

2016

POPULAR ANNUAL
FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2016



CITY OF ATLANTA, GA **MAYOR KASIM REED**



ABOUT THIS REPORT

2016 POPULAR ANNUAL **FINANCIAL REPORT**

The City of Atlanta's Finance Department is proud to present this Popular Annual Financial Report (PAFR). This is a short form report that provides summarized information about the City's financial activities. It is intended to give readers an overview of the City and its finances. It is derived from, but does not provide all the detailed information required by accounting standards (Generally Accepted Accounting Principles or GAAP). It does not include information on all of the City's Funds or Component Units.

Detailed financial information including the audited financial statements is available in the City's Comprehensive Annual Financial Report, commonly called the CAFR. The CAFR provides full disclosure of all material events in the notes to the financial statements, as well as required supplementary information and historical statistical information.

The CAFR and PAFR are available online at:
www.atlantaga.gov/Government/Departments/Finance/Controller



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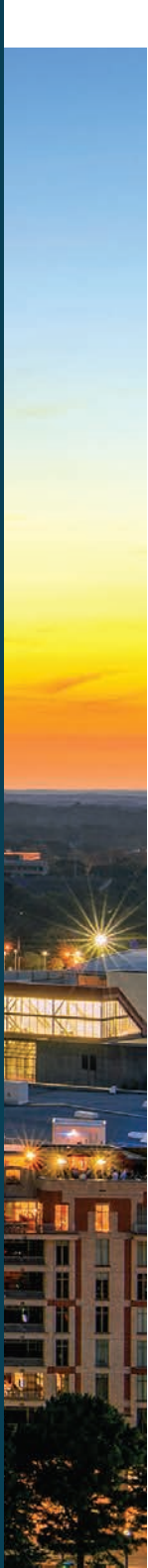
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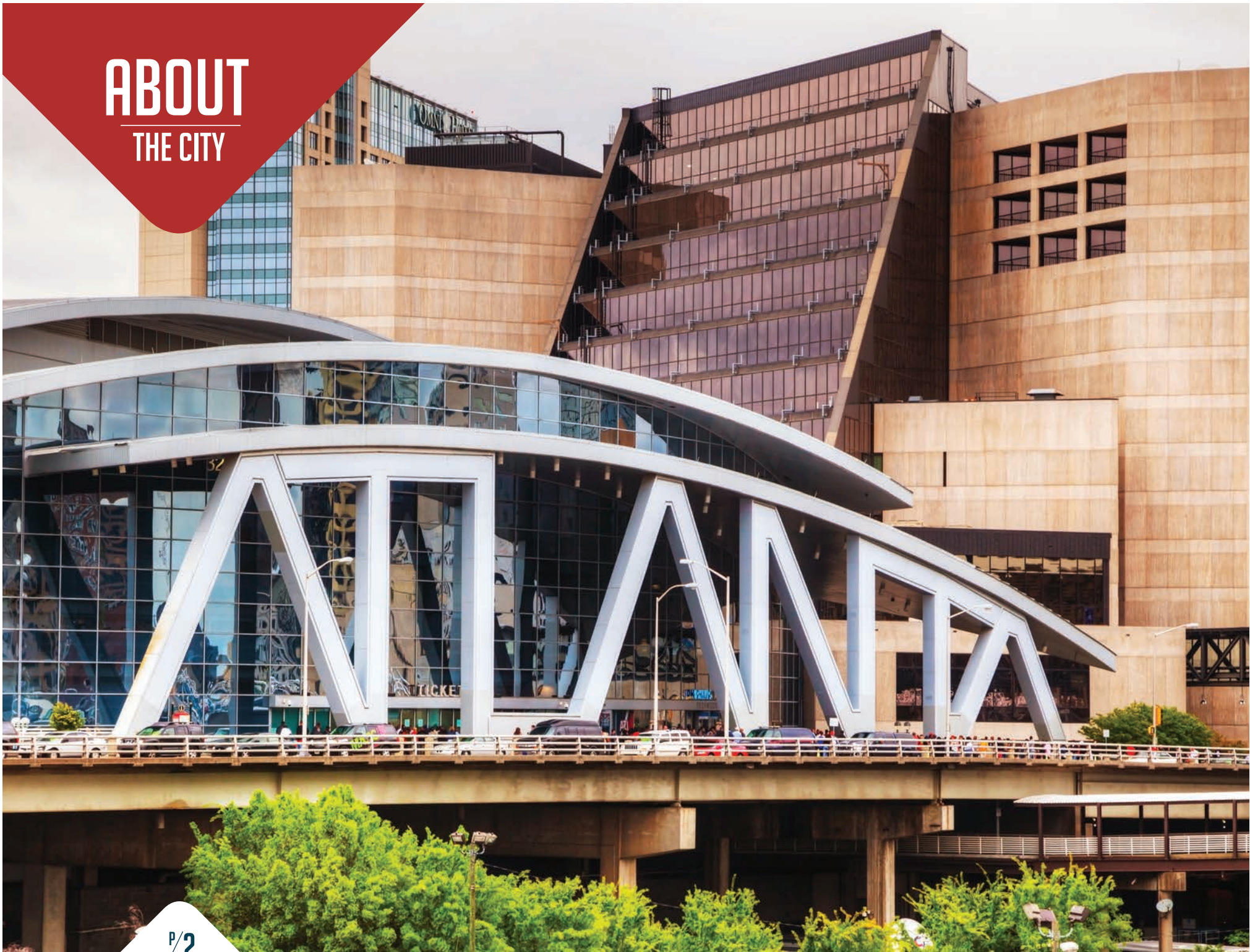
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ABOUT THE CITY



MISSION

EXCELLENCE IN MUNICIPAL FINANCIAL LEADERSHIP PERSONIFIED

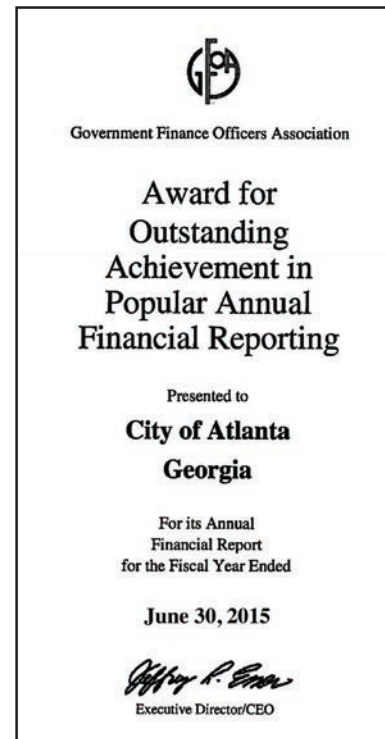
The Department of Finance serves as a strategic business partner to provide excellent service to internal and external customers, deliver a clear and concise picture of the City's current and future financial position and promote actions to achieve the City's priorities.

OUTSTANDING ACHIEVEMENT IN PAFR REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) 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.

The Comprehensive Annual Financial Report (CAFR), one of the supporting documents for this report, also represents award-winning work, having earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting for 31 consecutive years.



ATLANTA QUICK FACTS



9TH
ATLANTA IS THE 9TH
LARGEST METRO AREA
IN THE COUNTRY WITH A
POPULATION OF 5.5M

FOUNDED

December 1847

GEOGRAPHY

Land

131.4 square miles

Water

0.7 square miles

DEMOGRAPHICS

Residents¹

463,878

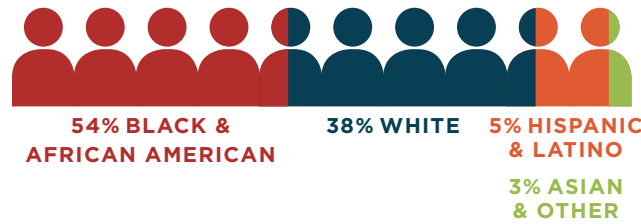
Median Age²

33.3 Years

Per Capita Personal Income³

\$43,472

RACE & ETHNICITY



GENDER



EDUCATION

High School Graduates⁴

88.4%

Bachelor's Degree⁵

47.9%

Number of Colleges and Universities

57

Annual College and

University Enrollment

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

²U.S. Census Bureau, American Community Survey for City of Atlanta; limited to household population, excludes institutions, college dormitories, and other group quarters.

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 for City of Atlanta, percentage of population that attained high school degree or higher educational degrees; data based on population 25 years and over.

⁵U.S. Census Bureau, American Community Survey for City of Atlanta, percentage of population that attained Bachelor's degree or higher; data based on population 25 years and over.

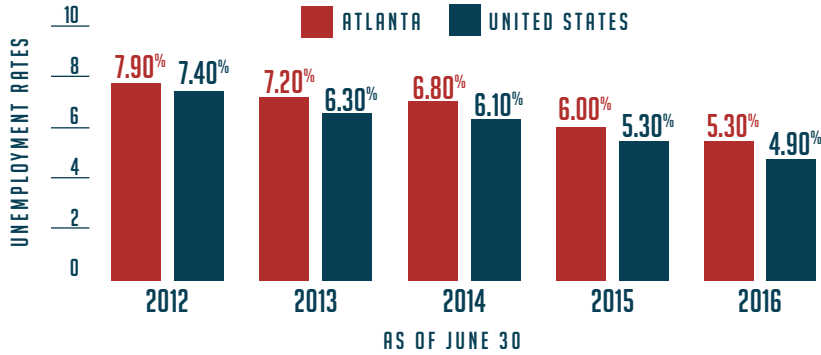
ATLANTA BY THE NUMBERS

		2013	2014	2015	2016
Police	Stations	14	16	17	15
	Zone Offices	6	6	6	6
	Patrol Units	357	337	377	396
Fire	Stations	35	35	35	36
Public Works Refuse Collection	Collection Trucks	85	95	94	88
Parks and Recreation	Acreage	3,922	4,395	4,781	4,810
	Playgrounds	109	111	111	113
	Baseball/Softball Diamonds	86	86	58	58
	Soccer/Football Fields	32	32	36	36
	Community Centers	42	42	44	42
Water	Water Mains (miles)	2,766	2,766	2,766	2,766
	Storage Capacity (millions of gallons)	246	247	247	247
Waste Water	Sanitary Sewers (miles)	2,259	2,259	2,259	2,259
	Treatment Capacity (in millions of gallons per day)	182	188	202	188
Aviation	Number of Runways	5	5	5	5
	Passenger Traffic (millions)	95.2	94.8	98.3	103.7



Sources: Multiple City of Atlanta Departments

STATISTICS



UNEMPLOYMENT RATES

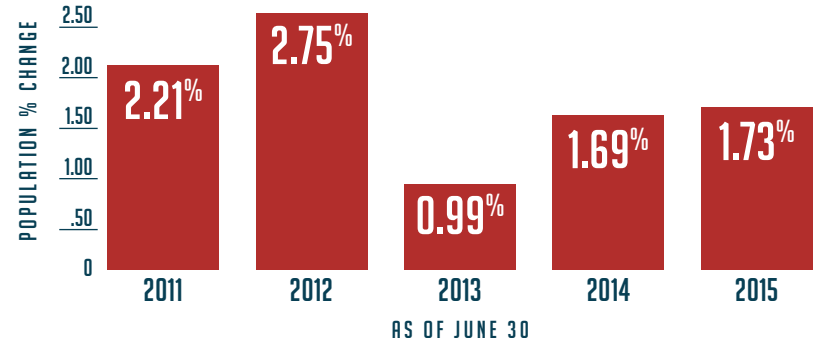
City of Atlanta unemployment rate is steadily declining since 2010. The Unemployment rate in Atlanta dropped 2.6 percentage points from 7.9% in 2012 to 5.3% in 2016.

Source: U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for fiscal year 2015 is July 2014 through June 2015. This figure is inclusive of Atlanta-Sandy Springs-Marietta.

POPULATION/GROWTH RATES

The City of Atlanta is experiencing impressive growth, increasing by 1.7% between 2014 and 2015. A diverse industrial structure, reasonable business costs, and high educational attainment contribute to Atlanta's high growth potential. Its status as a major transportation and logistics hub makes the metro economy a vital player in the South.

Source: U.S. Census Bureau, QuickFacts population estimate; Atlanta Regional Commission, Regional Snapshot 2016 Population Estimates



INDUSTRY	PERCENTAGE OF TOTAL EMPLOYMENT
TRADE, TRANSPORTATION, AND UTILITIES	22.6%
PROFESSIONAL AND BUSINESS SERVICES	19.8%
GOVERNMENT	12.8%
EDUCATION AND HEALTH SERVICES	12.5%
LEISURE AND HOSPITALITY	11.0%
MANUFACTURING	6.5%
FINANCIAL ACTIVITIES	4.4%
OTHER	10.4%

EMPLOYMENT BY INDUSTRY

This table shows the estimated average annual employment for the City in 2015 from various industry categories. Figures indicate the percentage of the total employment for each industry category in a given year. Employment for 2015 was concentrated in Transportation, Trade, Professional and Business Services, and Health Services industries.

Source: Georgia Department of Labor, Industry Mix Analysis. Data represent jobs that are covered by unemployment insurance laws.

STATISTICS

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2016 PAFR

TOP 10 EMPLOYERS - 2015

EMPLOYER	TYPE OF BUSINESS	EMPLOYEES	% OF TOTAL CITY EMPLOYMENT
Delta Air Lines, Inc.	Transportation	5,031	2.4%
The Coca-Cola Company	Marketing and Manufacturing	4,316	2.0%
Air Serv Corp.	Transportation	2,800	1.3%
Accenture LLP	Consulting	2,253	1.1%
AT&T Services Inc.	Telecommunication	1,826	0.9%
Turner Broadcasting System, Inc.	Media/Entertainment	1,800	0.8%
Cable News Network	Media	1,733	0.8%
Allied Barton Security Services	Security Services	1,645	0.8%
Tenet Health System, Inc.	Healthcare	1,275	0.6%
Deloitte Consulting LLP	Consulting	1,231	0.6%
Total		23,910	11.22%



ATLANTA CITY GOVERNMENT



MAYOR KASIM REED

THE CITY COUNCIL

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. Working hand in hand with Atlanta's Mayor and the members of the executive branch, the council plays a key role in the budget process and financial well-being of Atlanta.

BUDGET PROCESS

Annual budgets are adopted for



THE MISSION OF THE CITY COUNCIL:

TO ENSURE THAT ATLANTA IS LED BY A GROUNDBREAKING, STRONG, AND CAPABLE GROUP OF LEADERS THAT WORK FOR THE GOOD OF ALL CITIZENS ACROSS THE CITY.

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 approved by the City Council principally on an individual basis, when the project is initially approved.

CONSTITUTION

The fifteen-member City Council is elected on a non-partisan basis. Twelve of the Council members, are elected by district. The Mayor, the remaining Council Members and the Council President are elected at large. 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 the Council President.

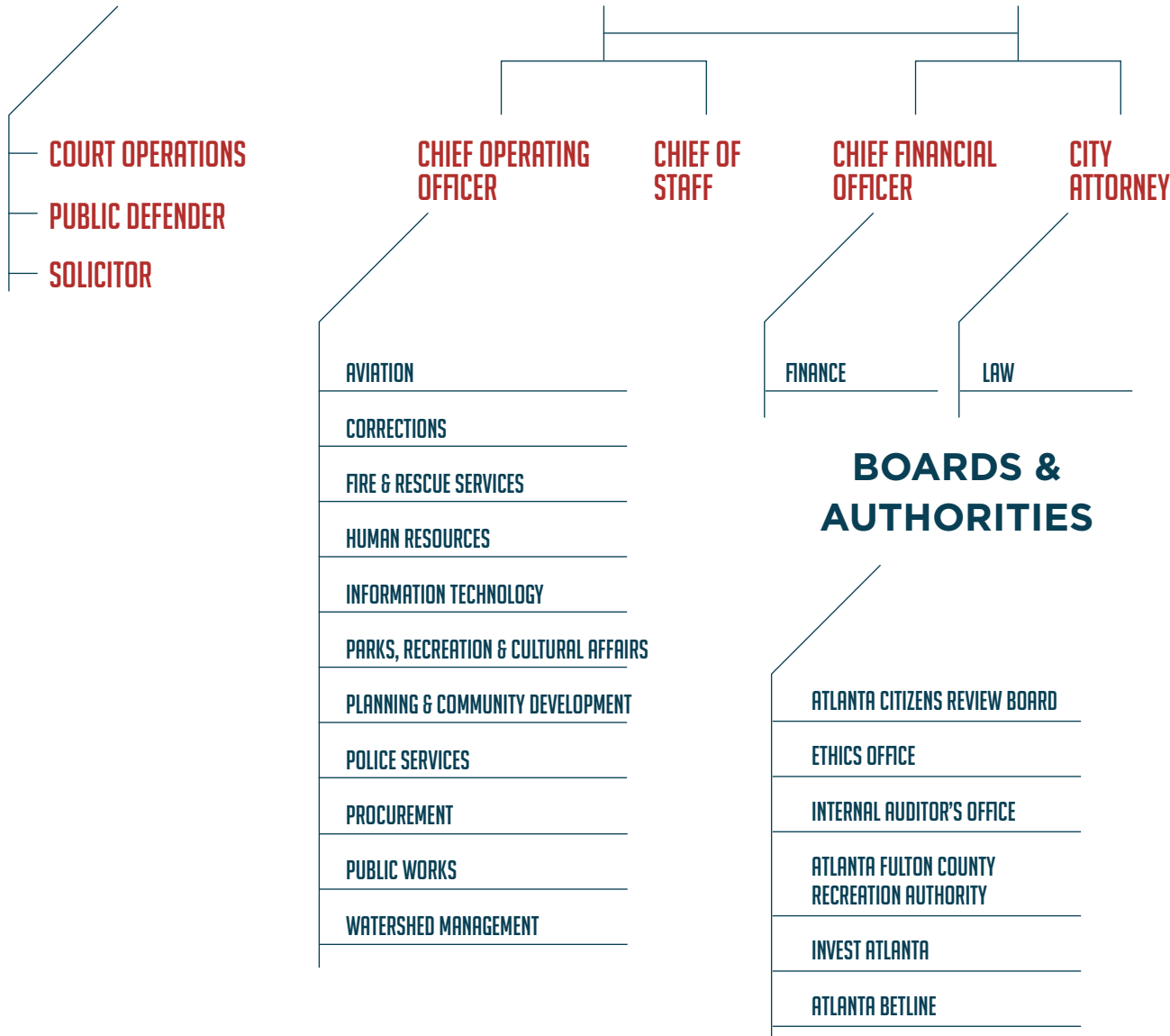
The Atlanta City Council prides itself on being responsive to its citizens. If you have a comment or concern and would like to speak to a Council Member, please call (404) 330-6030.

ORGANIZATIONAL STRUCTURE

JUDICIAL AGENCIES

MAYOR

CITY COUNCIL

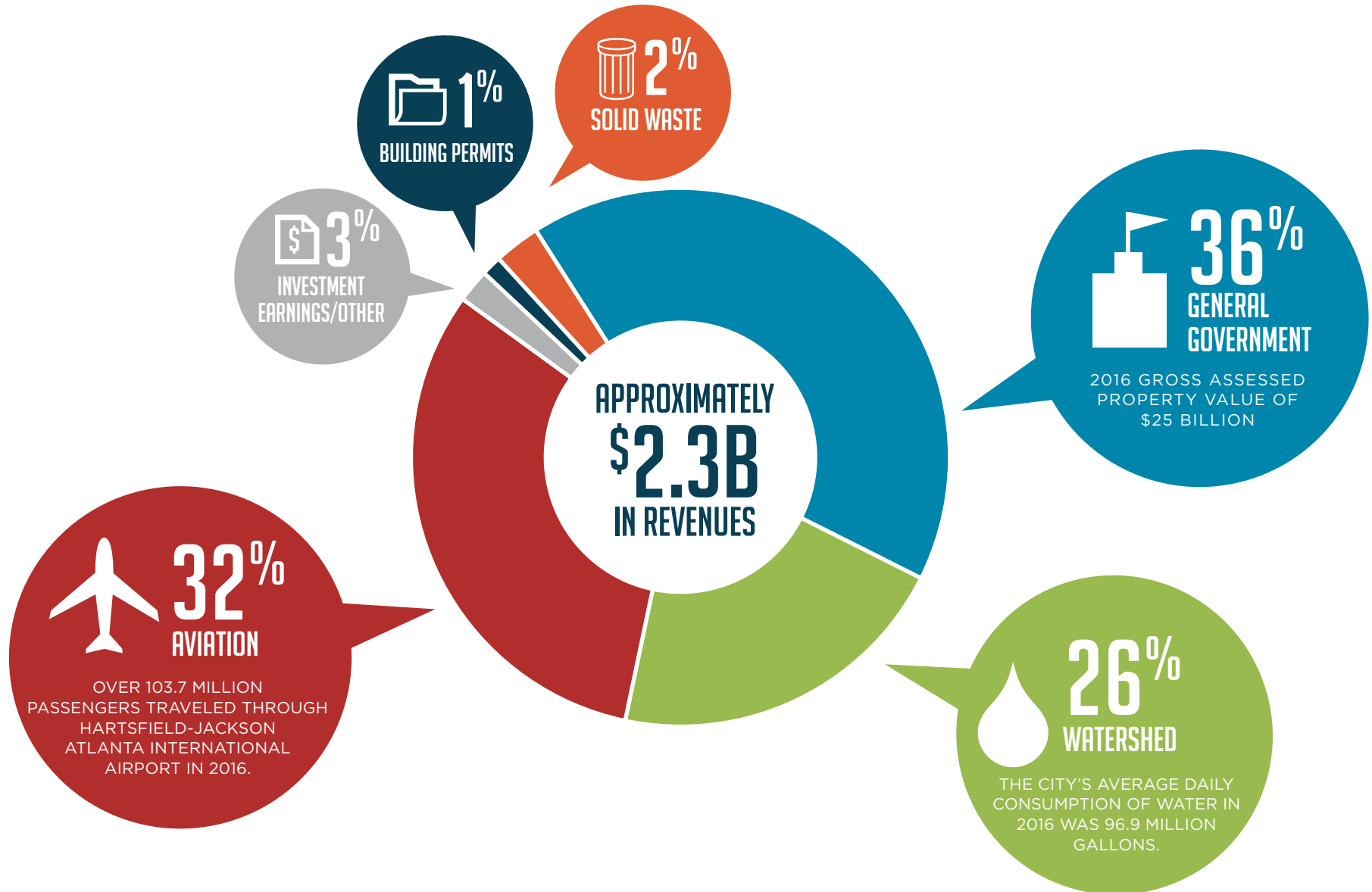


CITY FINANCES



REVENUES

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2016 PAFR



REVENUES AND EXPENSES



STATEMENT OF CHANGES IN NET POSITION AS OF JUNE 30, 2016 (IN THOUSANDS)

	Governmental Activities	Business-type Activities	Total 2016	Total 2015
REVENUES				
Program Revenues	\$218,742	\$1,303,751	\$1,522,493	\$1,575,530
General Revenues	755,598	42,020	797,618	743,307
Total Revenues	974,340	1,345,771	2,320,111	2,318,837
EXPENSES				
General Government	308,606	-	308,606	472,818
Public Safety	334,147	-	334,147	318,163
Water & Wastewater System	-	450,896	450,896	443,300
Department of Aviation	-	640,793	640,793	628,824
Sanitation	-	61,471	61,471	59,732
Other	192,994	27,004	219,998	190,846
Total Expenses	835,747	1,180,164	2,015,911	2,113,683
Increase in Net Position before transfers	138,593	165,607	304,200	205,154
Transfers in (out)	(116,023)	116,023	-	-
Increase (decrease) in Net Position	22,570	281,630	304,200	205,154
Net Position, Beginning of Period	(524,366)	7,193,817	6,669,451	6,464,297
Net Position, End of Period	\$(501,796)	\$7,475,447	\$6,973,651	\$6,669,451

The City's financial activities in total are made up of two broad classifications: governmental and business-type activities. Additionally, there are two main sources of Revenue for the City: Program Revenues and General Revenues. Program Revenues include charges for services and General Revenues include property and sales taxes. Revenue for the City in FY2016 totaled \$2.3B, an increase of \$1.2M or 0.055% compared to FY2015. Total expenses for the City were \$2.02B in FY2016, a decrease of \$0.097B or 4.8% compared to FY2015.

NET POSITION

STATEMENT OF NET POSITION AS OF JUNE 30, 2016 (IN THOUSANDS)

	Governmental Activities	Business-type Activities	Total 2016	Total 2015
Current Assets	\$925,669	\$3,806,993	\$4,732,662	\$4,432,551
Capital Assets, net of Depreciation	1,115,706	10,913,919	12,029,625	11,957,253
Deferred Outflows of Resources	127,342	341,104	468,446	419,716
Total Assets and Deferred Outflows	2,168,717	15,062,016	17,230,733	16,809,520
Current Liabilities	182,960	480,929	663,889	651,172
Non-Current Liabilities	2,390,998	7,070,036	9,461,034	9,241,162
Deferred Inflows of Resources	96,555	35,604	132,159	247,735
Total Liabilities and Deferred Inflows	2,670,513	7,586,569	10,257,082	10,140,069
Net Investment in Capital Assets	6,564	5,380,368	5,386,932	4,882,132
Restricted Net Position	638,322	1,042,955	1,681,277	1,680,355
Unrestricted Net Position	(1,146,682)	1,052,124	(94,558)	106,964
Net Position, End of Period	\$(501,796)	\$7,475,447	\$6,973,651	\$6,669,451

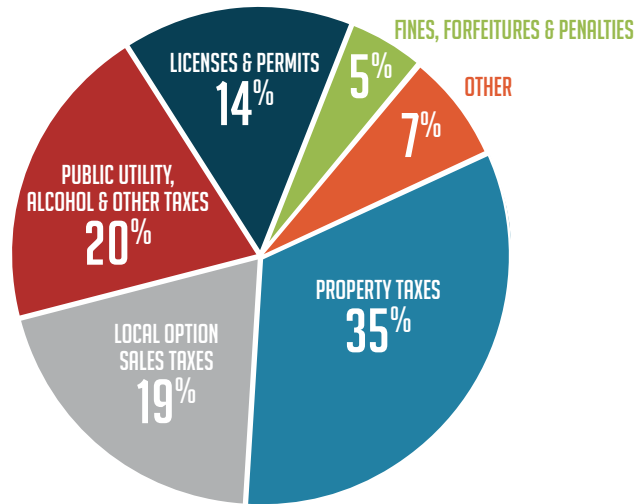
The Statement of Net Position presents information on all of the City's assets and liabilities, deferred outflows, and deferred inflows with the difference between the above reported as Net Position. Net Position is the difference between what the City owns and what the City owes. Positive net position balances indicate a measure of financial stability. The City's net position increased from \$6.67B in FY2015 to \$6.97B in FY2016.

The City's financial activities also include Component Units which are legally separate organizations 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.



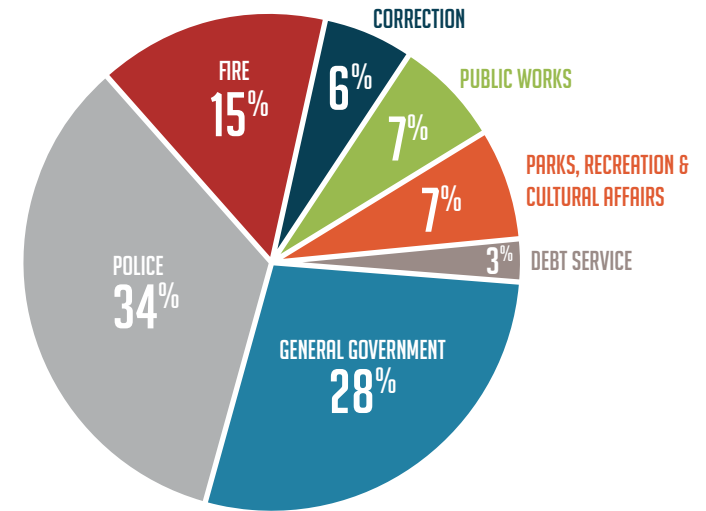
GENERAL FUND

WHERE THE MONEY COMES FROM



Total Revenue \$548M

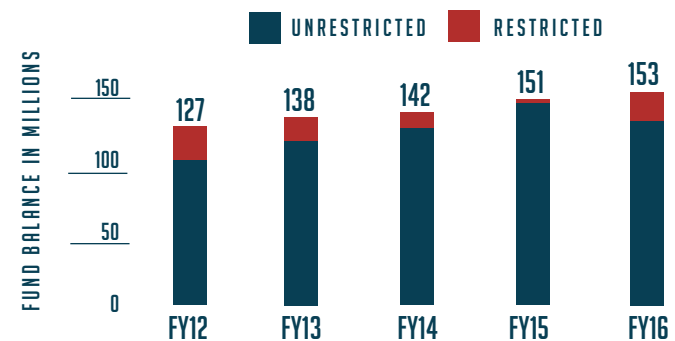
WHERE THE MONEY GOES



Total Expenses \$546M

TOTAL FUND BALANCE FOR FY16 IS \$153M, THE HIGHEST IN THE LAST 10 YEARS.
 THIS INCLUDES \$137M IN UNRESTRICTED AND \$16M IN RESTRICTED FUND BALANCE

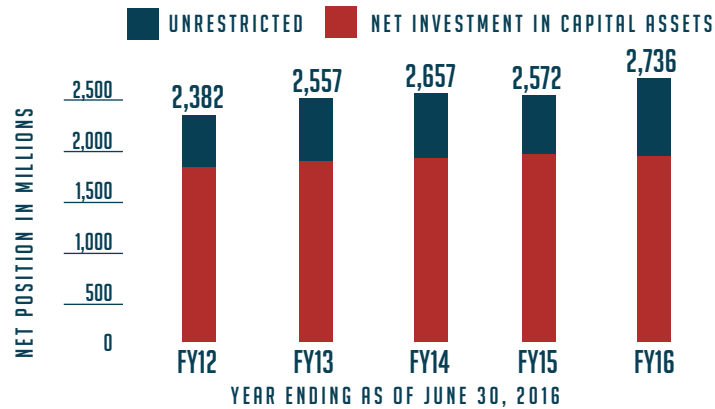
GENERAL FUND - FUND BALANCE



YEAR ENDING AS OF JUNE 30, 2016

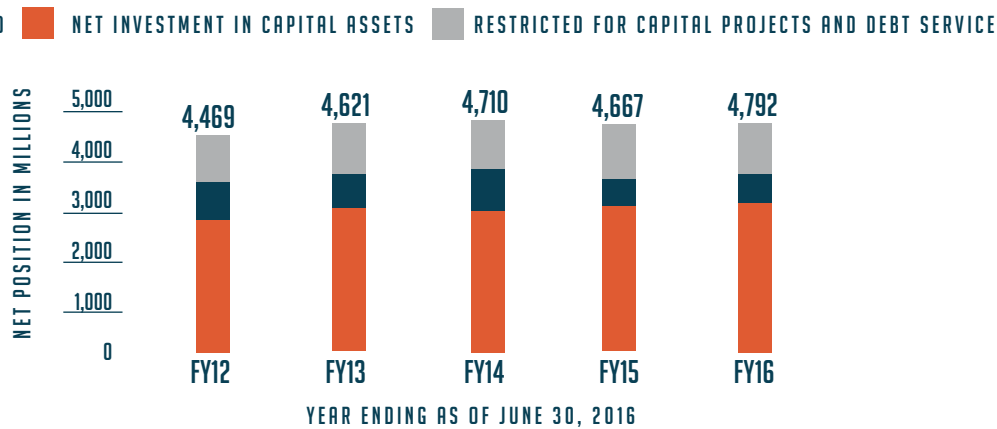
DEPARTMENT OF WATERSHED MANAGEMENT - NET POSITION

FY16 Net Position for Watershed includes 72% in Net Investments in Capital Assets while 28% is Unrestricted.



DEPARTMENT OF AVIATION - NET POSITION

FY16 Net Position for Aviation includes 67% Net Investments, 22% Restricted, and 12% Unrestricted.



DEBT

LONG-TERM DEBT (IN THOUSANDS)	Governmental Activities 30-Jun-16	Business-type Activities 30-Jun-16	Total As of 30-Jun-16	Total As of 30-Jun-15
General Obligation and Annual Bonds	\$357,955	\$-	\$357,955	\$395,890
Premium on Bonds	37,668	-	37,668	41,222
Certificate of Participation	32,160	-	32,160	-
Deferred Issuance Premiums	4,729	-	4,729	-
SWMA Revenue Refunding Bonds	10,980	-	10,980	12,530
Limited Obligation Bonds	471,830	-	471,830	499,855
Premium on Bonds	6,532	-	6,532	906
Section 108 Loans	930	-	930	1,175
Other General Long-term Obligations	62,829	-	62,829	57,639
Intergovernmental Agreements-AHOI	343,455	-	343,455	350,468
Notes Payable	4,016	-	4,016	5,892
Water and Wastewater Revenue Bonds	-	2,814,455	2,814,455	2,870,765
Premium On Bonds	-	209,685	209,685	207,886
GEFA Notes Payable	-	168,222	168,222	168,843
Airport Facilities Revenue Bonds	-	2,702,125	2,702,125	2,818,210
Bond Issuance Premiums	-	143,436	143,436	160,707
Bond Anticipation Notes	-	300,000	300,000	-
City Plaza	-	9,465	9,465	-
Deferred Issuance Premiums	-	1,215	1,215	-
Capital Leases	19,261	21,203	40,464	82,048
Total	\$1,352,345	\$6,369,806	\$7,722,151	\$7,674,036

\$7.72 BILLION
THE CITY'S LONG-TERM
DEBT, INCLUDING CAPITAL
LEASES, AT JUNE 30, 2016.
A NET INCREASE OF \$48
MILLION OR 0.6%
FROM PRIOR YEAR'S
BALANCE OF \$7.67 BILLION.

ASSETS

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2016 PAFR

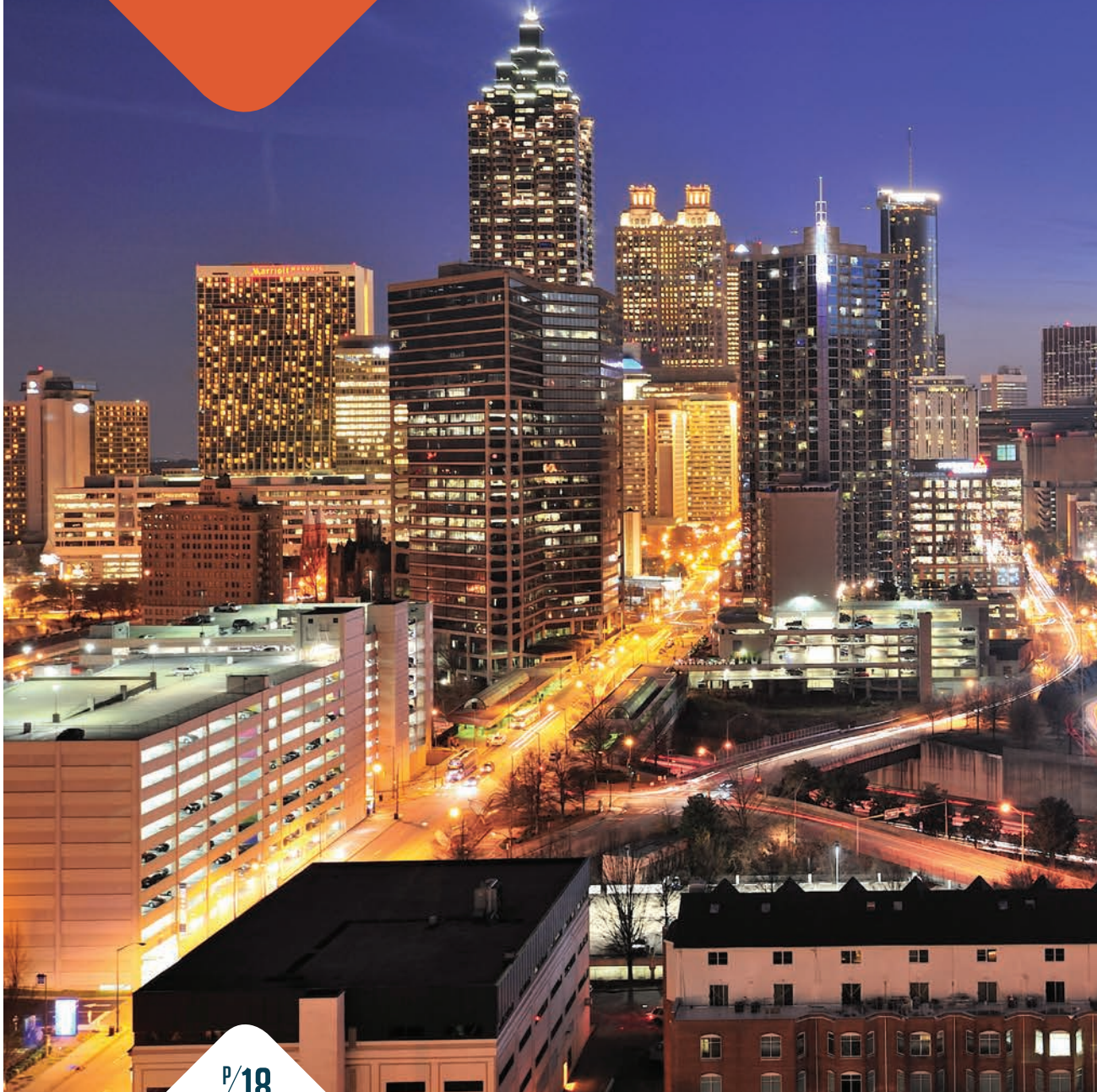
CAPITAL ASSETS (IN THOUSANDS)	Governmental Activities 30-Jun-16	Business-type Activities 30-Jun-16	Total As of 30-Jun-16	Total As of 30-Jun-15
Land	\$207,754	\$1,008,118	\$1,215,872	\$1,210,507
Land Improvements	21,154	1,901,590	1,922,744	1,939,611
Buildings & Building Improvements	377,578	6,890,804	7,268,382	7,264,187
Other Property & Equipment	82,904	195,507	278,411	270,328
Infrastructure	358,927	-	358,927	368,642
Construction In Progress	67,389	917,900	985,289	903,978
Total	\$1,115,706	\$10,913,919	\$12,029,625	\$11,957,253

CITY OF ATLANTA MUNICIPAL BOND RATINGS	Moody's Investor Services	Standard & Poor's	Fitch
General Obligation Bonds	Aa1	AA+	AA+
Water & Wastewater Revenue Bonds	Aa3	AA-	A+
Hartsfield-Jackson Atlanta International Airport Revenue Bonds	Aa3	AA-	A+

In Fiscal Year 2016, GO bonds received ratings upgrades from AA to AA+ by S&P and Moody's and the Airport portfolios were upgraded from A+ to AA- by S&P. This was due to marked improvements in Atlanta's fiscal health, expenditure reductions, pension reform, formalized fiscal policies and practices, and good debt service coverage and stable enplanement demand.

CITY

PRIORITIES &
ACCOMPLISHMENTS



THE REED COMMITMENT

A SAFE CITY
PUBLIC SAFETY

A FINANCIALLY STRONG CITY
FISCAL ACCOUNTABILITY AND
EFFICIENT GOVERNMENT

A CARING CITY
CENTERS OF HOPE AND
THE MAYOR'S YOUTH PROGRAM

A WORLD CLASS CITY
BUSINESS GROWTH,
TOURISM AND CONVENTIONS

A LEADING CITY
TRANSPORTATION,
SUSTAINABILITY AND GREENSPACE

CITY PRIORITIES AND ACCOMPLISHMENTS

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2016 PAFR

PUBLIC SAFETY

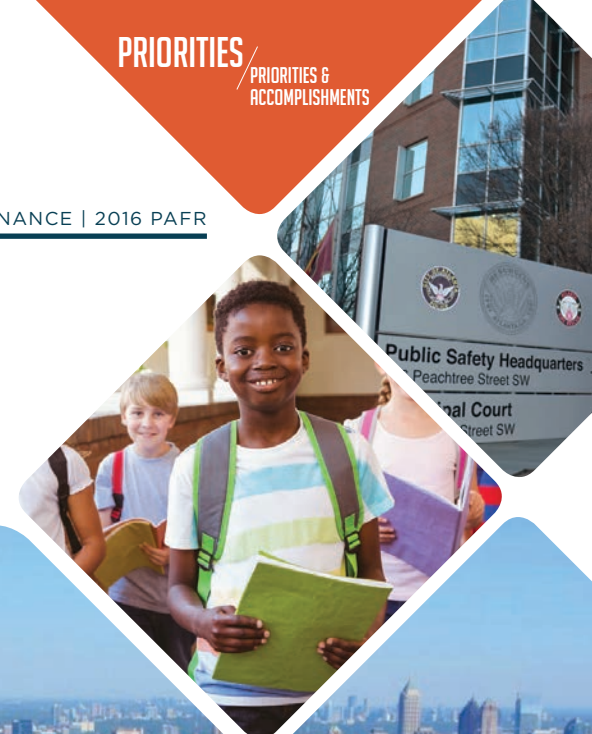
- Continue reduction in crime rate, with a goal of 25% reduction in crime during Mayor Reed's two terms in office
- Leverage strategic partnerships (e.g. - General Electric) to continue improving public safety capabilities
- Roll out the first phase of Electronic Citation Devices (eCitation) to the APD's Motorcycle Unit

HUMAN CAPITAL & 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
- Thirty-six recreation centers opened as of March 2016 and enrollment in afterschool programs has more than tripled in the City of Atlanta
- Focus on increasing graduate retention rates from local institutions of higher education

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



CITY PRIORITIES AND ACCOMPLISHMENTS



ECONOMIC DEVELOPMENT

- Maintain #1 global passenger ranking and deliver positive passenger volume growth
- Increase venture capital and startup activity in and around the City
- Westside and downtown development, and Fort McPherson
- Sustainability was a major priority and the City made incredible progress in areas such as Electric cars, Climate, Commercial Building Energy Efficiency, Green spaces and Agriculture

EXCELLENCE & EFFICIENCY

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



GLOSSARY OF TERMS

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2016 PAFR

AHOI

Atlanta Housing Opportunity, Inc.

APSJFA

Atlanta Public Safety and Judicial Facilities Authority

ASSETS

What the City owns.

BUSINESS-TYPE ACTIVITIES

Activities financed through fees charged to external parties. Includes Hartsfield-Jackson International Airport, the Department of Watershed Management, Sanitation, and other non-major business-type activities, including Underground Atlanta.

CIP

Construction-In-Progress

COMPONENT UNITS

Legally separate organizations for which the City is financially accountable. Includes the Atlanta Development Authority (Invest Atlanta), Atlanta Housing Opportunity Inc., The Atlanta Fulton County Recreation Authority and the Atlanta Urban Redevelopment Agency (AURA).

DEFERRED INFLOW OF RESOURCES

An acquisition of net position by the government that is applicable to a future reporting period.

DEFERRED OUTFLOW OF RESOURCES

A consumption of net position by the government that is applicable to a future reporting period.

DOA

Department of Aviation

DWM

Department of Watershed Management

GEFA

Georgia Environmental Finance Authority

GENERAL REVENUES

General Revenues includes property and sales taxes. This is the primary form of funding for governmental funds.

GOVERNMENTAL ACTIVITIES

Activities generally financed through taxes and intergovernmental revenues. Includes primary governmental functions like public safety, public works, parks and recreation, and general government.

LIABILITIES

What the City owes.

NET POSITION

Difference between assets and liabilities.

PROGRAM REVENUES

Program Revenues represents the City's main source of funding (inflow of assets) and is made up mostly of charges for services (both governmental and business-type activities), but also includes operating and capital grants (state or federal).

SWMA

Solid Waste Management Authority

COMMENTS AND QUESTIONS

THE DEPARTMENT OF FINANCE IS COMMITTED TO ACCOMPLISHING THE MAYOR'S PRIORITIES AND PROVIDING CLEAR AND TRANSPARENT REPORTING OF THE CITY'S FINANCIAL ACTIVITIES. WE HOPE THIS REPORT HAS BEEN HELPFUL IN PROVIDING A BRIEF OVERVIEW OF THE CITY AND ITS FINANCES. QUESTIONS CONCERNING ANY OF THE INFORMATION PROVIDED IN THIS REPORT OR REQUESTS FOR ADDITIONAL FINANCIAL INFORMATION SHOULD BE ADDRESSED TO:

CITY OF ATLANTA DEPARTMENT OF FINANCE
ATTENTION: CHIEF FINANCIAL OFFICER
11100 CITY HALL TOWER
68 MITCHELL ST., SW
ATLANTA, GEORGIA 30303





KASIM REED
Mayor

DANIEL L. GORDON
CHIEF OPERATING OFFICER

J. ANTHONY BEARD
CHIEF FINANCIAL OFFICER

CANDACE L. BYRD
CHIEF OF STAFF

CATHY HAMPTON
CITY ATTORNEY

MEMBERS OF CITY COUNCIL

CEASAR MITCHELL
ATLANTA CITY COUNCIL, PRESIDENT

CARLA SMITH
DISTRICT 1

CLETA WINSLOW
DISTRICT 4

HOWARD SHOOK
DISTRICT 7

C.T. MARTIN
DISTRICT 10

MICHAEL JULIAN BOND
POST 1 AT-LARGE

KWANZA HALL
DISTRICT 2

**NATALYN MOSBY
ARCHIBONG**
DISTRICT 5

YOLANDA ADREAN
DISTRICT 8

KEISHA LANCE BOTTOMS
DISTRICT 11

MARY NORWOOD
POST 2 AT-LARGE

RHONDA DAUPHIN-JOHNSON
MUNICIPAL CLERK

IVORY LEE YOUNG, JR.
DISTRICT 3

ALEX WAN
DISTRICT 6

FELICIA MOORE
DISTRICT 9

JOYCE M. SHEPERD
DISTRICT 12

ANDRE DICKENS
POST 3 AT-LARGE