,281</u>	<u>362</u>	<u>(1,919)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(151)</u>	<u>(151)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>2,305</u>	<u>2,305</u>	<u>2,305</u>	
Fund Balance, End of Period	<u><u>2,305</u></u>	<u><u>2,305</u></u>	<u><u>2,154</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, 2016
(Dollars in Thousands)

	<u>Metropolitan Parkway Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property Taxes	\$ 135	\$ 135	\$ 159	24
Other	<u>1,235</u>	<u>1,235</u>	<u>-</u>	<u>(1,235)</u>
Total Revenues	<u>1,370</u>	<u>1,370</u>	<u>159</u>	<u>(1,211)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>1,370</u>	<u>1,370</u>	<u>77</u>	<u>(1,293)</u>
General government	<u>1,370</u>	<u>1,370</u>	<u>77</u>	<u>(1,293)</u>
Total Expenditures	<u>1,370</u>	<u>1,370</u>	<u>77</u>	<u>(1,293)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>1,405</u>	<u>1,405</u>	<u>1,405</u>	
Fund Balance, End of Period	<u>\$ 1,405</u>	<u>\$ 1,405</u>	<u>\$ 1,487</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	\$ 94	93
Other	<u>3</u>	<u>3</u>	<u>-</u>	<u>(3)</u>
Total Revenues	<u>4</u>	<u>4</u>	<u>94</u>	<u>90</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>4</u>	<u>4</u>	<u>(48)</u>	<u>(52)</u>
General government	<u>4</u>	<u>4</u>	<u>(48)</u>	<u>(52)</u>
Total Expenditures	<u>4</u>	<u>4</u>	<u>(48)</u>	<u>(52)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>32</u>	<u>32</u>	<u>32</u>	
Fund Balance, End of Period	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 174</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, 2016
(Dollars in Thousands)

	Princeton Lakes Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 1,958	\$ 1,958	\$ 1,907	\$ (51)
Investment Income	1	1	1	-
Other	<u>3,822</u>	<u>3,822</u>	<u>-</u>	<u>(3,822)</u>
Total Revenues	<u>5,781</u>	<u>5,781</u>	<u>1,908</u>	<u>(3,873)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>51</u>	<u>51</u>	<u>698</u>	<u>647</u>
General government	<u>51</u>	<u>51</u>	<u>698</u>	<u>647</u>
Debt Service:				
Bond issuance costs	-	-	10	10
Paying agent fees	5	5	-	(5)
Principal payment	5,000	5,000	5,730	730
Interest payments	<u>725</u>	<u>725</u>	<u>1,006</u>	<u>281</u>
Total Expenditures	<u>5,781</u>	<u>5,781</u>	<u>7,444</u>	<u>1,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(5,536)</u>	<u>(5,536)</u>
Other Financing Sources (Uses):				
Payment to escrow agent	-	-	(7,450)	(7,450)
Proceeds from general bond	<u>-</u>	<u>-</u>	<u>10,775</u>	<u>10,775</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,325</u>	<u>3,325</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(2,211)</u>	<u>(2,211)</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>7,118</u>	<u>7,118</u>	<u>7,118</u>	
Fund Balance, End of Period	<u>\$ 7,118</u>	<u>\$ 7,118</u>	<u>\$ 4,907</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, 2016
(Dollars in Thousands)

	Eastside Fund			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property Taxes	\$ 11,000	\$ 11,000	\$ 13,347	\$ 2,347
Investment Income	170	170	160	(10)
Other	64,413	64,413	-	(64,413)
Total Revenues	<u>75,583</u>	<u>75,583</u>	<u>13,507</u>	<u>(62,076)</u>
EXPENDITURES				
Current:				
Finance	59,733	59,733	-	(59,733)
Nondepartmental	12,055	12,375	1,810	(10,565)
General government	71,788	72,108	1,810	(70,298)
Debt Service:				
Bond issuance costs	-	3,201	164	(3,037)
Paying agent fees	9	9	3	(6)
Principal payment	1,675	1,675	1,675	-
Interest payments	2,111	2,111	2,111	-
Total Expenditures	<u>75,583</u>	<u>79,104</u>	<u>5,763</u>	<u>(73,341)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(3,521)	7,744	11,265
Other Financing Sources (Uses):				
Payment to escrow agent	-	(37,309)	(37,309)	-
Proceeds from general bond	-	35,076	30,555	(4,521)
Premium from bond sold	-	5,754	5,754	-
Total Other Financing Sources (Uses)	-	3,521	(1,000)	(4,521)
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	6,744	6,744
FUND BALANCE:				
Fund balances, beginning of period	71,799	71,799	71,799	-
Fund Balance, End of Period	<u>\$ 71,799</u>	<u>\$ 71,799</u>	<u>\$ 78,543</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, 2016
(Dollars in Thousands)

	Atlanta Beltline Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 21,656	\$ 21,656	\$ 28,611	\$ 6,955
Investment Income	4	4	15	11
Other	2,548	2,548	49	(2,499)
Total Revenues	24,208	24,208	28,675	4,467
EXPENDITURES				
Current:				
Finance	306	306	-	(306)
Nondepartmental	16,320	16,320	15,020	(1,300)
General government	16,626	16,626	15,020	(1,606)
Debt Service:				
Paying agent fees	4	4	3	(1)
Principal payment	2,325	2,325	3,240	915
Interest payments	5,253	5,253	5,246	(7)
Total Expenditures	24,208	24,208	23,509	(699)
Excess (deficiency) of revenues over (under) expenditures	-	-	5,166	5,166
FUND BALANCE:				
Fund balances, beginning of period	5,284	5,284	5,284	
Fund Balance, End of Period	\$ 5,284	\$ 5,284	\$ 10,450	

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, 2016
(Dollars in Thousands)

	Expendable Trust Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Other Taxes	\$ 3,173	\$ 3,173	\$ -
Licenses & Permits	1,060	1,076	16
Charges for Recurring Services	2,766	2,789	23
Fines , Forfeitures and Penalties	1,965	1,941	(24)
Investment Income	15	344	329
Intergovernmental Revenues:			
State and local governments	4,200	4,285	85
Total intergovernmental revenues	4,200	4,285	85
Building Rentals and Concessions	856	855	(1)
Other	988	1,974	986
Total Revenues	15,023	16,437	1,414
EXPENDITURES			
Current:			
Executive Offices	4,065	1,870	(2,195)
Personnel and human servoces	51	9	(42)
City Council	47	4	(43)
Courts and judicial agencies	323	21	(302)
Finance	7,648	6	(7,642)
Housing, planning and development	10,778	2,526	(8,252)
Nondepartmental	719	164	(555)
Total general government	23,631	4,600	(19,031)
Police	11,308	4,388	(6,920)
Fire	71	7	(64)
Corrections	2,500	1,799	(701)
Total public safety	13,879	6,194	(7,685)
Public Works	4,379	1,317	(3,062)
Parks, recreation and cultural affairs	11,992	6,702	(5,290)
Debt Service:			
Paying agent fees	16	-	(16)
Total Expenditures	53,897	18,813	(35,084)
Excess (deficiency) of revenues over (under) expenditures	(38,874)	(2,376)	36,498
Other Financing Sources (Uses):			
Proceeds from sale of assets	-	9	9
Transfers in	116	716	600
Transfers out	216	(1,355)	(1,571)
Total Other Financing Sources (Uses)	332	(630)	(962)
Excess (deficiency) of revenues over (under) expenditures and other uses	(38,542)	(3,006)	35,536
FUND BALANCE:			
Fund balances, beginning of period	34,356	34,356	
Fund Balance, End of Period	\$ (4,186)	\$ 31,350	

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, 2016
(Dollars in Thousands)

	Home Investment Partnership Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental Revenues:				
Federal Revenues	\$ 8,454	\$ 9,548	\$ 1,857	\$ (7,691)
State and local governments	-	-	43	43
Total intergovernmental revenues	8,454	9,548	1,900	(7,648)
Total Revenues	8,454	9,548	1,900	(7,648)
EXPENDITURES				
Current:				
Executive Offices	246	404	121	(283)
Finance	819	670	-	(670)
Housing, planning and development	7,389	8,474	1,890	(6,584)
General government	8,454	9,548	2,011	(7,537)
Total Expenditures	8,454	9,548	2,011	(7,537)
Excess (deficiency) of revenues over (under) expenditures	-	-	(111)	(111)
FUND BALANCE:				
Fund balances, beginning of period	474	474	474	
Fund Balance, End of Period	\$ 474	\$ 474	\$ 363	

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, 2016
(Dollars in Thousands)

	Section 108 Loan Trust Fund		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 5	\$ 5
Intergovernmental Revenues:			
Federal Revenues	(2,461)	-	2,461
Total intergovernmental revenues	(2,461)	-	2,461
Total Revenues	(2,461)	5	2,466
EXPENDITURES			
Current:			
Finance	(2,461)	590	3,051
General government	(2,461)	590	3,051
Total Expenditures	(2,461)	590	3,051
Excess (deficiency) of revenues over (under) expenditures	-	(585)	(585)
FUND BALANCE:			
Fund balances, beginning of period	5,823	5,823	
Fund Balance, End of Period	\$ 5,823	\$ 5,238	

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, 2016
(Dollars in Thousands)

	Car Rental Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Taxes	\$ 956	\$ 956	\$ 1,189	\$ 233
Total Revenues	956	956	1,189	233
EXPENDITURES				
Current:				
Nondepartmental	956	956	1,189	233
General government	956	956	1,189	233
Total Expenditures	956	956	1,189	233
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
FUND BALANCE:				
Fund balances, beginning of period	-	-	-	-
Fund Balance, End of Period	\$ -	\$ -	\$ -	-

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, 2016
(Dollars in Thousands)

	<u>Hotel Motel Excise Tax 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	\$ 58,149	\$ 58,149	\$ 72,815	\$ 14,666
Building Rentals and Concessions	-	-	1	1
Total Revenues	<u>58,149</u>	<u>58,149</u>	<u>72,816</u>	<u>14,667</u>
EXPENDITURES				
Current:				
Nondepartmental	43,618	43,618	54,619	11,001
General government	43,618	43,618	54,619	11,001
Total Expenditures	<u>43,618</u>	<u>43,618</u>	<u>54,619</u>	<u>11,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,531</u>	<u>14,531</u>	<u>18,197</u>	<u>3,666</u>
Other Financing Sources (Uses):				
Transfers out	(14,531)	(14,531)	(18,197)	(3,666)
Total Other Financing Sources (Uses)	<u>(14,531)</u>	<u>(14,531)</u>	<u>(18,197)</u>	<u>(3,666)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	-	-
FUND BALANCE:				
Fund balances, beginning of period	-	-	-	-
Fund Balance, End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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, 2016

(Dollars in Thousands)

	Bond Service Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 35,535	\$ 35,535	\$ 39,874	\$ 4,339
Other Taxes	1,535	1,535	2,284	749
Investment Income	17	17	6	(11)
Total Revenues	37,087	37,087	42,164	5,077
EXPENDITURES				
Current:				
Nondepartmental	-	-	437	437
General government	-	-	437	437
Debt Service:				
Bond issuance costs	4,840	4,840	11	(4,829)
Paying agent fees	75	75	4	(71)
Principal payment	14,185	14,185	41,510	27,325
Interest payments	17,975	17,975	18,813	838
Payment to escrow agent	12	12	-	(12)
Total Expenditures	37,087	37,087	60,775	23,688
Excess (deficiency) of revenues over (under) expenditures	-	-	(18,611)	(18,611)
FUND BALANCE:				
Fund balances, beginning of period	33,759	33,759	33,756	
Fund Balance, End of Period	\$ 33,759	\$ 33,759	\$ 15,145	

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, 2016
(Dollars in Thousands)

	<u>Atlantic Station Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property Taxes	\$ 16,044	\$ 16,044	\$ 18,894	\$ 2,850
Investment Income	390	390	2,129	1,739
Other	10,738	10,738	-	(10,738)
Total Revenues	<u>27,172</u>	<u>27,172</u>	<u>21,023</u>	<u>(6,149)</u>
EXPENDITURES				
Current:				
Finance	21	21	-	(21)
Nondepartmental	6,175	6,175	108	(6,067)
General government	6,196	6,196	108	(6,088)
Debt Service:				
Paying agent fees	10	10	4	(6)
Principal payment	13,185	13,185	4,730	(8,455)
Interest payments	7,781	7,781	7,559	(222)
Total Expenditures	<u>27,172</u>	<u>27,172</u>	<u>12,401</u>	<u>(14,771)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>8,622</u>	<u>8,622</u>
FUND BALANCE:				
Fund balances, beginning of period	<u>36,612</u>	<u>36,612</u>	<u>36,612</u>	
Fund Balance, End of Period	<u><u>\$ 36,612</u></u>	<u><u>\$ 36,612</u></u>	<u><u>\$ 45,234</u></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, 2016
(Dollars in Thousands)

	Westside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 12,155	\$ 12,155	\$ 15,309	3,154
Charges for Recurring Services	-	-	1	1
Investment Income	22	22	12	(10)
Other	53,393	53,393	635	(52,758)
Total Revenues	65,570	65,570	15,957	(49,613)
EXPENDITURES				
Current:				
Finance	9,234	9,234	-	(9,234)
Nondepartmental	46,590	46,590	9,543	(37,047)
General government	55,824	55,824	9,543	(46,281)
Public Works	355	355	-	(355)
Debt Service:				
Paying agent fees	9	9	9	-
Principal payment	7,055	7,055	7,055	-
Interest payments	2,327	2,327	2,327	-
Total Expenditures	65,570	65,570	18,934	(46,636)
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,977)	(2,977)
FUND BALANCE:				
Fund balances, beginning of period	78,220	78,220	78,220	-
Fund Balance, End of Period	\$ 78,220	\$ 78,220	\$ 75,243	3,000

Nonmajor Proprietary Funds



Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for good or services.

Operations of enterprise funds are designed to be self-supporting. The Department of Watershed Management, Department of Aviation, Sanitation Services, Parks and Recreational Facilities, Underground Atlanta Project, Parking Deck, Building Permits and Civic Center are accounted for as enterprise funds. The latter six were determined to be nonmajor proprietary funds and are presented herein.

Sanitation Services Fund – Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

Parks and 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 Plaza- Established to account for the financial activities of the City Plaza.

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Net Position
June 30, 2016
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	City Plaza	Civic Center	Totals
ASSETS								
Current assets:								
Equity in cash management pool	\$ -	\$ -	\$ -	\$ 52	\$ 53,692	\$ 68	\$ 605	\$ 54,417
Receivables:								
Accounts	44,498	-	-	77	-	500	-	45,075
Less allowance for doubtful accounts	(11,257)	-	-	-	-	-	-	(11,257)
Total receivables	33,241	-	-	77	-	500	-	33,818
Total current assets	33,241	-	-	129	53,692	568	605	88,235
Noncurrent assets:								
Restricted investments	-	-	-	-	16	2	-	18
Other assets	-	-	-	-	-	-	-	-
Capital assets:								
Land	446	-	21,621	-	-	-	-	22,067
Construction-in-progress	-	-	-	-	-	-	-	-
Land improvements	1,327	-	-	-	-	-	5,366	6,693
Buildings and other structures	2,335	1,024	57,821	23,480	151	10,680	6,495	101,986
Other property and equipment	44,777	134	12,670	-	3,282	-	552	61,415
Less accumulated depreciation	(31,973)	(1,008)	(70,491)	(3,913)	(1,836)	-	(10,649)	(119,870)
Property and equipment, net	16,912	150	21,621	19,567	1,597	10,680	1,764	72,291
Total assets	\$ 50,153	\$ 150	\$ 21,621	\$ 19,696	\$ 55,305	\$ 11,250	\$ 2,369	\$ 160,544
DEFERRED OUTFLOWS OF RESOURCES								
Pension related deferred outflows	3,656	49	-	-	911	-	141	4,757
Total assets and deferred outflows of resources	\$ 53,809	\$ 199	\$ 21,621	\$ 19,696	\$ 56,216	\$ 11,250	\$ 2,510	\$ 165,301
LIABILITIES AND NET POSITION								
Current liabilities:								
Accounts payable	\$ 1,745	\$ -	\$ 73	\$ -	\$ 1,448	\$ -	\$ 94	\$ 3,360
Accrued salaries and vacation	1,071	-	-	-	471	-	34	1,576
Due to other funds	19,580	365	12,746	-	-	-	3,687	36,378
Current maturities of capital leases	-	-	-	795	-	-	-	795
Accrued workers' compensation	2,957	-	-	-	-	-	-	2,957
Total current liabilities	25,353	365	12,819	795	1,919	-	3,815	45,066
Liabilities payable from restricted assets:								
Accrued interest payable	-	-	-	70	-	-	60	130
Current maturities of long-term debt	-	-	-	-	-	-	141	141
Total liabilities payable from restricted assets	-	-	-	70	-	-	201	271
Total current liabilities	25,353	365	12,819	865	1,919	-	4,016	45,337
Long-term liabilities :								
Long-term debt, excluding current maturities	-	-	-	-	-	10,680	1,593	12,273
Capital lease obligation, excluding current maturities shown above	-	-	-	17,370	-	-	-	17,370
Pension liability	48,838	648	-	-	12,088	-	1,871	63,445
Net OPEB obligation	23,185	322	-	-	3,263	-	731	27,501
Accrued workers' compensation	20,336	-	-	-	-	-	-	20,336
Landfill postclosure costs	15,625	-	-	-	-	-	-	15,625
Total long-term liabilities	107,984	970	-	17,370	15,351	10,680	4,195	156,550
Total liabilities	133,337	1,335	12,819	18,235	17,270	10,680	8,211	201,887
DEFERRED INFLOWS OF RESOURCES								
Pension related deferred inflows	3,261	43	-	-	801	-	124	4,229
Total liabilities and deferred inflows of resources	\$ 136,598	\$ 1,378	\$ 12,819	\$ 18,235	\$ 18,071	\$ 10,680	\$ 8,335	\$ 206,116
Net Position:								
Investment in capital assets, net of related debt	16,912	150	21,621	1,402	1,597	-	30	41,712
Unrestricted	(99,701)	(1,329)	(12,819)	59	36,548	570	(5,855)	(82,527)
Total net position	(82,789)	(1,179)	8,802	1,461	38,145	570	(5,825)	(40,815)

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, 2016
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	City Plaza	Civic Center	Total
Operating revenues:								
Charges for services	\$ 45,044	\$ 15	\$ -	\$ -	\$ 28,150	\$ -	\$ 5	\$ 73,214
Rentals, admissions, and concessions	29	-	1,695	857	-	500	393	3,474
Other	1,454	-	-	-	5	-	-	1,459
Total operating revenues	46,527	15	1,695	857	28,155	500	398	78,147
Operating expenses:								
Salaries and employee benefits	33,640	78	-	-	10,131	-	643	44,492
Utilities	228	40	-	-	-	-	374	642
Materials and supplies	1,282	-	-	-	159	-	30	1,471
Repairs, maintenance, and other contractual services	169	-	-	-	175	-	136	480
Motor equipment service	8,224	-	-	-	82	-	-	8,306
Engineering and consultant fees	10,501	18	1,848	-	4,151	-	105	16,623
General services and other costs	4,669	1	86	-	3,794	190	-	8,740
Depreciation and amortization	2,756	20	2,211	470	451	-	250	6,158
Total operating expenses	61,469	157	4,145	470	18,943	190	1,538	86,912
Operating income (loss)	(14,942)	(142)	(2,450)	387	9,212	310	(1,140)	(8,765)
Nonoperating revenues (expenses):								
Interest expense	-	(4)	(516)	(855)	-	-	(187)	(1,562)
Other revenues (expenses)	(2)	-	1	-	-	245	-	244
Investment income (loss)	46	-	13	-	480	15	11	565
Total nonoperating revenues (expenses)	44	(4)	(502)	(855)	480	260	(176)	(753)
Income (loss) before transfers	(14,898)	(146)	(2,952)	(468)	9,692	570	(1,316)	(9,518)
Capital contributions	47	-	-	-	-	-	-	47
Transfers in	83	-	4,000	787	-	-	-	4,870
Transfers out	(2,106)	-	-	-	-	-	-	(2,106)
Net income (loss)	(16,874)	(146)	1,048	319	9,692	570	(1,316)	(6,707)
Net Position, beginning of period	(65,915)	(1,033)	7,754	1,142	28,453	-	(4,509)	(34,108)
Net Position, end of period	\$ (82,789)	\$ (1,179)	\$ 8,802	\$ 1,461	\$ 38,145	\$ 570	\$ (5,825)	\$ (40,815)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2016
(Dollars in Thousands)

	Sanitation Services	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Building Permits	City Plaza	Civic Center	Total
Cash flow from operating activities								
Cash received from user charges	\$ 51,381	\$ 15	\$ 1,695	\$ 856	\$ 28,155	\$ -	\$ 398	\$ 82,500
Cash payments to employees for services	(25,759)	(113)	-	-	(9,840)	-	(684)	(36,396)
Cash payments to suppliers for goods and services	(24,191)	102	2,722	-	(7,203)	(190)	533	(28,227)
Net cash provided by (used in) operating activities	1,431	4	4,417	856	11,112	(190)	247	17,877
Cash flows from noncapital financing activities								
Transfers in	83	-	4,000	787	-	-	-	4,870
Transfers out	(2,106)	-	-	-	-	-	-	(2,106)
Net cash provided by (used in) noncapital financing activities	(2,023)	-	4,000	787	-	-	-	2,764
Cash flows from capital and related financing activities								
Capital grants and donations	47	-	-	-	-	-	-	47
Proceeds from bond/note issuances	-	-	-	-	-	10,680	-	10,680
Principal paid on long term debt	155	-	(6,232)	(765)	-	-	(125)	(6,967)
Interest paid	(2)	(4)	(515)	(858)	-	-	(116)	(1,495)
Acquisition of capital assets	(1,824)	-	(1,683)	(1)	(39)	(10,435)	-	(13,982)
Net cash provided by (used in) capital and related financing activities	(1,624)	(4)	(8,430)	(1,624)	(39)	245	(241)	(11,717)
Cash flows from investing activities								
Change in equity in cash management pool	2,170	-	-	(19)	(11,541)	(68)	(6)	(9,464)
Purchases of restricted investments	-	-	-	-	(12)	-	-	(12)
Interest on investments	46	-	13	-	480	13	-	552
Net cash provided by (used in) investing activities	2,216	-	13	(19)	(11,073)	(55)	(6)	(8,924)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-
Cash and cash equivalents, beginning of period	-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (14,942)	\$ (142)	\$ (2,450)	\$ 387	\$ 9,212	\$ 310	\$ (1,140)	\$ (8,765)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	2,756	20	2,211	470	451	-	250	6,158
Increase (decrease) in receivables	4,854	-	-	(1)	-	(500)	-	4,353
Increase (decrease) in other assets	(1,906)	(26)	-	-	(475)	-	(73)	(2,480)
Increase (decrease) in due from other funds	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	(1,444)	(2)	(368)	-	1,158	-	(65)	(721)
Increase (decrease) in other liabilities	9,787	(9)	-	-	766	-	32	10,576
Increase (decrease) in due to other funds	2,326	163	5,024	-	-	-	1,243	8,756
Net cash provided by (used in) operating activities	\$ 1,431	\$ 4	\$ 4,417	\$ 856	\$ 11,112	\$ (190)	\$ 247	\$ 17,877

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Combining Statement of Net Position

Internal Service Funds

For the Year Ending June 30, 2016
(Dollars in Thousands)

	<u>Fleet Services</u>	<u>Group Insurance</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 87	\$ 87
Equity in cash management pool	-	10,251	10,251
Receivables:			
Accounts	-	648	648
Less allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>-</u>	<u>648</u>	<u>648</u>
Inventories	<u>934</u>	<u>-</u>	<u>934</u>
Total Current Assets	<u>934</u>	<u>10,986</u>	<u>11,920</u>
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	6,126	-	6,126
Less Accumulated Depreciation	<u>(11,353)</u>	<u>-</u>	<u>(11,353)</u>
Capital assets, net	<u>446</u>	<u>-</u>	<u>446</u>
Total Assets	<u>1,380</u>	<u>10,986</u>	<u>12,366</u>
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts Payable	2,436	117	2,553
Accrued expenses	446	68	514
Due To Other Funds	<u>24,368</u>	<u>-</u>	<u>24,368</u>
Current Liabilities	<u>27,250</u>	<u>185</u>	<u>27,435</u>
NonCurrent Liabilities:			
Total Liabilities	<u>27,250</u>	<u>185</u>	<u>27,435</u>
NET POSITION			
Net investment in capital assets	446	-	446
Unrestricted	<u>(26,316)</u>	<u>10,801</u>	<u>(15,515)</u>
Total Net Position	<u>\$ (25,870)</u>	<u>\$ 10,801</u>	<u>\$ (15,069)</u>

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, 2016
(Dollars in Thousands)

	<u>Fleet Services</u>	<u>Group Insurance</u>	<u>Total</u>
Operating Revenue:			
Charges for Services	\$ 33,482	\$ 142,427	\$ 175,909
Other	<u>74</u>	<u>1,434</u>	<u>1,508</u>
Total operating revenue	<u>33,556</u>	<u>143,861</u>	<u>177,417</u>
Operating Expenses:			
Salaries and Employee Benefits	11,778	83,788	95,566
Utilities	610	-	610
Supplies and Materials	10,594	18	10,612
Repairs, maintenance, and other contractual services	5,648	-	5,648
Motor Equipment Services	409	1	410
Engineering and Consultant Fees	858	94	952
General Services and Other Costs	2,535	61,732	64,267
Depreciation and Amortization	<u>63</u>	<u>-</u>	<u>63</u>
Total operating expenses	<u>32,495</u>	<u>145,633</u>	<u>178,128</u>
Operating Income (loss)"	<u>1,061</u>	<u>(1,772)</u>	<u>(711)</u>
Non operating revenues (expenses):			
Investment income (loss)	44	112	156
Interest expense	<u>(405)</u>	<u>-</u>	<u>(405)</u>
Total non operating revenues (expenses), net	<u>(361)</u>	<u>112</u>	<u>(249)</u>
Income (loss) before transfers:	700	(1,660)	(960)
Transfers in	3,500	-	3,500
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	4,200	(1,660)	2,540
Net position, beginning of period	<u>(30,070)</u>	<u>12,461</u>	<u>(17,609)</u>
Net position, end of period	<u>\$ (25,870)</u>	<u>\$ 10,801</u>	<u>\$ (15,069)</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, 2016
(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Cash flow from operating activities			
Cash received from user charges	\$ 33,556	\$ 143,873	\$ 177,429
Cash payments to employees for services	(12,084)	(83,810)	(95,894)
Cash payments to suppliers for goods and services	(24,509)	(62,041)	(86,550)
Net cash used in operating activities	(3,037)	(1,978)	(5,015)
Cash flows from noncapital financing activities			
Transfers in	3,500	-	3,500
Transfers out	-	-	-
Net cash used in noncapital financing activities	3,500	-	3,500
Cash flows from capital and related financing activities			
Interest paid	(405)	(40)	(445)
Acquisition of capital assets	(102)	-	(102)
Net cash used in capital and related financing activities	(507)	(40)	(547)
Cash flows from investing activities			
Change in equity in cash management pool	-	1,626	1,626
Interest on investments	44	152	196
Net cash provided by investing activities	44	1,778	1,822
Net increase in cash and cash equivalents	-	(240)	(240)
Cash and cash equivalents, beginning of period	-	327	327
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ 87	\$ 87
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,061	\$ (1,772)	\$ (711)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	63	-	63
(Increase) decrease in accounts receivable	-	12	12
(Increase) decrease in Inventories	(221)	-	(221)
Increase (decrease) in accounts payable	(323)	(196)	(519)
Increase (decrease) in other liabilities	(306)	(22)	(328)
Increase (decrease) in due to other funds	(3,311)	-	(3,311)
Net cash used in operating activities	\$ (3,037)	\$ (1,978)	\$ (5,015)

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, 2016
(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 deposit	\$ 15,025	\$ -	\$ 5,433	\$ 7,852	\$ 28,310
Securities lending	25,448	-	-	-	25,448
Receivables					
Other Employee Contribution	680	378	174	418	1,650
Other Employer Contribution	2,724	395	1,005	1,144	5,268
Due from brokers	9,479	-	1,622	2,477	13,578
Accrued interest receivable	1,114	-	825	1,227	3,166
Other receivables	2,356	5,120	85	329	7,890
Total receivables	16,353	5,893	3,711	5,595	31,552
Investments:					
Short term investments	24,176		16,874	20,437	61,487
Domestic fixed income securities	301,973	35,965	153,756	244,387	736,081
Domestic equities	747,352	23,255	387,848	600,262	1,758,717
International fixed income securities	-	-	2,477	4,403	6,880
International equities	110,622	-	26,856	49,329	186,807
Limited partnerships	19,119	-	4,646	4,646	28,411
Alternative partnerships:					
Limited partnerships	24,702	392	15,560	20,315	60,969
Comingled funds		53,125	-	-	53,125
Total Investments	1,227,944	112,737	608,017	943,779	2,892,477
Total assets	1,284,770	118,630	617,161	957,226	2,977,787
<u>LIABILITIES AND NET POSITION HELD IN TRUST FOR PENSION BENEFITS</u>					
Current liabilities:					
Accounts payable and other liabilities	\$ 2,612	\$ -	\$ 618	\$ 443	\$ 3,673
Due to brokers for securities purchased	10,048		3,906	6,368	20,322
Collateral payable for securities lending	25,448	-	-	-	25,448
Total liabilities	38,108	-	4,524	6,811	49,443
Net Position Held in Trust for Pension Benefits:	\$ 1,246,662	\$ 118,630	\$ 612,637	\$ 950,415	\$ 2,928,344

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Changes in Plan Net Position
For the Year Ended June 30, 2016
(Dollars in Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Totals
Additions:					
Contributions:					
Employer contributions	\$ 104,636	\$ 10,044	\$ 16,454	\$ 25,441	\$ 156,575
Employee contributions	20,836	10,106	5,667	11,825	48,434
Refunds and other	22	-	150	193	365
Total contributions	125,494	20,150	22,271	37,459	205,374
Investment income:					
Net appreciation (depreciation) in fair value of investments	(4,212)	130	(18,709)	(24,251)	(47,042)
Investment income	14,660	733	11,401	17,196	43,990
Securities lending income	278	-	-	-	278
Less: Investment expenses	(3,432)	(170)	(2,587)	(3,122)	(9,311)
Net investment income	7,294	693	(9,895)	(10,177)	(12,085)
Total additions	132,788	20,843	12,376	27,282	193,289
Deductions:					
Benefit payments	169,808	6,946	44,000	59,823	280,577
Administrative expenses	1,166	59	388	429	2,042
Total deductions	170,974	7,005	44,388	60,252	282,619
Net increase in net position held in trust for pension benefits	(38,186)	13,838	(32,012)	(32,970)	(89,330)
Net position held in trust for pension benefits:					
Beginning of period	1,284,848	104,792	644,649	983,385	3,017,674
End of period	\$ 1,246,662	\$ 118,630	\$ 612,637	\$ 950,415	\$ 2,928,344

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Agency Fund

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2016
(Dollars in Thousands)

ASSETS

	June 30, 2015	Additions	Deductions	June 30, 2016
Assets:				
Cash and cash equivalents	\$ 251	\$ -	\$ -	\$ 251
Equity in cash management pool	22,822	-	(1,592)	21,230
Investments:				
Equities	-	-	-	-
Prepaid expenses	945	-	(945)	-
Other receivables	95	30	-	125
 Total Assets	 \$ 24,113	 \$ 30	 \$ (2,537)	 \$ 21,606

LIABILITIES

Liabilities:				
Accounts payable	\$ 24,113	\$ 718	\$ (3,225)	\$ 21,606
 Total Liabilities	 \$ 24,113	 \$ 718	 \$ (3,225)	 \$ 21,606

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
 2016 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									
	2007	2008	2009	2010	2011	2012*	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 488,569	\$ 237,415	\$ 146,670	\$ 97,291	\$ 58,841	\$ 7,228	\$ 95,513	\$ 53,144	\$ (292,446)	\$ 6,564
Restricted for										
Debt service	40,162	45,479	47,912	51,828	265,371	284,933	287,948	259,422	232,789	229,522
Programs	113,914	87,259	79,096	75,482	76,517	69,776	72,591	65,332	64,806	62,807
Capital projects	137,651	219,921	238,093	250,380	49,827	47,943	47,962	87,398	369,276	345,993
Unrestricted	(207,696)	(320,542)	(306,113)	(260,354)	(118,112)	(128,199)	(131,646)	(132,877)	(898,791)	(1,146,682)
Total Governmental Activities Net Positions	\$ 572,600	\$ 269,532	\$ 205,658	\$ 214,627	\$ 332,445	\$ 281,681	\$ 372,368	\$ 332,419	\$ (524,366)	\$ (501,796)
Business-type Activities										
Net investment in capital assets	\$ 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	\$ 5,380,368
Restricted										
Debt service	40,253	114,869	174,761	206,232	349,001	869,781	534,521	382,414	406,162	413,288
Programs	-	-	-	-	-	-	-	-	-	-
Capital projects	565,012	383,694	470,590	365,297	418,473	-	355,001	554,081	607,322	629,667
Unrestricted	787,003	888,594	787,326	721,383	1,004,136	1,240,649	1,281,856	1,406,617	1,005,755	1,052,124
Total Business-type Activities Net Positions	\$ 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	\$ 7,475,447
Primary Government										
Net investment in capital assets	\$ 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	\$ 5,386,932
Restricted										
Debt service	80,415	160,348	222,673	258,060	614,372	1,154,714	822,469	641,836	638,951	642,810
Programs	113,914	87,259	79,096	75,482	76,517	69,776	72,591	65,332	64,806	62,807
Capital projects	702,663	603,615	708,683	615,677	468,300	47,943	402,963	641,479	976,598	975,660
Unrestricted	579,307	568,052	481,213	461,029	886,024	1,112,450	1,150,210	1,273,740	106,964	(94,558)
Total Primary Government Activities Net Positions	\$ 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	\$ 6,973,651

2014 and prior has not been restated for the implementation of GASB 68

City of Atlanta

2016 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental Activities										
General government	\$ 264,221	\$ 234,198	\$ 265,596	\$ 260,413	\$ 239,306	\$ 215,030	\$ 148,288	\$ 346,897	\$ 472,818	\$ 308,606
Police	222,490	219,614	192,161	187,800	197,598	217,777	210,751	210,418	197,267	213,198
Fire	86,775	94,871	84,454	79,190	83,596	89,016	92,018	87,587	86,906	86,768
Corrections	45,178	50,714	37,264	29,301	25,520	35,001	31,128	32,324	33,990	34,181
Public works	47,707	79,823	56,814	50,056	54,442	47,397	64,467	72,476	73,280	93,719
Parks, recreation and cultural affairs	20,387	48,626	34,161	39,976	41,939	46,280	59,732	56,124	60,246	58,589
Interest on long-term debt	40,949	43,734	51,784	51,274	47,629	47,080	42,731	36,508	29,788	40,686
Total Governmental Activities Expenses	727,707	771,580	722,234	698,010	690,030	697,581	649,115	842,334	954,295	835,747
Business-type Activities										
Watershed Management	334,755	326,279	319,790	404,629	444,133	441,092	445,647	454,742	443,300	450,896
Aviation	315,104	386,316	423,198	448,979	437,659	504,918	585,148	638,452	628,824	640,793
Other	62,898	62,630	60,446	48,735	47,694	56,342	64,050	85,827	87,264	88,475
Total Business-type Activities Expenses	712,757	775,225	803,434	902,343	929,486	1,002,352	1,094,845	1,179,021	1,159,388	1,180,164
Total Primary Government Expenses	\$ 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	\$ 2,015,911
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798	\$ 113,637
Public safety	36,849	31,989	31,218	20,627	21,727	19,669	21,633	29,742	33,182	32,469
Public works			16,438	13,168	2,383	2,421	3,731	4,152	5,002	5,560
Parks recreation and cultural affairs			1,932	1,418	2,267	2,556	3,581	3,405	3,519	5,454
Operating grants and contributions	48,620	49,832	42,336	78,533	100,943	56,663	75,657	63,249	51,070	61,369
Capital grants and contributions	-	-	-	-	-	-	-	4,540	77,707	253
Total Governmental Activities Program Revenues	170,959	174,990	159,719	179,894	221,627	172,317	197,112	213,252	286,278	218,742
Business-type Activities										
Charges for services										
Watershed Management	302,273	319,087	351,743	380,413	433,183	466,052	448,167	436,644	459,673	466,929
Aviation	330,228	386,206	389,535	400,799	411,213	394,132	490,386	496,252	483,022	486,812
Other	53,050	54,337	51,011	57,143	56,754	69,245	76,718	82,293	86,875	78,147
Capital grants and contributions	259,916	250,113	275,033	201,492	241,456	238,639	260,944	235,883	259,682	271,863
Total Business-type Activities Revenues	945,467	1,009,743	1,067,322	1,039,847	1,142,606	1,168,068	1,276,215	1,251,072	1,289,522	1,303,751
Total primary Government Revenues	\$ 1,116,426	\$ 1,184,733	\$ 1,227,041	\$ 1,219,740	\$ 1,364,233	\$ 1,340,385	\$ 1,473,327	\$ 1,464,324	\$ 1,575,530	\$ 1,522,493
Net (expense) revenue										
Governmental activities	(556,748)	(596,590)	(562,515)	(518,116)	(468,403)	(525,264)	(452,003)	(629,082)	(668,017)	(617,005)
Business-type activities	232,710	234,518	263,888	137,504	213,120	165,716	181,370	72,051	129,864	123,587
Total Primary Government Net Expense	\$ (324,038)	\$ (362,072)	\$ (298,627)	\$ (380,613)	\$ (255,283)	\$ (359,548)	\$ (270,633)	\$ (557,031)	\$ (538,153)	\$ (493,418)
GENERAL REVENUES AND OTHER CHANGES in NET POSITION										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 125,999	\$ 141,913	\$ 154,567	\$ 222,087	\$ 190,406	\$ 184,021	\$ 188,099	\$ 183,109	\$ 189,613	\$ 189,714
Property taxes levied for debt service	61,736	89,628	96,082	112,358	129,965	103,258	97,690	96,933	107,108	132,277
Local and municipal option sales tax	111,978	104,101	87,789	202,014	203,887	212,536	218,623	223,976	233,803	236,168
Public utilities franchise taxes	39,364	16,230	51,381	54,312	72,450	63,327	60,825	40,125	43,193	46,758
Business taxes	97,662	126,005	219,224	94,020	100,177	105,567	95,402	125,010	132,738	142,236
Federal and state aid not restricted for specific pur	4,229	4,461	3,407	-	-	299	-	2	-	-
Investment income	23,920	18,302	6,834	3,962	3,825	2,728	679	4,228	3,864	8,445
Gain on Sale of Assets	-	5,764	517	456	6,391	8,185	(4,197)	-	-	-
Other	26,822	8,710	13,738	17,491	-	-	-	-	-	-
Extraordinary Loss	-	-	-	(2,231)	-	-	-	-	-	-
Transfers	6,314	2,311	(118,523)	(119,590)	(120,880)	(123,580)	(114,431)	(84,250)	(118,897)	(116,023)
Total Governmental Activities	\$ 498,024	\$ 517,425	\$ 515,016	\$ 584,879	\$ 586,221	\$ 556,341	\$ 542,690	\$ 589,133	\$ 591,422	\$ 639,575
Business-Type Activities										
Property taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Local option sales tax	120,954	127,470	-	-	-	-	-	-	-	-
Investment income	91,596	96,244	40,739	(37,323)	(68,499)	(31,724)	58,710	35,429	32,985	41,775
Other	(39,401)	1,474	(14,672)	-	-	(12)	450	(3,053)	3	245
Extraordinary Loss	-	-	-	(26,840)	-	-	-	-	-	-
Transfers	(6,314)	(2,311)	118,523	119,590	120,880	123,580	114,431	84,250	118,897	116,023
Total Business-type Activities	166,835	222,877	144,590	55,427	52,381	91,844	173,591	116,626	151,885	158,043
Total Primary Government	\$ 664,859	\$ 740,302	\$ 659,606	\$ 640,306	\$ 638,602	\$ 648,185	\$ 716,281	\$ 705,759	\$ 743,307	\$ 797,618
Change in Net Position										
Governmental activities	(58,724)	(79,165)	(47,499)	66,763	117,818	31,077	90,687	(39,949)	(76,595)	22,570
Business-type activities	399,545	457,395	408,478	192,931	265,501	257,560	354,961	188,677	281,749	281,630
Total Primary Government	\$ 340,821	\$ 378,230	\$ 360,979	\$ 259,693	\$ 383,319	\$ 288,637	\$ 445,648	\$ 148,728	\$ 205,154	\$ 304,200

2014 and prior has not been restated for the implementation of GASB 68

See accompanying independent auditors report

City of Atlanta

2016 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government										
Governmental activities:										
Charges for Services										
General government	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798	\$ 113,637
Police	19,103	15,258	14,976	14,643	19,228	16,729	17,506	22,351	27,149	28,598
Fire	316	258	253	428	496	640	808	998	906	906
Corrections	17,430	16,473	15,989	5,556	2,003	2,300	3,319	6,393	5,127	2,965
Public works	9,907		16,438	13,168	2,383	2,421	3,731	4,152	5,002	5,560
Parks, Recreation, and Cultural Affairs	1,787		1,932	1,418	2,267	2,556	3,581	3,405	3,519	5,454
Total Governmental activities	\$ 134,033	\$ 125,158	\$ 117,383	\$ 101,361	\$ 120,684	\$ 115,654	\$ 121,455	\$ 145,463	\$ 157,501	\$ 157,120
Operating Grants	\$ 48,620	\$ 49,832	\$ 42,336	\$ 78,533	\$ -	\$ 56,663	\$ 75,657	\$ 63,249	\$ 51,070	\$ 61,369
Capital Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,540	\$ 77,707	\$ 253,00
Business-type activities:										
Charges for Services										
Watershed Management	\$ 302,273	\$ 319,087	\$ 351,743	\$ 380,413	\$ 433,183	\$ 466,052	\$ 448,167	\$ 436,644	\$ 459,673	\$ 466,929
Aviation	330,228	386,206	389,535	400,799	411,213	394,132	490,386	496,252	483,022	486,812
Sanitation	47,951	49,768	46,513	51,414	51,985	53,993	54,071	55,565	54,593	46,527
Parks and Recreational Facilities	522	509	498	472	487	512	475	513	482	15
Underground Atlanta	2,509	2,563	2,340	2,220	1,941	1,898	1,707	2,309	4,229	1,695
Parking Deck	-	-	-	1,340	740	698	805	805	870	857
Permit Fund	-	-	-	-	-	10,716	18,464	21,541	25,977	28,155
City Plaza	-	-	-	-	-	-	-	-	-	500
Civic Center	2,068	1,497	1,660	1,697	1,601	1,428	1,196	1,560	724	398
Total Business-type activities	\$ 685,551	\$ 759,630	\$ 792,289	\$ 838,355	\$ 901,150	\$ 929,429	\$ 1,015,271	\$ 1,015,189	\$ 1,029,570	\$ 1,031,888
Total Primary Government	\$ 868,204	\$ 934,620	\$ 952,008	\$ 1,018,249	\$ 1,021,834	\$ 1,101,746	\$ 1,212,383	\$ 1,228,441	\$ 1,315,848	\$ 1,250,630

See accompanying independent auditors report

City of Atlanta

2016 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,614	\$ 4,367	\$ 3,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	91,808	5,763	4,011	-	-	-	-	-	-	-
Nonspendable	-	-	-	10,383	7,834	4,377	4,972	11,101	1,946	15,726
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	7,254
Unassigned	-	-	-	24,473	73,216	80,235	98,517	118,597	141,254	130,169
Total General Fund	\$ 94,422	\$ 10,130	\$ 7,393	\$ 72,433	\$ 94,350	\$ 126,720	\$ 138,164	\$ 141,985	\$ 151,014	\$ 153,149
MOST										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total MOST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Project										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,865	\$ 298,438
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Capital Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,865	\$ 298,438
All Other Governmental Funds										
Reserved	\$ 104,325	\$ 119,182	\$ 65,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	(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	339,884
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(33,216)	(28,661)	(23,388)	(14,490)	(12,815)	(2,510)	(12,035)
Total All other Governmental Funds	\$ 84,234	\$ 68,790	\$ 45,958	\$ 329,967	\$ 551,181	\$ 383,466	\$ 394,011	\$ 399,337	\$ 336,496	\$ 327,849

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 :

See accompanying independent auditors report

City of Atlanta

2016 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Property taxes	\$ 195,048	\$ 227,563	\$ 253,204	\$ 329,127	\$ 321,425	\$ 288,771	\$ 277,919	\$ 281,369	\$ 298,123	\$ 325,494
Local and municipal option sales taxes *	111,978	104,101	87,789	202,014	203,887	212,536	218,623	223,976	233,803	236,168
Public utility, alcoholic beverages and other taxes *	137,922	142,235	270,605	148,332	172,597	168,894	156,227	165,135	175,931	188,994
Licenses and permits	76,915	69,127	62,503	58,130	63,889	59,922	56,473	67,994	70,703	79,523
Charges for current services	23,482	27,729	20,765	17,843	17,312	16,745	23,904	30,023	34,286	37,556
Fines, forfeitures and penalties	14,710	18,323	15,820	15,847	22,368	24,550	24,293	26,119	28,827	26,333
Investment income	23,468	18,182	6,750	3,975	3,819	2,698	699	4,115	3,779	8,289
Intergovernmental revenues and contributions										
Federal revenues	28,784	34,709	36,649	65,422	43,437	40,671	53,278	40,839	34,675	46,723
State and local grants and contributions	24,065	17,358	9,094	14,307	16,576	16,291	22,379	22,412	16,395	14,646
Other	-	-	-	-	-	-	-	-	-	-
Building rentals and contributions	18,926	18,962	18,295	8,344	7,153	7,583	7,400	8,178	8,845	8,267
Other	19,844	8,710	13,738	17,491	9,995	6,854	9,385	13,149	14,840	5,441
TOTAL REVENUES	\$ 675,142	\$ 686,999	\$ 795,212	\$ 880,832	\$ 882,458	\$ 845,515	\$ 850,580	\$ 883,309	\$ 920,207	\$ 977,434
EXPENDITURES										
Current										
General government	\$ 290,882	\$ 285,698	\$ 319,202	\$ 250,558	\$ 215,655	\$ 217,879	\$ 224,452	\$ 304,137	\$ 252,123	\$ 304,634
Police	225,815	230,571	186,364	179,455	189,309	190,917	195,017	204,830	208,128	226,517
Fire	83,506	87,559	82,581	75,180	74,608	78,018	82,478	82,418	87,805	87,938
Corrections	44,456	47,711	36,503	28,037	23,929	30,675	29,203	32,108	36,243	36,662
Public works	48,393	69,004	45,032	45,477	51,622	41,547	39,516	52,132	55,846	79,667
Parks, recreation and cultural affairs	44,939	53,542	39,569	35,866	43,799	40,565	49,181	47,484	48,635	51,008
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	36,290	39,293	54,919	55,730	49,155	52,648	59,949	47,006	89,650	82,310
Interest	40,949	42,879	50,429	47,617	48,909	46,460	44,411	36,337	33,002	44,413
Bond issuance costs	1,996	4,438	6,065	4,446	1,433	311	33	1,647	1,050	375
TOTAL EXPENDITURES	\$ 817,226	\$ 860,695	\$ 820,664	\$ 722,366	\$ 698,419	\$ 699,020	\$ 724,240	\$ 808,099	\$ 812,482	\$ 913,524
Excess of Revenues Over (Under) Expenditures	(142,084)	(173,696)	(25,452)	158,466	184,039	146,495	126,340	75,210	107,725	63,910
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 58,000	\$ 53,820	\$ 134,042	\$ 78,120	\$ -	\$ -	\$ 6	\$ 21,000	\$ 307,390	\$ 84,844
Capital leases	-	23,480	48,602	-	-	-	2,198	363	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds sold	2,548	5,787	4,027	-	-	-	-	277	39,325	10,903
Other Revenue	-	-	-	-	-	-	-	-	-	-
Discount on bonds sold	(77)	-	(484)	(1,257)	-	-	-	-	-	-
Refunding bonds issued	-	105,760	78,025	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(106,177)	(80,550)	(64,500)	-	-	-	-	(58,866)	(77,443)
Sales of assets	9,304	6,794	851	456	7,089	14,623	123	2,547	3,376	1,287
Extraordinary Loss	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	19,280	2,311	(118,523)	(119,590)	(120,880)	(123,580)	(114,431)	(90,250)	(124,897)	(119,440)
Total Other Financing Sources (Uses)	\$ 89,055	\$ 91,775	\$ 65,990	\$ (106,771)	\$ (113,791)	\$ (108,957)	\$ (112,104)	\$ (66,063)	\$ 166,328	\$ (99,849)
Extraordinary Loss	-	-	-	(2,231)	-	-	-	-	-	-
Correction of a Prior Year Error	-	37,800	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (53,029)	\$ (44,121)	\$ 40,538	\$ 49,466	\$ 70,248	\$ 37,538	\$ 14,236	\$ 9,147	\$ 274,053	\$ (35,939)
Debt service as a percentage of noncapital expenditures	10.5%	13.5%	18.4%	19.1%	63.5%	17.4%	20.2%	12.2%	18.8%	17.5%

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

City of Atlanta

2016 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, 2007	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%
June 30, 2016	12,848,381,757	12,774,083,537	711,630,623	1,503,577,204	2,874,052,314	24,963,620,807	33.49%

(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

2016 Comprehensive Annual Financial Report

Schedule 7

City of Atlanta, Georgia

Direct and Overlapping Property Tax Rates (unaudited)

Last Nine Fiscal Periods

(per \$1,000 of assessed value)

Fiscal Period Ended	DeKalb County					Fulton County, Georgia				Total
	General Operating Levy	Hospital Levy	Bond Levy	Library Levy	State of Georgia Levy	County Levy	County Bond Levy	Georgia State Levy		
June 30, 2007	9.12	0.83	0.56	0.99	0.25	11.75	10.28	0.06	0.25	10.59
June 30, 2008	7.54	0.89	0.53	0.96	0.25	10.17	10.28	-	0.25	10.53
June 30, 2009	7.99	0.84	0.51	0.83	0.25	10.42	10.28	-	0.25	10.53
June 30, 2010	8.00	0.96	0.57	1.00	0.25	10.78	10.28	-	0.25	10.53
June 30, 2011	8.00	0.96	0.57	0.88	0.25	10.66	10.28	-	0.25	10.53
June 30, 2012	9.43	0.88	0.87	1.02	0.25	12.45	10.28	0.27	0.25	10.80
June 30, 2013	10.43	0.94	0.70	1.22	0.20	13.49	10.28	0.27	0.20	10.75
June 30, 2014	10.71	0.80	-	1.16	0.15	12.82	10.21	0.27	0.15	10.63
June 30, 2015	8.22	0.80	0.01	1.06	0.10	10.19	11.78	0.27	0.10	12.15
June 30, 2016	10.39	0.89	0.01	1.11	0.05	12.45	10.50	0.25	0.05	10.80

Fiscal Period Ended	City Atlanta			Board of Education		Total
	General Levy	Bond Levy	Parks Levy	Operating Levy	School Bond Levy	
June 30, 2007	7.53	1.41	0.50	22.65	0.05	32.14
June 30, 2008	7.09	1.33	0.50	21.65	0.05	30.62
June 30, 2009	7.12	1.18	0.50	21.64	0.05	30.49
June 30, 2010	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2011	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2012	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2013	10.24	1.20	0.50	21.64	0.10	33.68
June 30, 2014	10.05	1.20	0.50	21.64	0.10	33.49
June 30, 2015	9.75	1.20	0.50	21.64	0.10	33.19
June 30, 2016	8.89	1.48	0.50	21.64	0.10	32.61

City of Atlanta

2016 Comprehensive Annual Financial Report

Schedule 8
City of Atlanta, Georgia
Principal Property Tax Payers
Last Ten Fiscal Periods

Taxpayer	Type of Business	Fiscal Periods																		
		2006			2007			2008			2009			2010						
		Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank				
AT & T	Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233,061,383	5	1.10%	
Atlanta Center LTD	Commercial Real Estate	83,443,109	-	10	0.40%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bell South	Communication Service	266,293,651	-	1	1.29%	244,693,204	-	1	1.04%	332,146,406	-	2	1.36%	197,316,319	-	3	0.86%	288,336,703	3	1.37%
BF ATL, LLC	Commercial Real Estate	-	-	-	-	135,349,359	-	6	0.59%	158,985,279	-	6	0.65%	135,349,360	-	6	0.59%	135,349,360	7	0.64%
Coca-Cola Company	Marketing and Manufacturing	184,395,886	-	2	0.89%	172,011,442	-	4	0.73%	174,796,651	-	4	0.72%	166,718,521	-	4	0.73%	239,494,269	4	1.13%
Corporate Property Corporation	Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CSC Associates	Commercial Real Estate	92,735,881	-	7	0.45%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Delta Airlines	Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Development Authority of Fulton	Government	-	-	-	-	181,620,042	-	3	0.78%	333,432,299	-	1	1.36%	505,772,282	-	1	2.21%	864,964,916	1	4.10%
GA-Met	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
GA Promenade LLC	Residential Real Estate	-	-	-	-	84,941,760	-	9	0.36%	-	-	-	-	-	-	-	-	-	-	
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%	-	-	
Georgia Power Company	Utility Service	137,147,337	-	3	0.66%	197,766,434	-	2	0.84%	206,701,589	-	3	0.85%	222,362,604	-	2	0.97%	355,267,690	2	1.68%
Google Inc	Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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%	-	-	
IEP Peachtree LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,279,610	10	0.44%
Kan AM Grund America LP	Commercial Real Estate	-	-	-	-	-	-	-	-	91,507,582	-	10	0.37%	-	-	-	-	-	-	
One Ninety One Peachtree Association	Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Overseas Partners	Commercial Real Estate	107,004,930	-	5	0.52%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Peachtree TSG Associates LLC	Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Post Apartment Homes	Residential Real Estate	128,834,887	-	4	0.62%	154,997,343	-	5	0.66%	168,194,137	-	5	0.69%	148,085,301	-	5	0.65%	129,959,779	8	0.62%
Sumito Life Realty, Inc	Commercial Real Estate	84,919,630	-	9	0.41%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SunTrust Plaza Association	Commercial Real Estate	97,202,770	-	6	0.47%	115,924,129	-	7	0.49%	119,200,000	-	7	0.49%	103,661,410	-	7	0.45%	103,532,500	9	0.49%
Trizec Alliance Center LLC	Commercial Real Estate	85,674,219	-	8	0.42%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total		\$ 1,267,652,300			6.15%	\$ 1,475,464,084			6.30%	\$ 1,791,447,963			7.33%	\$ 1,664,102,047			7.26%	\$ 2,587,317,692		12.25%

Taxpayer	Type of Business	Fiscal Periods																		
		2011			2012			2013			2014			2015						
		Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank				
Bell South/AT&T	Communication Service	-	-	-	-	-	-	-	-	144,069,022	-	5	0.70%	170,914,613	-	4	0.80%	155,862,813	4	0.66%
BF ATL, LLC	Commercial Real Estate	135,349,360	-	4	0.64%	154,833,309	-	8	0.76%	-	-	-	-	-	-	-	-	-	-	
Coca-Cola Company	Marketing and Manufacturing	160,539,113	-	3	0.76%	158,398,076	-	3	0.77%	154,658,325	-	4	0.75%	154,851,783	-	5	0.72%	146,645,787	5	0.62%
Corporate 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%	136,742,310	6	0.58%
Development Authority of Fulton	Government	652,260,501	-	1	3.09%	643,688,110	-	1	3.15%	708,697,642	-	1	3.42%	914,748,466	-	1	4.27%	979,728,452	1	4.12%
GA-Met	-	-	-	-	-	-	-	-	-	-	-	-	72,000,000	-	10	0.34%	-	-		
Georgia Pacific Company	Pulp and Paper Manufacturing	84,328,320	-	8	0.40%	76,031,870	-	7	0.37%	-	-	-	-	-	-	-	-	-	-	
Georgia Power Company	Utility Service	258,789,449	-	2	1.23%	278,823,406	-	2	1.36%	287,889,088	-	2	1.39%	281,251,853	-	2	1.31%	296,597,925	2	1.25%
Google Inc	Technology	-	-	-	-	-	-	-	-	99,021,890	-	6	0.48%	-	-	-	-	-	-	
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%	96,895,409	8	0.41%	
IEP Peachtree LLC	-	91,879,110	-	7	0.44%	78,922,880	-	9	0.39%	72,222,920	-	10	0.35%	74,371,960	-	9	0.35%	96,592,350	9	0.41%
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services	-	-	-	-	-	-	-	-	80,772,360	-	9	0.39%	-	-	-	-	-	-	
Post Apartment Homes	Residential Real Estate	128,772,451	-	5	0.61%	96,136,850	-	4	0.47%	164,277,960	-	3	0.79%	176,237,783	-	3	0.82%	172,256,249	3	0.72%
SunTrust Plaza Association	Commercial Real Estate	96,150,900	-	6	0.46%	87,837,149	-	5	0.43%	96,130,950	-	7	0.46%	94,698,251	-	7	0.44%	110,808,080	7	0.47%
Total		\$ 1,769,589,263			8.38%	\$ 1,719,053,510			8.41%	\$ 1,894,972,397			9.15%	\$ 2,126,947,749			9.93%	\$ 2,274,758,336		9.57%

** 2015 Based on Net Assessed Value of \$23,761,822,876

City of Atlanta

2016 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, 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%	5,720	262,782	99.40%
June 30, 2011	240,586	234,895	97.63%	4,111	239,006	99.34%
June 30, 2012	222,633	218,472	98.13%	2,996	221,467	99.48%
June 30, 2013	219,177	214,494	97.86%	3,545	218,038	99.48%
June 30, 2014	222,103	218,184	98.24%	2,757	220,941	99.48%
June 30, 2015	227,842	224,808	98.67%	1,761	226,570	99.44%
June 30, 2016	239,875	237,840	99.15%	-	237,840	99.15%

(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

2016 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									
	2007**	2008	2009	2010	2011	2012	2013	2014	2015	2016
Food	\$ 12,524,653	\$ 21,525,653	\$ 20,038,407	\$ 18,811,248	\$ 18,665,973	\$ 19,260,191	\$ 20,170,413	\$ 20,421,886	\$ 21,981,932	\$ 23,194,803
Apparel	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	8,803,428
General	6,748,029	10,710,270	10,374,329	11,803,657	11,459,576	11,480,986	12,082,498	12,062,397	12,630,008	12,799,010
Automotive	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	2,403,091
Home	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	9,006,150
Lumber	4,228,072	6,228,429	4,235,049	728,285	587,895	484,572	645,845	896,719	1,030,259	1,121,857
Miscellaneous Services	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	13,045,306
Manufacturers	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	5,702,950
Utilities	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	6,452,505
Miscellaneous	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	20,986,349
Total	\$ 60,448,090	\$ 102,926,512	\$ 95,796,047	\$ 92,461,647	\$ 93,258,711	\$ 98,888,342	\$ 100,346,132	\$ 99,708,270	\$ 102,224,220	\$ 103,515,449
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Municipal Option Sales Tax (1)	Fiscal Period									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Food	\$ 26,529,627	\$ 27,367,773	\$ 25,487,704	\$ 23,115,908	\$ 24,249,636	\$ 24,474,659	\$ 25,875,374	\$ 27,193,787	\$ 29,072,255	\$ 31,087,468
Apparel	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	8,085,793
General	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	17,544,873
Automotive	4,125,484	5,190,562	5,489,521	929,297	1,021,811	1,006,061	1,088,903	862,640	893,948	887,289
Home	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	11,758,120
Lumber	8,107,471	7,926,075	5,591,719	991,117	858,527	811,933	937,818	1,257,158	1,361,648	1,638,714
Miscellaneous Services	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	16,713,310
Manufacturers	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	6,818,479
Utilities	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	7,674,084
Miscellaneous	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	30,911,020
Total	\$ 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	\$ 133,119,150
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Note: (1) Effective October 1, 2004, the City began collecting a 1% Municipal Option Sales Tax (MOST) for retail sales and use occurring within the incorporated city limits of Atlanta

Source: Georgia Department of Revenue; Local Government Division

City of Atlanta

2016 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>
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%
2016	1.00%	7.00%

Source: Sales Tax Rates, Georgia Department of Revenue

See accompanying independent auditors report

City of Atlanta

2016 Comprehensive Annual Financial Report

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

Tax Remitters	2007		2008		2009		2010		2011	
	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	\$ 26,529,627	22.09%	\$ 27,367,773	21.91%	\$ 25,487,704	20.89%	\$ 23,115,908	21.42%	\$ 24,249,636	21.31%
Apparel	24,474,659	5.19%	6,537,725	5.23%	8,265,601	6.77%	6,819,859	6.32%	7,411,259	6.51%
General	7,844,861	9.01%	10,801,409	8.65%	10,829,434	8.88%	13,496,332	12.51%	14,539,307	12.78%
Automotive	15,198,078	3.43%	5,190,562	4.16%	5,489,521	4.50%	929,297	0.86%	1,021,811	0.90%
Home	1,006,061	13.72%	15,614,925	12.50%	13,952,527	11.44%	8,302,473	7.69%	10,528,843	9.25%
Lumber	11,254,508	6.75%	7,926,075	6.35%	5,591,719	4.58%	991,117	0.92%	858,527	0.75%
Miscellaneous Services	811,933	14.77%	19,228,289	15.39%	19,360,539	15.87%	15,006,917	13.91%	14,608,176	12.84%
Manufacturers	12,914,807	3.06%	4,804,876	3.85%	4,399,557	3.61%	6,763,647	6.27%	7,374,252	6.48%
Utilities	6,797,657	9.20%	11,307,471	9.05%	12,691,282	10.40%	7,177,663	6.65%	8,488,688	7.46%
Miscellaneous	12,243,140	12.78%	16,126,286	12.91%	15,941,494	13.07%	25,295,149	23.44%	24,720,146	21.72%
Total	\$ 119,075,331	100%	\$ 124,905,391	100%	\$ 122,009,378	100%	\$ 107,898,362	100%	\$ 113,800,645	100%

Tax Remitters	2012		2013		2014		2015		2016	
	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	\$ 24,474,659	20.54%	\$ 25,875,374	21.73%	\$ 27,193,787	21.88%	\$ 29,072,255	22.25%	\$ 31,087,468	23.35%
Apparel	7,844,861	6.58%	8,659,305	7.27%	9,081,924	7.31%	8,575,055	6.56%	8,085,793	6.07%
General	15,198,078	12.76%	15,821,702	13.29%	16,527,598	13.30%	17,425,387	13.33%	17,544,873	13.18%
Automotive	1,006,061	0.84%	1,088,903	0.91%	862,640	0.69%	893,948	0.68%	887,289	0.67%
Home	11,254,508	9.45%	10,342,273	8.69%	10,625,539	8.55%	11,079,218	8.48%	11,758,120	8.83%
Lumber	811,933	0.68%	937,818	0.79%	1,257,158	1.01%	1,361,648	1.04%	1,638,714	1.23%
Miscellaneous Services	12,914,807	10.84%	17,624,898	14.80%	17,454,787	14.05%	17,955,003	13.74%	16,713,310	12.56%
Manufacturers	6,797,657	5.71%	6,283,568	5.28%	7,090,205	5.71%	7,258,328	5.55%	6,818,479	5.12%
Utilities	12,243,140	10.28%	7,232,826	6.07%	7,386,966	5.94%	7,825,616	5.99%	7,674,084	5.76%
Miscellaneous	26,593,552	22.32%	25,199,982	21.16%	26,787,112	21.56%	29,237,076	22.37%	30,911,020	23.22%
Total	\$ 119,139,256	100%	\$ 119,066,649	100%	\$ 124,267,716	100.00%	\$ 130,683,534	100.00%	\$ 133,119,150	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

See accompanying independent auditors report

City of Atlanta

2016 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)

Fiscal Period Ended	Governmental Activities													Total Governmental Activities	% Personal Income (c)	Per Capita (c)
	General Obligation Debt (a)	2016 Certificate of participation	APSJFA Revenue Bonds (b)	SWMA Revenue Refunding Bonds	Limited Obligation Bonds* (a)	Section 108 Loans	Capital Leases	1990 GMA Lease Pool	1998 GMA Lease Pool	2002 Certificates of Participation	Installment Sale Program	Inter-Govt Agreements	Notes Payable			
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
June 30, 2016	395,623	36,889	33,681	10,980	444,681	930	19,261	-	32,444	-	20,385	343,455	4,016	1,342,345	5.88%	2,893

Fiscal Period Ended	Business-Type Activities													Total Business-Type Activities	Total Primary Government	% Personal Income (c)	Per Capita (c)
	Department of Aviation			Department of Watershed Management				Nonmajor Proprietary									
	Facilities Revenue Bonds	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	City Plaza	Civic Center Renovations Agreement					
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%	16,829	
June 30, 2016	3,002,125	143,436	2,814,455	209,685	168,222	1,304	-	-	18,165	-	10,680	1,734	6,369,806	7,712,151	33.81%	16,621 (d)	

* Net of any discount or premium
(a) Net of any discount or premium
(b) APSJFA revenue bonds reported as Limited Obligation Bonds prior to Fiscal Period 2015.
(c) See schedule for personal income and population data
(d) Personal income and per capita data not available for 2016, % based on 2015 data

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

See accompanying independent auditors report

City of Atlanta
2016 Comprehensive Annual Financial Report

Schedule 14
City of Atlanta, Georgia
Ratio of General Bonded Debt Outstanding (unaudited)
Last Ten Fiscal Periods
(Dollars in thousands, except per capita)

Fiscal Period Ended	General Obligation Debt	Bond Sinking Fund	Net General Obligation Debt	Certificate of Participation	SWMA Revenue Refunding Bonds	APS/JFA 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, 2007	\$ 276,510	\$ (40,162)	\$ 236,348	\$ -	23,035	\$ -	\$ -	\$ -	168,274	\$ 5,835	\$ -	\$ 444,477	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
June 30, 2016	357,955	(15,145)	342,810	32,160	10,980	32,900	343,455	4,016	53,759	19,261	-	839,341	3.36%	1,809

(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 2016, percentage based on 2015 data

See accompanying independent auditors report

City of Atlanta

2016 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	\$ 357,955,000	100.00%	\$ 357,955,000
Less: Sinking Fund	(15,145,000)	100.00%	<u>(15,145,000)</u>
Net Direct Debt			<u>342,810,000</u>
Overlapping Debt:			
Fulton County (1)	171,791,368	47.00%	\$ 80,741,943
DeKalb County (2)	342,380,000	4.60%	\$ 15,749,480
Fulton County Building Authority (1)	-		-
Contractual General Obligation Debt:			
Atlanta and Fulton Recreation Authority (AFCRA)			
Series 2010 Bonds (5)	102,535,000	66.70%	68,390,845
Series 2005A/B AFCRA Revenue & Refunding Bonds (5)	26,365,000	100.00%	26,365,000
Series 2005A/B Park Improvement Bonds (5)		100.00%	-
Series 2014A/B Park Improvement Bonds (5)	67,315,000	100.00%	67,315,000
DDA Parking Deck Series 2006 (ADA) - COA (3)	18,930,000	100.00%	18,930,000
AURA Bonds Series 2010 (ADA) - COA (3)	18,470,000	100.00%	18,470,000
Urban Residential Finance Authority (URFA) - COA (4)	26,270,000	100.00%	26,270,000
Underground Atlanta Refunding Series 2009 (ADA) COA (3)	15,445,000	100.00%	15,445,000
AFCRA Revenue Zoo Series 2007 (5)	12,460,000	75.00%	9,345,000
Overlapping Contractual Obligations:			
Fulton-DeKalb Hospital Authority (1)	114,240,000	47.00%	53,692,800
Total Overlapping Debt			<u>400,715,068</u>
Total Direct and Overlapping Debt			<u>\$ 743,525,068</u>

- (1) Fulton County CAFR - Year Ended December 31, 2015
(2) DeKalb County CAFR - Year Ended December 31, 2015
(3) DDA - Financial Statements as of June 30, 2015
(4) URFA Financial Statements as of June 30, 2015
(5) AFCRA Financial Statement Years Ended December 31, 2015 & 2014

See accompanying independent auditors report

City of Atlanta

2016 Comprehensive Annual Financial Report

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

	Fiscal Period									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 2,615,707,678
Total net debt applicable to limit	<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>	<u>357,955,000</u>
Legal debt margin	\$ <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>	\$ <u>2,257,752,678</u>
Total net debt applicable to the limit as a percentage of debt limit	27.32%	23.75%	29.13%	9.92%	10.06%	9.80%	9.78%	9.19%	17.61%	13.68%

See accompanying independent auditors report

City of Atlanta

2016 Comprehensive Annual Financial Report

SCHEDULE 17A
City of Atlanta, Georgia
Department of Aviation
Schedule of Revenue Bond Coverage (unaudited)
Last Ten Fiscal Periods
(Dollars in thousands)

Period	Operating Revenue (1)	Current Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			
				General Revenue Debt	Debt Paid From PFC Revenues	Debt Paid From Net Revenue	Coverage Percentage (4)
2007	339,164	133,440	205,724	92,487	-	92,487	2.22
2008	405,868	166,274	239,594	114,312	-	114,312	2.10
2009	404,724	165,995	238,729	152,181	23,100	129,081	1.85
2010	414,898	184,275	230,623	145,835	19,000	126,835	1.82
2011	416,748	169,799	246,949	120,154	24,800	95,354	2.59
2012	407,094	186,808	220,286	125,366	8,300	117,066	1.88
2013	497,165	211,196	285,969	157,237	-	157,237	1.82
2014	509,891	224,276	285,615	158,935	-	158,935	1.80
2015	512,952	225,189	287,763	153,298	-	153,298	1.88
2016	499,792	240,432	259,360	168,552	42,675	125,877	2.06

(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.

(2) Represents total operating expenses on a cash basis.

(3) Debt service requirements are calculated per the requirements of the Master Bond Ordinance (dated March 20, 2000), as amended.

(4) Coverage ratios for the years 2007 and 2008 have been restated due to Material Events Notice filed by the City in October 2009, and a correction of the coverage ratio calculation.

See accompanying independent auditors report

City of Atlanta

2016 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</u>	<u>Operating Revenue (1) (2)</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>	
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 (1)	205,520	370,954	48,425	178,763	227,188	1.63
2014	575,656	210,265	365,391	51,370	158,893	210,263	1.74
2015	601,210	202,633	398,577	53,710	124,383	178,093	2.24
2016	614,633	224,954	389,679	56,310	155,241	211,551	1.84

- (1) The Department's revenue is pledged to the extent of the annual debt service of the Revenue Bonds.
- (2) Total operating revenue plus investment income and Municipal Optional Sales Tax (MOST) included in operating transfer).
- (3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation, amortization and legal fees.
- (4) Annual debt service includes sinking fund requirements of the Water and Wastewater revenue fund, net of capitalized interest.

See accompanying independent auditors report

City of Atlanta

2016 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
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	228,134	41,307	33.2	88.0	49,842	6.8%
2015	463,878 ¹	244,065 ²	43,472 ³	33.3 ⁴	88.4 ⁵	50,708 ⁶	5.3% ⁷

1U.S. Census Bureau, QuickFacts Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2015; as of September, 2016.

2U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2014 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta as of September 15, 2016.

3U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2014 for Atlanta MSA as of September 15, 2016.

4U.S. Census Bureau, American Community Survey data for City of Atlanta; data limited to household population, excludes institutions, college dormitories, & other group quarters; data available 2010 through 2014 as of September 15, 2016.

5U.S. Census Bureau, American Community Survey for City of Atlanta, % of population that attained high school degree or higher educational degrees; data based on population 25 years and over and limited to household population, excludes institutions, college dormitories, & other group quarters; data available 2009 through 2014 as of September 15, 2016.

6Georgia Department of Education - Enrollment as of March fiscal year end 2015.

7U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for 2016 is not seasonally adjusted and is inclusive of Atlanta-Sandy Springs-Marietta.

City of Atlanta
2016 Comprehensive Annual Financial Report

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

		2006				2007	
Employer	Type of Business	Employees	Percentage of Total City Employment	Employer	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	4,225	2.00%	The Coca-Cola Company	Marketing and Manufacturing	3,029	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,178	1.51%	Allied Barton Security Services	Security Services	2,395	1.30%
Allied Barton Security Services	Security Services	2,148	1.02%	Accenture LLP	Consulting	2,100	1.14%
Cable News Network, Inc.	Media	1,924	0.91%	Cable News Network, Inc.	Media	1,809	0.98%
Air Serv Corp.	Transportation	1,721	0.82%	Turner Broadcasting System, Inc.	Media/Entertainment	1,710	0.93%
Accenture LLP	Consulting	1,700	0.81%	Air Serv Corp.	Transportation	1,391	0.76%
Turner Broadcasting System, Inc.	Media/Entertainment	1,528	0.72%	Turner Entertainment Networks	Entertainment	1,290	0.70%
Tenet Healthsystem, Inc.	Healthcare	1,408	0.67%	Tenet Healthsystem, Inc.	Healthcare	1,279	0.69%
Turner Entertainment Networks	Entertainment	1,054	0.50%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,106	0.60%
Atlanta Journal and Constitution	Media	1,036	0.49%	Earthlink, Inc.	Internet	1,106	0.60%
Total		19,922	9.45%	Total		17,215	9.35%

		2008				2009	
Employer	Type of Business	Employees	Percentage of Total City Employment	Employer	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,827	1.95%	Allied Barton Security Services	Security Services	4,058	2.11%
Allied Barton Security Services	Security Services	3,702	1.88%	International Business Machine Corp.	Technology Services	3,739	1.94%
The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53%	The Coca-Cola Company	Marketing and Manufacturing	3,020	1.57%
Accenture LLP	Consulting	1,900	0.97%	Accenture LLP	Consulting	2,100	1.09%
Cable News network	Media	1,871	0.95%	Turner Broadcasting System, Inc.	Media/Entertainment	1,868	0.97%
Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91%	Cable News network	Media	1,792	0.93%
Tenet Health System, Inc.	Healthcare	1,251	0.64%	Air Service Corp	Transportation	1,386	0.72%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,099	0.56%	AT & T Services Inc.	Telecommunication	1,172	0.61%
Air Service Corp	Transportation	1,060	0.54%	Tenet Health System, Inc.	Healthcare	1,164	0.60%
Atlanta Journal and Constitution	Media	1,008	0.51%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,139	0.59%
Total		20,508	10.44%	Total		21,438	11.13%

		2010				2011	
Employer	Type of Business	Employees	Percentage of Total City Employment	Employer	Type Of Business	Employees	Percentage of Total City Employment
Allied Barton Security Services	Security Services	4,205	2.24%	Delta Air Lines, Inc.	Transportation	3,678	1.87%
International Business Machine Corp.	Technology Services	3,769	2.01%	The Coca-Cola Company	Marketing and Manufacturing	3,670	1.87%
The Coca-Cola Company	Marketing and Manufacturing	3,608	1.92%	International Business Machine Corp.	Technology Services	3,561	1.81%
Turner Broadcasting System, Inc.	Media/Entertainment	2,000	1.07%	Turner Broadcasting System, Inc.	Media/Entertainment	2,090	1.06%
Cable News network	Media	1,889	1.01%	Cable News network	Media	1,884	0.96%
Air Service Corp	Transportation	1,665	0.89%	AT & T Services Inc.	Telecommunication	1,845	0.94%
Accenture LLP	Consulting	1,555	0.83%	Air Service Corp	Transportation	1,733	0.88%
AT & T Services Inc.	Telecommunication	1,247	0.67%	Accenture LLP	Consulting	1,725	0.88%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,170	0.62%	Allied Barton Security Services	Security Services	1,465	0.74%
Tenet Health System, Inc.	Healthcare	1,164	0.62%	Tenet Health System, Inc.	Healthcare	1,166	0.59%
Total		22,272	11.88%	Total		22,817	11.60%

		2012				2013	
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	3,815	1.98%	Delta Air Lines, Inc.	Transportation	4,357	2.20%
The Coca-Cola Company	Marketing and Manufacturing	3,469	1.80%	The Coca-Cola Company	Marketing and Manufacturing	3,498	1.77%
International Business Machine Corp.	Technology Services	4,228	2.20%	Accenture LLP	Consulting	2,200	1.11%
Turner Broadcasting System, Inc.	Media/Entertainment	2,163	1.12%	AT & T Services Inc.	Telecommunication	2,179	1.10%
Cable News network	Media	1,873	0.97%	Turner Broadcasting System, Inc.	Media/Entertainment	2,057	1.04%
AT & T Services Inc.	Telecommunication	1,845	0.96%	Cable News network	Media	1,823	0.92%
Air Service Corp	Transportation	1,733	0.90%	Air Service Corp	Transportation	1,733	0.88%
Accenture LLP	Consulting	1,791	0.93%	Allied Barton Security Services	Security Services	1,467	0.74%
Allied Barton Security Services	Security Services	1,448	0.75%	Tenet Health System, Inc.	Healthcare	1,359	0.69%
Tenet Health System, Inc.	Healthcare	1,140	0.59%	Deloitte Consulting LLP	Consulting	1,195	0.60%
Total		23,505	12.20%	Total		21,868	11.05%

		2014				2015	
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	2.18%	Delta Air Lines, Inc.	Transportation	5,031	2.36%
The Coca-Cola Company	Marketing and Manufacturing	3,498	1.75%	The Coca-Cola Company	Marketing and Manufacturing	4,316	2.03%
Air Service Corp	Transportation	2,350	1.18%	Air Service Corp	Transportation	2,800	1.31%
Accenture LLP	Consulting	2,200	1.10%	Accenture LLP	Consulting	2,253	1.06%
AT & T Services Inc.	Telecommunication	2,179	1.09%	AT & T Services Inc.	Telecommunication	1,826	0.86%
Turner Broadcasting System, Inc.	Media/Entertainment	2,057	1.03%	Turner Broadcasting System, Inc.	Media/Entertainment	1,800	0.84%
Cable News Network	Media	1,823	0.91%	Cable News Network	Media	1,733	0.81%
Allied Barton Security Services	Security Services	1,467	0.73%	Allied Barton Security Services	Security Services	1,645	0.77%
Tenet Health System, Inc.	Healthcare	1,359	0.68%	Tenet Health System, Inc.	Healthcare	1,275	0.60%
Deloitte Consulting LLP	Consulting	1,195	0.60%	Deloitte Consulting LLP	Consulting	1,231	0.58%
Total		22,485	11.26%	Total		23,910	11.22%

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

Note: 2016 data is not yet available

See accompanying independent auditors report

City of Atlanta

2016 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									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government											
	Mayors Office	4	3	3	3	4	5	5	5	5	5
	City Council	46	42	39	39	40	46	46	47	48	49
	Finance	233	210	183	174	159	153	145	141	165	138
	Planning	388	295	227	181	167	193	153	164	166	161
	Procurement	56	50	40	39	34	34	40	46	41	41
	Human Resources	74	73	62	56	56	57	148	143	147	134
Police											
	Officers	1,780	1,836	1,786	1,751	1,772	1,959	2,001	1,973	2,009	2,007
	Civilian	527	543	434	445	452	475	490	444	525	520
Fire											
	Officers	1,054	1,070	939	938	975	985	1,060	1,060	1,062	1,064
	Civilian	83	49	38	46	46	49	49	49	65	65
Corrections											
	Officers	620	560	473	313	313	309	313	313	326	346
Public Works											
	Streets	416	399	468	397	396	390	383	371	371	374
	Refuse Collection	453	452	385	337	336	348	346	346	346	348
Parks, Recreation and Cultural Affairs		405	441	377	304	352	358	362	347	370	365
Water/Wastewater		1,547	1,964	1,816	1,680	1,545	1,535	1,475	1,515	1,486	1,567
Aviation		633	690	707	705	575	594	583	600	616	596
Total full-time equivalent employees		8,319	8,677	7,977	7,408	7,222	7,490	7,599	7,564	7,748	7,780

Source: City of Atlanta Fiscal Year 2017 Adopted Budget Book

See accompanying independent auditors report

City of Atlanta

2016 Comprehensive Annual Financial Report

Schedule 21

City of Atlanta, Georgia

Operating Indicators by Function/Program (unaudited)

Last Ten Fiscal Periods

Function/Program	Fiscal Period									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Arrests	59,374	142,361	42,670	38,628	37,276	38,773	46,974	44,428	42,439	35,886
Parking violations	42,668	79,546	52,577	56,692	17,599	17,105	13,613	14,818	12,430	10,621
Traffic violations	113,925	102,264	107,050	125,011	138,244	167,848	168,699	167,421	203,761	188,450
Fire										
Emergency responses	24,847	54,756	57,292	53,089	58,943	67,420	83,662	91,379	93,725	97,106
Fires extinguished	1,235	2,263	2,096	1,994	2,252	1,892	1,756	1,701	1,731	1,763
Inspections	7,261	7,200	6,439	10,777	9,987	1,155	12,112	17,843	15,710	14,234
Refuse collection										
Refuse collected (tons per day)	NA	198,954	113,204	115,142	111,312	99,236	457	467	511	427
Other public works										
Miles of streets resurfaced	78	-	33	13	17	5	21	12	33	24
Potholes repaired	1,944	1,953	1,152	5,892	6,367	3,255	1,784	5,006	2,561	3,919
Parks and recreation										
Athletic field permits issued	59	185	172	165	180	109	249	326	449	553
Community center admissions	64,900	N/A	97,264	474,945	522,440	478,535	758,000	600,000	455,388	503,421
Water										
New connections	15,716	2,057	1,084	1,100	947	820	1,104	1,041	1,115	1,541
Water main breaks	241	329	475	495	431	401	432	514	372	401
Average daily consumption (thousands of gallons)	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	96,930,000
Peak daily consumption (thousands of gallons)	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	124,500,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	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	132,340,000
Aviation										
Number of passengers served	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	103,689,041

City of Atlanta

2016 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	10	10	10	9	10	15	14	16	17	15
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	338	336	336	311	376	355	357	337	377	396
Fire stations	36	37	36	36	35	35	35	35	35	36
Refuse collection										
Collection trucks	83	73	66	66	78	84	85	95	94	88
Parks and recreation										
Acreage	3,682	3,748	3,755	3,781	3,818	3,904	3,922	4,395	4,781	4,810
Playgrounds	101	105	106	107	109	109	109	111	111	113
Baseball/softball diamonds	82	82	82	82	84	85	86	86	58	58
Soccer/football fields	5	21	26	26	26	31	32	32	36	36
Community centers	49	41	42	42	42	42	42	42	44	42
Water										
Water mains (miles)	2,424	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766
Storage capacity (thousands of gallons)	247	247	246	246	246	246	246	247	247	247
Wastewater										
Sanitary sewers (miles)	2,000	2,259	2,259	2,259	2,259	2,259	2,259	2,259	2,259	2,259
Treatment capacity (thousands of gallons)	181.7MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD	155.3MGD	181.7MGD	188.0MGD	202.0MGD	188.0MGD
Aviation										
Number of Runways	5	5	5	5	5	5	5	5	5	5
Number of Feet for each Runway:										
9R 27L	9,000 feet or 2,743 meters									
9L 27R	12,390 feet or 3,777 meters									
8R 27L	10,000 feet or 3,048 meters									
8L 26R	9,000 feet or 2,743 meters									
10-28	9,000 feet or 2,743 meters									

Sources: Various city departments

See accompanying independent auditors report