

2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2017



CITY OF ATLANTA, GA
MAYOR KASIM REED



THE CITY OF ATLANTA, GEORGIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended June 30, 2017

Kasim Reed
Mayor

J. Anthony Beard
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017

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Introductory Section



CITY OF ATLANTA

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

TEL (404) 330-6100

Kasim Reed
MAYOR

J. Anthony Beard
CHIEF FINANCIAL OFFICER

December 22, 2017

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, 2017. 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 government 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 accurate in all material respects.

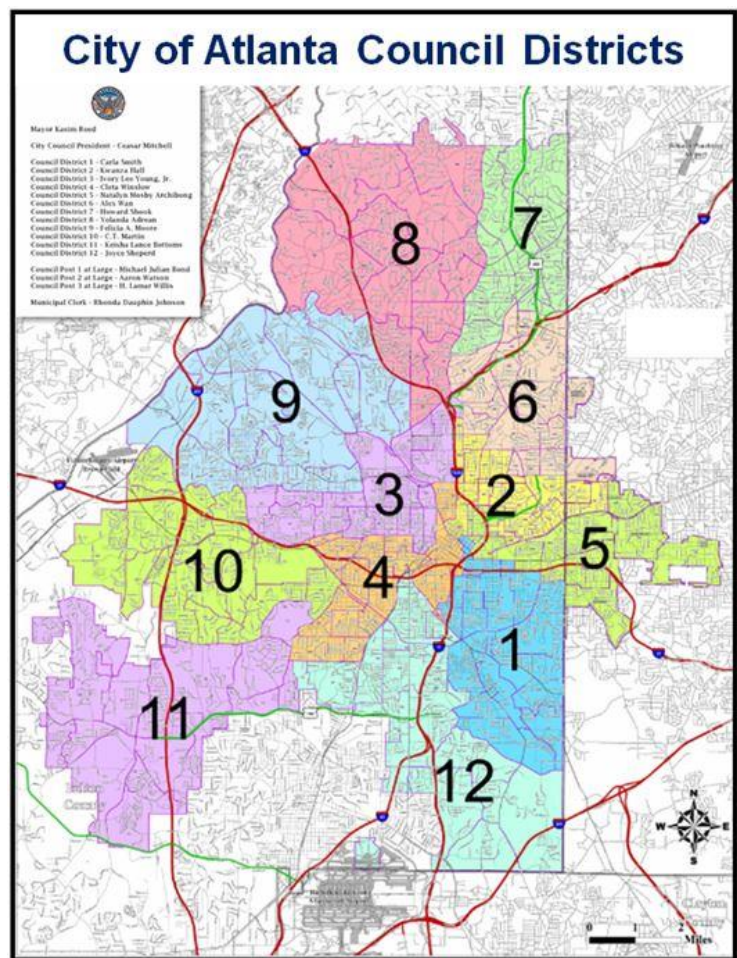
The City’s financial statements have been audited by *KPMG, LLP*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2017 are free of material misstatements. An audit involves performing procedures to obtain audit 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, 2017, 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

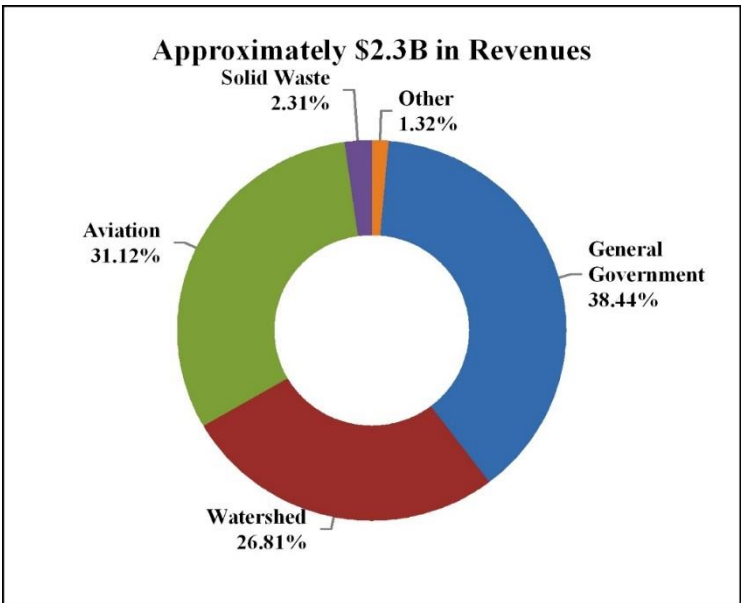


ordinances of the City, for overseeing the day-to-day operations of the City and for appointing and directing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve four-year terms, as does the Mayor. The Mayor is limited to two consecutive terms. 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.



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, 2017, 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

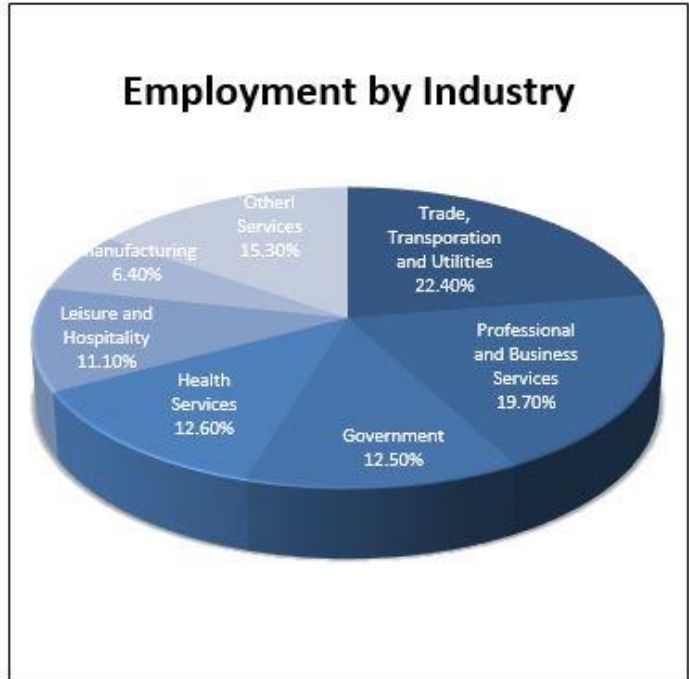
To promote economic development in undeveloped or underdeveloped areas, the City utilizes its redevelopment agent, the Atlanta Development Authority which does business as Invest Atlanta. Invest Atlanta spearheads diverse policies and activities which support increased private investment and job growth. Invest Atlanta also issues limited obligation Tax Allocation District ("TAD") bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City, but are secured solely by and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD that exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station mixed-use development and the opening of the world's largest Aquarium were products of TAD bonds and further strengthen the City's core business districts. The Atlanta Beltline TAD has created over 30,000 permanent jobs and 48,000 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. As of 2016, the Atlanta Beltline consists of four open trails, two trails under construction, seven parks, intensive planning for modern streetcar expansion, more than \$3 billion in private economic redevelopment, hundreds of affordable workforce homes, free fitness classes, a linear arboretum, an urban farm, and the largest temporary public art exhibition in the south. The Department of Planning and Community Development (DPCD) manages construction and development activity throughout the City of Atlanta. During fiscal year 2016, the City issued 8,414 permits worth over \$3.5 billion in new construction.

LOCAL ECONOMY

As of 2016, Atlanta had a gross domestic product of approximately \$363 billion which ranks it 10th in the nation. Major improvements at Atlanta Hartsfield-Jackson International Airport bode well for Atlanta's growth, especially the new international terminal. The airport is the world's busiest for passenger traffic

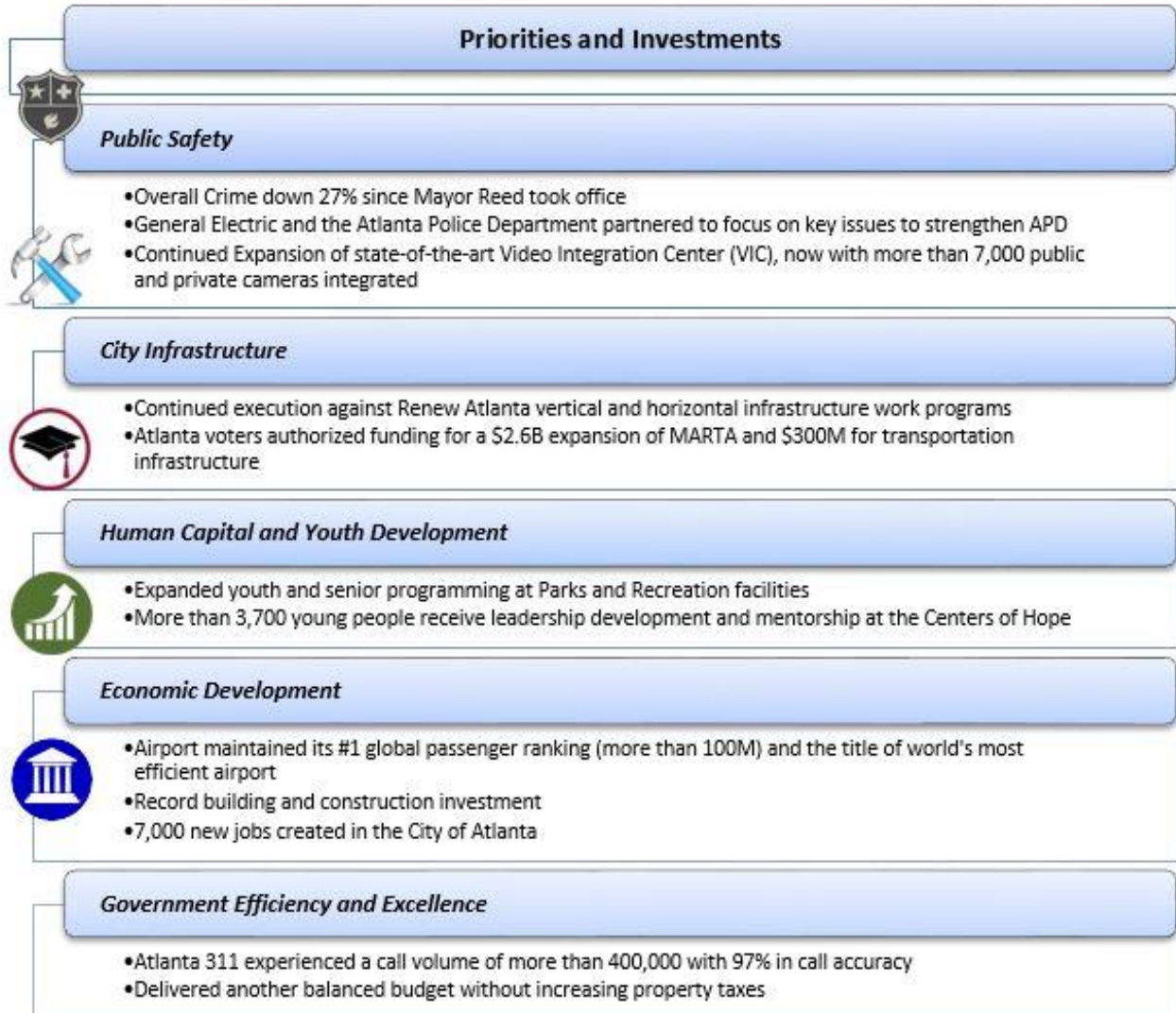
and is the number one high-tech airport in the nation. It has excellent access to mass transit. The airport makes the Atlanta area an ideal location to operate corporate headquarters due to its large number of direct domestic and international flights. Multi-state and multi-national companies based in Atlanta are flying executives and salespeople everywhere almost every day. The airport also makes Atlanta an excellent hub from which to manage operations or provide business services to a geographically disperse client base.

The City has a strong economic base grounded in a diverse set of industries. Substantial concentrations of employers in trade, transportation and utilities, professional and business services, education, health services, government, leisure and hospitality, manufacturing, and finance, provide high paying jobs and a relatively reliable tax revenue base. Over the last 10 years, the largest growth sectors in the City have been education and healthcare, followed by the leisure and hospitality industries. Atlanta was recently ranked 10th in the county 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



The safety of Atlanta's residents and visitors remains a top priority for the City. Overall, crime in Atlanta is down 33% compared to 2009, and the City continues to strive to maintain an active police force of 2000 officers. The Atlanta Fire and Rescue Department (AFR) recently conducted an extensive study researching the different types of fire station structures and layouts in an effort to improve turnout time. Since the implementation of recommendations from the study, firefighters were able to reduce their turnout time by 34% for EMS calls and 37% for Fire calls in March 2017 compared to the previous year. In August 2016, Mayor Reed announced General Electric partnership with Atlanta Police Department to focus on developing public-safety strategies and a best-in-class policing model through the use of data analysis and training to address some of the complex challenges in policing. Since January 2016, Department of Correction (DOC) officers have had daily responsibility for detainee transportation in Police Zones 1, 2, 4, and 5, and for out-of-jurisdiction transports. More than 5,000 transports have been completed by DOC, freeing up an estimated 8,000 hours for police to focus their resources on crime prevention within the City of Atlanta.

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. Over the past year, the City partnered with Vision Fleet to implement a pilot project of 60 electric vehicles. These vehicles help provide a cost savings to the City of approximately \$60K annually in fuel, operation and maintenance. Electric vehicles decrease operations and maintenance costs, support Atlanta's greenhouse (GHG) target of 20% reduction by 2020, and support Atlanta's overall sustainability strategy.

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 made a great deal of progress on a wide variety of infrastructure projects including repairing roads and bridges, building more than 30 miles of complete street projects and bicycle lanes, and creating a synchronized system for Atlanta's traffic signals for the first time. The City has more than \$169 million under contract, covering 460 active projects and 140 completed projects.

At the close of fiscal year 2017, the City's general fund showed a surplus for the 8th consecutive year and the unrestricted fund balance is over 30% of total expenditures. The Standard & Poor's rating service, Moody's Investors service and Fitch ratings have all upgraded the City of Atlanta's general obligation debt over the last 8 years. In June 2017, Moody's Investors Service upgraded the City of Atlanta's Water and Wastewater Revenue Bonds. 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 for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. 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. 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 (PAFR) for the fiscal year ended

June 30, 2016. 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 2016. 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.

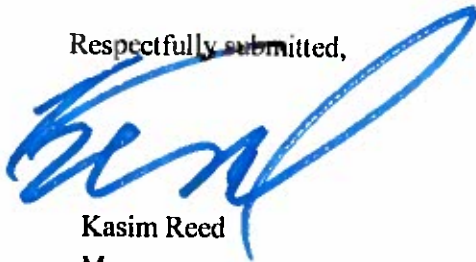
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| OTHER INFORMATION |
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Acknowledgements

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, 2016

Executive Director/CEO

Atlanta City Council Member

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



Cieta 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



Caesar C. Mitchell
Atlanta City Council, President



CITY OFFICIALS



Kasim Reed
Mayor

Daniel L. Gordon
Chief Operating Officer

Candace L. Byrd
Chief of Staff

J. Anthony Beard
Chief Financial Officer

Jeremy Berry
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 | Calvin S. Graves <i>Chief Judge</i> |
| PUBLIC DEFENDER | Rosalie M. Joy <i>Interim Public Defender</i> |
| SOLICITOR | Raines F. Carter <i>Solicitor</i> |

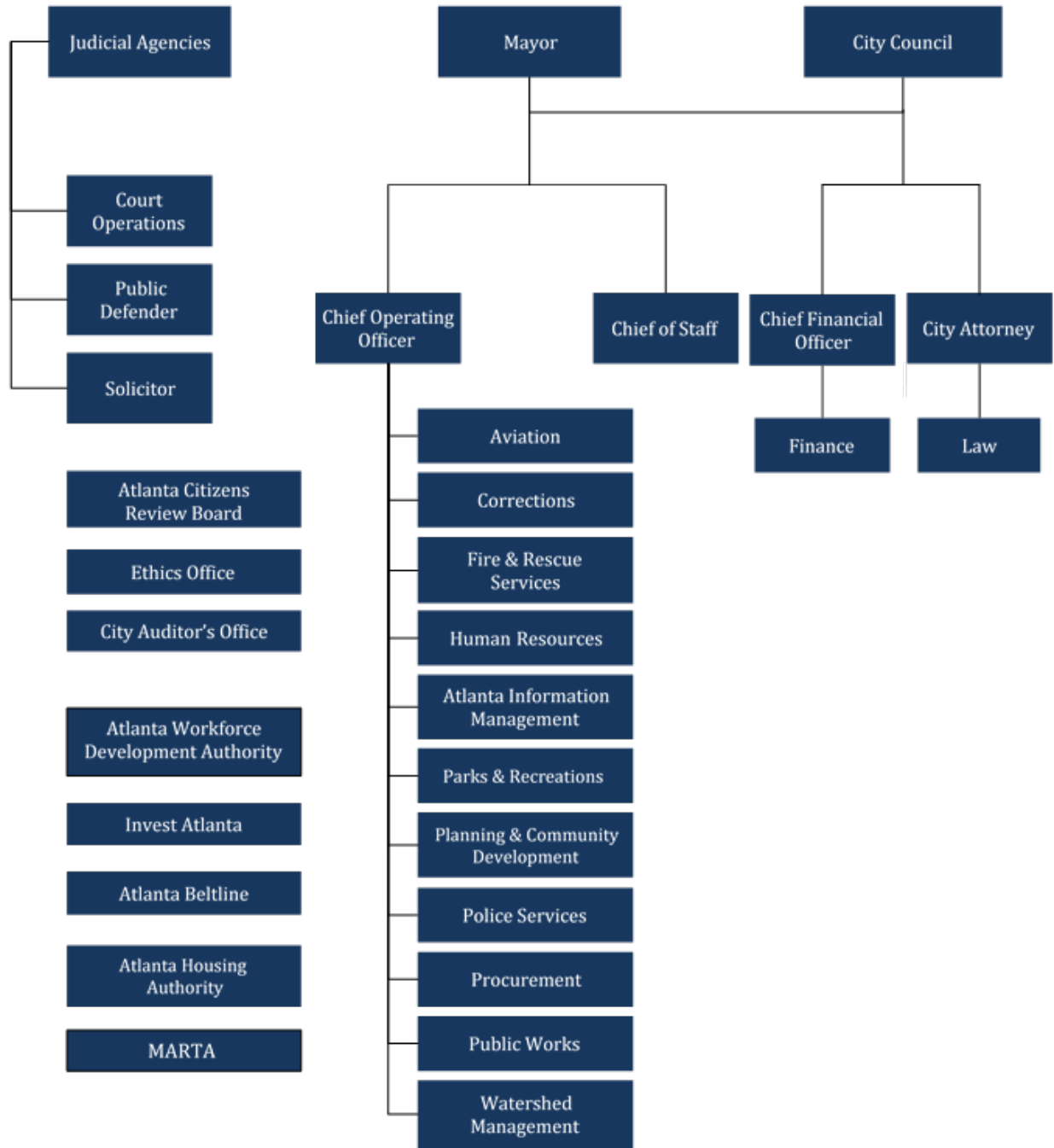
BOARD OFFICERS

| | |
|----------------------------------|--|
| ATLANTA CITIZENS REVIEW DIRECTOR | Samuel Reid <i>Executive Director</i> |
| ETHICS OFFICER | Jabu M. Sengova <i>Associate Ethics Officer</i> |
| CITY AUDITOR | Amanda Noble <i>City Auditor</i> |

DEPARTMENT OFFICERS

| | |
|----------------------------------|---|
| AVIATION | Roosevelt Council, Jr. <i>General Manager</i> |
| CORRECTIONS | Patrick Labat <i>Corrections Chief</i> |
| FINANCE | J. Anthony Beard <i>Chief Financial Officer</i> |
| FIRE & RESCUE SERVICES | Joel Baker <i>Fire Chief</i> |
| HUMAN RESOURCES | Yvonne Yancy <i>Commissioner</i> |
| INFORMATION TECHNOLOGY | Samir Saini <i>Chief Information Officer</i> |
| LAW | Cathy Hampton <i>City Attorney</i> |
| PARKS & RECREATION | Amy Phuong <i>Commissioner</i> |
| PLANNING & COMMUNITY DEVELOPMENT | Tim Keane <i>Commissioner</i> |
| POLICE SERVICES | Erika Shields <i>Police Chief</i> |
| PROCUREMENT | Susan Garrett <i>Interim Chief Procurement Officer</i> |
| PUBLIC WORKS | William M. Johnson <i>Commissioner</i> |
| WATERSHED MANAGEMENT | Kishia L. Powell <i>Commissioner</i> |

City Organization 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, 2017, 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, 2017, 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.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4-20, 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 on pages 134-146 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

December 22, 2017

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

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, 2017, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the fiscal year ended June 30, 2017 with the fiscal year ended June 30, 2016. 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 and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of fiscal year 2017 by \$7.1 billion as compared to \$7.0 billion at the close of fiscal year 2016. This amount represents the City's Net Position. Net Position is the difference between what the City owns and what the City owes.
- The City's total net position increased by \$132.5 million or 1.9% compared to fiscal year 2016; a decrease of \$37.1 million from governmental activities and an increase of \$169.5 million from business-type activities. The increase in net position was mainly contributed by an increase in net investment in capital assets of \$403.5 million, an increase in restricted net position of \$133 million offset by a decrease in unrestricted net position of \$404 million.
- As of the close of fiscal year 2017, the City's governmental funds reported combined ending fund balances of \$925.7 million. The overall General Fund balance increased 30.6% to \$200.1 million. The increase was mainly due to the consolidation of the Building Permit Fund into General Fund at the beginning of fiscal year 2017.
- The City's long-term debt, including capital leases, at June 30, 2017 totaled \$7.6 billion, a net decrease of \$102.7 million or 1.33%. The decrease was mainly due to debt service payments made during fiscal year 2017.

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.,

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

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.

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), both of which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government. The Atlanta Housing Opportunity, Inc. is presented as a component unit, however their financial statements are blended with the primary government. Other blended component units of the City include 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-eight individual governmental funds within the generic fund types. Information is presented separately in the governmental fund balance sheet and in the

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

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-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in page 149 in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget in the Required Supplementary Information section of this report. The governmental funds financial statements immediately follow the government-wide financial statements.

The City has a formal fund balance policy applicable to governmental funds included in its Charter. The policy defines fund balance categories consistent with Governmental Accounting Standards Board Statement (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 a fund used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and operation of its fleet of vehicles and its group insurance fund for employees and retirees. Because these services benefit both governmental and business-type functions, the net position and change in net position is impacted through the allocation of services, based upon usage, between governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the Department of Watershed Management and the Department of Aviation, which are considered to be major funds of the City. Conversely, both internal service funds, namely Fleet Service Fund and Group Insurance Fund, are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements presented on page 178* 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

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2017**

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

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements in this report.

Other information - In addition to the basic financial statements, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide post-employment benefits to its employees; the changes in net pension liability, the employer contributions, and the investment returns for The General Employees' Pension Plan, Firefighters' Pension Plan, Police Officers' Pension Plan, 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 136 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 \$7.1 billion at the close of the year ended June 30, 2017. 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, 2017 and June 30, 2016 (in thousands):

| | Government Activities | | Business-type Activities | | Total Primary Government Total | |
|---|-----------------------|---------------------|--------------------------|---------------------|--------------------------------|---------------------|
| | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 |
| Current and other Assets | \$ 1,091,543 | \$ 925,669 | \$ 3,765,249 | \$ 3,806,993 | \$ 4,856,792 | \$ 4,732,662 |
| Capital assets, net of depreciation | 1,042,996 | 1,115,706 | 11,211,876 | 10,913,919 | 12,254,872 | 12,029,625 |
| Total assets | <u>2,134,539</u> | <u>2,041,375</u> | <u>14,977,125</u> | <u>14,720,912</u> | <u>17,111,664</u> | <u>16,762,287</u> |
| Deferred outflows of resources | 236,372 | 127,342 | 330,707 | 341,104 | 567,079 | 468,446 |
| Total assets and deferred outflows of resources | <u>2,370,911</u> | <u>2,168,717</u> | <u>15,307,832</u> | <u>15,062,016</u> | <u>17,678,743</u> | <u>17,230,733</u> |
| Long-term liabilities | | | | | | |
| Current | 231,176 | 182,960 | 775,977 | 480,929 | 1,007,153 | 663,889 |
| Non-current | 2,586,686 | 2,390,998 | 6,872,312 | 7,070,036 | 9,458,998 | 9,461,034 |
| Total Liabilities | <u>2,817,862</u> | <u>2,573,958</u> | <u>7,648,289</u> | <u>7,550,965</u> | <u>10,466,151</u> | <u>10,124,923</u> |
| Deferred inflows of resources | 91,929 | 96,555 | 14,561 | 35,604 | 106,490 | 132,159 |
| Total Liabilities and deferred inflows of resources | <u>2,909,791</u> | <u>2,670,513</u> | <u>7,662,850</u> | <u>7,586,569</u> | <u>10,572,641</u> | <u>10,257,082</u> |
| Net Position | | | | | | |
| Net investment in capital assets, net of related debt | 86,340 | 6,564 | 5,687,008 | 5,380,368 | 5,773,348 | 5,386,932 |
| Restricted | 744,874 | 638,322 | 1,069,578 | 1,042,955 | 1,814,452 | 1,681,277 |
| Unrestricted | <u>(1,370,094)</u> | <u>(1,146,682)</u> | <u>888,396</u> | <u>1,052,124</u> | <u>(481,698)</u> | <u>(94,558)</u> |
| Total Net Position | <u>\$ (538,880)</u> | <u>\$ (501,796)</u> | <u>\$ 7,644,982</u> | <u>\$ 7,475,447</u> | <u>\$ 7,106,102</u> | <u>\$ 6,973,651</u> |

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

By far the largest portion of the City's net position, \$5.8 billion (81%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debts and deferred inflows of resources used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt and deferred inflows of resources, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$1.8 billion (25.5%) represents resources that are subject to external restrictions on how they may be used.

The City reported a positive balance of \$0.9 billion in unrestricted net position for business-type activities. For governmental activities, the City reported a negative balance of \$1.4 billion in unrestricted net position, primarily due to the recording of the net pension liability. The general fund reported a positive balance of \$146.9 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.

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CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2017**

Financial Analysis - Government-wide Statements, continued

Table 2. City of Atlanta's Changes in Net Position, Year Ended June 30, 2017 and June 30, 2016 (in thousands):

| | Government Activities | | Business-type Activities | | Total Primary Government Total | |
|-----------------------------------|-----------------------|---------------------|--------------------------|---------------------|--------------------------------|---------------------|
| | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 210,933 | \$ 157,120 | \$ 1,042,843 | \$ 1,031,888 | \$ 1,253,776 | \$ 1,189,008 |
| Operating grants and | 73,217 | 61,369 | — | — | 73,217 | 61,369 |
| Capital grants and contributions | — | 253 | 266,459 | 271,863 | 266,459 | 272,116 |
| General revenues | | | | | | |
| Property taxes | 331,205 | 321,991 | — | — | 331,205 | 321,991 |
| Other taxes | 427,703 | 425,162 | — | — | 427,703 | 425,162 |
| Investment income (loss) | 1,288 | 8,445 | 5,971 | 41,775 | 7,259 | 50,220 |
| Other | — | — | 11,312 | 245 | 11,312 | 245 |
| Total revenues | <u>1,044,346</u> | <u>974,340</u> | <u>1,326,585</u> | <u>1,345,771</u> | <u>2,370,931</u> | <u>2,320,111</u> |
| Expenses: | | | | | | |
| General government: | 464,517 | 308,606 | — | — | 464,517 | 308,606 |
| Police | 226,881 | 213,198 | — | — | 226,881 | 213,198 |
| Fire | 85,527 | 86,768 | — | — | 85,527 | 86,768 |
| Corrections | 36,169 | 34,181 | — | — | 36,169 | 34,181 |
| Public Works | 130,715 | 93,719 | — | — | 130,715 | 93,719 |
| Parks, Recreation and Cultural | 64,952 | 58,589 | — | — | 64,952 | 58,589 |
| Interest on long-term debt | 38,173 | 40,686 | — | — | 38,173 | 40,686 |
| Water and Wastewater System | — | — | 471,536 | 450,896 | 471,536 | 450,896 |
| Department of Aviation | — | — | 673,027 | 640,793 | 673,027 | 640,793 |
| Sanitation | — | — | 40,148 | 61,471 | 40,148 | 61,471 |
| Other | — | — | 6,835 | 27,004 | 6,835 | 27,004 |
| Total Expenses | <u>1,046,934</u> | <u>835,747</u> | <u>1,191,546</u> | <u>1,180,164</u> | <u>2,238,480</u> | <u>2,015,911</u> |
| Change in Net Position before | (2,588) | 138,593 | 135,039 | 165,607 | 132,451 | 304,200 |
| Transfers in(out) | <u>(34,496)</u> | <u>(116,023)</u> | <u>34,496</u> | <u>116,023</u> | <u>—</u> | <u>—</u> |
| Change in Net Position | (37,084) | 22,570 | 169,535 | 281,630 | 132,451 | 304,200 |
| Net Position, Beginning 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> |
| Net Position, End of Period | <u>\$ (538,880)</u> | <u>\$ (501,796)</u> | <u>\$ 7,644,982</u> | <u>\$ 7,475,447</u> | <u>\$ 7,106,102</u> | <u>\$ 6,973,651</u> |

Revenue for the City in fiscal year 2017, which totaled approximately \$2.4 billion is flat when compared to the year 2016. Charges for services increased \$64.8 million or 5.4% for the primary government as a whole. Charges for services of governmental activities increased by \$53.8 million or 34.2%, and business-type activities charges which increased by \$11.0 million or 1.1%. 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 \$11.8 million or 19.3%, is primarily the result of increased federal funding related to multiple projects. Governmental capital grants and contributions decreased by \$0.3 million mainly due to less capital infrastructure contributions. Business-type activities capital grants and contributions decreased by \$5.4 million due to decreased Federal Aviation Administration (FAA) capital contributions at the Department of Aviation. Property taxes during fiscal year 2017 increased by \$9.2 million or 2.9%, due mainly to new construction throughout the City. Other taxes increased by \$2.5 million or 0.6% driven primarily by a \$11 million or 4.6% increase in local and municipal option sales tax offset by a \$8.4 million or 4.4% decrease in public utility franchise and alcoholic beverage taxes.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

Financial Analysis - Government-wide Statements, continued

Total expenses for the City were \$2.2 billion in fiscal year 2017, an increase of \$222.6 million or 11.0% when compared to fiscal year ended June 30, 2016. Total expenses for governmental activities, excluding transfers increased by \$211.2 million or 25.3% year-over-year. Expenses for business-type activities increased by \$11.4 million, or 1.0% compared to fiscal year 2016.

The City's Net Position increased by \$132.5 million, or 1.9% during fiscal year 2017. The net position for governmental funds decreased by \$37.1 million, or 7.4%, while the net position for business-type activities increased by \$169.5 million, or 2.3%. The decrease in governmental activities can be attributed to increased expenditures in general government activities, while the increase within business-type activities can be attributed to an increase in charges for services, capital grants and contributions, investment income and a decrease in operating transfers in fiscal year 2017.

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CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2017**

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 decreased by \$37.1 million or 7.4% during fiscal year 2017.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2017 (in thousands):

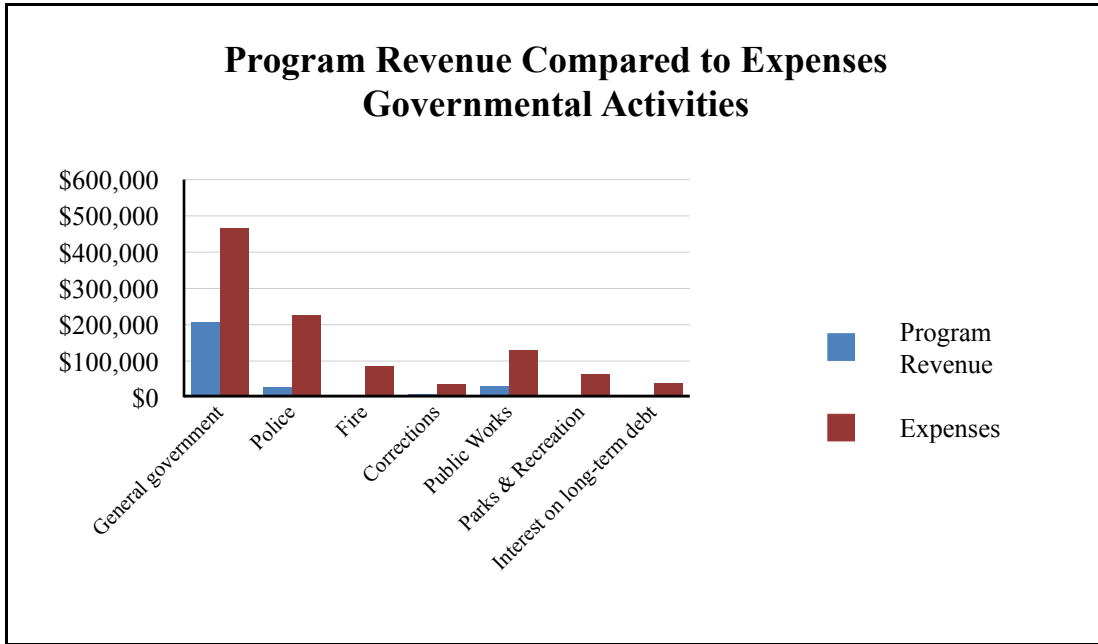
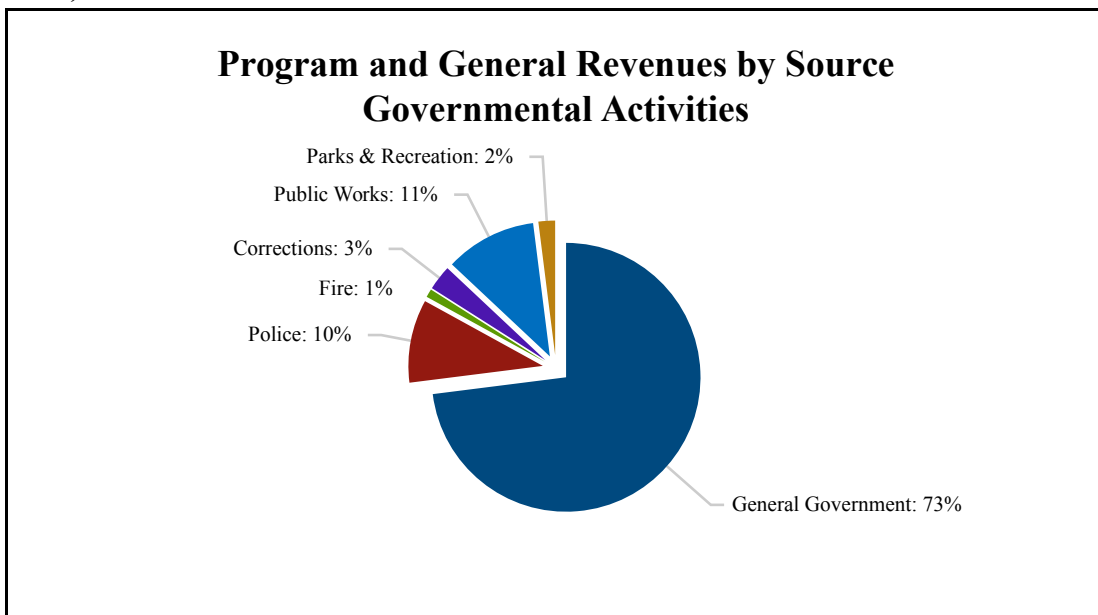


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2017 (in thousands):



CITY OF ATLANTA, GEORGIA

Management’s Discussion and Analysis (Unaudited)
June 30, 2017

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 \$169.5 million, representing growth of 2.3% over June 30, 2016. 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, 2017 (in thousands):

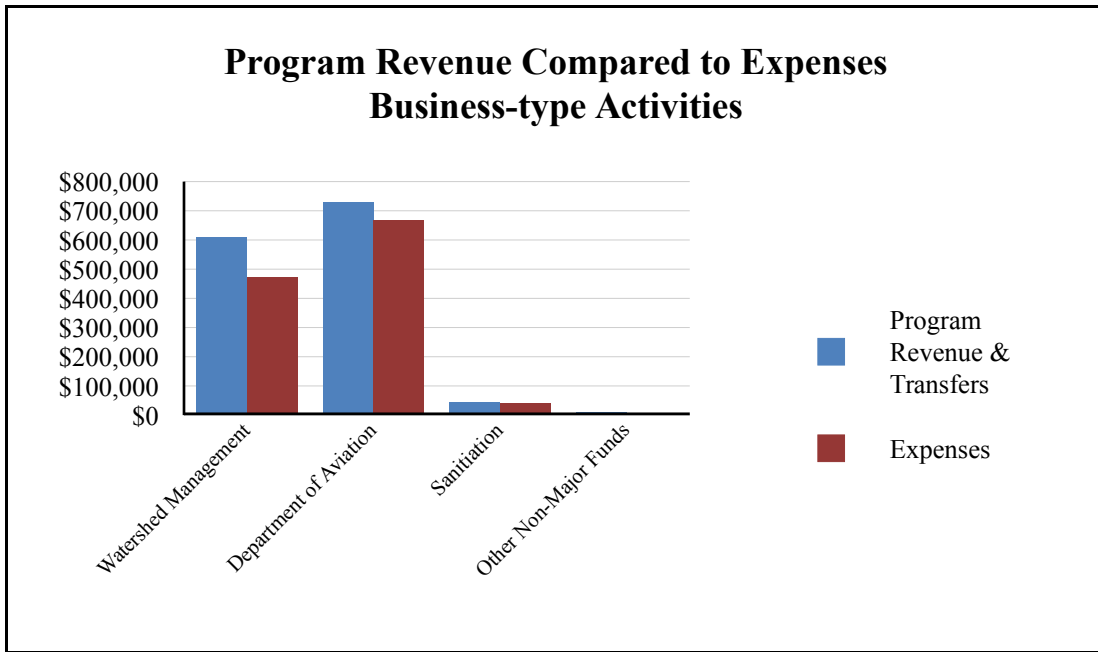
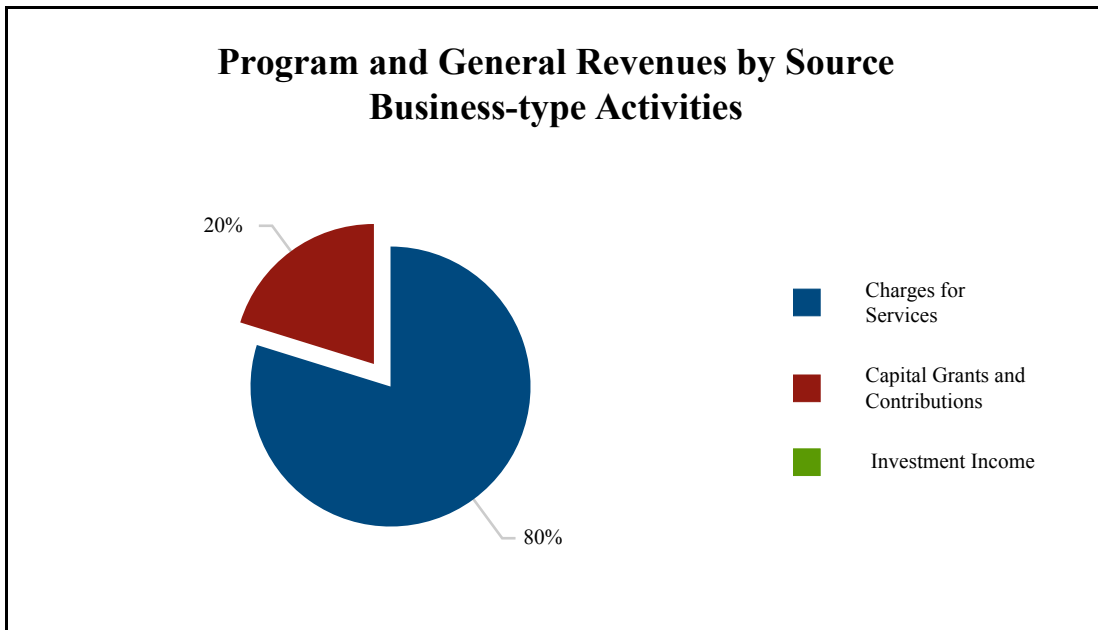


Figure 4 - Program Revenues for Business-type Activities, Year Ended June 30, 2017 (in thousands):



CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

Financial Analysis - Business-type activities, continued

Department of Watershed Management (DWM) The net position for DWM for the twelve month period ended June 30, 2017 increased by \$139.0 million or 5.1% to \$2.9 billion.

Table 3 - Department of Watershed Management Revenues and Expenses - Year Ended June 30, 2017 and June 30, 2016 (in thousands):

| | Year Ended June 30 | | Change |
|---|---------------------|---------------------|--------------------|
| | 2017 | 2016 | |
| REVENUES | | | |
| Total operating revenues | \$ 486,285 | \$ 466,929 | \$ 19,356 |
| Non-operating revenues, net | 3,910 | 15,051 | (11,141) |
| Total revenues | <u>\$ 490,195</u> | <u>\$ 481,980</u> | <u>\$ 8,215</u> |
| EXPENSES | | | |
| Total operating expenses | \$ 342,014 | \$ 324,042 | \$ 17,972 |
| Non-operating expenses | | | |
| Loss on derivitave instrument | — | — | — |
| Interest expense | 125,226 | 123,733 | 1,493 |
| Other expenses | 4,296 | 3,121 | 1,175 |
| Total expenses | <u>\$ 471,536</u> | <u>\$ 450,896</u> | <u>\$ 20,640</u> |
| Income before Capital Contributions & Transfers | <u>\$ 18,659</u> | <u>\$ 31,084</u> | <u>\$ (12,425)</u> |
| Capital Contributions | 17,638 | 19,639 | (2,001) |
| Transfers, net | 102,698 | 113,259 | (10,561) |
| Change In Net Position | <u>\$ 138,995</u> | <u>\$ 163,982</u> | <u>\$ (24,987)</u> |
| Net Position, beginning of period | 2,736,009 | 2,572,027 | 163,982 |
| Net Position, end of period | <u>\$ 2,875,004</u> | <u>\$ 2,736,009</u> | <u>\$ 138,995</u> |

Total DWM revenues for the year ended June 30, 2017 increased \$8.2 million or 1.7% to \$490.2 million compared to June 30, 2016. Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by \$19.4 million or 4.1% to \$486 million. The increase was due primarily to an increase in consumption as a result of continued economic recovery.

Non-operating revenue decreased by \$11.1 million or 74.0%, which was primarily due to increased unrealized loss on investments and decreased investment income gains. Transfer amounts includes the Municipal Option Sales Tax (MOST); for fiscal year 2017 the MOST transfer totaled \$131.7 million compared with \$132.7 million in fiscal year 2016, an increase of 0.8%. Pilot and Franchise Fees paid by DWM are also included as an offset in net transfer amounts and totaled \$19.9 million during fiscal year 2017.

Total DWM expenses increased \$20.6 million or 4.6% to \$471.5 million when compared to the year ended June 30, 2016. The increase is primarily driven by depreciation, consultant fees, and indirect cost expenses. Total operating revenues less operating expenses, or operating margin, was \$144.3 million for fiscal year 2017, an increase of \$1.4 million or 1.0% compared to fiscal year 2016.

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2017**

Financial Analysis - Business-type activities, continued

Department of Aviation (DOA) The Net Position of the DOA for the twelve month period ended June 30, 2017 increased by \$64.0 million or 1.3% to \$4.9 billion.

Table 4 - Department of Aviation Revenues and Expenses - Year Ended June 30, 2017 and June 30, 2016 (in thousands):

| | Year Ended June 30 | | Change |
|---|---------------------------|---------------------|--------------------|
| | 2017 | 2016 | |
| REVENUES | | | |
| Operating revenues | \$ 497,955 | \$ 486,812 | \$ 11,143 |
| Investment income | 4,347 | 26,669 | (22,322) |
| Non-operating revenues, net | 221,376 | 228,890 | (7,514) |
| Total revenues | <u>\$ 723,678</u> | <u>\$ 742,371</u> | <u>\$ (18,693)</u> |
| EXPENSES | | | |
| Operating expenses | \$ 542,243 | \$ 513,939 | \$ 28,304 |
| Interest expense | 123,710 | 126,072 | (2,362) |
| Total expenses | <u>\$ 665,953</u> | <u>\$ 640,011</u> | <u>\$ 25,942</u> |
| Income before Capital Contributions & Transfers | <u>\$ 57,725</u> | <u>\$ 102,360</u> | <u>\$ (44,635)</u> |
| Capital Contributions | 11,521 | 22,505 | (10,984) |
| Transfers, net | (5,228) | — | (5,228) |
| Change In Net Position | <u>\$ 64,018</u> | <u>\$ 124,865</u> | <u>\$ (60,847)</u> |
| Net Position, beginning of period | 4,791,827 | 4,666,962 | 124,865 |
| Net Position, end of period | <u>\$ 4,855,845</u> | <u>\$ 4,791,827</u> | <u>\$ 64,018</u> |

Total DOA revenues for the year ended June 30, 2017 of \$723.7 million decreased by \$18.7 million or 2.5% 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 \$11.1 million, or 2.3% when compared to fiscal year 2016. 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 \$199.4 million in fiscal year 2017 compared with \$201.1 million in fiscal year 2016. CFCs, which are collected to fund the financing and operation of the Rental Car Center, were \$29.0 million in fiscal 2017 compared with \$28.5 million in fiscal 2016. Net investment income decreased to \$4.3 million during fiscal year 2017 compared to \$26.7 million in fiscal year 2016 primarily due to increased unrealized loss on investments.

Total DOA expenses increased by \$25.9 million or 4.1% to \$666.0 million. Operating expenses for the period were \$542.2 million which reflect an increase of \$28.3 million or 5.5% over June 30, 2016. Salaries and employee benefits contributed \$11.7 million to this increase. Depreciation and amortization expenses increased by \$6.7 million year over year, which is attributable to an increase of \$182.6 million of

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

Financial Analysis - Business-type activities, continued

depreciable assets during fiscal year 2017. General services and other costs increased by \$8.6 million in comparison to fiscal year 2016.

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, 2017 decreased by \$90.3 million or (16.2)% to \$468.3 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, 2017, the City's governmental funds reported combined ending fund balances of \$925.7 million, an increase of \$146.2 million or 18.8%. The increase was primarily due to consolidation of building permit fund into general fund and increase in proceeds from limited bond obligation associated with the Capital Project Fund and Beltline TAD fund. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2017, the City's governmental funds had an unassigned fund balance of \$119.1 million, an increase of \$1.0 million compared to fiscal year 2016.

The General Fund is the chief operating fund of the City. During fiscal 2017, the fund balance of the general fund increased by \$46.9 million or 30.6% to \$200.1 million. The increase in fund balance of \$47.2M was primarily due to the consolidation of Building Permit fund into the General Fund in fiscal year 2017. Deficit balances in the cash management pool totaled \$42.1 million at the close of fiscal 2017 and are included in Due From Other Funds on the general fund balance sheet. *Unrestricted* fund balance is the combination of unassigned fund balance \$138.4 million and assigned fund balance \$8.5 million and totals \$146.9 million.

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

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 2017 decreased by \$0.1 million or 0.1% to \$131.7 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 27% of total DWM revenue.

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2017**

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, comprised of mostly general tax revenues, and provides basic city services such as Police, Fire & Rescue, and Parks & Recreation Services. Each departmental expenditure budget must be developed and justified each year during the legally required budget adoption process. Total 2017 General Fund revenues on a Generally Accepted Accounting Principles (GAAP) basis were \$572.9 million, \$35.5 million more than the final budget of \$537.4 million. Fiscal year 2017 final revenue budget did not include any prior year fund balance. Current year property taxes were \$198.1 million and \$3.4 million more than budget. Local option sales taxes totaled \$103.4 million and were \$1.0 million less than budget. Licenses and permits revenue of \$117.0 million was \$39.3 million or 50.6 % above budget mainly due to the permitting function rolled under the general fund during fiscal year 2017. The Hotel-Motel excise tax is budgeted as transfer-in revenue, amounted to \$18.1 million and remained flat as compared to 2016 Hotel-Motel tax collections.

Total 2017 General Fund expenditures on a Generally Accepted Accounting Principles (GAAP) basis were \$597.2 million, which was \$38.8 million or 6.9% more than the original budgeted expenditures. An adjustment of \$38.8 million, (indicated on page 145) 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 and 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):

| | Government Activities | | Business-type Activities | | Total Primary Government Total | |
|-------------------------------------|-----------------------|---------------------|--------------------------|----------------------|--------------------------------|----------------------|
| | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 |
| Land | \$ 208,721 | \$ 207,754 | \$ 993,051 | \$ 1,008,118 | \$ 1,201,772 | \$ 1,215,872 |
| Land improvements | 20,022 | 21,154 | 1,822,814 | 1,901,590 | 1,842,836 | 1,922,744 |
| Buildings and building improvements | 278,925 | 377,578 | 6,829,097 | 6,890,804 | 7,108,022 | 7,268,382 |
| Other property and equipment | 84,723 | 82,904 | 278,926 | 195,507 | 363,649 | 278,411 |
| Infrastructure | 354,667 | 358,927 | — | — | 354,667 | 358,927 |
| Construction in progress | 95,938 | 67,389 | 1,287,988 | 917,900 | 1,383,926 | 985,289 |
| Total | \$ 1,042,996 | \$ 1,115,706 | \$ 11,211,876 | \$ 10,913,919 | \$ 12,254,872 | \$ 12,029,625 |

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

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, 2017 totaled \$12.3 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, 2017 was \$225.2 million or 1.9%.

Highlights of capital asset activity during the year ended June 30, 2017 included the following:

- The City recorded the sale of Underground Atlanta for \$33.2 million of which \$13.5 million was utilized to offset the accumulated deficit in Underground Atlanta fund and remaining \$19.7 million was recorded as net sale proceeds.
- \$233.5 million was added to the Construction-In-Progress (CIP) balance for various Department of Watershed Management projects and \$72.1 million was removed from CIP and placed in-service.
- \$391.7 million was added to the Construction-In-Progress (CIP) balance related to various Department of Aviation projects and \$185.9 million was removed from CIP and placed in-service.
- \$81.2 million was added to the Construction-In-Progress (CIP) balance related to various Governmental Infrastructure projects and \$52.7 million was removed from CIP and placed in-service.
- Depreciation expense during fiscal year 2017 totaled \$391.3 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, 2017**

Capital Assets and Debt Administration, continued

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

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

| | Government Activities | | Business-type Activities | | Total Primary Government Total | |
|---|-----------------------|---------------------|--------------------------|---------------------|--------------------------------|---------------------|
| | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 | As of 30-Jun-17 | As of 30-Jun-16 |
| General obligation and annual bonds | \$ 350,285 | \$ 357,955 | \$ — | \$ — | \$ 350,285 | \$ 357,955 |
| Premium on bonds | 33,773 | 37,668 | — | — | 33,773 | 37,668 |
| Certificate of participation | 29,780 | 32,160 | — | — | 29,780 | 32,160 |
| Deferred issuance premiums | 3,924 | 4,729 | — | — | 3,924 | 4,729 |
| APSJFA revenue bonds | 27,150 | 32,900 | — | — | 27,150 | 32,900 |
| Deferred issuance premiums | 4,130 | 781 | — | — | 4,130 | 781 |
| SWMA revenue refunding bonds | 9,360 | 10,980 | — | — | 9,360 | 10,980 |
| Limited obligation bonds | 499,385 | 438,930 | — | — | 499,385 | 438,930 |
| Discount on bonds | — | (695) | — | — | — | (695) |
| Premium on bonds | 16,137 | 6,446 | — | — | 16,137 | 6,446 |
| Section 108 loans | 660 | 930 | — | — | 660 | 930 |
| Other general long-term obligations | 47,774 | 62,829 | — | — | 47,774 | 62,829 |
| Intergovernmental agreements | 376,552 | 343,455 | — | — | 376,552 | 343,455 |
| Notes Payable | 2,054 | 4,016 | — | — | 2,054 | 4,016 |
| Water and Wastewater Revenue Bonds | — | — | 2,740,300 | 2,814,455 | 2,740,300 | 2,814,455 |
| Bond issuance discounts | — | — | (2,229) | (4,535) | (2,229) | (4,535) |
| Bond issuance premiums | — | — | 236,720 | 214,220 | 236,720 | 214,220 |
| GEFA notes payable | — | — | 176,874 | 168,222 | 176,874 | 168,222 |
| Airport Facilities Revenue Bonds | — | — | 2,580,645 | 2,702,125 | 2,580,645 | 2,702,125 |
| Issuance premiums | — | — | 127,479 | 143,593 | \$ 127,479 | 143,593 |
| Issuance discounts | — | — | (140) | (157) | (140) | (157) |
| Bond anticipation notes | — | — | 300,000 | 300,000 | 300,000 | 300,000 |
| Atlanta Gas Light Company Rate E-1 Contract (Civic Center Renovations) | — | — | — | 1,734 | — | 1,734 |
| City Plaza | — | — | 9,230 | 9,465 | 9,230 | 9,465 |
| Deferred issuance premiums | — | — | 1,086 | 1,215 | 1,086 | 1,215 |
| Parking Deck | — | — | 15,605 | — | 15,605 | — |
| Deferred issuance premiums | — | — | 2,191 | — | 2,191 | — |
| Capital Leases: | | | | | | |
| General fund | 23,544 | 19,261 | — | — | 23,544 | 19,261 |
| Water and Wastewater System | — | — | 7,143 | 1,304 | 7,143 | 1,304 |
| Parking Deck | — | — | — | 18,165 | — | 18,165 |
| Underground Atlanta | — | — | — | — | — | — |
| Total | \$ 1,424,508 | \$ 1,352,345 | \$ 6,194,904 | \$ 6,369,806 | \$ 7,619,412 | \$ 7,722,151 |

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

Capital Assets and Debt Administration, continued

Long-term debt - The City's long-term debt, including capital leases, reflected a net decrease of \$102.7 million or 1.3% during the current twelve-month period. General and limited obligation debt decreased by \$59.3 million in fiscal year 2017. The Department of Aviation debt decreased by 137.6 million and Department of Watershed Management debt, including GEFA notes payable, decreased by \$40.7 million. Government-wide capital lease obligations decreased by \$8.0 million during the current fiscal year.

The City's underlying ratings for its bond issuances at June 30, 2017 were as follows:

Table 7 - City of Atlanta Bond Ratings

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

There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 2017, the City believes it is in compliance with all significant limitations and restrictions. Additional information regarding the City's long-term obligations can be found in Note III. H. in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The 2017 US economic forecast indicates that the US is well positioned for another year of modest economic growth courtesy of extensive restructuring of the private sector, including the cleanup of the financial sector, deleveraging by consumers, low interest rates, and a favorable supply and demand for residential and non-residential properties. In 2017, Georgia's economy will continue to expand. The 2017 baseline forecast calls for Georgia's inflation-adjusted Gross Domestic Product (GDP) to increase by 3.2 percent, which is higher than the 2.6 percent growth estimated for 2016. Georgia's 2017 GDP growth rate will be 0.7 percentage points higher than the 2.5 percent rate estimated for US GDP. The positive differential continues to reflect: (1) many of the major projects already in Georgia's economic development pipeline, (2) more supportive demographic forces, (3) more leverage from the housing recovery, and (4) more small business startups and expansions.

In the Atlanta Metropolitan Statistical Area (MSA), population growth and the housing recovery will continue to support the ongoing economic recovery. Real GDP growth in the Atlanta MSA of 3.0% is forecasted to be above the national forecast of 2.5%. Personal income in the Atlanta area is expected to grow by 5.2%

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2017

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

versus the national expectation of 3.1%. The Atlanta MSA is expected to add 55,700 jobs in 2017 or 2.1% on an average annual basis. Atlanta, therefore will account for 59 percent of the state's net job growth. Atlanta's high concentration of expanding film and television production companies, service producing industries, IT companies, distribution companies, institutions of higher education, health care providers, life science companies and headquarters operation will keep the job market moving forward.

Many companies are attracted to Atlanta due to the large and diverse pool of available workers and Atlanta's high concentration of colleges and universities ensures an abundant supply of experienced faculty, newly minted college graduates, and student interns. Compared to other large metropolitan areas with strong links to global markets the cost of living and doing business in the Atlanta MSA are low. Companies and nonprofit organizations looking to lower costs will continue to relocate to Atlanta because access to workers, especially skilled labor, is vital to business success.

Due to above average growth in employment and population, the housing recovery is stronger in the Atlanta MSA than in most in-state markets. Existing single family home prices peaked in the second quarter of 2007, and bottomed out in the second quarter of 2012. From peak to trough, the metro area's existing home prices declined by 27 percent, which exceeds the decline experienced by the nation. But home prices have recovered relatively quickly in the Atlanta housing market. As of mid-2016, Atlanta's home prices had returned to their pre-recession peak levels. In terms of new single-family home construction, Atlanta's housing recovery began in 2010 and gained traction in 2012-2016. The 2017 prospects for Atlanta's home building outlook are excellent.

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

Highlights of the fiscal year 2018 budget include:

- General Fund revenue anticipation of \$648.6 million, including a slight reduction to the property tax millage rate. This represents a 6.78 % increase over the fiscal 2017 revenue anticipation of \$607.4 million.
- Department of Watershed Management revenue anticipation of \$560.1 million, an increase of \$14.6 million or 2.67% compared to fiscal 2017.
- Department of Aviation revenue anticipation of \$508.4 million, an increase of \$4.7 million or 0.9% compared to fiscal 2017.

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



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Basic Financial Statements



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CITY OF ATLANTA, GEORGIA

Statement of Net Position

June 30, 2017

(Dollars in Thousands)

| | Governmental Activities | Business-type Activities | Total | Component Units |
|--|----------------------------|-----------------------------|-------------------|--------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 2,559 | \$ 11,973 | \$ 14,532 | \$ 34,037 |
| Restricted cash | 368,806 | 458,838 | 827,644 | 49,516 |
| Equity in cash management pool | 268,553 | 1,612,891 | 1,881,444 | — |
| Restricted investments | 332,305 | — | 332,305 | — |
| Receivables (net of allowances for uncollectables) | 74,197 | 113,652 | 187,849 | 2,284 |
| Due from other governments | 17,385 | 11,460 | 28,845 | — |
| Due from primary government | — | — | — | 462 |
| Due from component unit | — | — | — | 3,557 |
| Capital lease receivable, current portion | — | — | — | 14,818 |
| Internal balances | 1,499 | (1,499) | — | — |
| Inventories | 976 | 21,923 | 22,899 | — |
| Other restricted assets | — | 47,301 | 47,301 | — |
| Prepaid expenses and other current assets | — | 885 | 885 | 282 |
| Total current assets | <u>1,066,280</u> | <u>2,277,424</u> | <u>3,343,704</u> | <u>104,956</u> |
| Noncurrent assets: | | | | |
| Restricted cash | — | 275,062 | 275,062 | 43,607 |
| Restricted investments | — | 1,102,341 | 1,102,341 | — |
| Investments | — | — | — | 15,245 |
| Due from primary government | — | — | — | 314,107 |
| Capital assets: | — | — | — | — |
| Capital assets not being depreciated | 304,659 | 2,281,039 | 2,585,698 | 211,927 |
| Capital assets being depreciated | 1,874,914 | 14,298,091 | 16,173,005 | 311,248 |
| Less accumulated depreciation | (1,136,577) | (5,367,254) | (6,503,831) | (186,234) |
| Investments in joint venture | — | 75,782 | 75,782 | — |
| Restricted investments in escrow | 9,371 | — | 9,371 | — |
| Due from other parties | 7,574 | 10,640 | 18,214 | — |
| Due from component unit | — | 24,000 | 24,000 | 60,305 |
| Other assets | 8,318 | — | 8,318 | 7,610 |
| Long-term receivable | — | — | — | 5,417 |
| Total noncurrent assets | <u>1,068,259</u> | <u>12,699,701</u> | <u>13,767,960</u> | <u>783,232</u> |
| Total Assets | <u>2,134,539</u> | <u>14,977,125</u> | <u>17,111,664</u> | <u>888,188</u> |
| Deferred outflows of resources | | | | |
| Pension related deferred outflows | 217,020 | 71,916 | 288,936 | — |
| Accumulated decrease in fair value of derivative instruments | — | 36,705 | 36,705 | — |
| Accumulated deferred losses on refunding | 19,352 | 222,086 | 241,438 | 5,409 |
| Total deferred outflows of resources | <u>236,372</u> | <u>330,707</u> | <u>567,079</u> | <u>5,409</u> |
| Total assets and deferred outflows of resources | <u>2,370,911</u> | <u>15,307,832</u> | <u>17,678,743</u> | <u>893,597</u> |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
For the Year Ended June 30, 2017
(Dollars in Thousands)

| | Governmental Activities | Business-type Activities | Total | Component Units |
|--|----------------------------|-----------------------------|---------------------|--------------------|
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 104,287 | 186,813 | 291,100 | 11,643 |
| Accrued expenses and vacations | 3,676 | 24,201 | 27,877 | — |
| Accrued interest payable | — | 87,966 | 87,966 | 10,194 |
| Claims payable | 1,625 | 6,675 | 8,300 | — |
| Contract retentions | 3,352 | 22,266 | 25,618 | — |
| Due to other governments | 8,646 | — | 8,646 | — |
| Other liabilities | — | 4,376 | 4,376 | 1,115 |
| Unearned revenues | 1,300 | — | 1,300 | 1,654 |
| Commercial paper notes payables | — | 243,336 | 243,336 | — |
| Current portion of long-term debt, capital leases, SWAPS | 97,226 | 200,344 | 297,570 | 30,377 |
| Current portion of other liabilities | 11,064 | — | 11,064 | 655 |
| Total current liabilities | 231,176 | 775,977 | 1,007,153 | 55,638 |
| Noncurrent liabilities | | | | |
| Noncurrent portion of long-term debt | 947,048 | 5,989,166 | 6,936,214 | 594,255 |
| Noncurrent portion of capital leases | 17,296 | 5,394 | 22,690 | — |
| Noncurrent portion of contract retentions | — | 7,375 | 7,375 | — |
| Pension liability | 912,446 | 496,626 | 1,409,072 | — |
| Net OPEB obligation | 273,669 | 203,483 | 477,152 | — |
| Due to other governments | — | — | — | — |
| Due to primary government | — | — | — | 43,933 |
| Due to component unit | 362,938 | — | 362,938 | — |
| Other long-term liabilities | 73,289 | 170,268 | 243,557 | 33,116 |
| Total non-current liabilities | 2,586,686 | 6,872,312 | 9,458,998 | 671,304 |
| Total Liabilities | 2,817,862 | 7,648,289 | 10,466,151 | 726,942 |
| Deferred inflows of resources | | | | |
| Pension related deferred inflows | 83,682 | 14,561 | 98,243 | — |
| Accumulated deferred gain on refundings | — | — | — | 8,250 |
| Accumulated increase in fair value of derivative instruments | 8,247 | — | 8,247 | — |
| Total deferred inflows of resources | 91,929 | 14,561 | 106,490 | 8,250 |
| Total liabilities and deferred inflows of resources | 2,909,791 | 7,662,850 | 10,572,641 | 735,192 |
| NET POSITION | | | | |
| Net investment in capital assets | 86,340 | 5,687,008 | 5,773,348 | 118,433 |
| Restricted for: | | | | |
| Debt service | 336,669 | 417,463 | 754,132 | — |
| Programs | 109,282 | — | 109,282 | 85,118 |
| Capital projects | 298,923 | 652,115 | 951,038 | — |
| Unrestricted | (1,370,094) | 888,396 | (481,698) | (45,146) |
| Total Net Position | \$ (538,880) | \$ 7,644,982 | \$ 7,106,102 | \$ 158,405 |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Activities
For the Year Ended June 30, 2017
(Dollars in Thousands)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position | | | Component Units |
|--|--------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|-------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | TOTALS | |
| Primary Government | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 464,517 | \$ 166,954 | \$ 40,745 | \$ — | \$ (256,818) | \$ — | \$ (256,818) | |
| Police | 226,881 | 21,066 | 6,885 | — | (198,930) | — | (198,930) | |
| Fire | 85,527 | 1,341 | 1,511 | — | (82,675) | — | (82,675) | |
| Corrections | 36,169 | 8,904 | 238 | — | (27,027) | — | (27,027) | |
| Public Works | 130,715 | 7,970 | 21,892 | — | (100,853) | — | (100,853) | |
| Parks, Recreation and Cultural Affairs | 64,952 | 4,698 | 1,946 | — | (58,308) | — | (58,308) | |
| Interest on long-term debt | 38,173 | — | — | — | (38,173) | — | (38,173) | |
| Total Governmental activities | 1,046,934 | 210,933 | 73,217 | — | (762,784) | — | (762,784) | |
| Business-type activities: | | | | | | | | |
| Watershed Management | 471,536 | 486,285 | — | 17,638 | — | 32,387 | 32,387 | |
| Aviation | 673,027 | 497,955 | — | 239,971 | — | 64,899 | 64,899 | |
| Sanitation | 40,148 | 54,698 | — | — | — | 14,550 | 14,550 | |
| Parks and Recreational Facilities | 84 | — | — | — | — | (84) | (84) | |
| Underground Atlanta | 2,016 | 1,281 | — | 8,850 | — | 8,115 | 8,115 | |
| Parking Deck | 1,710 | 1,019 | — | — | — | (691) | (691) | |
| Permit Fund | — | — | — | — | — | — | — | |
| City Plaza | 1,206 | 1,261 | — | — | — | 55 | 55 | |
| Civic Center | 1,819 | 344 | — | — | — | (1,475) | (1,475) | |
| Total Business-type activities | 1,191,546 | 1,042,843 | — | 266,459 | — | 117,756 | 117,756 | |
| Total Primary Government | \$2,238,480 | \$1,253,776 | \$ 73,217 | \$ 266,459 | \$ (762,784) | \$ 117,756 | \$ (645,028) | |
| Component Units | \$ 82,078 | \$ 21,132 | \$ 42,969 | \$ 22,678 | | | | \$ 4,701 |
| General Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property Taxes Levied for general purposes | | | | | 197,921 | — | 197,921 | — |
| Property Taxes Levied for debt service | | | | | 133,284 | — | 133,284 | — |
| Local and Municipal Option Sales Tax | | | | | 247,175 | — | 247,175 | — |
| Public utility, alcoholic beverage and other taxes | | | | | 180,528 | — | 180,528 | 6,745 |
| Investment income | | | | | 1,288 | 5,971 | 7,259 | 123 |
| Other | | | | | — | 11,312 | 11,312 | 745 |
| Total General revenues | | | | | 760,196 | 17,283 | 777,479 | 7,613 |
| Transfers | | | | | (34,496) | 34,496 | — | — |
| Total general revenues, special items and transfers | | | | | 725,700 | 51,779 | 777,479 | 7,613 |
| Change in net position | | | | | (37,084) | 169,535 | 132,451 | 12,314 |
| Net Position - beginning of period | | | | | (501,796) | 7,475,447 | 6,973,651 | 146,091 |
| NET POSITION - END OF PERIOD | | | | | \$ (538,880) | \$ 7,644,982 | \$7,106,102 | \$ 158,405 |

The accompanying notes are an integral part of this statement



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CITY OF ATLANTA, GEORGIA
Balance Sheet
Government Funds
June 30, 2017
(Dollars in Thousands)

| | General Fund | Municipal Option Sales Tax (MOST) | Capital Project Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|---|----------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,559 | \$ — | \$ — | \$ — | \$ 2,559 |
| Cash and cash equivalents, restricted | — | 130 | 80,021 | 288,655 | 368,806 |
| Equity in cash management pool | 202,170 | — | 17,858 | 46,582 | 266,610 |
| Restricted Investments | 23 | — | 168,255 | 164,027 | 332,305 |
| Receivables: | | | | | — |
| Taxes | 7,857 | 11,098 | — | 12,324 | 31,279 |
| Accounts | 17,101 | — | — | 25,154 | 42,255 |
| Due from other governments | — | — | — | 14,201 | 14,201 |
| Due from other funds | 58,814 | — | 204 | 433 | 59,451 |
| Other assets | 71 | — | — | — | 71 |
| Investments in escrow | — | — | 9,371 | — | 9,371 |
| TOTAL ASSETS | \$ 288,595 | \$ 11,228 | \$ 275,709 | \$ 551,376 | \$ 1,126,908 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 40,926 | \$ — | \$ 22,186 | \$ 37,348 | \$ 100,460 |
| Accrued expenditures | 2,836 | — | 26 | 190 | 3,052 |
| Contract retentions | 286 | — | 2,789 | 277 | 3,352 |
| Due to other governments | — | — | — | 8,646 | 8,646 |
| Due to other funds | 885 | 11,228 | 3,430 | 18,023 | 33,566 |
| Advance due to other funds | 36,199 | — | — | — | 36,199 |
| Unearned revenue | 45 | — | — | 1,255 | 1,300 |
| Total Liabilities | 81,177 | 11,228 | 28,431 | 65,739 | 186,575 |
| Deferred inflows of resources | | | | | |
| Deferred inflows of property taxes | 7,336 | — | — | 7,315 | 14,651 |
| Total liabilities and deferred inflows of resources | 88,513 | 11,228 | 28,431 | 73,054 | 201,226 |
| Fund Balances: | | | | | |
| Nonspendable | 5,941 | — | — | — | 5,941 |
| Restricted | — | — | 247,278 | 497,596 | 744,874 |
| Committed | 47,208 | — | — | — | 47,208 |
| Assigned | 8,537 | — | — | — | 8,537 |
| Unassigned | 138,396 | — | — | (19,274) | 119,122 |
| Total fund balances | 200,082 | — | 247,278 | 478,322 | 925,682 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | \$ 288,595 | \$ 11,228 | \$ 275,709 | \$ 551,376 | \$ 1,126,908 |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Reconciliation of Government Fund Balance Sheet
To the Government-wide Statement of Net Position
June 30, 2017
(Dollars in Thousands)

| | | | |
|---|--------------------|----|-------------------------|
| Total fund balances | | \$ | 925,682 |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> | | | |
| Deferred inflows for property taxes not recognized as current year revenues and, therefore, are classified as deferred inflows in the above funds | | | 14,651 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the above funds: | | | |
| Land and construction in progress | 304,659 | | |
| Cost of capital assets | 1,874,914 | | |
| Less: accumulated depreciation | <u>(1,136,577)</u> | | 1,042,996 |
| Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in governmental funds but must be deferred in the statement of net position | | | |
| Deferred outflows-General pension | 41,302 | | |
| Deferred outflows-Fire pension | 62,287 | | |
| Deferred outflows-Police pension | <u>113,431</u> | | 217,020 |
| Other assets include amounts that used current financial resources at the fund level but will be offset against future revenues in the government-wide statements | <u>19,352</u> | | 19,352 |
| Amount due from APS results from debt defeased by City used in governmental activities are not financial resources and therefore are not reported in the above funds: | <u>10,758</u> | | 10,758 |
| Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | | |
| Capital assets included above related to the internal service fund | (340) | | |
| Net Position for internal service fund | <u>11,284</u> | | 10,944 |
| Certain amounts related to the net pension liability are deferred and amortized over time | | | |
| Deferred inflows of resources- General pension | (340) | | |
| Deferred inflows of resources- Fire pension | (30,249) | | |
| Deferred inflows of resources- Police pension | <u>(53,093)</u> | | (83,682) |
| Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in governmental funds. | | | |
| Due to component unit | (376,552) | | |
| Due to other government | — | | |
| Long-term debt | (350,285) | | |
| Certificate of Participation | (29,780) | | |
| APSJFA revenue bonds | (27,150) | | |
| SWMA revenue refunding bonds | (9,360) | | |
| Limited obligation bonds | (499,385) | | |
| Capital leases | (23,544) | | |
| Other general long-term obligations | (48,434) | | |
| Unamortized premiums (discounts) on bond issues | (57,964) | | |
| Vacation and compensated absences payable | (21,612) | | |
| Notes payable | (2,054) | | |
| Net Pension liability | (912,446) | | |
| Net OPEB obligation | (273,669) | | |
| Health, dental and general claims payable | (16,004) | | |
| Workers' compensation | <u>(48,362)</u> | | (2,696,601) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | | \$ | <u><u>(538,880)</u></u> |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017
(Dollars in Thousands)

| | General Fund | Municipal Option Sales Tax (MOST) | Capital Project Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------|---|----------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property taxes | \$ 198,105 | \$ — | \$ — | \$ 133,284 | \$ 331,389 |
| Local and municipal option sales taxes | 103,354 | 131,710 | — | 12,111 | 247,175 |
| Public utility, alcoholic beverage and other taxes | 101,005 | — | — | 79,523 | 180,528 |
| Licenses and permits | 116,965 | — | — | 1,098 | 118,063 |
| Charges for current services | 6,563 | — | — | 29,914 | 36,477 |
| Fines, forfeitures and penalties | 22,788 | — | — | 1,564 | 24,352 |
| Investment income | (671) | — | 879 | 1,100 | 1,308 |
| Intergovernmental revenues and contributions: | | | | | — |
| Federal revenues | — | — | — | 54,655 | 54,655 |
| State and local grants and contributions | — | — | 106 | 18,456 | 18,562 |
| Building rentals and concessions | 11,369 | — | — | 1,081 | 12,450 |
| Other | 13,430 | — | 130 | 6,031 | 19,591 |
| Total revenues | <u>572,908</u> | <u>131,710</u> | <u>1,115</u> | <u>338,817</u> | <u>1,044,550</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 179,931 | — | 43,978 | 163,605 | 387,514 |
| Police | 195,601 | — | 9,246 | 26,666 | 231,513 |
| Fire | 80,688 | — | 1,921 | 1,525 | 84,134 |
| Corrections | 34,597 | — | 441 | 2,406 | 37,444 |
| Public Works | 57,531 | — | 30,313 | 26,459 | 114,303 |
| Parks, recreation and cultural affairs | 37,531 | — | 3,141 | 15,173 | 55,845 |
| Debt Service: | | | | | |
| Principal payments | 9,507 | — | 6,652 | 28,349 | 44,508 |
| Interest payments | 1,785 | — | 2,656 | 32,570 | 37,011 |
| Bond issuance costs | — | — | 158 | 969 | 1,127 |
| Paying agent fees | 9 | — | — | 26 | 35 |
| Total Expenditures | <u>597,180</u> | <u>—</u> | <u>98,506</u> | <u>297,748</u> | <u>993,434</u> |
| Excess (deficiency) of revenues over expenditures | <u>(24,272)</u> | <u>131,710</u> | <u>(97,391)</u> | <u>41,069</u> | <u>51,116</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of assets | 380 | — | — | — | 380 |
| Payment to refunded bond escrow agent | — | — | (31,337) | (97,656) | (128,993) |
| Issuance of refunding bonds | — | — | — | 63,685 | 63,685 |
| Issuance of capital lease | — | — | 8,735 | — | 8,735 |
| Proceeds from limited obligation | — | — | 27,150 | 144,855 | 172,005 |
| Premium from bond sold | — | — | 4,758 | 11,319 | 16,077 |
| Transfers in | 110,117 | — | 37,820 | 7,008 | 154,945 |
| Transfers out | (39,292) | (131,710) | (895) | (19,807) | (191,704) |
| Total Other Financing Sources (Uses) | <u>71,205</u> | <u>(131,710)</u> | <u>46,231</u> | <u>109,404</u> | <u>95,130</u> |
| Net change in fund balances | 46,933 | — | (51,160) | 150,473 | 146,246 |
| Fund Balance: | | | | | |
| Beginning of the period | 153,149 | — | 298,438 | 327,849 | 779,436 |
| FUND BALANCE, END OF PERIOD | <u>\$ 200,082</u> | <u>\$ —</u> | <u>\$ 247,278</u> | <u>\$ 478,322</u> | <u>\$ 925,682</u> |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balances
To the Government-wide Statement of Activities
For the Year Ended June 30, 2017
(Dollars in Thousands)

| | | |
|--|-----------------|-------------------------------|
| Net change in fund balance - total governmental funds | \$ | 146,246 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Property taxes in the statement of activities that do not provide current financial resources are reported as deferred inflows in the above funds | | (184) |
| 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 | 99,785 | |
| Capital contributions | — | |
| Disposal of assets | (112,641) | |
| Depreciation expense | <u>(59,854)</u> | (72,710) |
| 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 | 181,297 | |
| Proceeds from long-term debt | (244,425) | |
| Recognition of due to APS | — | |
| Capitalization of premiums and discounts | (16,077) | |
| Amortization of premiums and discounts | <u>7,042</u> | (72,163) |
| 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. | | |
| | 14,885 | 14,885 |
| 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 | 15,824 | |
| Deferred outflows-Fire pension | 33,132 | |
| Deferred outflows-Police pension | 52,471 | |
| Deferred inflows of resources- General pension | 22,028 | |
| Deferred inflows of resources- Fire pension | (9,564) | |
| Deferred inflows of resources- Police pension | <u>(11,393)</u> | 102,498 |
| 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 | (388) | |
| Change in pension liability | (129,587) | |
| Amortization of deferred losses on refunding | 7,603 | |
| Change in health, dental and general claims payable | (614) | |
| Change in vacation and compensated absences | (3,684) | |
| Change in net OPEB obligation | (20,460) | |
| Change in workers' compensation | <u>(8,526)</u> | (155,656) |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u><u>(37,084)</u></u> |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA

Statement of Net Position

Proprietary Funds

June 30, 2017

(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 | \$ 11,867 | \$ 106 | \$ — | \$ 11,973 | \$ — |
| Restricted cash and cash equivalents | 205,815 | 252,990 | 33 | 458,838 | — |
| Equity in cash management pool | 819,929 | 789,280 | 3,682 | 1,612,891 | 1,943 |
| Receivables: | | | | | |
| Accounts | 170,499 | 7,625 | 47,060 | 225,184 | 663 |
| Less allowance for doubtful accounts | (99,537) | (3,519) | (8,476) | (111,532) | — |
| Total receivables, net | 70,962 | 4,106 | 38,584 | 113,652 | 663 |
| Due from other governments | 11,460 | — | — | 11,460 | — |
| Due from other funds | 11,680 | — | — | 11,680 | — |
| Advance to other funds, current portion | 10,000 | — | — | 10,000 | — |
| Inventories | 12,502 | 9,421 | — | 21,923 | 976 |
| Prepaid expenses | — | 885 | — | 885 | — |
| Restricted assets | 625 | 46,676 | — | 47,301 | — |
| Total current assets | 1,154,840 | 1,103,464 | 42,299 | 2,300,603 | 3,582 |
| Noncurrent assets: | | | | | |
| Restricted cash and cash equivalents | — | 275,062 | — | 275,062 | — |
| Restricted investments | 213,470 | 888,869 | 2 | 1,102,341 | — |
| Advance to other funds, less current portion | 26,199 | — | — | 26,199 | — |
| Investment in joint venture | 75,782 | — | — | 75,782 | — |
| Due from other parties | — | 10,640 | — | 10,640 | — |
| Due from other component units | 24,000 | — | — | 24,000 | — |
| Capital assets: | | | | | |
| Land | 127,319 | 584,230 | 3,726 | 715,275 | 136 |
| Construction in progress | 748,611 | 536,374 | 3,003 | 1,287,988 | — |
| Land improvements | 13,010 | 3,284,183 | 7,167 | 3,304,360 | 29 |
| Land purchased for noise abatement | — | 277,776 | — | 277,776 | — |
| Buildings and other structures | — | 3,987,396 | 48,889 | 4,036,285 | 5,508 |
| Water collection and distribution system | 4,342,498 | — | — | 4,342,498 | — |
| Water and wastewater plant and treatment facilities | 1,933,550 | — | — | 1,933,550 | — |
| Machinery, equipment, and other | 236,910 | 416,130 | 28,358 | 681,398 | 3,791 |
| Less accumulated depreciation | (2,351,124) | (2,981,809) | (34,321) | (5,367,254) | (9,124) |
| Capital assets, net | 5,050,774 | 6,104,280 | 56,822 | 11,211,876 | 340 |
| Total assets | 6,545,065 | 8,382,315 | 99,123 | 15,026,503 | 3,922 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related deferred outflows | 26,952 | 38,981 | 5,983 | 71,916 | — |
| Accumulated decrease in fair value of derivative instruments | 36,705 | — | — | 36,705 | — |
| Accumulated losses on debt refunding | 168,956 | 53,130 | — | 222,086 | — |
| Total assets and deferred outflows of resources | \$ 6,777,678 | \$ 8,474,426 | \$ 105,106 | \$ 15,357,210 | \$ 3,922 |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2017
(Dollars in Thousands)

| | Business Activities - Enterprise Funds | | | Governmental Activities | |
|---|--|------------------------|----------------------|-------------------------|-----------------------|
| | Department of Watershed Management | Department of Aviation | Other Nonmajor Funds | Total | Internal Service Fund |
| LIABILITIES | | | | | |
| Liabilities: | | | | | |
| Current liabilities | | | | | |
| Accounts payable | \$ 38,087 | \$ 24,950 | \$ 4,278 | \$ 67,315 | \$ 3,827 |
| Accrued expenses | 6,861 | 15,915 | 1,425 | 24,201 | 624 |
| Claims payable | 6,675 | | — | 6,675 | — |
| Deposits and advances | 8,137 | | — | 8,137 | — |
| Accrued interest payable | — | 40,979 | — | 40,979 | — |
| Due to other funds | — | | 35,618 | 35,618 | 1,947 |
| Current portion of other debt | 6,200 | 88,180 | — | 94,380 | — |
| Current maturities of capital leases | 1,749 | | — | 1,749 | — |
| Accrued workers' compensation | 2,854 | 341 | 1,181 | 4,376 | — |
| Current liabilities | <u>70,563</u> | <u>170,365</u> | <u>42,502</u> | <u>283,430</u> | <u>6,398</u> |
| Current liabilities payable from restricted assets: | | | | | |
| Accounts payable | 29,402 | 81,959 | — | 111,361 | — |
| Accrued interest payable | 22,153 | 24,710 | 124 | 46,987 | — |
| Contract retention | 15,378 | 6,682 | 206 | 22,266 | — |
| Commercial paper notes payables | 96,410 | 146,926 | — | 243,336 | — |
| Current maturities of long-term debt | 63,650 | 39,495 | 1,070 | 104,215 | — |
| Total current liabilities payable from restricted assets | <u>226,993</u> | <u>299,772</u> | <u>1,400</u> | <u>528,165</u> | <u>—</u> |
| Total current liabilities | <u>297,556</u> | <u>470,137</u> | <u>43,902</u> | <u>811,595</u> | <u>6,398</u> |
| Noncurrent liabilities | | | | | |
| Long-term debt, excluding current maturities | 3,081,815 | 2,880,309 | 27,042 | 5,989,166 | — |
| Capital lease obligations, excluding current maturities | 5,394 | | — | 5,394 | — |
| Pension liability | 259,718 | 180,223 | 56,685 | 496,626 | — |
| Net OPEB obligation | 112,861 | 64,160 | 26,462 | 203,483 | — |
| Claims Payable | 8,631 | | — | 8,631 | — |
| Contract retention, excluding current portion | — | 7,375 | — | 7,375 | — |
| Accrued workers' compensation | 6,685 | 2,095 | 7,245 | 16,025 | — |
| Interest rate SWAP | 129,785 | | — | 129,785 | — |
| Landfill postclosure costs | — | | 15,827 | 15,827 | — |
| Total noncurrent liabilities | <u>3,604,889</u> | <u>3,134,162</u> | <u>133,261</u> | <u>6,872,312</u> | <u>—</u> |
| Total Liabilities | <u>3,902,445</u> | <u>3,604,299</u> | <u>177,163</u> | <u>7,683,907</u> | <u>6,398</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension related deferred inflows | 229 | 14,282 | 50 | 14,561 | — |
| Total liabilities and deferred inflows of resources | <u>3,902,674</u> | <u>3,618,581</u> | <u>177,213</u> | <u>7,698,468</u> | <u>6,398</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 2,340,297 | 3,318,001 | 28,710 | 5,687,008 | 340 |
| Restricted | | | | | |
| Debt service | — | 417,463 | — | 417,463 | — |
| Capital projects | — | 652,115 | — | 652,115 | — |
| Unrestricted | 534,707 | 468,266 | (100,817) | 902,156 | (2,816) |
| Total Net Position | <u>\$ 2,875,004</u> | <u>\$ 4,855,845</u> | <u>\$ (72,107)</u> | <u>\$ 7,658,742</u> | <u>\$ (2,476)</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | <u>(13,760)</u> | |
| Net position of business-type activities | | | | <u>\$ 7,644,982</u> | |

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, 2017
(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 | \$ 466,009 | \$ 310,419 | \$ 52,644 | \$ 829,072 | \$ 174,798 |
| Sewer service charges from other governmental units | 18,431 | — | — | 18,431 | — |
| Rentals, admissions and concessions | 1,820 | 126,882 | 3,931 | 132,633 | — |
| Other | 25 | 60,654 | 2,028 | 62,707 | 3,757 |
| Total operating revenues | 486,285 | 497,955 | 58,603 | 1,042,843 | 178,555 |
| Operating expenses: | | | | | |
| Salaries and employee benefits | 108,830 | 103,048 | 13,559 | 225,437 | 104,075 |
| Utilities | 21,595 | 9,025 | 703 | 31,323 | 632 |
| Supplies and materials | 20,154 | 6,521 | 1,352 | 28,027 | 10,983 |
| Repairs, maintenance and other contractual services | 11,023 | 9,460 | 121 | 20,604 | 3,750 |
| Motor equipment services | 6,164 | 3,264 | 7,311 | 16,739 | 368 |
| Engineering and consultant fees | 27,163 | 129,900 | 12,370 | 169,433 | 1,400 |
| General services and other costs | 33,098 | 51,042 | 5,567 | 89,707 | 62,754 |
| Depreciation and amortization | 113,987 | 229,983 | 3,952 | 347,922 | 47 |
| Total operating expenses | 342,014 | 542,243 | 44,935 | 929,192 | 184,009 |
| Operating income (loss) | 144,271 | (44,288) | 13,668 | 113,651 | (5,454) |
| Non-operating revenues (expenses): | | | | | |
| Investment income, net of capitalized interest | 3,910 | 4,347 | (100) | 8,157 | (20) |
| Interest expense | (125,226) | (123,710) | (1,468) | (250,404) | (198) |
| Passenger facility charges | — | 199,431 | — | 199,431 | — |
| Customer facility charges | — | 29,019 | — | 29,019 | — |
| Other revenue (expenses), net | (4,296) | (7,074) | 10,732 | (638) | 15 |
| Total nonoperating revenues (expenses), net | (125,612) | 102,013 | 9,164 | (14,435) | (203) |
| Income before capital contributions and transfers | 18,659 | 57,725 | 22,832 | 99,216 | (5,657) |
| Capital contributions | 17,638 | 11,521 | 8,850 | 38,009 | — |
| Transfers in | 133,624 | — | 21,890 | 155,514 | 21,800 |
| Transfers out | (30,926) | (5,228) | (84,864) | (121,018) | (3,550) |
| Change in net Position | 138,995 | 64,018 | (31,292) | 171,721 | 12,593 |
| Net Position, beginning of period | 2,736,009 | 4,791,827 | (40,815) | 7,487,021 | (15,069) |
| Net Position, end of period | \$ 2,875,004 | \$ 4,855,845 | \$ (72,107) | 7,658,742 | \$ (2,476) |
| | | | Change in net position | 171,721 | |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds | | | | (2,186) | |
| | | | Change in net position of business-type activities | \$ 169,535 | |

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, 2017
(Dollars in Thousands)

| | Business Activities - Enterprise Funds | | | Governmental Activities | |
|---|--|------------------------|----------------------|-------------------------|-----------------------|
| | Department of Watershed Management | Department of Aviation | Other Nonmajor Funds | Total | Internal Service Fund |
| Cash flows from operating activities | | | | | |
| Cash received from user charges | \$ 468,375 | \$ 497,939 | \$ 53,855 | \$ 1,020,169 | \$ 178,540 |
| Cash received for interfund services received | 13,844 | — | — | 13,844 | — |
| Cash paid for interfund services received | (14,617) | — | — | (14,617) | — |
| Cash paid to employees for services | (101,485) | (94,262) | (29,542) | (225,289) | (103,965) |
| Cash paid to suppliers for goods and services | (92,312) | (213,715) | (28,922) | (334,949) | (101,076) |
| Net cash provided by (used in) operating activities | 273,805 | 189,962 | (4,609) | 459,158 | (26,501) |
| Cash flows from noncapital financing activities | | | | | |
| Non-capital grants and donations | (4,296) | — | — | (4,296) | — |
| Transfers in | 133,624 | — | 21,890 | 155,514 | 21,800 |
| Transfers out | (30,926) | — | (84,864) | (115,790) | (3,550) |
| Net cash provided by (used in) noncapital financing activities | 98,402 | — | (62,974) | 35,428 | 18,250 |
| Cash flows from capital and related financing activities | | | | | |
| Capital grants and donations | 17,638 | 12,459 | 8,850 | 38,947 | — |
| Principal repayments of long-term debts | (320,236) | (121,480) | (14,353) | (456,069) | — |
| Acquisition, construction and improvements of capital assets | (235,382) | (363,470) | 21,731 | (577,121) | 59 |
| Passenger and customer facility charges | — | 221,016 | — | 221,016 | — |
| Contract retention withheld, net | — | 9,248 | — | 9,248 | — |
| Proceeds from bond/note issuances | 356,982 | 126,926 | — | 483,908 | — |
| Premium from issuance of debt | 37,732 | — | — | 37,732 | — |
| Interest paid | (162,256) | (147,070) | 737 | (308,589) | (183) |
| Net cash provided by (used in) capital and related financing activities | (305,522) | (262,371) | 16,965 | (550,928) | (124) |
| Cash flows from investing activities | | | | | |
| Change in equity in cash management pool | (72,770) | 45,767 | 50,735 | 23,732 | 8,308 |
| Interest on investments | 4,201 | 22,528 | (100) | 26,629 | (20) |
| Purchases of restricted investments | (11,733) | (1,256,811) | 16 | (1,268,528) | — |
| Sales & redemptions of restricted investments | 10,820 | 1,152,704 | — | 1,163,524 | — |
| Net cash provided by (used in) investing activities | (69,482) | (35,812) | 50,651 | (54,643) | 8,288 |
| Increase (decrease) in cash and cash equivalents | (2,797) | (108,221) | 33 | (110,985) | (87) |
| Cash and cash equivalents: | | | | | |
| Beginning of year | 220,479 | 636,379 | — | 856,858 | 87 |
| End of year | \$ 217,682 | \$ 528,158 | \$ 33 | \$ 745,873 | \$ — |

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, 2017
(Dollars in Thousands)

| | Business Activities - Enterprise Funds | | | Governmental Activities | |
|---|--|------------------------|----------------------|--------------------------|-----------------------|
| | Department of Watershed Management | Department of Aviation | Other Nonmajor Funds | Total | Internal Service Fund |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ 144,271 | \$ (44,288) | \$ 13,668 | \$ 113,651 | \$ (5,454) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 113,987 | 229,983 | 3,952 | 347,922 | 47 |
| Changes in assets and liabilities | | | | | |
| Accounts receivable - net of allowance | (4,837) | (406) | (4,766) | (10,009) | (15) |
| Materials and supplies - net of allowances | (1,354) | (1,690) | — | (3,044) | — |
| Due from other funds | 10,230 | — | — | 10,230 | — |
| Prepaid expenses | — | 184 | (1,226) | (1,042) | (42) |
| Due (from) other governmental units, net | 110 | — | — | 110 | — |
| Investment in joint venture | 1,698 | — | — | 1,698 | — |
| Accounts payable and accrued expenses | 6,519 | (74) | (720) | 5,725 | 1,274 |
| Other liabilities | — | 6,253 | (14,757) | (8,504) | 110 |
| Claims payable | 2,520 | — | — | 2,520 | — |
| Customer deposits | 661 | — | — | 661 | — |
| Due to other funds | — | — | (760) | (760) | (22,421) |
| Net cash provided by (used in) operating activities | <u>\$ 273,805</u> | <u>\$ 189,962</u> | <u>\$ (4,609)</u> | <u>\$ 459,158</u> | <u>\$ (26,501)</u> |
| Schedule of noncash capital and related financing activity: | | | | | |
| Acquisition of capital assets with accounts payable | \$ 29,402 | \$ 63,677 | \$ — | \$ 93,079 | — |
| Amortization of bond discount and premium, net | 12,926 | 16,097 | — | 29,023 | — |
| Retainage payable | 15,378 | — | — | 15,378 | — |
| Acquisition of capital assets in installment payment arrangement | 1,952 | — | — | 1,952 | — |
| Accrued capitalized interest | 1,871 | — | — | 1,871 | — |
| Equipment identified through periodic capital asset physical count | 4,231 | — | — | 4,231 | — |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statements of Fiduciary Net Position
Fiduciary Funds
June 30, 2017
(Dollar amounts in thousands)

| | Pension Trust Funds | Agency Funds |
|--|--------------------------------|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 56,325 | \$ 251 |
| Securities lending cash collateral | 33,929 | — |
| Equity in cash management pool | — | 22,698 |
| Receivables: | | |
| Other Employee Contributions | 1,722 | — |
| Other Employer Contributions | 4,984 | — |
| Due from brokers | 4,601 | — |
| Accrued interest receivable | 2,930 | — |
| Prepaid expenses | — | 1,562 |
| Other receivables | 9,078 | 103 |
| Total receivables | 23,315 | 1,665 |
| Investments: | | |
| Cash and cash equivalents | 40,578 | |
| Domestic fixed income securities | 561,858 | — |
| Domestic equities | 1,760,688 | — |
| International fixed income securities | 172,067 | — |
| International equities | 459,784 | — |
| Limited partnerships | 48,492 | — |
| Alternative partnerships: | | — |
| Limited partnerships | 64,333 | — |
| Comingled funds | 70,281 | — |
| Total investments | 3,178,081 | — |
| Total assets | 3,291,650 | 24,614 |
| LIABILITIES | | |
| Payables: | | |
| Accounts payables | 3,855 | 24,614 |
| Due to brokers for investments purchased | 18,736 | — |
| Collateral payable for securities lending | 33,929 | — |
| Total liabilities | 56,520 | 24,614 |
| Net Position Restricted for Pension | \$ 3,235,130 | |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017
(Dollars in Thousands)

| | <u>Pension Trust Funds</u> |
|--|---------------------------------------|
| Additions | |
| Contributions: | |
| Employer contributions | \$ 162,267 |
| Employee contributions | 47,204 |
| Refunds and other | 73 |
| Total Contributions | <u>209,544</u> |
| Investment income: | |
| Net change in fair value of investments | 356,401 |
| Investment income | 39,095 |
| Securities lending income | 339 |
| Less: Investment expenses | <u>(10,043)</u> |
| Net investment income gain (loss) | <u>385,792</u> |
| Total Additions | <u>595,336</u> |
| Deductions | |
| Accounts payable | |
| Benefit payments | 286,148 |
| Administrative expenses | <u>2,402</u> |
| Total Deductions | <u>288,550</u> |
| Change in net position | 306,786 |
| Net position held in trust for pension benefits: | |
| Beginning of period | <u>2,928,344</u> |
| End of period | <u><u>\$ 3,235,130</u></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 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, 2017
(Dollars in Thousands)

| | Atlanta Fulton County Recreation Authority | Atlanta Development Authority | Totals |
|---|---|----------------------------------|-------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 7,440 | \$ 26,597 | \$ 34,037 |
| Restricted cash | — | 49,516 | 49,516 |
| Restricted Investments | — | — | — |
| Short-term investments | — | — | — |
| Receivables: | | | |
| Accounts | 166 | — | 166 |
| Other receivables | — | 2,118 | 2,118 |
| Total receivables | <u>166</u> | <u>2,118</u> | <u>2,284</u> |
| Due from primary government | — | 462 | 462 |
| Due from other component units | — | 3,557 | 3,557 |
| Current portion of capital lease receivable | — | 14,818 | 14,818 |
| Prepaid expenses and other assets | 49 | 233 | 282 |
| Total current assets | <u>7,655</u> | <u>97,301</u> | <u>104,956</u> |
| Noncurrent Assets: | | | |
| Unrestricted assets: | | | |
| Due from primary government | 74,841 | 239,266 | 314,107 |
| Investments | — | 15,245 | 15,245 |
| Other receivable | — | 1,925 | 1,925 |
| Mortgage loans receivable | — | 3,492 | 3,492 |
| Capital lease receivable | — | — | — |
| Due from other component units | — | 60,305 | 60,305 |
| Other assets | — | 7,610 | 7,610 |
| Total unrestricted assets | <u>74,841</u> | <u>327,843</u> | <u>402,684</u> |
| Restricted assets: | | | |
| Cash and cash equivalents | 43,607 | — | 43,607 |
| Investments | — | — | — |
| Other assets | — | — | — |
| Total restricted assets | <u>43,607</u> | <u>—</u> | <u>43,607</u> |
| Property and equipment - at cost: | | | |
| Land | 22,644 | 67,703 | 90,347 |
| Construction-in-progress | — | 121,580 | 121,580 |
| Land improvements | 1,218 | 5,734 | 6,952 |
| Buildings and improvements | 244,117 | 38,352 | 282,469 |
| Other property and equipment | 17,813 | 4,014 | 21,827 |
| | <u>285,792</u> | <u>237,383</u> | <u>523,175</u> |
| Less accumulated depreciation | <u>(165,007)</u> | <u>(21,227)</u> | <u>(186,234)</u> |
| Property and equipment, net | <u>120,785</u> | <u>216,156</u> | <u>336,941</u> |
| Total assets | <u>246,888</u> | <u>641,300</u> | <u>888,188</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Accumulated losses on debt refunding | \$ 3,604 | \$ 1,805 | \$ 5,409 |
| Total assets and deferred outflows of resources | <u>\$ 250,492</u> | <u>\$ 643,105</u> | <u>\$ 893,597</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, 2017
(Dollars in Thousands)

| | Atlanta Fulton County Recreation Authority | Atlanta Development Authority | Totals |
|---|--|----------------------------------|-------------------|
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable and accrued expenses | \$ 214 | \$ 11,429 | \$ 11,643 |
| Accrued interest payable | — | 10,194 | 10,194 |
| Due to primary government | — | — | — |
| Other liabilities | 7 | 1,108 | 1,115 |
| Deferred revenues | — | 1,654 | 1,654 |
| Current maturities of long-term debt | — | 17,712 | 17,712 |
| Total current liabilities | <u>221</u> | <u>42,097</u> | <u>42,318</u> |
| Liabilities payable from restricted assets: | | | |
| Current maturities of long-term debt | 12,665 | — | 12,665 |
| Other liabilities | 655 | — | 655 |
| Total liabilities payable from restricted assets | <u>13,320</u> | <u>—</u> | <u>13,320</u> |
| Long-term liabilities: | | | |
| Long-term debt, less current portion | 183,945 | 410,310 | 594,255 |
| Other long-term liabilities | — | 33,116 | 33,116 |
| Due to primary government | 19,933 | 24,000 | 43,933 |
| Total long-term liabilities | <u>203,878</u> | <u>467,426</u> | <u>671,304</u> |
| Total liabilities | <u>217,419</u> | <u>509,523</u> | <u>726,942</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Accumulated premiums on long term debt | 7,029 | 1,221 | 8,250 |
| Total liabilities and deferred inflows of resources | <u>224,448</u> | <u>510,744</u> | <u>735,192</u> |
| NET POSITION | | | |
| Net investment in capital assets | (4,407) | 122,840 | 118,433 |
| Restricted | 23,020 | 62,098 | 85,118 |
| Unrestricted | 7,431 | (52,577) | (45,146) |
| Total net position | <u>\$ 26,044</u> | <u>\$ 132,361</u> | <u>\$ 158,405</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, 2017
(Dollars in Thousands)

| Functions/Programs | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|---|------------------|----------------------------|--|--|---|---|--------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Atlanta Fulton County Recreation Authority | Atlanta Developmen t Authority | TOTAL S |
| Component Units | | | | | | | |
| Business-type activities | | | | | | | |
| Atlanta Fulton County Recreation Authority | \$ 20,907 | \$ 1,086 | \$ 312 | \$ 13,703 | \$ (5,806) | \$ — | \$ (5,806) |
| Atlanta Development Authority | 61,171 | 20,046 | 42,657 | 8,975 | — | 10,507 | 10,507 |
| Total Business-type activities | 82,078 | 21,132 | 42,969 | 22,678 | (5,806) | 10,507 | 4,701 |
| Total Component Units | \$ 82,078 | \$ 21,132 | \$ 42,969 | \$ 22,678 | \$ (5,806) | \$ 10,507 | \$ 4,701 |

General revenues:

| | | | |
|------------------------------------|-----------|------------|------------|
| Other taxes | \$ 6,745 | \$ — | \$ 6,745 |
| Investment income | 17 | 106 | 123 |
| Other | — | 745 | 745 |
| Total General revenues | 6,762 | 851 | 7,613 |
| Change in net position | 956 | 11,358 | 12,314 |
| Net position - beginning of period | 25,088 | 121,003 | 146,091 |
| Net position - end of period | \$ 26,044 | \$ 132,361 | \$ 158,405 |

The accompanying notes are an integral part of this statement



Notes to the 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, 2017

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 units is reported separately in the basic financial statements to emphasize that it is legally separate from the City Government.

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

Blended Presented Component Units

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

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

Discretely Presented Component Units

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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, 101 Marietta Street, NW, Suite 1070, Atlanta, GA 30303.

The City, Fulton County ("the County"), and the Zoo by contractual agreement with the Recreation Authority, will fund any deficiencies in principal and interest payments on the applicable revenue bonds issued for construction and capital improvements of the Arena and the Zoo. The funding of any deficiencies related to the Arena is based on the proportionate ownership interest noted above for the City and 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 a water treatment plant accounted for under the equity method of accounting. The Commission is governed by a seven-member management commission; three members are appointed by the City, three by the County, and one independent member is elected by majority vote of the other members. The City and County also approve the annual budget of the Commission. Under the terms of the amended Joint Venture Agreement, the City and the County equally share the costs of all capital expenditures. Capital contributions are recorded during the year in which the additions to capital assets are accrued, whether paid or recorded as a liability, including retainage. The City and County each contributed \$444,000

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

during the fiscal year ended June 30, 2017. 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 costs, are allocated between the City and the County on the basis of water delivered to each. The City's share of those operating costs was \$2,962,000 for the year ended June 30, 2017. The costs are reflected in operating costs. At June 30, 2017, the City owes the County approximately \$207,000 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, 2016 (in thousands):

| | |
|---------------------------|-------------------|
| Total assets | <u>\$ 150,573</u> |
| Total fund net position | <u>\$ 147,379</u> |
| Total operating revenue | <u>\$ 9,401</u> |
| Total operating expenses | <u>\$ 13,621</u> |
| Total nonoperating losses | <u>\$ (65)</u> |
| Net loss | <u>\$ (4,285)</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, 2017, the City paid approximately \$1,170,000 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.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Related Organizations

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

B. Basis of Presentation

Government -wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or 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, with the latter excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Basis of Presentation, continued

The City reports the following major governmental funds:

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

The *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 Project Fund* is used to account for the acquisition, construction or improvement of capital assets. Although reported as a single fund in aggregate, it is comprised of multiple, separately tracked 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, 2017

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, 2017

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% of the portfolio may consist of U.S. Government Agencies securities. The City invests in repurchase agreements only when collateralized by U.S. Government or Agency Obligations. By statute, which differs from the OCGA 36-83-4, up to 55% of the cost basis of the investment portfolio for the General Employees' Pension Plan, the Firefighters' Pension Plan and the Police Officers' Pension Plan (The Plans) may consist of U.S. corporate equity securities. Additionally, in accordance with authorized investment laws, the Plans can invest in various mortgage-backed securities, such as collateralized mortgage obligations ("CMOs") and government backed mortgage securities. These are separately identified in the disclosure of custodial credit risk (see Note III. A). In 2014, the General Employees' Pension Board, the Firefighters' Pension Board and the Police Officers' Pension Board (The Pension Boards) authorized The Plans to invest in alternative investments, not to exceed 5% of the total investments.

Investments, except in the pension funds, consist primarily of U.S. Government securities and are stated at fair value. Pension fund investments, which also include bonds and U.S. Government and other domestic and foreign securities, are stated at fair value or net asset value as a practical expedient to fair value at June 30, 2017. 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, 2017

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; 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, 2017

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 |

Internal Service Fund:

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

City of Atlanta and Fulton County Recreation Authority:

(as a discretely presented component unit):

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

Atlanta Development Authority:

(as a discretely presented component unit):

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

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 \$12,577,000 and \$4,800,000, respectively, in net interest costs during the year ended June 30, 2017.

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, 2017

Notes to the Financial Statements - Continued

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

Fund Balance

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

Spending Prioritization Policy

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

Authority to Commit or Assign Funds Policy

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

Minimum Unrestricted Balance in the General Fund Policy

The City maintains a minimum unrestricted fund balance in the General Fund ranging from no less than 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers. At any time, the unrestricted fund balance is within the range of 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers, upon recommendation by the Chief Financial Officer, the City Council may authorize additional transfers to a fund at its discretion, up to a maximum of 5% per year of the subsequent year's budgeted revenues in preparation for adoption of the upcoming year's budget. If the unrestricted fund balance falls below the minimum 15% of the subsequent year's budgeted

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

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

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, 2017 (dollars in thousands).

| | General Fund | Capital Project Funds | Other Governmental Funds | Total Governmental Funds |
|----------------------------|-------------------|--------------------------|-----------------------------|-----------------------------|
| Nonspendable | | | | |
| Advances Receivable | \$ 5,941 | \$ — | \$ — | \$ 5,941 |
| Restricted | | | | |
| HUD -Community Development | — | — | 644 | 644 |
| Tax Allocation Districts | — | — | 15,287 | 15,287 |
| Debt Service | — | — | 336,669 | 336,669 |
| Expendable Trust | — | — | 30,625 | 30,625 |
| HUD Section 108 Loans | — | — | 3,150 | 3,150 |
| HUD Home Investment | — | — | 396 | 396 |
| TSPLOST | — | — | 12,105 | 12,105 |
| AHOI | — | — | 47,075 | 47,075 |
| Capital Projects | — | 247,278 | 51,645 | 298,923 |
| | — | 247,278 | 497,596 | 744,874 |
| Committed | 47,208 | — | — | 47,208 |
| Assigned | | | | |
| Unrestricted encumbrances | 8,537 | — | — | 8,537 |
| Unassigned | | | | |
| E911 | — | — | (4,752) | (4,752) |
| Intergovernmental grants | — | — | (14,522) | (14,522) |
| General Fund | 138,396 | — | — | 138,396 |
| | 138,396 | — | (19,274) | 119,122 |
| Total Fund Balance | \$ 200,082 | \$ 247,278 | \$ 478,322 | \$ 925,682 |

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, 2017

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, 2017 as follows (dollars in thousands):

| | <u>General Fund</u> |
|-------------------|---------------------|
| Contract Services | \$ 6,349 |
| Supplies | 1,970 |
| Capital | 218 |
| Total | <u>\$ 8,537</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."

During 2017, the AFCRA component unit corrected its beginning net position and assets by reducing each by \$4,966,000 as of July 1, 2016. This correction was made when it was discovered that the related assets were recorded both at the City and at AFCRA. The City considers this an immaterial correction of an error as this amount was not significant to the City's basic financial statements.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resource (expense) until then. The *deferred losses on refunding* results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The *effective portion of swaps* relates to the Department of Watershed Management swaps. The swaps

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

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

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.

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 *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 *deferred gain on refunding* results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for *pensions* 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, 2017, such allocated expenses amounted to \$14,617,000 for the Department of Watershed Management, \$8,226,000 for the Department of Aviation, \$5,132,000 for the Sanitation Fund, and \$4,796,000 for the Internal Service Funds.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements

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. This pronouncement resulted in footnote disclosure (III. C. Tax Abatements) of tax abatement impacting the City. There is no impact on the City's financial statements.

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

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 establishes Standard for recognizing and measuring liabilities deferred outflows of resources, deferred inflows of resources, and expenses. This Statement also establishes requirements for note disclosures and required supplementary information for defined benefit OPEB plans. 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 January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. This Statement is effective for fiscal years beginning after December 15, 2018. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

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 of any material violations of financial related legal and contractual provisions regarding the City as of June 30, 2017.

B. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section page 145.

C. Deficit Fund Balances/Net Position

The following funds reported deficits in fund balance/net position at June 30, 2017:

- Emergency Telephone System had an accumulated deficit of \$4.8 million. During the year, the deficit remained flat due to the assessment and collection of public safety fee. A public safety assessment was approved by the State Legislature in 2015, to increase revenue to fund the cost of operations. It is expected the full impact of the assessment to increase revenue will occur in upcoming years.
- Intergovernmental Grant funds had an accumulated deficit of \$14.5 million. This deficit was primarily the result of timing differences between the expense and drawing down the grant funds. The City will ensure timely billing of Grant expenses and resolve unallowable expenditures.
- Sanitation Fund had an accumulated deficit of \$79.6 million. The operations deficit decreased by approximately \$3.2 million. Lack of adequate billing to cover costs is contributing to this deficit. The City administration is evaluating fee increase along with tight cost control measures to address and eliminate the operating deficit. On a cash basis, the Sanitation Fund deficit is \$30 million.
- Parks and Recreation Facilities Fund had an accumulated deficit of \$1.3 million. The increase in the deficit of \$84 thousand is primarily due to the allocation of pension liability.
- Civic Center had an accumulated deficit of \$5.7 million. The operating deficit decreased by approximately \$145 thousand, because the use of the facility has decreased as the City moved forward to sell the Civic Center.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

C. Deficit Fund Balances/Net Position, continued

- Fleet Services had an accumulated deficit of \$3.3 million. During fiscal year 2017, the deficit was reduced by approximately \$22.6 million mainly due to legislation passed by Atlanta City Council to approve a contribution of \$7.3 million by Department of Watershed Management, \$3.7 million by Department of Aviation, \$8.6 million by Sanitation Fund, and \$2.2 million contribution by the General Fund to reduce accumulated deficit of \$21.8 million in Fleet Service fund. The contribution to reduce deficit by each fund was based on their fleet usage. Fleet operations and billing continue to be monitored to reduce costs and recover remaining accumulated deficit by fiscal year 2018.

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, 2017 (dollars in thousands).

| | Primary Government | | | | Component Units | |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| | Unrestricted | Restricted | Cash Pool | Total | Unrestricted | Restricted |
| Cash and Cash Equivalent | \$ 14,532 | \$1,102,706 | \$ 87,211 | \$1,204,449 | \$ 34,037 | \$ 93,123 |
| Georgia Fund 1 | — | — | 17,061 | 17,061 | — | — |
| State and Local Bonds | — | 184,718 | 163,795 | 348,513 | — | — |
| Federal Agency Obligations | — | 298,278 | 1,416,529 | 1,714,807 | — | — |
| Equity | — | 11,974 | — | 11,974 | — | — |
| US Treasury Obligations | — | 331,538 | 196,848 | 528,386 | — | — |
| Repurchase Agreements (Repos) | — | 607,738 | — | 607,738 | — | — |
| Other Investment Pools | — | 9,771 | — | 9,771 | 15,245 | — |
| | <u>\$ 14,532</u> | <u>\$2,546,723</u> | <u>\$1,881,444</u> | <u>\$4,442,699</u> | <u>\$ 49,282</u> | <u>\$ 93,123</u> |

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 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

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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, 2017, the GF1 weighted average maturity was 26 days. Portfolio composition in GF1 consisted of Federal Home Loan Bank (“FHLB”) 14%, Federal Home Loan Mortgage Corporation (“FHLMC”) 8%, Federal Farm Credit Bank (“FFCB”) 1%, Supra Nationals 11%, term repo 7%, negotiated deposit agreement 33%, overnight repo 22%, and certificate of deposit 4%.

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 in to three categories - Level 1, Level 2 and Level 3 inputs - considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

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

The following tables present the City's financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2017 (in thousands):

| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|---------------------|-------------|---------------------|
| Debt securities: | | | | |
| US Treasury Obligations | \$ 528,386 | \$ — | \$ — | \$ 528,386 |
| Federal Agency Obligation | — | 1,714,807 | — | 1,714,807 |
| State and Local Bonds | — | 348,513 | — | 348,513 |
| Total debt securities | <u>528,386</u> | <u>2,063,320</u> | <u>—</u> | <u>2,591,706</u> |
| Equity securities: | | | | |
| Equity | 11,974 | — | — | 11,974 |
| Repurchase Agreements (Repos) | — | 607,738 | — | 607,738 |
| Total debt securities | <u>11,974</u> | <u>607,738</u> | <u>—</u> | <u>619,712</u> |
| Total investments at fair value | <u>\$ 540,360</u> | <u>\$ 2,671,058</u> | <u>\$ —</u> | <u>\$ 3,211,418</u> |
| Other Investments | | | | |
| Georgia Fund 1 and other investment pools | | | | 26,832 |
| Total Investment | | | | <u>\$ 3,238,250</u> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 are subject to pricing by an alternative pricing source due to a lack of information by the primary vendor. Level 2 securities also consist of guaranteed investment contracts and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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, 2017, was approximately 1.8 years. If it becomes necessary or strategically prudent for the City to sell a security prior to maturity, the policy allows for occasional restructuring of the portfolio to minimize the loss of market value and/or to maximize cash flows.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

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, 2017, the Plans had an alternative investment in a limited partnership totaling \$64,333,000, with no outstanding commitments. As part of the partnership agreement, the Plan may not voluntarily withdraw from the partnership prior to its dissolution, and no limited partnership interest is redeemable or purchasable by the partnership at the option of the Plan.

Fair Value Measurement - Pensions

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy if 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, 2017

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, 2017 (in thousands):

| | June 30, 2017 | | | |
|-----------------------------------|---------------|-----------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Short term investments | | | | |
| Cash and cash equivalent | \$ 40,578 | — | — | 40,578 |
| Debt securities: | | | | |
| Asset backed securities | — | 33,733 | — | 33,733 |
| Comingled bond funds | — | 72,734 | — | 72,734 |
| Corporate and municipal bonds | — | 150,579 | — | 150,579 |
| Bond exchange traded funds | 20,910 | — | — | 20,910 |
| U.S. agency securities | — | 129,364 | — | 129,364 |
| U.S. treasury securities | 126,982 | — | — | 126,982 |
| Total debt securities | 147,892 | 386,410 | — | 534,302 |
| Equity securities: | | | | |
| Comingled equity funds | — | 902,502 | — | 902,502 |
| Common stock | 654,888 | — | — | 654,888 |
| Exchange traded funds | 423,309 | — | — | 423,309 |
| Total equity securities | 1,078,197 | 902,502 | — | 1,980,699 |
| Collective Investment Trust | — | 70,281 | — | 70,281 |
| Stable value funds | — | 34,133 | — | 34,133 |
| Total investments at fair value | \$ 1,266,667 | 1,393,326 | — | 2,659,993 |
| Investments measured at NAV: | | | | |
| Commingled bond funds | | | | 165,490 |
| Commingled equity funds | | | | 239,773 |
| Private equity funds | | | | 64,333 |
| Real estate fund | | | | 48,492 |
| Total investments measured at NAV | | | | 518,088 |
| Total investments | | | | \$ 3,178,081 |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

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 non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Commingled equity funds, commingled bond funds, collective investment trust, and stable value 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 co-mingled vehicles which do not have a readily determined fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2017. The monthly or quarterly values of the partnership investments provided from the general partner are reviewed by the Plan to determine if any adjustments are necessary. The Plan currently has no plans to sell any of the investments resulting in these assets being carried at the NAV estimated by the general partner/investment manager.

Securities Lending

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

As of June 30, 2017, the General Employees' Pension Plan had funds under a securities lending agreement with a market value of outstanding loans of \$33,900,000 and collateral of \$33,929,000, which consisted of cash, collateral investments, and non-cash 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, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Alternative Investments

In fiscal year 2013, the Pension Boards authorized the Plans' to invest in alternative investments. As of June 30, 2017, the Plans had alternative investments totaling \$64.3 million in the form of limited partnerships.

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, 2017, a total of \$48,492,000 are invested in alternative investments under certain partnership agreements.

As of June 30, 2017, the related unfunded commitments of the Plans' alternative investments and limitations and restrictions on the Plans' ability to redeem or sell are summarized as follows (in thousands):

| | Unfunded commitments | Redemptions frequency (if currently eligible) | Redemptions notice period |
|--|-------------------------|--|------------------------------|
| <u>General Employees' Pension Plan</u> | | | |
| Private equity fund | \$ 3,582 | not eligible; | not eligible; |
| Real estate fund | | quarterly | 90 days |
| <u>Firefighters' Pension Plan</u> | | | |
| Private equity fund | \$ 2,832 | not eligible | not eligible |
| <u>Police Officers' Pension Plan</u> | | | |
| Private equity fund | \$ 4,275 | not eligible | not eligible |

Pension Trust Fund's Investment Risk Disclosures

Interest Rate and Credit Risks. As of June 30, 2017, 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 | \$ 9,482 | \$ 12,510 | \$ 23,877 | \$ 39,406 | \$ 41,707 | \$ 126,982 |
| U.S. government agencies | AAA | 20,501 | 13,369 | 3,874 | 5,281 | 355 | 43,380 |
| U.S. government agencies | AGY | 13,598 | 13,151 | — | 5,792 | 5,456 | 37,997 |
| U.S. government agencies | NR | — | 61 | 1,340 | 9,399 | 37,187 | 47,987 |
| Corporate bonds | AA/A- | 4,121 | 21,107 | 17,308 | 34,239 | 13,282 | 90,057 |
| Corporate bonds | B+/BBB | 3,541 | 5,422 | 7,358 | 12,914 | 6,642 | 35,877 |
| Corporate bonds | NR | 240 | 4,788 | 4,302 | 8,445 | 180 | 17,955 |
| Mutual bonds | NR | 20,910 | — | — | — | — | 20,910 |
| Commingled bond fund | NR | 235,040 | — | — | — | — | 235,040 |
| Asset-backed securities | AAA/A | 913 | 3,600 | 12,166 | — | — | 16,679 |
| Asset-backed securities | NR | — | 1,168 | — | — | — | 1,168 |
| CMOs | AAA/A- | — | — | — | — | 6,337 | 6,337 |
| CMOs | BBB/B+ | — | — | — | — | 2,407 | 2,407 |
| CMOs | NR | — | — | — | — | 7,142 | 7,142 |
| State and local obligations | AAA/AA- | — | — | 147 | 3,196 | 1,707 | 5,050 |
| State and local obligations | B+/BBB | — | — | 147 | 278 | 1,215 | 1,640 |
| | | <u>\$ 308,346</u> | <u>\$ 75,176</u> | <u>\$ 70,519</u> | <u>\$ 118,950</u> | <u>\$ 123,617</u> | <u>\$ 696,608</u> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Custodial Risk. As of June 30, 2017, 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):

| <u>Issuer</u> | <u>Type</u> | <u>Fair Value</u> |
|--|-----------------------------|-------------------|
| <u>Firefighters' Pension Plan:</u> | | |
| BlackRock Growth Index Fund | Commingled Equity Fund | \$ 188,412 |
| Colchester | Commingled Bond Fund | 38,526 |
| Johnston | Commingled Equity Fund | 38,318 |
| NT Collective Co-mingled Equity Fund | Commingled Equity Fund | 52,226 |
| <u>Police Officers' Pension Plan:</u> | | |
| Colchester | Commingled Bond Fund | \$ 57,790 |
| BlackRock Value Index Fund | Commingled Equity Fund | 289,160 |
| Ishares Russell Value ETF | Domestic Equity Fund | 82,825 |
| <u>General Employees' Pension Plan:</u> | | |
| BlackRock Equity Index Fund | Domestic Equities | \$ 295,554 |
| Artisan Funds | Equity Exchange Traded Fund | 102,264 |
| Johnston International Equity Group | Commingled Equity Fund | 97,043 |
| SSGA U.S. Aggregate Bond Index | Commingled Bond Fund | 69,550 |
| Colchester Global Bond Fund | Commingled Bond Fund | 69,173 |

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

The following table provides investments of the Defined Benefit Plans in international markets. As of June 30, 2017, the exposure to foreign currency risk is as follows (dollars in thousands):

| Currency: | Country: | Debt | Fixed Income | Equity | Total |
|--|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Euro | Belgium | — | 1,943 | — | 1,943 |
| Euro | Germany | — | 600 | 5,525 | 6,125 |
| Euro | Ireland | — | — | 6,523 | 6,523 |
| Euro | Luxembourg | 104 | — | — | 104 |
| Euro | Netherlands | — | 156 | 1,099 | 1,255 |
| Euro | United Kingdom | 448 | 534 | 5,050 | 6,032 |
| Total Euro | | <u>552</u> | <u>3,233</u> | <u>18,197</u> | <u>21,982</u> |
| Australian Dollar | Australia | — | — | 606 | 606 |
| Bermudian Dollar | Bermuda | — | — | 4,430 | 4,430 |
| Brazilian Real | Brazil | — | — | 1,316 | 1,316 |
| Canadian Dollar | Canada | — | 1,009 | 4,833 | 5,842 |
| Cayman Islands Dollar | Cayman Islands | — | — | 136 | 136 |
| Chinese Yuan Renminbi | China | — | — | 2,819 | 2,819 |
| Guernsey Pound | Guernsey, CI | — | — | 576 | 576 |
| Hong Kong Dollar | Hong kong | — | — | 1,371 | 1,371 |
| Israeli New Shekel | Israel | — | — | 1,052 | 1,052 |
| Japanese Yen | Japan | — | — | 3,202 | 3,202 |
| Liberian Dollar | Liberia | — | — | 772 | 772 |
| New Zealand Dollar | New Zealand | — | 202 | — | 202 |
| Norway Krone | Norway | — | 178 | — | 178 |
| United States Dollar | Panama | — | — | 557 | 557 |
| Saudi Arabia Riyal | Saudi Arabia | — | 198 | — | 198 |
| Singapore Dollar | Singapore | — | — | 687 | 687 |
| Sweden Krona | Sweden | — | 203 | 658 | 861 |
| Swiss Franc | Switzerland | — | — | 2,778 | 2,778 |
| New Taiwan Dollar | Taiwan | — | — | 692 | 692 |
| United States Dollar | Virgin Islands - British | — | — | 590 | 590 |
| Various foreign currencies | Europe/Far East Region | — | — | 5,736 | 5,736 |
| Various foreign currencies | International Region | <u>334,443</u> | <u>96,315</u> | <u>144,510</u> | <u>575,268</u> |
| Total Securities subject to Foreign Currency Risk | | <u><u>334,995</u></u> | <u><u>101,338</u></u> | <u><u>195,518</u></u> | <u><u>631,851</u></u> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

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

Property taxes include amounts levied on all real, public utility, and tangible property within the City corporate limits. Senate Bill 177, Act 431 was signed April 30, 1999 and became effective January 1, 2000 (Taxpayers Bill of Rights). One key component of this legislation pertains to prevention of indirect tax increases due to property value appreciation and/or inflation. The 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 2016 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 | \$8.880 |
| General Obligation Bond Sinking Fund: | |
| City Bonds | 1.480 |
| School Bonds | 0.025 |
| Park Improvement Fund (included in Capital Projects Funds) | 0.500 |
| Board of Education (operations) | 21.715 |
| Special Tax District DeKalb County | 0.965 |
| | <hr/> |
| | 33.565 |
| | <hr/> |

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 \$28,289,762,105 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 \$2,659,037 in fiscal year 2017. 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

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

during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year.

Pursuant to paragraph (1) of subsection (b) of O.C.G.A. Section 48-8-121, the City of Atlanta imposed an additional 0.4 percent sales tax to be collected for 5 years for the purpose of transportation improvements and congestion reduction. Through a referendum, the voters approved the 0.4 percent TSPLOST in November 2016. The maximum amount of net proceeds to be collected is \$380,000,000. The TSPLOST began on January 1, 2017 and continues for up to five (5) years thereafter, or until such time the TSPLOST has raised revenues sufficient to provide the City the net proceeds equal to or greater than the maximum amount, whichever comes first. Proceeds from TSPLOST for fiscal year 2017 were \$12,111,000, of which \$4,201,000 were receivable from the Georgia Department of Revenue at June 30, 2017.

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

C. Tax Abatements

During fiscal year 2017, the City implemented GASB Statement No. 77, Tax Abatement Disclosures. This Statement requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. The City, through the Atlanta Development Authority d/b/a Invest Atlanta ("Invest Atlanta"), allows for taxable revenue bond financing, pursuant to the Development Authorities Law of the State of Georgia, under Title 36 Chapter 62 of the Official Code of Georgia Annotated, in order to promote the creation of jobs and stimulate development activity within the City. The taxable revenue bond financings result in the reduction of ad valorem (real and/or personal property) taxes. The total economic impact to the City of the abatement is \$380,642,000, along with the creation of 230 jobs and 1,221 housing units.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

C. Tax Abatements, continued

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

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

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

| <u>Tax Abatement Program</u> | <u>Total Amount of Taxes Abated For the year 2016</u> |
|--|---|
| Atlanta Development Authority d/b/a Invest Atlanta | \$ <u><u>384,000</u></u> |

The City property tax revenues were reduced by approximately \$2.9 million under agreements entered into with Fulton County, Georgia.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

D. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2017 follows (dollars in thousands):

| | Balance at June 30, 2016 | Additions | Deletions and Retirements | Transfers | Balance at June 30, 2017 |
|---|-----------------------------|------------------|------------------------------|-------------------|-----------------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 207,754 | \$ 2,109 | \$ — | \$ (1,142) | \$ 208,721 |
| Construction in progress | 67,389 | 81,290 | (24,375) | (28,366) | 95,938 |
| Total capital assets not being depreciated | <u>275,143</u> | <u>83,399</u> | <u>(24,375)</u> | <u>(29,508)</u> | <u>304,659</u> |
| Capital assets being depreciated: | | | | | |
| Land improvements | 114,809 | 51 | (679) | 1,897 | 116,078 |
| Buildings and building improvements | 582,445 | 200 | (146,759) | 151 | 436,037 |
| Other property and equipment | 295,120 | 18,955 | (30,544) | 4,562 | 288,093 |
| Infrastructure | 1,016,536 | — | — | 18,170 | 1,034,706 |
| Total capital assets being depreciated | <u>2,008,910</u> | <u>19,206</u> | <u>(177,982)</u> | <u>24,780</u> | <u>1,874,914</u> |
| Totals at historical cost | <u>2,284,053</u> | <u>102,605</u> | <u>(202,357)</u> | <u>(4,728)</u> | <u>2,179,573</u> |
| Less: Accumulated Depreciation | | | | | |
| Land improvements | 93,655 | 3,479 | (679) | (399) | 96,056 |
| Buildings and building improvements | 204,867 | 12,156 | (59,926) | 15 | 157,112 |
| Other property and equipment | 212,216 | 21,789 | (29,111) | (1,524) | 203,370 |
| Infrastructure | 657,609 | 22,430 | — | — | 680,039 |
| Total accumulated depreciation | <u>1,168,347</u> | <u>59,854</u> | <u>(89,716)</u> | <u>(1,908)</u> | <u>1,136,577</u> |
| Governmental activities capital assets, net | <u>\$ 1,115,706</u> | <u>\$ 42,751</u> | <u>\$ (112,641)</u> | <u>\$ (2,820)</u> | <u>\$ 1,042,996</u> |

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

| | |
|--|------------------|
| General government | \$ 15,008 |
| Police | 5,145 |
| Fire | 5,445 |
| Corrections | 587 |
| Public Works | 21,941 |
| Parks, Recreation and Cultural Affairs | 11,728 |
| Total | <u>\$ 59,854</u> |

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

D. Capital Assets, continued

| | Balance at June 30, 2016 | Additions | Deletions and Retirements | Transfers | Balance at June 30, 2017 |
|--|-----------------------------|-------------------|------------------------------|------------------|-----------------------------|
| Business-type activities: | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 1,008,118 | \$ 4,830 | \$ (23,199) | \$ 3,302 | \$ 993,051 |
| Construction in progress | 917,900 | 628,191 | — | (258,103) | 1,287,988 |
| Total capital assets not being depreciated | <u>1,926,018</u> | <u>633,021</u> | <u>(23,199)</u> | <u>(254,801)</u> | <u>2,281,039</u> |
| Capital assets being depreciated | | | | | |
| Land improvements | 3,295,274 | 474 | (97) | 8,709 | 3,304,360 |
| Buildings and other structures | 10,224,181 | 12,226 | (65,127) | 141,053 | 10,312,333 |
| Other property and equipment | 593,335 | 13,126 | (34,830) | 109,767 | 681,398 |
| Total capital assets being depreciated | <u>14,112,790</u> | <u>25,826</u> | <u>(100,054)</u> | <u>259,529</u> | <u>14,298,091</u> |
| Totals at historical cost | <u>16,038,808</u> | <u>658,847</u> | <u>(123,253)</u> | <u>4,728</u> | <u>16,579,130</u> |
| Less: Accumulated Depreciation | | | | | |
| Land improvements | 1,393,684 | 87,533 | (70) | 399 | 1,481,546 |
| Buildings and other structures | 3,333,377 | 207,746 | (57,872) | (15) | 3,483,236 |
| Other property and equipment | 397,828 | 36,166 | (33,046) | 1,524 | 402,472 |
| Total accumulated depreciation | <u>5,124,889</u> | <u>331,445</u> | <u>(90,988)</u> | <u>1,908</u> | <u>5,367,254</u> |
| Business-type activities capital assets, net | <u>\$ 10,913,919</u> | <u>\$ 327,402</u> | <u>\$ (32,265)</u> | <u>\$ 2,820</u> | <u>\$ 11,211,876</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, 2017, there is approximately \$121,580,000 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, 2017, 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, 2017, 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, 2017

Notes to the Financial Statements - Continued

E. Interfund Receivables, Payables, and Transfers

During the course of its operations, the City makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not occurred as of year-end, balances of interfund amounts receivable or payable have been recorded. Interfund receivable and payable balances as of June 30, 2017, are as follows (dollars in thousands):

| | Due to | | | | Total |
|-------------------------------|------------------|------------------|----------------------|----------------------|-------------------|
| | General Fund | Capital Projects | Watershed Management | Non-major Government | |
| General Fund | \$ — | \$ — | \$ 36,651 | \$ 433 | \$ 37,084 |
| Capital Projects | 3,430 | — | — | — | 3,430 |
| Internal Service | 1,947 | — | — | — | 1,947 |
| MOST | — | — | 11,228 | — | 11,228 |
| Non-major Enterprise | 35,414 | 204 | — | — | 35,618 |
| Non-major Governmental | 18,023 | — | — | — | 18,023 |
| Total | <u>\$ 58,814</u> | <u>\$ 204</u> | <u>\$ 47,879</u> | <u>\$ 433</u> | <u>\$ 107,330</u> |

In December of 2008, the City and Department of Watershed Management (DWM) executed a Memoranda of Understanding (MOU) related to amounts owed to the DWM by the General Fund of the City. This MOU established a repayment plan in the amount of \$10 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, 2017 is \$36.2 million in principal and \$453 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, 2017, are as follows (dollars in thousands):

| | Due from Component Units | Due to Primary Government |
|------------------------------------|--------------------------|---------------------------|
| Department of Watershed Management | \$ 24,000 | \$ — |
| Atlanta Development Authority | — | 24,000 |
| Total | <u>\$ 24,000</u> | <u>\$ 24,000</u> |

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

E. Interfund Receivables, Payables, and Transfers, continued

Transfers

Transfers for the year ended June 30, 2017, are as follows (dollars in thousands):

| | | Transfer from | | | | | | | | | |
|-------------|------------------------|------------------|------------------|-----------------|------------------|-------------------|-------------------|----------------------|----------------------|-----------------------|-------------------|
| | | General Fund | Capital Projects | DOA | DWM | MOST | Internal Services | Non-major Enterprise | Non-major Government | Full Accrual Transfer | Total |
| Transfer to | General Fund | \$ — | \$ — | \$ — | \$ 19,887 | \$ — | \$ — | \$ 73,688 | \$ 18,139 | \$ (1,597) * | \$ 110,117 |
| | Capital Projects | 32,190 | 895 | 1,528 | 2,739 | — | — | 468 | — | — | 37,820 |
| | DWM | 1,914 | — | — | — | 131,710 | — | — | — | — | 133,624 |
| | Non-major Enterprise | 18,340 | — | — | — | — | 3,550 | — | — | — | 21,890 |
| | Internal Services | 2,200 | — | 3,700 | 7,300 | — | — | 8,600 | — | — | 21,800 |
| | Non-major Governmental | 2,232 | — | — | 1,000 | — | — | 2,108 | 1,668 | — | 7,008 |
| | Full Accrual Transfer | (17,584) ** | — | — | — | — | — | — | — | — | (17,584) |
| | Total | <u>\$ 39,292</u> | <u>\$ 895</u> | <u>\$ 5,228</u> | <u>\$ 30,926</u> | <u>\$ 131,710</u> | <u>\$ 3,550</u> | <u>\$ 84,864</u> | <u>\$ 19,807</u> | <u>\$ (1,597)</u> | <u>\$ 332,259</u> |

*) There was \$1,597 transfer out of Permit capital assets presents in government-wide financial statement

***) There was \$15,672 transfer of Permit fund Pension and OPEB and \$1,912 transfer from DWM to General Fund presents in the Government-wide financial statements.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

F. Leases

Department of Aviation (DOA)

Tenant and concession agreements

The City leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants at the Airport under various operating leases, a majority of which terminate no later than 2035. During fiscal year 2017, 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 \$5.5 billion with a carrying value of \$3.3 billion. Depreciation expense for fiscal 2017 on the facilities was \$151.0 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.

At June 30, 2017 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):

| | | |
|-----------|----|------------------|
| 2018 | \$ | 299,190 |
| 2019 | | 347,621 |
| 2020 | | 349,027 |
| 2021 | | 381,475 |
| 2022 | | 386,995 |
| 2023-2027 | | 1,653,072 |
| 2028-2032 | | 2,042,757 |
| 2033-2037 | | 1,918,187 |
| | \$ | <u>7,378,324</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 \$131.9 million for the year ended June 30, 2017.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

F. Leases, continued

Department of Watershed Management (DWM)

Capital Lease Obligations

On August 31, 2016, the Department entered into an installment purchase agreement for the purchase of certain heavy equipment. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. Included in other property and equipment as of June 30, 2017 is \$1,952,000 of the \$7.1 million heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$11,000 as of June 30, 2017 and related amortization expense was \$11,000 for the fiscal year ended June 30, 2017.

The present value of future minimum installment purchase payments as of June 30, 2017, is as follows (in thousands):

| | |
|--|-----------------|
| Fiscal year | |
| 2018 | \$ 1,848 |
| 2019 | 1,848 |
| 2020 | 1,848 |
| 2021 | 1,848 |
| Total minimum payments | <u>7,392</u> |
| Less amount representing interest | <u>(249)</u> |
| Present value of minimum installment purchase payments | <u>\$ 7,143</u> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

F. Leases, continued

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 and the lease payments are reflected as capital lease obligations at the present value of the aggregate payment due over the remaining life of the leases. These capital leases are listed below.

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

| | Digital Radio Upgrade | Motorola Radio System |
|---|--------------------------|--------------------------|
| 2018 | 4,892 | 1,839 |
| 2019 | 4,892 | 1,839 |
| 2020 | 4,892 | 1,839 |
| 2021 | 800 | 1,839 |
| 2022 | — | 1,839 |
| Total minimum payments | 15,476 | 9,195 |
| Less amounts representing interest | (668) | (459) |
| Present value of minimum capital lease payments | \$ 14,808 | \$ 8,736 |
| Gross Capital Asset Value | \$ 51,079 | \$ 7,050 |
| Accumulated Depreciation | (40,119) | (411) |
| Net Capital Asset Value | \$ 10,960 | \$ 6,639 |

Operating Leases

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

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

| | |
|------------------------|--------|
| 2018 | 3,034 |
| 2019 | 2,538 |
| 2020 | 1,908 |
| 2021 | 1,571 |
| 2022 | 1,565 |
| Thereafter | 19,823 |
| Total minimum payments | 30,439 |

The amount of lease expenditures for the year ended June 30, 2017, amounted to \$5,687,000.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

G. 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, 2017 is \$2 million.

H. Long Term Obligations

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2017, follow (dollars in thousands):

| | Balance at June 30, 2016 | Additions | Reductions | Balance at June 30, 2017 | Due within One Year |
|--|-----------------------------|-------------------|---------------------|-----------------------------|------------------------|
| Governmental activities: | | | | | |
| Long-term debt: | | | | | |
| General obligation and annual bonds | \$ 357,955 | \$ — | \$ (7,670) | \$ 350,285 | \$ 24,855 |
| Deferred issuance premiums | 37,668 | — | (3,895) | 33,773 | — |
| | <u>395,623</u> | <u>—</u> | <u>(11,565)</u> | <u>384,058</u> | <u>24,855</u> |
| Certificate of Participation | 32,160 | — | (2,380) | 29,780 | 2,430 |
| Deferred issuance premiums | 4,729 | — | (805) | 3,924 | — |
| | <u>36,889</u> | <u>—</u> | <u>(3,185)</u> | <u>33,704</u> | <u>2,430</u> |
| APSFJA revenue bonds | 32,900 | 27,150 | (32,900) | 27,150 | 2,300 |
| Deferred issuance premiums | 781 | 4,758 | (1,409) | 4,130 | — |
| | <u>33,681</u> | <u>31,908</u> | <u>(34,309)</u> | <u>31,280</u> | <u>2,300</u> |
| SWMA revenue refunding bonds | 10,980 | — | (1,620) | 9,360 | 1,695 |
| Limited obligation bonds | 438,930 | 144,855 | (84,400) | 499,385 | 38,505 |
| Deferred issuance premiums | 6,446 | 11,319 | (1,628) | 16,137 | — |
| Deferred issuance discounts | (695) | — | 695 | — | — |
| | <u>444,681</u> | <u>156,174</u> | <u>(85,333)</u> | <u>515,522</u> | <u>38,505</u> |
| Other long-term debt: | | | | | |
| Due to APS | 10,000 | — | (10,000) | — | — |
| Notes payable | 4,016 | — | (1,962) | 2,054 | 2,054 |
| Section 108 loans | 930 | — | (270) | 660 | 220 |
| 1998 GMA lease pool | 32,444 | — | — | 32,444 | — |
| Intergovernmental agreements | 343,455 | 63,685 | (30,588) | 376,552 | 13,614 |
| Installment sale program | 20,385 | — | (5,055) | 15,330 | 5,305 |
| Capital leases | 19,261 | 8,735 | (4,452) | 23,544 | 6,248 |
| | <u>1,352,345</u> | <u>260,502</u> | <u>(188,339)</u> | <u>1,424,508</u> | <u>97,226</u> |
| Other long-term liabilities: | | | | | |
| Vacation and compensation payable | 17,928 | 29,856 | (26,172) | 21,612 | 3,069 |
| Health and dental claims payable | 5,930 | 76,402 | (74,908) | 7,424 | 1,218 |
| General claims payable | 9,460 | 5,030 | (5,910) | 8,580 | 1,625 |
| Pension liability | 782,859 | 210,210 | (80,623) | 912,446 | — |
| Net OPEB obligation | 253,209 | 49,709 | (29,249) | 273,669 | — |
| Workers' compensation | 39,836 | 13,241 | (4,715) | 48,362 | 6,777 |
| | <u>1,109,222</u> | <u>384,448</u> | <u>(221,577)</u> | <u>1,272,093</u> | <u>12,689</u> |
| Total governmental activities long-term liabilities | <u>\$ 2,461,567</u> | <u>\$ 644,950</u> | <u>\$ (409,916)</u> | <u>\$ 2,696,601</u> | <u>\$ 109,915</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, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Changes in long-term liabilities for business-type activities during the fiscal year ended June 30, 2017, follow (dollars in thousands):

| | Balance at June 30, 2016 | Additions | Reductions | Balance at June 30, 2017 | Due within One Year |
|--|-----------------------------|-------------------|---------------------|-----------------------------|------------------------|
| Business-type activities: | | | | | |
| Long-term debt: | | | | | |
| Department of Aviation | | | | | |
| Facilities revenue bonds | \$ 2,702,125 | \$ — | \$ (121,480) | \$ 2,580,645 | \$ 127,675 |
| Bond issuance premiums | 143,593 | | (16,114) | 127,479 | — |
| Bond issuance discounts | (157) | | 17 | (140) | — |
| Bond anticipation notes | 300,000 | | — | 300,000 | — |
| Department of Watershed Management | | | | | |
| System revenue bonds | 2,814,455 | 226,175 | (300,330) | 2,740,300 | 63,650 |
| Bond issuance premiums | 214,220 | 37,732 | (15,232) | 236,720 | — |
| Bond issuance discounts | (4,535) | | 2,306 | (2,229) | — |
| GEFA notes payable | 168,222 | 14,654 | (6,002) | 176,874 | 6,200 |
| Capital lease obligations (equipment) | 1,304 | 7,143 | (1,304) | 7,143 | 1,749 |
| Nonmajor funds | | | | | |
| Capital lease obligation | | | | | |
| Parking deck | 18,165 | — | (18,165) | — | — |
| Atlanta Gas Light Company Rate E-1 Contract | | | | | |
| (Civic Center Renovations) | 1,734 | — | (1,734) | — | — |
| Revenue Bond - City Plaza | 9,465 | | (235) | 9,230 | 315 |
| Bond issuance premiums | 1,215 | | (129) | 1,086 | — |
| Revenue Bond - Parking Deck | — | 15,605 | — | 15,605 | 755 |
| Bond issuance premiums | — | 2,217 | (26) | 2,191 | — |
| Total long-term debt | <u>6,369,806</u> | <u>303,526</u> | <u>(478,428)</u> | <u>6,194,904</u> | <u>200,344</u> |
| Other long-term liabilities | | | | | |
| Landfill postclosure liability | 15,625 | 202 | — | 15,827 | — |
| Contract retention | 4,495 | 2,880 | — | 7,375 | — |
| General claims payable | 12,786 | 3,095 | (575) | 15,306 | 6,675 |
| Pension liability | 457,202 | 74,919 | (35,495) | 496,626 | — |
| Net OPEB obligation | 194,890 | 28,291 | (19,698) | 203,483 | — |
| Workers' compensation | 32,957 | 3,479 | (16,035) | 20,401 | 4,376 |
| Interest rate swaps | 182,976 | — | (53,191) | 129,785 | — |
| Total other long-term liabilities | <u>900,931</u> | <u>112,866</u> | <u>(124,994)</u> | <u>888,803</u> | <u>11,051</u> |
| Total business-type activities long-term liabilities | <u>\$ 7,270,737</u> | <u>\$ 416,392</u> | <u>\$ (603,422)</u> | <u>\$ 7,083,707</u> | <u>\$ 211,395</u> |
| Component Units | | | | | |
| Long-term Debt and other obligations | | | | | |
| Atlanta Fulton County Recreation Authority | | | | | |
| Due to primary government | — | 19,933 | — | 19,933 | — |
| Revenue bonds | 208,675 | — | (12,065) | 196,610 | 12,665 |
| Total Atlanta Fulton County Recreation Authority | <u>208,675</u> | <u>19,933</u> | <u>(12,065)</u> | <u>216,543</u> | <u>12,665</u> |
| Atlanta Development Authority | | | | | |
| Revenue and other bonds | 358,600 | 75,254 | (53,160) | 380,694 | 11,855 |
| Bond issuance premiums | 21,747 | 2,217 | (1,181) | 22,783 | — |
| Bond issuance discounts | (123) | 123 | — | — | — |
| Capital leases | 305 | | (270) | 35 | 35 |
| Notes payable | 22,058 | 224 | (4,821) | 17,461 | 2,440 |
| Other long-term liabilities: | | | | | |
| Loans payable | 3,666 | — | — | 3,666 | — |
| Due to primary government | 24,000 | — | — | 24,000 | — |
| Other long-term liabilities | 31,050 | 20,334 | (14,885) | 36,499 | 3,382 |
| Total Atlanta Development Authority | <u>461,303</u> | <u>98,152</u> | <u>(74,317)</u> | <u>485,138</u> | <u>17,712</u> |
| Total component units long-term liabilities | <u>669,978</u> | <u>118,085</u> | <u>(86,382)</u> | <u>701,681</u> | <u>30,377</u> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Governmental-type Activities

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

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

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Section 108 Loans - Section 108 is the loan guarantee provision of the Community Development Block Grant (“CDBG”) program. The Section 108 Program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. 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 are expected to generate the necessary returns to flows to repay the loans from non-City sources.

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

1998 Installment Sale Program - The Georgia Municipal Association, Inc. (“GMA”) issued Certificates of Participation (City of Atlanta, Georgia Detention Center, Municipal Court and City Hall East Projects), Series 1998 in the aggregate amount of \$103,130,000 which has evidenced proportionate and undivided ownership interest in Installment Payments that has been paid by the City of Atlanta pursuant to the annual renewable Installment Sale Agreement, dated as of November 1, 1998 (the “Agreement”) between GMA, as the seller and the City, as purchaser. The Agreement will automatically renew for additional and consecutive 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Intergovernmental Agreements:

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

On 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 10, 2014, AFCRA issued \$61,180,000 in Revenue Refunding and Improvement Bonds, Series 2014A and \$9,445,000 Park Improvement Bonds, Taxable Series 2014B. The purpose of the Series 2014 Bonds is to: (a) finance the cost of the Series 2014 Project, (b) refund, redeem, and pay the costs of issuance related to the Series 2014 Bonds. The Series 2014 Project involves the construction, erection, acquisition, owning, repairing, remodeling, maintaining, additions to, improving and furnishing recreation centers and areas, including but not limited to, athletic fields, golf courses, public zoo or zoological parks, parking facilities or parking areas in connection with club houses, gymnasiums and related buildings and the usual and convenient facilities pertaining to such undertakings, and extensions and improvements of such facilities. Under an intergovernmental agreement dated December 1, 2014, between AFCRA and the City, the City has guaranteed that it will make payments to AFCRA sufficient in time and amount to enable AFCRA to pay the principal and interest on the Series 2014 bonds. The City guarantees payment for a period not to exceed 50 years.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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.

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

The net proceeds of the refunding portion of the Series 2017A bonds were used to refund most of the outstanding Series 2007A bonds and the remainder were deposited into an irrevocable trust with an escrow agent to provide for the remaining debt service payments on the refunded bonds. The result of the transaction will result in total debt service savings of \$4.2 million with an economic gain of approximately \$3.5 million.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

A summary of governmental-type activities bonds payable and other general long-term obligations as of June 30, 2017, 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 | \$ | 6,080 |
| 2009A Refunding Issue, \$78,028, 3.20% - 5.25%, due December 1, 2023 | | 33,530 |
| 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 | | 3,285 |
| | | 350,285 |
| Deferred amount on bond issuance premiums | | 33,773 |
| Total general obligation and annual bonds payable | | 384,058 |

Certificate of Participation:

| | | |
|---|--|--------|
| 2016 City Court of Atlanta Project, Refunding \$32,160,000, 4.000%-5.000%, due December 1, 2026 | | 29,780 |
| Deferred amount on bond issuance premiums | | 3,924 |
| Total certificate of participation | | 33,704 |

APSJFA Revenue Bonds

| | | |
|---|--|--------|
| 2016 Public Safety Facility Project, \$50,000, 4.25% - 5.00%, issued by the Atlanta Public Safety Judicial Facilities Authority, due December 1, 2026 | | 27,150 |
| Deferred amount on bond issuance premium | | 4,130 |
| Total APSJFA revenue bonds payable | | 31,280 |

SWMA Revenue Refunding Bonds:

| | | |
|--|--|-------|
| Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority due December 1, 2021 | | 9,360 |
|--|--|-------|

Limited Obligation Bonds:

| | | |
|---|--|---------|
| 2001 Westside Project, \$14,995, (5.000% at June 30, 2016), due December 1, 2021 | | 4,520 |
| 2005A Westside Project, \$72,350, (5.000% at June 30, 2016), due December 1, 2023 | | 36,390 |
| 2005B Westside Project, \$10,215, (5.000% at June 30, 2016), due December 1, 2023 | | 5,495 |
| 2006 Atlantic Station, \$166,515, (5.00% at June 30, 2016), December 1, 2024 | | 151,425 |
| 2007 Atlantic Station, \$85,495 4.375% - 5.25%, due December 1, 2024 | | 49,875 |
| 2008 Westside, \$63,760 3.27%, due December 1, 2037 | | 50,690 |
| 2014 Perry Bolton Project, \$21,000, 3.00% - 5.00%, due July 1, 2041 | | 17,755 |
| 2016 Eastside Refunding, \$30,555,000, 5.00%, due January 1, 2030 | | 29,010 |
| 2016A Princeton Lakes Refunding, \$5,820,000, 2.3%, due January 1, 2020 | | 4,455 |
| 2016B Princeton Lakes Refunding, \$4,955,000, 3.25%, due January 1, 2027 | | 4,915 |
| 2016A Beltline Refunding, \$21,600,000, 3.00%-5.00%, due June 30, 2031 | | 21,600 |
| 2016B Beltline Refunding, \$39,035,000, 3.00%-5.00%, due June 30, 2031 | | 39,035 |
| 2016C Beltline Refunding, \$6,290,000, 1.984%-4.579%, due June 30, 2031 | | 6,290 |
| 2016D BeltlineProject, \$39,605,000, 3.00%-5.00%, due June 30, 2031 | | 39,605 |
| 2016E BeltlineProject, \$38,325,000, 1.984%-3.879%, due June 30, 2025 | | 38,325 |

| | | |
|-------------------------------|--|---------|
| Total Limited Obligation Bond | | 499,385 |
|-------------------------------|--|---------|

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

| | |
|---|--------------|
| Deferred amounts: | |
| Bond issuance premiums | 16,137 |
| Total limited obligation bonds payable | 515,522 |
| Total bonds payable | 973,924 |
| Other general long-term debt | |
| Section 108 Loans, \$4,850, 0.28% - 4.48%, due August 1, 2019 (MMPH II & Mechanicsville) | 660 |
| 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) | 15,330 |
| 2007 Intergovernmental Agreement guaranteed payments toward 2007A Zoo Revenue Bonds, \$14,315,4.125% - 5.00%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2027 | 8,197 |
| 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 | 16,065 |
| 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 | 57,555 |
| 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 | 6,395 |
| 2015 Intergovernmental Agreement Guaranteed payments toward 2015 Revenue Bonds (New Downtown Atlanta Stadium Project), \$224,655, 1.40% - 5.00%, issued by the Atlanta Development Authority, due July 1, 2044 | 224,655 |
| 2017 Intergovernmental Agreement Guaranteed payments toward 2017 URFRA Taxable Revenue Bond, \$63,685, 1.250%-2.839%, due June 30, 2037 | 63,685 |
| Total other general long-term debt | 424,986 |
| Notes payable | 2,054 |
| Capital leases | 23,544 |
| Total long-term debt | \$ 1,424,508 |

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, 2017, 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Department of Aviation (DOA)

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

Summary of Department of Aviation long-term debt at June 30, 2017, consists of the following (dollars in thousands):

Facilities Revenue Bonds:

General Revenue and Refunding Bonds:

| | |
|--|--------------|
| Airport General Revenue Bonds, Series 2010A, combination serial at 2.0% - 5.0% and term at 4.625% - 5.0% through 2024 | 163,810 |
| 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 | 409,470 |
| Airport General Revenue and Refunding Bonds, Series 2011A, 3.0% - 5.0%, due serially through 2021 | 144,435 |
| Airport General Revenue and Refunding Bonds, Series 2011B, 3.0% - 5.0%, due serially through 2030 | 173,555 |
| Airport General Revenue Refunding Bonds, Series 2012A, 2.0% - 5.0%, due serially through 2042 | 60,305 |
| Airport General Revenue Refunding Bonds, Series 2012B, 2.0% - 5.0%, due serially through 2042 | 175,930 |
| Airport General Revenue Refunding Bonds, Series 2012C, 2.0% - 5.0%, due serially through 2042 | 214,630 |
| Airport General Revenue and Refunding Bonds, Series 2014B, 3.0% - 5.0%, due serially through 2033 | 140,830 |
| Airport General Revenue and Refunding Bonds, Series 2014C, 4.0% - 5.0%, due serially through 2030 | 128,850 |
| Total General Revenue and Refunding Bonds | \$ 1,611,815 |

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 | 275,220 |
| 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 | 798,825 |

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) | 154,870 |
| 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) | 15,135 |

170,005

Total Facilities Revenue Bonds 2,580,645

Bond Anticipation Notes 300,000

Deferred amounts:

Bond issuance premiums 127,479

Bond issuance discounts (140)

Total long-term debt \$ 3,007,984

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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 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, 2017, the balance of outstanding conduit debt totaled \$170.0 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

(Non-AMT), Series E-4 (AMT), up to the amount of \$225,000,000 (the Series E Notes). The Series D-1 Notes, the Series D-2 Notes, the Series E-1 Notes and the Series E-2 Notes are referred to as the “Third Lien GARB Notes.” The Series D-3 Notes, the Series D-4 Notes, the Series E-3 Notes and the Series E-4 Notes are referred to as the “Modified Hybrid PFC Notes.” 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.

On December 22, 2016, the City issued additional Commercial Paper Notes (Series F & G) in the aggregate amount of \$250 million. These additional notes were issued to finance, on an interim basis, a portion of the costs of the planning, engineering, design, and acquisition and construction of certain improvements at Hartsfield-Jackson Atlanta International Airport. The Series F-1 Notes, and Series F-2 Notes were issued as “Third Lien GARB Notes”, and the Series F-3 and Series F-4 were issued as “Second Lien PFC and Third Lien GARB” notes. The Series G-1 and Series G-2 Notes were issued as “Third Lien GARB” Notes, and the Series G-3 and Series G-4 were issued as “Second Lien PFC and Third Lien GARB” 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 second PFC notes are limited obligations of the City payable from and secured by a second lien on PFC revenues and a third lien on general revenues. The Series F and Series G notes collectively, do not constitute a debt of the City, or pledge of the faith and credit of the taxing power of the City. The Series F and Series G notes are not payable from any funds other than the revenues pledged for this 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%.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Department of Watershed Management

Summary of revenue bonds payable and GEFA notes payable at June 30, 2017 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 | \$ | 204,445 |
| 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 | | 49,545 |
| 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 | | 194,270 |
| 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 Revenues Bonds, \$50,000 Series 2013A2A (1.213% at June 30, 2016), due serially and term through 2038 | | 48,930 |
| Water and Wastewater Revenues Bonds, \$50,000 Series 2013A2 B, (1.213% at June 30, 2016), due serially and term through 2038 | | 48,940 |
| 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 | | 177,005 |
| Water and Wastewater Revenue Refunding Bonds, \$1,237,405,000 Series 2015, 2.00% - 5.00%, due serially and term through 2043 | | 1,236,295 |
| Water and Wastewater Revenue Refunding Bonds, \$226,175 Series 2017A, 3.50% - 5.00%, due serially through 2039 | | 226,175 |
| | | <hr/> |
| Total Revenue Bonds | | 2,740,300 |
| Deferred amounts: | | |
| Bond issuance premiums | | 236,720 |
| Bond issuance discounts | | (2,229) |
| | | <hr/> |
| Total revenue bonds | | 2,974,791 |
| | | <hr/> |

Georgia Environmental Facilities Authority (GEFA) Notes Payable:

| | |
|--|---------|
| Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3.00% due serially through 2023 | 1,819 |
| Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035 | 14,072 |
| Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036 | 14,707 |
| Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038 | 15,325 |
| Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027 | 23,644 |
| Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028 | 24,034 |
| Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027 | 24,047 |
| Georgia Environmental Facilities Authority (GEFA) \$5,500 Loan, 3.00%, due serially through 2032 | 4,475 |
| Georgia Environmental Facilities Authority (GEFA) \$3,000 Loan, 3.81%, due serially through 2032 | 2,489 |
| Georgia Environmental Facilities Authority (GEFA) 34,990 Loan, (3.00%), due serially through 2035 | 32,016 |
| Georgia Environmental Facilities Authority (GEFA) \$51,426 maximum gross loan (2.03%), due serially through 2039 | 20,246 |
| | <hr/> |
| Total GEFA notes payable | 176,874 |
| | <hr/> |

| | |
|----------------------|--------------|
| Capital leases | 7,143 |
| | <hr/> |
| Total long-term debt | \$ 3,158,808 |
| | <hr/> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. 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 2017, The Department received \$14,654,000 in GEFA funding. As of June 30, 2017, the Department had \$176,874,000 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 \$328.8 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.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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.

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.

Short-term debt activity for the years ended June 30, 2017, was as follows (in thousands):

| | <u>June 30, 2016</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2017</u> |
|------------------|----------------------|------------------|------------------|----------------------|
| Commercial paper | <u>—</u> | <u>109,010</u> | <u>(12,600)</u> | <u>96,410</u> |

Interest Rate Exchange Agreements (Swap's)

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

At June 30, 2017, the Department has two derivative instruments that are interest rate swaps referred to as Swap Three and Swap Four.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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 \$432,310,000. Swap Three became effective on January 3, 2002 and will mature on November 1, 2038. Swap Four became effective on January 3, 2002 and will mature on November 1, 2041.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2017, 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 | Terms | 2017 Changes in Fair Value | | Fair Value at June 30, 2017 | | |
|-----------------|--|----------------------------|------------------|-----------------------------|---------------------|----------|
| | | Classification | Amount | Classification | Amount | Notional |
| 3 | Pay fixed rate 4.09% per annum Receive 67% 1M LIBOR | Deferred outflow | \$ 37,331 | Debt | \$ (95,657) | 326,605 |
| 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 | \$ 15,860 | Debt | (29,316) | 80,440 |
| | | | <u>\$ 53,191</u> | | <u>\$ (129,785)</u> | |

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 \$3,938,000 for the year ended June 30, 2017. 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 2017 was approximately \$15,522,000.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. 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, 2017, 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 | \$ 326,605 | 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, 2017, 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, 2017, the interest rate on the Department's hedged variable-rate debt is 2.505 percent. The SIFMA swap index rate is 0.91 percent.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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

Such termination would not require the consent of 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 \$15,827,000 reported as the landfill post-closure costs liability at June 30, 2017, 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

and amenities, commonly known as “City Plaza”; (c) providing for the provision of certain workforce housing program implementation and monitoring services and (d) paying costs of issuance related to the Series 2016 Bonds. As of June 30, 2017, the City Plaza had \$9,230,000 in short-term and long-term outstanding obligation.

Downtown Parking Deck

On April 20, 2017 the City of Atlanta and Downtown Development Authority refunded all outstanding Downtown Development Authority Parking Deck Project Series 2006 in the amount of \$17,370,000 and issued the Atlanta Urban Redevelopment Agency Parking Deck Project Series 2017 in the amount of \$15,605,000 for (a) refunding of all the outstanding Series 2006 Bonds and (b) paying certain cost of issuance for the Series 2017 Bonds. Pursuant to the Intergovernmental Agreement, the City has agreed to make payments when due, of principle and interest on the Series 2017 Bonds. The title to the parking deck was transferred to the city as a result of this transaction. Interest on the bonds is due semiannually at rates ranging from 2% to 5% commencing December 1, 2017 and maturing December 1, 2031. By issuing the Series 2017 Bonds, an estimated economic gain has been obtained (difference between the present values of the debt service payments on the defeased and new debt) of approximately \$2.34 million and a net present value savings of approximately \$2.38 million.

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CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2017 (dollars in thousand):

| Year Ended June 30 | Governmental Activities | | | | | |
|-----------------------|-------------------------|-------------------|--------------------|-----------------|---------------------|-----------------|
| | General Obligations | | SWMA Revenue Bonds | | APSJFA Revenue Bond | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | \$ 24,855 | \$ 15,367 | \$ 1,695 | \$ 405 | \$ 2,300 | \$ 1,085 |
| 2019 | 26,335 | 14,382 | 1,780 | 318 | 2,355 | 1,039 |
| 2020 | 28,030 | 14,013 | 1,870 | 227 | 2,425 | 969 |
| 2021 | 29,565 | 11,969 | 1,965 | 131 | 2,515 | 896 |
| 2022 | 26,830 | 10,619 | 2,050 | 41 | 2,615 | 795 |
| 2023-2027 | 74,670 | 41,992 | — | — | 14,940 | 648 |
| 2028-2032 | 80,850 | 24,425 | — | — | — | — |
| 2033-2037 | 59,150 | 4,405 | — | — | — | — |
| | <u>\$ 350,285</u> | <u>\$ 137,172</u> | <u>\$ 9,360</u> | <u>\$ 1,122</u> | <u>\$ 27,150</u> | <u>\$ 5,432</u> |

| Year Ended June 30 | Certificate of Participation | | Limited Obligations | | Other General LT Obligations | |
|-----------------------|------------------------------|-----------------|---------------------|-------------------|------------------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| | 2018 | \$ 2,430 | \$ 1,296 | \$ 38,505 | \$ 17,797 | \$ 27,441 |
| 2019 | 2,525 | 1,197 | 39,480 | 20,880 | 21,522 | 6,439 |
| 2020 | 2,640 | 1,081 | 41,065 | 19,205 | 22,115 | 5,924 |
| 2021 | 2,775 | 945 | 41,740 | 17,364 | 18,397 | 5,397 |
| 2022 | 2,910 | 803 | 42,630 | 15,426 | 16,454 | 4,955 |
| 2023-2027 | 16,500 | 1,988 | 217,330 | 42,700 | 76,626 | 18,183 |
| 2028-2032 | — | — | 58,590 | 10,154 | 98,584 | 9,810 |
| 2033-2037 | — | — | 15,745 | 2,484 | 73,085 | 2,972 |
| 2038-2042 | — | — | 4,300 | 592 | 55,650 | — |
| 2043-2047 | — | — | — | — | 40,710 | — |
| | <u>\$ 29,780</u> | <u>\$ 7,310</u> | <u>\$ 499,385</u> | <u>\$ 146,602</u> | <u>\$ 450,584</u> | <u>\$ 60,912</u> |

| Year Ended June 30 | Business-Type Activities | | | | | | |
|-----------------------|--------------------------|---------------------|---------------------------------|------------------|----------------------|---------------------|--------------------------|
| | Aviation | | GA Environmental Facilities-DWM | | Watershed Management | | Interest Rate Swaps, Net |
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2018 | \$ 127,675 | \$ 131,377 | \$ 6,200 | \$ 5,050 | \$ 63,650 | \$ 124,189 | \$ 14,296 |
| 2019 | 134,710 | 124,996 | 6,404 | 4,846 | 66,850 | 120,805 | 14,275 |
| 2020 | 136,490 | 118,244 | 6,616 | 4,634 | 70,890 | 117,076 | 14,254 |
| 2021 | 143,485 | 111,386 | 6,834 | 4,416 | 74,195 | 113,192 | 14,232 |
| 2022 | 121,110 | 104,172 | 9,816 | 5,696 | 78,195 | 109,245 | 14,208 |
| 2023-2027 | 711,445 | 419,494 | 38,278 | 16,772 | 452,465 | 484,524 | 65,937 |
| 2028-2032 | 756,815 | 217,015 | 44,018 | 10,010 | 559,605 | 366,021 | 51,740 |
| 2033-2037 | 276,055 | 74,597 | 53,111 | 3,082 | 668,515 | 231,686 | 34,166 |
| 2038-2042 | 172,860 | 25,016 | 5,597 | 16 | 632,280 | 76,243 | 12,949 |
| 2043-2047 | — | — | — | — | 73,655 | 3,727 | — |
| | <u>\$ 2,580,645</u> | <u>\$ 1,326,297</u> | <u>\$ 176,874</u> | <u>\$ 54,522</u> | <u>\$ 2,740,300</u> | <u>\$ 1,746,708</u> | <u>\$ 236,057</u> |

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Debt Service Requirements, continued

| Year Ended June 30 | Business-Type Activities | | | |
|-----------------------|--------------------------|-----------------|-----------------------|-----------------|
| | City Plaza | | Downtown Parking Deck | |
| | Principal | Interest | Principal | Interest |
| 2018 | 315 | 385 | 755 | 675 |
| 2019 | 330 | 372 | 820 | 610 |
| 2020 | 345 | 358 | 835 | 593 |
| 2021 | 360 | 344 | 855 | 568 |
| 2022 | 370 | 330 | 885 | 533 |
| 2023-2027 | 2,130 | 1,372 | 5,035 | 2,069 |
| 2028-2032 | 2,740 | 769 | 6,420 | 707 |
| 2033-2037 | 2,640 | 168 | — | — |
| | <u>\$ 9,230</u> | <u>\$ 4,098</u> | <u>\$ 15,605</u> | <u>\$ 5,755</u> |

| Year Ended June 30 | Component Units | | | |
|-----------------------|----------------------|------------------|-------------------------------|-------------------|
| | Recreation Authority | | Atlanta Development Authority | |
| | Principal | Interest | Principal | Interest |
| 2018 | 12,665 | 10,599 | 14,295 | 17,551 |
| 2019 | 13,310 | 9,940 | 15,158 | 16,994 |
| 2020 | 14,015 | 9,227 | 15,453 | 16,579 |
| 2021 | 14,745 | 8,466 | 16,003 | 16,118 |
| 2022 | 13,825 | 7,643 | 16,629 | 15,626 |
| 2023-2027 | 72,540 | 26,286 | 79,438 | 67,591 |
| 2028-2032 | 38,650 | 7,848 | 66,930 | 51,666 |
| 2033-2037 | 16,860 | 1,737 | 77,889 | 35,569 |
| 2038-2042 | — | — | 55,650 | 17,976 |
| 2043-2047 | — | — | 40,710 | 3,252 |
| | <u>\$ 196,610</u> | <u>\$ 81,746</u> | <u>\$ 398,155</u> | <u>\$ 258,922</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, 2017

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Below is a description of the City's defeased bonds and the outstanding balances as of June 30, 2017 (dollars in thousands):

| Description of Bonds | Date Originally Issued | Original par Amount | Redemption Call Date | Date Defeased | Maturities Defeased | Interest Rate Defeased Bonds % | Amount Defeased | Outstanding 6/30/2017 |
|---------------------------------|------------------------|---------------------|----------------------|---------------|---------------------|--------------------------------|-------------------|-----------------------|
| 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 | \$ 16,835 |
| 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 | 1,885 |
| 2000 Various Purpose | 11/1/2000 | 8,000 | 12/1/2010 | 5/1/2005 | 2013-2025 | 5.0-5.5 | 2,960 | 1,465 |
| 2008 Public Improvement | 2/1/2008 | 36,820 | 12/1/2018 | 11/6/2014 | 2019-2021 | 4.0 - 5.0 | 10,940 | 6,080 |
| 2009 Refunding | 5/28/2009 | 78,025 | 1/14/2016 | 1/14/2016 | 2022-2023 | 4.125 - 5.250 | 20,305 | 33,530 |
| | | <u>\$ 232,845</u> | | | | | <u>\$ 121,525</u> | <u>\$ 60,930</u> |
| 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 |
| | 10/22/2009 | <u>\$ 448,965</u> | 11/1/2039 | 5/4/2017 | 2020-2039 | 4.25-5.50 | <u>\$ 240,210</u> | <u>\$ 240,210</u> |
| | | <u>\$ 1,198,965</u> | | | | | <u>\$ 849,095</u> | <u>\$ 849,095</u> |

I. 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, 2017 is as follows (dollars in thousands):

| | |
|---------------------------------------|-----------------------------------|
| | <u>Department of Aviation</u> |
| Debt service and debt service reserve | \$ 417,463 |
| Capital Projects | 652,115 |
| Total | <u>\$ 1,069,578</u> |

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

I. Restricted Net Position and Restricted Assets, continued

purposes, renewal and extension and sinking funds, and funds received for specific purposes pursuant to U. S. Government grants.

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources that may be used only to service outstanding debt. Other assets are restricted by bond ordinances for capital purposes. Restricted assets of the enterprise funds at June 30, 2017 are as follows (dollars in thousands):

| | Department of Watershed Management | Department of Aviation | Total |
|---|--|---------------------------|---------------------|
| Renewal and Extension Fund: | | | |
| Cash and cash equivalents | — | 15,652 | 15,652 |
| Other assets | — | 3,483 | 3,483 |
| Passenger Facility Charge Fund: | | | |
| Cash and cash equivalents | — | 16,657 | 16,657 |
| Other assets | — | 38,872 | 38,872 |
| Investments | — | 584,191 | 584,191 |
| Customer Facility Charge Fund: | | | |
| Cash and cash equivalents | — | 34,812 | 34,812 |
| Other assets | — | 4,142 | 4,142 |
| Construction Fund: | | | |
| Cash and cash equivalents | — | 66,258 | 66,258 |
| Other assets | — | 179 | 179 |
| Investments | — | 281,888 | 281,888 |
| Sinking Funds: | | | |
| Cash and cash equivalents | — | 394,673 | 394,673 |
| Investments | — | 22,790 | 22,790 |
| Construction Revenue Funds: | | | |
| Cash and cash equivalents | 205,815 | — | 205,815 |
| Sinking Fund: | | | |
| Cash and cash equivalents | 213,470 | — | 213,470 |
| Investments - Guaranteed Investment Contracts | — | — | — |
| Total | <u>\$ 419,285</u> | <u>\$ 1,463,597</u> | <u>\$ 1,882,882</u> |

IV. Other Information

A. Risk Management

General

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Risk Management, continued

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

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

Self-insurance

The City is self-insured for 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 2017. 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Risk Management, continued

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2017 were as follows (dollars in thousands):

| | Beginning of period liability | Period claims and changes in estimates | Claim payments | End of period liability |
|---------------------------|-------------------------------|--|----------------|-------------------------|
| Workers' compensation: | | | | |
| 2015 | \$ 43,539 | \$ 16,684 | \$ (7,264) | \$ 52,959 |
| 2016 | \$ 52,959 | \$ 23,830 | \$ (3,996) | \$ 72,793 |
| 2017 | \$ 72,793 | \$ 16,720 | \$ (20,750) | \$ 68,763 |
| Health and Dental claims: | | | | |
| 2015 | \$ 6,080 | \$ 64,415 | \$ (63,565) | \$ 6,930 |
| 2016 | \$ 6,930 | \$ 59,502 | \$ (60,502) | \$ 5,930 |
| 2017 | \$ 5,930 | \$ 76,402 | \$ (74,908) | \$ 7,424 |
| General claims liability: | | | | |
| 2015 | \$ 28,348 | \$ 9,390 | \$ (8,790) | \$ 28,948 |
| 2016 | \$ 28,948 | \$ 4,546 | \$ (11,248) | \$ 22,246 |
| 2017 | \$ 22,246 | \$ 8,125 | \$ (6,485) | \$ 23,886 |

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, 2017, the total estimated remaining costs on committed projects are \$801.1 million for the Department of Aviation, and \$163.9 million for the Department of Watershed Management.

Department of Aviation

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

As of June 30, 2017, 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 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, 2017. 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 \$17,638,000 for the year ended June 30, 2017. 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Consent Decrees for Wastewater System

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

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

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

CSO Consent Decree

With respect to the October 10, 1995 action brought against the City by the Riverkeeper, the court dismissed allegations regarding the phosphorus reduction program and common law nuisance claims, but found that the City violated federal and State water pollution laws with regard to the City's operation of its Tanyard Creek, Proctors Creek/North Avenue, and Proctor Creek/Greensferry CSO treatment facilities. As mentioned, the City and the citizen plaintiffs settled the lawsuit in what is referred to as the CSO Consent Decree (EPA and the EPD also joined). The CSO Consent Decree required the City to study the performance of the existing CSO treatment facilities, evaluate treatment alternatives that may be necessary for meeting State water quality standards, and improve the performance, maintenance, operation, and management of the existing treatment facilities. As of June 30, 2017, 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

system, revise the current operations program, and implement upgrades to the current laboratory information system; and review its inter-jurisdictional agreements to address over-loading and pretreatment issues. There are milestones that must be completed on schedule. The provisions regarding the wastewater treatment facilities were completed in March 2004. All capital improvements, upgrades, and repairs under the FACD had an original completion date of July 1, 2014.

Amendment to the First Amended Consent Decree

On September 24, 2012, the court entered an amendment to the FACD. This amendment contained five changes: (1) it extended the deadlines on the work to rehabilitate and provide capacity relief in the City's sewerage collection and transmission system with the final deadline for this work under the FACD extended from 2015 to 2027; (2) it eliminated the requirement that sewer lines that were merely surcharging as opposed to overflowing be upgraded; (3) it required that the City complete one major project, the Peachtree Creek Storage and Pump Station by July 1, 2014; (4) it required the City to reassess its financial capability on July 1, 2020 and accelerate remaining projects if financial conditions substantially improve; and (5) it required the City to report certain performance metrics to federal and state environmental protection agencies on a semi-annual basis as opposed to a quarterly basis. This amendment will allow the City to continue to improve the financial condition of its water and wastewater system, balance its competing system needs, and prevent a substantial increase in the burden on its ratepayers.

Clean Water Atlanta Program

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

- Municipal Option Sales Tax (MOST) - Effective October 1, 2004, the Georgia General Assembly enacted a statute that allowed the City of Atlanta to impose a 1% sale and use tax dedicated to water and wastewater purposes subject to approval through a referendum of the voters in the City. The statute provided that the tax would be for an initial four-year term with up to two four-year extensions that were also subject to voter referendum. 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 2017 were \$131,710,000, of which \$11,228,000 were receivable from the Georgia Department of Revenue at June 30, 2017.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

- 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 \$14,654,000 in GEFA funding. As of June 30, 2017, the City had \$176,874,000 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 2013-2017 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 2017.

Graduated Monthly Water Rate Structure:

| Water Consumption | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|---------|---------|---------|---------|---------|
| 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:

| Water Consumption | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|----------|----------|----------|----------|----------|
| 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 |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Consent Orders for Drinking Water System

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

Estimated Capital Costs to Complete Compliance with Decrees and Orders

The DWM is in the midst of a Capital Improvement Program mandated by court orders, regulatory and priority requirements. This Capital Improvement Program details all of the improvements needed through 2027 to meet the aforementioned objectives. The current cost estimate of the overall Capital Improvement Program is approximately \$2.89 billion.

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

| Project Types | Total 2006-2027 CIP (In Millions) |
|--|--|
| Wastewater Projects: | |
| Consent Decree Program (CSO) | \$ 723 |
| First Amended Consent Decree Program (SSO) | 1,863 |
| Regulatory | 130 |
| Renewal & Extension Fund Projects | 828 |
| Subtotal | 3,544 |
| Water Projects: | |
| Consent Order | 80 |
| Non-Consent Order | 2,017 |
| Subtotal | 2,097 |
| Grand total | \$ 5,641 |

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 |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

A stand-alone audited financial report is issued for each of the three defined benefit plans and can be obtained at the below address. The defined contribution plan does not have separately issued financial statements. At page 129 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, 2015, with the results rolled forward to the measurement date of June 30, 2016. The allocation of the pension liability is based upon fiscal year 2016 contributions from the various departments. The City is presenting net pension liability as of June 30, 2016 for the fiscal year 2017 financial statements.

The General Employees' Pension Plan

Plan Description

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

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 that is matched 100% by the City.

Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary, which is also matched 100% by the City. Employees vest in the amount of the City's contributions at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

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

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 2017, the City had an actuarial assessment conducted to review the pay cap. The assessment determined the City was at 21.1%, which is well within the cap. The 35% cap is not projected to be reached until fiscal year 2039 based on the updated results projected forward with Pension Reform. During the year ended June 30, 2017, the City contributions were \$53,817,000.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

Contribution requirements to the GEPP - the School System

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.

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 |

c. Description of GEPP benefit terms - The City

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

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

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

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

Hired after October 31, 2011:

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

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

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

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

Early Pension:

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

Disability:

Service requirement:

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

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

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

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' Plans

Plan Description

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

a. Administration of the FPP and PPP

The FPP and PPP are administered as a single-employer defined-benefit plans 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums.

On November 1, 2011, the sworn personnel of the Fire Rescue Department and Police Department participating in the FPP and PPP and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the FPP and PPP. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary). Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the defined-benefit pension funds measured as a percentage of payroll. The City's annual contribution to the funds may not exceed 35% of payroll of the participants in the three Plans in aggregate. In the event that this 35% cap is reached, the City will fund any overage for the first 12 month period from its reserves. During that period, the City's Management must agree on an alternative method to reduce the overage. If no alternative is reached, beginning in the second 12 month period, the City and the participants will equally split the cost of the overage, subject only to a provision that employee contributions may not increase more than 5%. During fiscal year 2015 the City had an actuary assessment conducted to review the pay cap. The assessment determined the City was at 26.9%, well within the cap.

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

Contributions to the FPP and PPP during the year ended June 30, 2017 were \$17,901,000 and \$27,493,000 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

entitled to three fourths of the amount the deceased participant was receiving or would have been entitled to receive. Below are the terms the FPP and PPP has established to receive benefits.

Normal retirement age:

Age 65 with at least five years of service

Age 57 with at least 15 years of service

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

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

Any age with at least 30 years of service

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

Early retirement age:

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

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

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

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

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

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

Pre-retirement death benefit:

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

Membership

As of the beginning of the fiscal year ended June 30, 2016, pension plan membership consisted of the following:

| | General Employees - The City | Firefighters | Police Officers |
|---|---------------------------------|--------------|-----------------|
| Inactive plan members or beneficiaries currently receiving benefits | 3,834 | 992 | 1,446 |
| Inactive plan members entitled to, but not yet receiving benefits | 241 | 21 | 55 |
| Active plan members | 3,307 | 1,042 | 2,023 |
| Total membership | 7,382 | 2,055 | 3,524 |

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 Plans' 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 Plans' investment guidelines as established by the Board. The investments are held in trust by the Plans' custodian in the Plans' names. These assets are held exclusively for the purpose of providing benefits to members of the respective Plans' and their beneficiaries.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

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

In the development of the current asset allocation plan, 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 2017. 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, 2017, are summarized in the tables on page 119.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

| <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% | 6.70% |
| International equity | 20% | 8.10% |
| Fixed income | 25% | 2.10% |
| Alternative investments | 5% | 6.20% |
| | <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% | 6.01% |
| Domestic large-cap equity | 30% | 6.91% |
| Domestic mid-cap equity | 15% | 8.91% |
| Domestic small-cap equity | 9% | 5.01% |
| International equity | 9% | 3.31% |
| Fixed income | 25% | 0.81% |
| Alternative investments | 5% | 7.51% |
| | <u>100%</u> | |

For the year ended June 30, 2017, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense was 13.32%, 13.15%, and 14.19%, 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, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

Net Pension Liability

The total pension liability is based on the July 1, 2015 actuarial valuation rolled forward to June 30, 2016 using standard roll-forward techniques (dollars in thousands):

| | General Employees' - the City | Firefighters' | Police Officers' | Total |
|---|-------------------------------------|----------------|---------------------|------------------|
| Total pension liability | \$ 1,915,577 | 861,493 | 1,317,840 | 4,094,910 |
| Plan fiduciary net position | 1,122,786 | 612,637 | 950,415 | 2,685,838 |
| Net pension liability | <u>792,791</u> | <u>248,856</u> | <u>367,425</u> | <u>1,409,072</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 58.61% | 71.11% | 72.12% | 65.59% |

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, 2017 (dollars in thousands):

| | General Employees' | Firefighters' | Police Officers' | Total |
|---------------------------------------|-----------------------|-------------------|---------------------|---------------------|
| General Government | \$ 385,296 | \$ 188,384 | \$ 338,766 | \$ 912,446 |
| Department of Airport | 91,092 | 60,472 | 28,659 | 180,223 |
| Department of Watershed Management | 259,718 | — | — | 259,718 |
| Other Non-major Enterprise | 56,685 | — | — | 56,685 |
| Total | <u>\$ 792,791</u> | <u>\$ 248,856</u> | <u>\$ 367,425</u> | <u>\$ 1,409,072</u> |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

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, 2017 based on the June 30, 2016 measurement date, as follows (dollars in thousands):

| <u>General Employees' - the City</u> | Increase (Decrease) | | |
|--------------------------------------|-------------------------|-------------------|-----------------------|
| | Total Pension Liability | Plan Net Position | Net Pension Liability |
| Balances at June 30, 2015 | \$ 1,873,213 | 1,153,715 | 719,498 |
| Changes for the year: | | | |
| Service cost | 20,230 | — | 20,230 |
| Interest expense | 136,155 | — | 136,155 |
| Demographic experience | 1,610 | — | 1,610 |
| Contributions - employer | — | 54,236 | (54,236) |
| Contributions - employee | — | 19,173 | (19,173) |
| Net investment income | — | 12,257 | (12,257) |
| Benefit payments and refunds | (115,631) | (115,631) | — |
| Administrative expenses | — | (964) | 964 |
| Net changes | 42,364 | (30,929) | 73,293 |
| Balances at June 30, 2016 | \$ 1,915,577 | 1,122,786 | 792,791 |

| <u>Firefighters'</u> | Increase (Decrease) | | |
|------------------------------|-------------------------|-------------------|-----------------------|
| | Total Pension Liability | Plan Net Position | Net Pension Liability |
| Balances at June 30, 2015 | \$ 853,690 | 644,649 | 209,041 |
| Changes for the year: | | | |
| Service cost | 12,013 | — | 12,013 |
| Interest expense | 62,584 | — | 62,584 |
| Demographic experience | (22,794) | — | (22,794) |
| Contributions - employer | — | 16,454 | (16,454) |
| Contributions - employee | — | 5,667 | (5,667) |
| Net investment income | — | (9,895) | 9,895 |
| Benefit payments and refunds | (44,000) | (44,000) | — |
| Administrative expenses | — | (238) | 238 |
| Net changes | 7,803 | (32,012) | 39,815 |
| Balances at June 30, 2016 | \$ 861,493 | 612,637 | 248,856 |

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

| <u>Police Officers'</u> | Increase (Decrease) | | |
|------------------------------|----------------------------|----------------------|--------------------------|
| | Total Pension Liability | Plan Net Position | Net Pension Liability |
| Balances at June 30, 2015 | \$ 1,294,907 | 983,385 | 311,522 |
| Changes for the year: | | | |
| Service cost | 21,573 | — | 21,573 |
| Interest expense | 95,436 | — | 95,436 |
| Demographic experience | (34,253) | — | (34,253) |
| Contributions - employer | — | 25,441 | (25,441) |
| Contributions - employee | — | 11,825 | (11,825) |
| Net investment income | — | (10,177) | 10,177 |
| Benefit payments and refunds | (59,823) | (59,823) | — |
| Administrative expenses | — | (236) | 236 |
| Net changes | 22,933 | (32,970) | 55,903 |
| Balances at June 30, 2016 | \$ 1,317,840 | 950,415 | 367,425 |

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, 2016:

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

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

The following presents the net pension liability of the Plans, calculated using the discount rates for each Plan as of June 30, 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, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

| | Discount Rate | | |
|-----------------------------------|---------------|---------|-------------|
| | 1% Decrease | Current | 1% Increase |
| | 6.5% | 7.5% | 8.5% |
| General Employees - the City | \$ 1,010,358 | 792,791 | 609,869 |
| General Employees - School System | \$ 559,931 | 500,583 | 449,684 |
| | 6.41% | 7.41% | 8.41% |
| Firefighters' Pension | \$ 357,411 | 248,856 | 159,048 |
| Police Officers' Pension | \$ 547,233 | 367,425 | 220,715 |

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2015 rolled forward to the June 30, 2016 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

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

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

The 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, 2015 | July 1, 2015 | July 1, 2015 |
| 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 | 25 years | 26 years | 26 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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

year 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 \$116,118,000 for the year ended June 30, 2017. Of the total pension expense, \$80,623,000 was recognized in the governmental activities and \$35,495,000 was recognized in the business type activities.

Deferred outflows of resources totaling \$288,936,000, with \$99,212,000 of contributions made after the plan's measurement date, \$35,355,000 for demographic gains/losses, \$22,040,000 for assumption changes, and \$132,329,000 represents the pension plans net differences between projected and actual investment earnings..

The deferred inflows of resources totaling \$98,244,000 including demographic and assumption changes.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

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

| | Year of deferral | Amortization period (in years) | Beginning of year balance | Additions | Deductions | End of year balance |
|--|------------------|--------------------------------|---------------------------|-----------|------------|---------------------|
| General employees' | | | | | | |
| Deferred Inflows | | | | | | |
| Difference between expected and actual experience | 2015 | 4.00 | (1,049) | — | 350 | (699) |
| | | | | | | \$ (699) |
| Deferred Outflows | | | | | | |
| Net difference between projected and actual pension investments income | 2014 | 5.00 | (68,673) | — | 22,892 | (45,781) |
| | 2015 | 5.00 | 22,014 | — | (5,504) | 16,510 |
| | 2016 | 5.00 | — | 72,652 | (14,530) | 58,122 |
| Demographic gain/loss | 2016 | 4.00 | — | 1,610 | (403) | 1,207 |
| Contributions subsequent to the measurement date | | | 54,235 | 53,817 | (54,234) | 53,818 |
| | | | | | | \$ 83,876 |
| Firefighters' | | | | | | |
| Deferred Inflows | | | | | | |
| Demographic gain/loss | 2015 | 11.95 | (20,961) | — | 1,913 | (19,048) |
| | 2016 | 12.10 | — | (22,796) | 1,884 | (20,912) |
| | | | | | | \$ (39,960) |
| Deferred Outflows | | | | | | |
| Net difference between projected and actual pension investments income | 2014 | 5 | (42,797) | — | 14,265 | (28,532) |
| | 2015 | 5 | 36,432 | — | (9,108) | 27,324 |
| | 2016 | 5 | — | 56,703 | (11,341) | 45,362 |
| Contributions subsequent to the measurement date | | | 16,454 | 17,901 | (16,454) | 17,901 |
| Demographic gain/loss | 2014 | 12.3 | 8,451 | — | (820) | 7,631 |
| Assumption changes | 2014 | 12.3 | 13,609 | — | (1,321) | 12,288 |
| | | | | | | \$ 81,974 |
| Police Officers' | | | | | | |
| Deferred Inflows | | | | | | |
| Demographic gain/loss | 2015 | 10.65 | (29,493) | — | 3,056 | (26,437) |
| | 2016 | 11.03 | — | (34,253) | 3,106 | (31,147) |
| | | | | | | (57,584) |
| Deferred Outflows | | | | | | |
| Net difference between projected and actual pension investments income | 2014 | 5 | (67,005) | — | 22,335 | (44,670) |
| | 2015 | 5 | 51,175 | — | (12,794) | 38,381 |
| | 2016 | 5 | — | 82,016 | (16,403) | 65,613 |
| Contributions subsequent to the measurement date | | | 25,440 | 27,493 | (25,440) | 27,493 |
| Demographic gain/loss | 2014 | 11.08 | 29,799 | — | (3,282) | 26,517 |
| Assumption changes | 2014 | 11.08 | 10,959 | — | (1,207) | 9,752 |
| | | | | | | 123,086 |
| | | | | | | \$ (98,243) |
| | | | | | | \$ 288,936 |

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

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, 2017 (amounts in thousands):

| | Balance June 30, 2017 | General Government | Department of Watershed Management | Department of Aviation | Other non-major enterprise funds |
|--|--------------------------|-----------------------|--|---------------------------|-------------------------------------|
| <u>General employees'</u> | | | | | |
| Deferred Inflows | | | | | |
| Difference between expected and actual experience | (699) | (340) | (229) | (80) | (50) |
| | <u>(699)</u> | <u>(340)</u> | <u>(229)</u> | <u>(80)</u> | <u>(50)</u> |
| Deferred Outflows | | | | | |
| Net difference between projected and actual pension investments income | 28,851 | 14,022 | 9,451 | 3,315 | 2,063 |
| Demographic gain/loss | 1,207 | 587 | 395 | 139 | 86 |
| Contributions subsequent to the measurement date | 53,817 | 26,693 | 17,106 | 6,184 | 3,834 |
| | <u>83,875</u> | <u>\$ 41,302</u> | <u>\$ 26,952</u> | <u>9,638</u> | <u>\$ 5,983</u> |
| Deferred amount to be amortized | \$ 29,359 | \$ 14,269 | \$ 9,617 | \$ 3,374 | \$ 2,099 |
| <u>Firefighters'</u> | | | | | |
| Deferred Inflows | | | | | |
| Demographic gain/loss | (39,959) | (30,249) | — | (9,710) | — |
| | <u>(39,959)</u> | <u>(30,249)</u> | <u>—</u> | <u>(9,710)</u> | <u>—</u> |
| Deferred Outflows | | | | | |
| Net difference between projected and actual pension investments income | 44,154 | 33,424 | — | 10,730 | — |
| Assumption changes | 12,288 | 9,302 | — | 2,986 | — |
| Demographic gain/loss | 7,631 | 5,777 | — | 1,854 | — |
| Contributions subsequent to the measurement date | 17,901 | 13,784 | — | 4,117 | — |
| | <u>81,974</u> | <u>62,287</u> | <u>—</u> | <u>19,687</u> | <u>—</u> |
| Deferred amount to be amortized | \$ 24,114 | \$ 18,254 | \$ — | \$ 5,860 | \$ — |
| <u>Police Officers'</u> | | | | | |
| Deferred Inflows | | | | | |
| Demographic gain/loss | (57,584) | (53,093) | — | (4,491) | — |
| | <u>(57,584)</u> | <u>(53,093)</u> | <u>—</u> | <u>(4,491)</u> | <u>—</u> |
| Deferred Outflows | | | | | |
| Net difference between projected and actual pension investments income | 59,324 | 54,697 | — | 4,627 | — |
| Assumption changes | 9,752 | 8,991 | — | 761 | — |
| Demographic gain/loss | 26,517 | 24,449 | — | 2,068 | — |
| Contributions subsequent to the measurement date | 27,493 | 25,294 | — | 2,199 | — |
| | <u>123,086</u> | <u>113,431</u> | <u>—</u> | <u>9,655</u> | <u>—</u> |
| Deferred amount to be amortized | \$ 38,009 | \$ 35,044 | \$ — | \$ 2,965 | \$ — |

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

Contributions subsequent to the measurement date of June 30, 2016 in the amount of \$99,211,000 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):

General employees'

| | Amortization amount | General Government | Department of Watershed Management | Department of Aviation | Other non-major enterprise units |
|---------------------|------------------------|-----------------------|--|---------------------------|-------------------------------------|
| 2018 | \$ (2,804) | \$ (1,362) | \$ (919) | \$ (322) | \$ (201) |
| 2019 | (2,804) | (1,362) | (919) | (322) | (201) |
| 2020 | 20,436 | 9,931 | 6,695 | 2,348 | 1,462 |
| 2021 | 14,531 | 7,062 | 4,760 | 1,670 | 1,039 |
| 2022 and thereafter | — | — | — | — | — |
| | <u>\$ 29,359</u> | <u>\$ 14,269</u> | <u>\$ 9,617</u> | <u>\$ 3,374</u> | <u>\$ 2,099</u> |

Firefighters'

| | | | | | |
|---------------------|------------------|------------------|-------------|-----------------|-------------|
| 2018 | \$ 4,527 | \$ 3,427 | \$ — | \$ 1,100 | \$ — |
| 2019 | 4,527 | 3,427 | — | 1,100 | — |
| 2020 | 18,792 | 14,226 | — | 4,566 | — |
| 2021 | 9,684 | 7,331 | — | 2,353 | — |
| 2022 and thereafter | (13,416) | (10,157) | — | (3,259) | — |
| | <u>\$ 24,114</u> | <u>\$ 18,254</u> | <u>\$ —</u> | <u>\$ 5,860</u> | <u>\$ —</u> |

Police Officers'

| | | | | | |
|---------------------|------------------|------------------|-------------|-----------------|-------------|
| 2018 | \$ 5,189 | \$ 4,784 | \$ — | \$ 405 | \$ — |
| 2019 | 5,189 | 4,784 | — | 405 | — |
| 2020 | 27,524 | 25,377 | — | 2,147 | — |
| 2021 | 14,730 | 13,581 | — | 1,149 | — |
| 2022 and thereafter | (14,623) | (13,482) | — | (1,141) | — |
| | <u>\$ 38,009</u> | <u>\$ 35,044</u> | <u>\$ —</u> | <u>\$ 2,965</u> | <u>\$ —</u> |

Defined Contribution Plan

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

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.

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

All modifications to the 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

A. Pensions, continued

As of June 30, 2017, there were 1,733 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was approximately \$128,606,000. Employer contributions for the year ended June 30, 2017, were approximately \$11,056,000 and employee contributions were approximately \$10,979,000, totaling 17.2% of covered payroll. In addition, there were another 3,267 Defined Contribution Plan participants in the hybrid plans.

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

Condensed financial statement information for the Defined Contribution Plan for the year ended June 30, 2017, is shown below (dollars in thousands):

| | | |
|---|----|----------------|
| Current assets: | | |
| Investment | | |
| Domestic fixed income securities | \$ | 37,317 |
| Domestic equities | | 29,509 |
| Alternative partnerships | | — |
| Co-mingled funds | | 70,281 |
| Other assets | | 8,054 |
| Total Assets | \$ | <u>145,161</u> |
| Current liabilities | | |
| Account payable | | 26 |
| Total net position held in trust for pension benefits | | <u>145,135</u> |
| Additions: | | |
| Employer contributions | | 11,056 |
| Employee contributions | | 10,979 |
| Refunds and other | | 12,686 |
| Total additions | | <u>34,721</u> |
| Deductions: | | |
| Benefit Payments | | 8,168 |
| Administrative expenses | | 48 |
| Total deductions | | <u>8,216</u> |
| Change in net position held in trust for pension benefits | \$ | <u>26,505</u> |

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

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, 2017, the City made \$48.9 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 \$41.7 million through their required contributions.

Annual OPEB Cost and Net OPEB Obligation: The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC); an amount actuarially determined using the 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, 2017 (dollars in thousands):

| | City-Wide | DWM | DOA | Other Business-type | General Government |
|--|-------------------|-------------------|------------------|------------------------|-----------------------|
| Annual Required Contribution | \$ 81,414 | \$ 14,820 | \$ 10,389 | \$ 4,321 | \$ 51,884 |
| Interest on Net OPEB Obligation | 17,924 | 3,262 | 2,287 | 951 | 11,424 |
| Adjustment to Annual Required Contribution | (21,338) | (3,884) | (2,723) | (1,132) | (13,599) |
| Annual OPEB Cost (expense) | 78,000 | 14,198 | 9,953 | 4,140 | 49,709 |
| "Pay As You Go" Payments Made | (48,947) | (8,261) | (6,258) | (5,179) | (29,249) |
| Increase in Net OPEB Obligation | 29,053 | 5,937 | 3,695 | (1,039) | 20,460 |
| Net OPEB Obligation - Beginning of Year | 448,099 | 106,924 | 60,465 | 27,501 | 253,209 |
| Net OPEB Obligation - End of Year | <u>\$ 477,152</u> | <u>\$ 112,861</u> | <u>\$ 64,160</u> | <u>\$ 26,462</u> | <u>\$ 273,669</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, 2015 - 2017 were as follows (dollars in thousands):

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Paid | Net OPEB Obligation |
|-------------------|---------------------|---|------------------------|
| June 30, 2015 | \$ 74,141 | 58.4% | \$ 415,658 |
| June 30, 2016 | \$ 76,158 | 57.4% | \$ 448,099 |
| June 30, 2017 | \$ 78,000 | 62.8% | \$ 477,152 |

Funded Status and Funding Progress: As of July 1, 2016, the most recent actuarial valuation date, the Plan was not funded. The unfunded actuarial accrued liability (UAAL) for benefits was \$1.14 billion. The covered payroll was \$384.5 million, and the ratio of the UAAL to the covered payroll was 297.36%. The Plan membership as of July 1, 2016, was 14,898; consisting of 7,603 current

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

retirees, beneficiaries and dependents and 7,295 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 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 multi-year 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, 2016, 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, 2016, actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. It is amortized as a level percent of payroll over a 21 year period and a closed amortization method. The actuarial assumptions included 4.0 investment rate of return and an annual medical cost trend rate of 7 percent initially, graded down to 4.5 percent over five years. Both rates include a 3 percent inflation assumption. Currently there are no assets set aside that are legally held exclusively for OPEB.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2017

Notes to the Financial Statements - Continued

VI. Subsequent Events

General Government

On August 2, 2017, the City of Atlanta and Atlanta Fulton County Recreation Authority issued the Zoo Atlanta Parking Facility Project, Series 2017 Bonds (the “Series 2017” Bonds) in the par amount of \$30,390,000.

On October 5, 2017, the City of Atlanta and Atlanta Development Authority (ADA) issued the Homeless Opportunity Project Series 2017 Bonds (the “Series 2017 Bonds”) in the par amount of \$25,700,000.

In December 2017, the City of Atlanta passed legislation to combine the Boards of Trustees for its three separate pension plans in order to improve administrative efficiency, governance and investment returns.



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Required Supplementary Information

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

Schedule of Funding Progress for OPEB
 (in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets | AAL Projected Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | Percentage of Covered Payroll |
|-----------------------------|------------------------------|----------------------------|------------------------|-----------------|--------------------|----------------------------------|
| July 1, 2012 | — | \$ 1,482,842 | \$ 1,482,842 | —% | \$ 321,056 | 461.9% |
| July 1, 2014 | — | \$ 1,119,869 | \$ 1,119,869 | —% | \$ 348,412 | 321.4% |
| July 1, 2016 | — | \$ 1,143,278 | \$ 1,143,278 | —% | \$ 384,478 | 297.4% |

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
 General Employees' Pension Plan
 Year Ended June 30
 (Dollars in thousands)
 (Unaudited)

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

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

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

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

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

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

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

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

| Police Officers' Pension Plan | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|
| Total pension liability | \$ 1,317,840 | \$ 1,294,907 | \$ 1,270,494 |
| Plan fiduciary net position | \$ 950,415 | \$ 983,385 | \$ 987,507 |
| Employers net pension liability | \$ 367,425 | \$ 311,522 | \$ 282,987 |
| Plan fiduciary net position as a percentage of total pension liability | 72.12% | 75.94% | 77.73% |
| Covered-employee payroll | \$ 92,965 | \$ 93,836 | \$ 91,840 |
| Employers net pension liability as a percentage of covered-employee payroll | 395.23% | 331.99% | 308.13% |

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

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

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

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

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

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

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------------|--------------------------|--------------------------|
| Total pension liability: | | | |
| Service cost | \$ 12,013 | \$ 12,612 | \$ 13,783 |
| Interest | 62,584 | 60,396 | 59,473 |
| Differences between expected and actual experience | — | — | 10,092 |
| Demographic experience | (22,794) | (23,053) | — |
| Changes of assumptions | — | — | 16,251 |
| Benefit payments, including refunds of member contributions | <u>(44,000)</u> | <u>(42,590)</u> | <u>(41,629)</u> |
| Net change in total pension liability | 7,803 | 7,365 | 57,970 |
| Total pension liability - beginning | <u>853,690</u> | <u>846,325</u> | <u>788,355</u> |
| Total pension liability - ending | <u><u>\$ 861,493</u></u> | <u><u>\$ 853,690</u></u> | <u><u>\$ 846,325</u></u> |
| Plan fiduciary net position: | | | |
| Contributions - employer | \$ 16,454 | \$ 20,866 | \$ 20,656 |
| Contributions - member | 5,667 | 5,637 | 5,670 |
| Net investment income (loss) | (9,895) | 2,651 | 112,374 |
| Other | 150 | 4 | — |
| Benefit payments, including member refunds | (44,000) | (42,590) | (41,268) |
| Administrative expenses | <u>(388)</u> | <u>(427)</u> | <u>(374)</u> |
| Net change in plan fiduciary net position | (32,012) | (13,859) | 97,058 |
| Plan fiduciary net position - beginning | <u>644,649</u> | <u>658,508</u> | <u>561,450</u> |
| Plan fiduciary net position - ending | <u>612,637</u> | <u>644,649</u> | <u>658,508</u> |
| Plan net pension liability - ending | <u><u>\$ 248,856</u></u> | <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 schedules and accompanying independent auditors' report

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------------|----------------------------|----------------------------|
| Total pension liability: | | | |
| Service cost | \$ 21,573 | \$ 22,387 | \$ 23,755 |
| Interest | 95,436 | 91,326 | 89,442 |
| Changes of benefit terms | (34,253) | (33,047) | — |
| Differences between expected and actual experience | — | — | 36,363 |
| Changes of assumptions | — | — | 13,373 |
| Benefit payments, including refunds of member contributions | <u>(59,823)</u> | <u>(56,253)</u> | <u>(51,070)</u> |
| Net change in total pension liability | 22,933 | 24,413 | 111,863 |
| Total pension liability - beginning | <u>1,294,907</u> | <u>1,270,494</u> | <u>1,158,631</u> |
| Total pension liability - ending | <u><u>\$ 1,317,840</u></u> | <u><u>\$ 1,294,907</u></u> | <u><u>\$ 1,270,494</u></u> |
| Plan fiduciary net position: | | | |
| Contributions - employer | \$ 25,441 | \$ 32,693 | \$ 30,197 |
| Contributions - member | 11,825 | 11,224 | 11,157 |
| Net investment income | (10,177) | 8,734 | 168,964 |
| Other | 193 | 4 | — |
| Benefit payments, including member refunds | (59,823) | (56,253) | (51,299) |
| Administrative expenses | <u>(429)</u> | <u>(524)</u> | <u>(327)</u> |
| Net change in plan fiduciary net position | (32,970) | (4,122) | 158,692 |
| Plan fiduciary net position - beginning | <u>983,385</u> | <u>987,507</u> | <u>828,815</u> |
| Plan fiduciary net position - ending | <u>950,415</u> | <u>983,385</u> | <u>987,507</u> |
| Plan net pension liability - ending | <u><u>\$ 367,425</u></u> | <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 schedules and accompanying independent auditors' report

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

| General Employees' | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarially determined contributions | \$ 53,817 | \$ 54,236 | \$ 48,015 | \$ 42,145 | \$ 38,688 | \$ 35,237 | \$ 46,068 | \$ 51,762 | \$ 69,991 | \$ 59,780 |
| Contributions in relation to the actuarially determined contribution | 53,817 | 54,236 | 48,015 | 42,145 | 38,688 | 35,237 | 46,068 | 51,762 | 69,991 | 59,780 |
| Contribution deficiency (excess) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Covered-employee payroll | \$ 171,107 | \$ 151,625 | \$ 145,654 | \$ 142,494 | \$ 133,069 | \$ 139,107 | \$ 135,636 | \$ 142,597 | \$ 150,312 | \$ 179,982 |
| Contributions as a percentage of covered-employee payroll | 31.5% | 35.8% | 33.0% | 29.6% | 29.1% | 25.3% | 34.0% | 36.3% | 46.6% | 33.2% |
| Firefighters' | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Actuarially determined contributions | \$ 17,901 | \$ 16,454 | \$ 20,866 | \$ 20,656 | \$ 17,491 | \$ 21,092 | \$ 24,912 | \$ 25,865 | \$ 28,752 | \$ 26,373 |
| Contributions in relation to the actuarially determined contribution | 17,901 | 16,454 | 20,866 | 20,656 | 17,491 | 21,092 | 24,912 | 25,865 | 28,752 | 26,373 |
| Contribution deficiency (excess) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Covered-employee payroll | \$ 47,479 | \$ 46,918 | \$ 47,181 | \$ 44,508 | \$ 42,797 | \$ 39,482 | \$ 42,963 | \$ 43,910 | \$ 43,275 | \$ 45,561 |
| Contributions as a percentage of covered-employee payroll | 37.7% | 35.1% | 44.2% | 46.4% | 40.9% | 53.4% | 58.0% | 58.9% | 66.4% | 57.9% |
| Police Officers' | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Actuarially determined contributions | \$ 27,493 | \$ 25,441 | \$ 32,693 | \$ 30,197 | \$ 26,525 | \$ 33,748 | \$ 19,568 | \$ 40,422 | \$ 41,213 | \$ 44,434 |
| Contributions in relation to the actuarially determined contribution | 27,493 | 25,441 | 32,693 | 30,197 | 26,525 | 33,748 | 19,568 | 40,422 | 41,213 | 44,434 |
| Contribution deficiency (excess) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Covered-employee payroll | \$ 104,788 | \$ 92,965 | \$ 93,836 | \$ 91,840 | \$ 88,297 | \$ 73,688 | \$ 83,551 | \$ 78,519 | \$ 82,030 | \$ 84,015 |
| Contributions as a percentage of covered-employee payroll | 26.2% | 27.4% | 34.8% | 32.9% | 30.0% | 45.8% | 23.4% | 51.5% | 50.2% | 52.9% |

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

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

General Employees' Pension Plan - the City

| | <u>2017</u> | <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 | 13.32% | 1.24% | 4.64% | 19.26% | 17.55% | 0.93% | 19.69% | 12.92% | -9.56% |

Firefighters' Pension Plan

| | <u>2017</u> | <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 | 13.15% | -1.13% | 0.79% | 21.01% | 15.34% | 1.68% | 25.58% | 14.40% | -13.86% |

Police Officers' Pension Plan

| | <u>2017</u> | <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 | 14.19% | -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 schedules and accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Notes Required Supplementary Information
Year ended June 30, 2017
(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.

(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.

CITY OF ATLANTA, GEORGIA
Notes Required Supplementary Information
Year ended June 30, 2017
(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, 2017.

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 2017, neither the General Fund nor the MOST funds had expenditures that exceeded appropriations at the fund level.

CITY OF ATLANTA
General Fund
Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017
(Dollars in Thousands)

Notes and Comments:

Total revenue for Original and Final, per Council approval, was \$607,839

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: | \$ 607,389 | |
| less: Operating Transfer Budget | (36,698) | Reflected in other financing sources and uses as a transfer in |
| less: Proceeds from sales of assets | (500) | Reflected in other financing sources and uses |
| less: Indirect Cost Recovery | (32,773) | Reflected as an offset to General Government expenditures |
| Total Revenues | \$ 537,418 | |

| | <u>Budgeted Amounts</u> | | | Actual Amounts | Variance with Budget |
|--|-------------------------|-------------------|-------------------|-------------------|----------------------|
| | Original | Adjustment | Final Budget | | |
| Revenues: | | | | | |
| Property taxes | \$ 194,684 | \$ — | \$ 194,684 | \$ 198,105 | \$ 3,421 |
| Local option sales taxes | 104,322 | — | 104,322 | 103,354 | (968) |
| Public utility, alcoholic beverage and other taxes | 109,380 | — | 109,380 | 101,005 | (8,375) |
| Licenses and permits | 77,657 | — | 77,657 | 116,965 | 39,308 |
| Charges for current services | 4,752 | — | 4,752 | 6,563 | 1,811 |
| Fines, forfeitures and penalties | 28,024 | — | 28,024 | 22,788 | (5,236) |
| Investment income | 3,180 | — | 3,180 | (671) | (3,851) |
| Building rentals and concessions | 8,281 | — | 8,281 | 11,369 | 3,088 |
| Other | 7,138 | — | 7,138 | 13,430 | 6,292 |
| Fund Balance Appropriation | — | — | — | — | — |
| Total revenues | 537,418 | — | 537,418 | 572,908 | 35,490 |
| Expenditures: | | | | | |
| General government | 184,989 | (5,058) | 179,931 | 179,931 | — |
| Police | 177,928 | 17,673 | 195,601 | 195,601 | — |
| Fire | 76,918 | 3,770 | 80,688 | 80,688 | — |
| Corrections | 33,343 | 1,254 | 34,597 | 34,597 | — |
| Public works | 36,135 | 21,396 | 57,531 | 57,531 | — |
| Parks, recreation and cultural affairs | 33,331 | 4,200 | 37,531 | 37,531 | — |
| Debt service | | | | | |
| Principal payments | 12,128 | (2,621) | 9,507 | 9,507 | — |
| Interest payments | 3,574 | (1,788) | 1,786 | 1,785 | (1) |
| Paying agent fees | 33 | (24) | 9 | 9 | — |
| Bond issuance costs | — | — | — | — | — |
| Other | — | — | — | — | — |
| Total expenditures | 558,379 | 38,802 | 597,181 | 597,180 | (1) |
| Excess (Deficiency) of revenues over expenditures | (20,961) | (38,802) | (59,763) | (24,272) | 35,491 |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of assets | 500 | — | 500 | 380 | (120) |
| Proceeds from general bond | — | — | — | — | — |
| Transfers in | 36,698 | 37,802 | 74,500 | 110,117 | 35,617 |
| Transfers out | (16,237) | — | (16,237) | (39,292) | (23,055) |
| Total other financing sources (uses): | 20,961 | 37,802 | 58,763 | 71,205 | 12,442 |
| Net change in fund balance | — | (1,000) | (1,000) | 46,933 | 47,933 |
| Fund balance, beginning of the period | 153,149 | — | 153,149 | 153,149 | — |
| Fund balance, end of period | \$ 153,149 | \$ (1,000) | \$ 152,149 | \$ 200,082 | \$ 47,933 |

The accompanying notes are an integral part of this statement

CITY OF ATLANTA
Municipal Option Sale Tax (MOST) Fund
Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017
(Dollars in Thousands)

| | Municipal Option Sales Tax Fund | | | |
|---|--|-------------------------------|-----------------------|-----------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Local and municipal option sales taxes | \$ 125,000 | \$ 125,000 | \$ 131,710 | \$ 6,710 |
| Investment Income | — | — | — | — |
| Other income | — | — | — | — |
| Total revenues | 125,000 | 125,000 | 131,710 | 6,710 |
| EXPENDITURES | | | | |
| Total expenditures | — | — | — | — |
| Excess (deficiency) of revenues over (under) expenditures | 125,000 | 125,000 | 131,710 | 6,710 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer out | (125,000) | (125,000) | (131,710) | (6,710) |
| Total other financial sources and uses | (125,000) | (125,000) | (131,710) | (6,710) |
| Excess of revenues and other sources over expenditures and other uses | — | — | — | — |
| Fund balance - beginning | — | — | — | |
| Fund balance - ending | \$ — | \$ — | \$ — | |

The accompanying notes are an integral part of this statement



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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> |
| <i>Transportation Special Purpose Local Option Sales Tax (TSPLOST)</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.

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

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

Capital Projects Funds

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

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

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

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



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CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ending June 30, 2017
(Dollars in Thousands)

| | Special Revenue Funds | | | | |
|--|------------------------------|----------------------------------|----------------------------------|------------------------------|--------------------------|
| | Community Development | Emergency Telephone System | Inter- Governmental Grants | Tax Allocations Districts | Other Special Revenue |
| ASSETS | | | | | |
| Cash and cash equivalents, restricted | \$ 3,550 | \$ — | \$ 5,685 | \$ 15,833 | \$ 51,142 |
| Equity in cash management pool | — | — | — | — | 40,313 |
| Restricted investments | — | — | — | — | 374 |
| Receivables | | | | | |
| Taxes | — | — | — | 1,261 | 6,373 |
| Accounts | 64 | 1,256 | 1,892 | — | 8,480 |
| Due from other governments | 849 | — | 11,622 | — | 1,730 |
| Due from other funds | — | — | — | — | — |
| TOTAL ASSETS | \$ 4,463 | \$ 1,256 | \$ 19,199 | \$ 17,094 | \$ 108,412 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Account payable | \$ 3,591 | \$ 774 | \$ 21,864 | \$ 62 | \$ 5,755 |
| Accrued expenses | 10 | 71 | 50 | — | 50 |
| Contract retentions | 61 | — | 194 | — | 4 |
| Due to other governments | — | — | — | 239 | 7,029 |
| Due to Other Funds | 156 | 5,163 | 10,441 | 59 | 1,728 |
| Unearned revenue | 1 | — | 1,172 | — | 82 |
| Total liabilities | 3,819 | 6,008 | 33,721 | 360 | 14,648 |
| Deferred inflows of resources | | | | | |
| Deferred inflows of property taxes | — | — | — | 1,447 | 413 |
| Total liabilities and deferred inflows of resources | 3,819 | 6,008 | 33,721 | 1,807 | 15,061 |
| Fund Balances: | | | | | |
| Nonspendable | — | — | — | — | — |
| Restricted | 644 | — | — | 15,287 | 93,351 |
| Assigned | — | — | — | — | — |
| Unassigned | — | (4,752) | (14,522) | — | — |
| Total Fund Balances | 644 | (4,752) | (14,522) | 15,287 | 93,351 |
| TOTAL LIABILITIES, DEFERRED INLOWS, AND FUND BALANCES | \$ 4,463 | \$ 1,256 | \$ 19,199 | \$ 17,094 | \$ 108,412 |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ending June 30, 2017
(Dollars in Thousands)

| Debt Service Funds | | Capital Project Funds | | | | Total Nonmajor Governmental Funds |
|---------------------------|--------------------------|------------------------------|--------------------|-------------------------------------|----------------------------------|--|
| Bond Service Fund | Tax Allocation Districts | Park Improvement | Special Assessment | General Governmental Capital Outlay | Solid Waste Management Authority | |
| \$ 31,954 | \$ 134,259 | \$ — | \$ — | \$ 43,749 | \$ 2,483 | \$ 288,655 |
| — | — | 3,093 | 3,176 | — | — | 46,582 |
| — | 163,653 | — | — | — | — | 164,027 |
| 1,393 | 2,886 | 411 | — | — | — | 12,324 |
| 117 | 13,213 | 49 | 83 | — | — | 25,154 |
| — | — | — | — | — | — | 14,201 |
| — | — | — | — | 433 | — | 433 |
| <u>\$ 33,464</u> | <u>\$ 314,011</u> | <u>\$ 3,553</u> | <u>\$ 3,259</u> | <u>\$ 44,182</u> | <u>\$ 2,483</u> | <u>\$ 551,376</u> |
| \$ 4 | \$ 3,878 | \$ 1,015 | \$ (1) | \$ 385 | \$ 21 | \$ 37,348 |
| — | — | 9 | — | — | — | 190 |
| — | — | 3 | — | 15 | — | 277 |
| — | 1,378 | — | — | — | — | 8,646 |
| 13 | 463 | — | — | — | — | 18,023 |
| — | — | — | — | — | — | 1,255 |
| <u>17</u> | <u>5,719</u> | <u>1,027</u> | <u>(1)</u> | <u>400</u> | <u>21</u> | <u>65,739</u> |
| 1,349 | 3,721 | 385 | — | — | — | 7,315 |
| 1,366 | 9,440 | 1,412 | (1) | 400 | 21 | 73,054 |
| — | — | — | — | — | — | — |
| 32,098 | 304,571 | 2,141 | 3,260 | 43,782 | 2,462 | 497,596 |
| — | — | — | — | — | — | — |
| — | — | — | — | — | — | (19,274) |
| <u>32,098</u> | <u>304,571</u> | <u>2,141</u> | <u>3,260</u> | <u>43,782</u> | <u>2,462</u> | <u>478,322</u> |
| <u>\$ 33,464</u> | <u>\$ 314,011</u> | <u>\$ 3,553</u> | <u>\$ 3,259</u> | <u>\$ 44,182</u> | <u>\$ 2,483</u> | <u>\$ 551,376</u> |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ending June 30, 2017

| Special Revenue Funds | | | | | |
|---|--------------------------|-------------------------------|----------------------------------|------------------------------|--------------------------|
| | Community Development | Emergency Telephone System | Inter- Governmental Grants | Tax Allocations Districts | Other Special Revenue |
| REVENUES | | | | | |
| Property Taxes | \$ — | \$ 99 | \$ — | \$ 4,433 | \$ — |
| Local and Municipal Option Sales | — | — | — | — | 12,111 |
| Other taxes | — | — | — | — | 76,750 |
| Licenses and permits | — | — | — | — | 1,098 |
| Charges for current services | — | 16,805 | — | — | 3,974 |
| Fines , forfeitures and penalties | — | — | — | — | 1,564 |
| Investment Income | — | — | — | 31 | (28) |
| Intergovernmental Revenues and Contributions: | | | | | |
| U.S. Government grants | 6,449 | — | 45,672 | — | 2,534 |
| State and local governments | — | — | 13,064 | — | 5,392 |
| Total intergovernmental revenues | 6,449 | — | 58,736 | — | 7,926 |
| Building Rentals and Concessions | — | — | — | — | 1,081 |
| Other | — | — | 32 | — | 1,614 |
| Total Revenues | 6,449 | 16,904 | 58,768 | 4,464 | 106,090 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Executive Offices | 1,874 | — | 24,875 | — | 2,649 |
| City Council | — | — | — | — | 2 |
| Courts and judicial agencies | 33 | — | 121 | — | 1 |
| Finance | 800 | — | 291 | — | 3,164 |
| Housing, planning and development | 2,321 | — | 7,494 | — | 5,365 |
| Nondepartmental | 233 | 528 | 678 | 4,676 | 58,431 |
| Total general government | 5,261 | 528 | 33,459 | 4,676 | 69,612 |
| Police | 549 | 16,300 | 6,383 | — | 3,008 |
| Fire | — | — | 1,579 | — | (63) |
| Corrections | — | — | 287 | — | 2,119 |
| Public Works | 15 | — | 24,783 | — | 936 |
| Parks, recreation and cultural affairs | 386 | — | 583 | — | 5,514 |
| Debt Service: | | | | | |
| Principal payment | 270 | — | 44 | 925 | — |
| Interest payments | 11 | — | — | 721 | — |
| Bond issuance costs | — | — | — | — | 272 |
| Paying agent fees | — | — | — | 1 | — |
| Total Expenditures | 6,492 | 16,828 | 67,118 | 6,323 | 81,398 |
| Excess (Deficiency) of Revenues Over (under) Expenditures | (43) | 76 | (8,350) | (1,859) | 24,692 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of assets | — | — | — | — | — |
| Payment to bond escrow agent | — | — | — | — | (24,058) |
| Proceeds from general bond | — | — | — | — | 63,685 |
| Proceeds from limited bond obligation | — | — | — | — | — |
| Premium from bond sold | — | — | — | — | — |
| Transfers in | — | — | 1,035 | — | 3,865 |
| Transfers out | — | — | — | — | (19,807) |
| Total Other Financing Sources (Uses) | — | — | 1,035 | — | 23,685 |
| Net Change in Fund Balances | (43) | 76 | (7,315) | (1,859) | 48,377 |
| FUND BALANCE: | | | | | |
| Beginning of the period | 687 | (4,828) | (7,207) | 17,146 | 44,974 |
| FUND BALANCE, END OF PERIOD | \$ 644 | \$ (4,752) | \$ (14,522) | \$ 15,287 | \$ 93,351 |

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, 2017

| Debt Service Funds | | Capital Project Funds | | | | Total Nonmajor Governmental Funds |
|--------------------|--------------------------|-----------------------|--------------------|-------------------------------------|----------------------------------|-----------------------------------|
| Bond Service Fund | Tax Allocation Districts | Park Improvement | Special Assessment | General Governmental Capital Outlay | Solid Waste Management Authority | |
| \$ 38,934 | \$ 78,892 | \$ 10,926 | \$ — | \$ — | \$ — | \$ 133,284 |
| — | — | — | — | — | — | 12,111 |
| 2,031 | — | 742 | — | — | — | 79,523 |
| — | — | — | — | — | — | 1,098 |
| — | — | — | 488 | 8,647 | — | 29,914 |
| — | — | — | — | — | — | 1,564 |
| 13 | 1,040 | (56) | (8) | 106 | 2 | 1,100 |
| — | — | — | — | — | — | 54,655 |
| — | — | — | — | — | — | 18,456 |
| — | — | — | — | — | — | 73,111 |
| — | — | — | — | — | — | 1,081 |
| 20 | 4,365 | — | — | — | — | 6,031 |
| 40,998 | 84,297 | 11,612 | 480 | 8,753 | 2 | 338,817 |
| — | — | — | — | — | — | 29,398 |
| — | — | — | — | — | — | 2 |
| — | — | — | — | — | — | 155 |
| — | 50 | — | — | — | 4 | 4,309 |
| — | — | — | — | 66 | — | 15,246 |
| 393 | 42,773 | 6,699 | — | 84 | — | 114,495 |
| 393 | 42,823 | 6,699 | — | 150 | 4 | 163,605 |
| — | — | — | — | 426 | — | 26,666 |
| — | — | — | — | 9 | — | 1,525 |
| — | — | — | — | — | — | 2,406 |
| — | (52) | — | — | 777 | — | 26,459 |
| — | — | 6,333 | — | 2,357 | — | 15,173 |
| 7,670 | 17,820 | — | — | — | 1,620 | 28,349 |
| 15,973 | 15,377 | — | — | — | 488 | 32,570 |
| — | 697 | — | — | — | — | 969 |
| 9 | 14 | 2 | — | — | — | 26 |
| 24,045 | 76,679 | 13,034 | — | 3,719 | 2,112 | 297,748 |
| 16,953 | 7,618 | (1,422) | 480 | 5,034 | (2,110) | 41,069 |
| — | — | — | — | — | — | (97,656) |
| — | (73,598) | — | — | — | — | 63,685 |
| — | — | — | — | — | — | 144,855 |
| — | 144,855 | — | — | — | — | 11,319 |
| — | 11,319 | — | — | — | — | 7,008 |
| — | — | — | — | — | 2,108 | (19,807) |
| — | 82,576 | — | — | — | 2,108 | 109,404 |
| 16,953 | 90,194 | (1,422) | 480 | 5,034 | (2) | 150,473 |
| 15,145 | 214,377 | 3,563 | 2,780 | 38,748 | 2,464 | 327,849 |
| \$ 32,098 | \$ 304,571 | \$ 2,141 | \$ 3,260 | \$ 43,782 | \$ 2,462 | \$ 478,322 |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Tax Allocation Districts
For the Year Ending June 30, 2017
(Dollars in Thousands)

| | Special Revenue Funds | | | | | | Debt Service Funds | | | | | |
|---|-----------------------|----------------------|-----------------|----------------------|-----------------------|------------------|--------------------|------------------|-----------------|------------------|------------------|-------------------|
| | NW Atlanta | Hollowell/ M.L. King | Campellton Road | Metropolitan Parkway | Stadium Neighborhoods | Total | Atlantic Station | Westside | Princeton Lake | Eastside | Atlanta Beltline | Total |
| ASSETS | | | | | | | | | | | | |
| Cash and cash equivalents, restricted | \$ 7,915 | \$ 2,998 | \$ 3,203 | \$ 1,558 | \$ 159 | \$ 15,833 | \$ 10,087 | \$ 62,451 | \$ 5,491 | \$ 9,481 | \$ 46,749 | \$ 134,259 |
| Restricted investments | — | — | — | — | — | — | 41,123 | — | — | 82,996 | 39,534 | 163,653 |
| Receivable: | | | | | | | | | | | | |
| Taxes | 876 | 279 | 82 | 22 | 2 | 1,261 | 248 | 1,255 | 46 | 260 | 1,077 | 2,886 |
| Accounts | — | — | — | — | — | — | 537 | 11,532 | — | 245 | 899 | 13,213 |
| TOTAL ASSETS | \$ 8,791 | \$ 3,277 | \$ 3,285 | \$ 1,580 | \$ 161 | \$ 17,094 | \$ 51,995 | \$ 75,238 | \$ 5,537 | \$ 92,982 | \$ 88,259 | \$ 314,011 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Account payable | 28 | 12 | 7 | 7 | 8 | 62 | 10 | 701 | 7 | 86 | 3,074 | 3,878 |
| Due to other governments | — | 3 | 236 | — | — | 239 | 1,369 | 7 | 2 | — | — | 1,378 |
| Due to other Funds | 12 | 11 | 15 | 9 | 12 | 59 | 18 | 282 | 10 | 75 | 78 | 463 |
| Total Liabilities | 40 | 26 | 258 | 16 | 20 | 360 | 1,397 | 990 | 19 | 161 | 3,152 | 5,719 |
| Deferred inflows of resources | | | | | | | | | | | | |
| Deferred inflows of property taxes | 1,006 | 287 | 127 | 29 | (2) | 1,447 | 234 | 1,593 | 47 | 412 | 1,435 | 3,721 |
| Total liabilities and deferred inflows of resources | 1,046 | 313 | 385 | 45 | 18 | 1,807 | 1,631 | 2,583 | 66 | 573 | 4,587 | 9,440 |
| Fund Balance: | | | | | | | | | | | | |
| Nonspendable | — | — | — | — | — | — | — | — | — | — | — | — |
| Restricted | 7,745 | 2,964 | 2,900 | 1,535 | 143 | 15,287 | 50,364 | 72,655 | 5,471 | 92,409 | 83,672 | 304,571 |
| Assigned | — | — | — | — | — | — | — | — | — | — | — | — |
| Unassigned | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Fund Balances | 7,745 | 2,964 | 2,900 | 1,535 | 143 | 15,287 | 50,364 | 72,655 | 5,471 | 92,409 | 83,672 | 304,571 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | \$ 8,791 | \$ 3,277 | \$ 3,285 | \$ 1,580 | \$ 161 | \$ 17,094 | \$ 51,995 | \$ 75,238 | \$ 5,537 | \$ 92,982 | \$ 88,259 | \$ 314,011 |

See accompanying independent auditors' report

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, 2017
(Dollars in Thousands)

| | Special Revenue Funds | | | | | Debt Service Funds | | | | | | |
|--|-----------------------|----------------------|-----------------|----------------------|-----------------------|--------------------|------------------|------------------|-----------------|------------------|------------------|-------------------|
| | NW Atlanta | Hollowell/ M.L. King | Campelton Road | Metropolitan Parkway | Stadium Neighborhoods | Total | Atlantic Station | Westside | Princeton Lake | Eastside | Atlanta Beltline | Total |
| REVENUE | | | | | | | | | | | | |
| Property Taxes | \$ 2,933 | \$ 311 | \$ 1,077 | \$ 101 | \$ 11 | \$ 4,433 | \$ 17,996 | \$ 15,035 | \$ 1,934 | \$ 13,340 | \$ 30,587 | \$ 78,892 |
| Investment Income | 28 | 1 | 1 | 1 | — | 31 | 371 | 26 | 2 | 474 | 167 | 1,040 |
| Other | — | — | — | — | — | — | — | 893 | — | 3,502 | (30) | 4,365 |
| Total Revenues | <u>2,961</u> | <u>312</u> | <u>1,078</u> | <u>102</u> | <u>11</u> | <u>4,464</u> | <u>18,367</u> | <u>15,954</u> | <u>1,936</u> | <u>17,316</u> | <u>30,724</u> | <u>84,297</u> |
| EXPENDITURES | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| Finance | — | — | — | — | — | — | — | 50 | — | — | — | 50 |
| Nondepartmental | 4,204 | 44 | 332 | 54 | 42 | 4,676 | 96 | 10,072 | (184) | 963 | 31,826 | 42,773 |
| Total general government | <u>4,204</u> | <u>44</u> | <u>332</u> | <u>54</u> | <u>42</u> | <u>4,676</u> | <u>96</u> | <u>10,122</u> | <u>(184)</u> | <u>963</u> | <u>31,826</u> | <u>42,823</u> |
| Public Works | — | — | — | — | — | — | — | (52) | — | — | — | (52) |
| Debt Service: | | | | | | | | | | | | |
| Bond Issuance costs | — | — | — | — | — | — | — | — | — | — | 697 | 697 |
| Paying agent fees | 1 | — | — | — | — | 1 | 4 | — | — | — | 10 | 14 |
| Principal payment | 925 | — | — | — | — | 925 | 4,980 | 7,365 | 1,405 | 1,545 | 2,525 | 17,820 |
| Interest payment | 721 | — | — | — | — | 721 | 8,157 | 1,107 | 151 | 942 | 5,020 | 15,377 |
| Total Expenditures | <u>5,851</u> | <u>44</u> | <u>332</u> | <u>54</u> | <u>42</u> | <u>6,323</u> | <u>13,237</u> | <u>18,542</u> | <u>1,372</u> | <u>3,450</u> | <u>40,078</u> | <u>76,679</u> |
| Excess (Deficiency) of Revenue Over (under) Expenditures | <u>(2,890)</u> | <u>268</u> | <u>746</u> | <u>48</u> | <u>(31)</u> | <u>(1,859)</u> | <u>5,130</u> | <u>(2,588)</u> | <u>564</u> | <u>13,866</u> | <u>(9,354)</u> | <u>7,618</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Payment to bond escrow agent | — | — | — | — | — | — | — | — | — | — | (73,598) | (73,598) |
| Proceeds from limited bond obligation | — | — | — | — | — | — | — | — | — | — | 144,855 | 144,855 |
| Premium from bond sold | — | — | — | — | — | — | — | — | — | — | 11,319 | 11,319 |
| Total Other Financing Sources (uses) | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>82,576</u> | <u>82,576</u> |
| Net Change in Fund Balances | (2,890) | 268 | 746 | 48 | (31) | (1,859) | 5,130 | (2,588) | 564 | 13,866 | 73,222 | 90,194 |
| FUND BALANCE: | | | | | | | | | | | | |
| Beginning of the period | 10,635 | 2,696 | 2,154 | 1,487 | 174 | 17,146 | 45,234 | 75,243 | 4,907 | 78,543 | 10,450 | 214,377 |
| FUND BALANCE, END OF PERIOD | <u>\$ 7,745</u> | <u>\$ 2,964</u> | <u>\$ 2,900</u> | <u>\$ 1,535</u> | <u>\$ 143</u> | <u>\$ 15,287</u> | <u>\$ 50,364</u> | <u>\$ 72,655</u> | <u>\$ 5,471</u> | <u>\$ 92,409</u> | <u>\$ 83,672</u> | <u>\$ 304,571</u> |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Other Special Revenue Funds
For the Year Ending June 30, 2017
(Dollars in Thousands)

| | Other Special Revenue Funds | | | | | | | Total Other Special Revenue |
|---|-----------------------------|-----------------------------------|------------------------------|--------------------------|-------------------------------|------------------|-----------------------------------|--------------------------------------|
| | Expendable Trust | Home Investment Partnership | Section 108 Loan Trust | Car Rental Excise Tax | Hotel/ Motel Excise Tax | TSPLOST | Atlanta Housing Opportunity | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents, restricted | \$ 3,240 | \$ 683 | \$ 3,150 | \$ — | \$ — | \$ — | \$ 44,069 | \$ 51,142 |
| Equity in cash management pool | 31,822 | — | — | — | 587 | 7,904 | — | 40,313 |
| Investments | 374 | — | — | — | — | — | — | 374 |
| Receivables: | | | | | | | | |
| Taxes | — | — | — | — | 6,373 | — | — | 6,373 |
| Accounts | 535 | — | — | 21 | — | 4,201 | 3,723 | 8,480 |
| Due from other governments | — | 1,730 | — | — | — | — | — | 1,730 |
| TOTAL ASSETS | \$ 35,971 | \$ 2,413 | \$ 3,150 | \$ 21 | \$ 6,960 | \$ 12,105 | \$ 47,792 | \$ 108,412 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Account payable | 4,881 | 873 | — | — | 1 | — | — | 5,755 |
| Accrued expenses | 48 | 2 | — | — | — | — | — | 50 |
| Contract retentions | 4 | — | — | — | — | — | — | 4 |
| Due to other governments | — | — | — | 21 | 6,959 | — | 49 | 7,029 |
| Due to Other Funds | — | 1,060 | — | — | — | — | 668 | 1,728 |
| Unearned revenue | — | 82 | — | — | — | — | — | 82 |
| Total liabilities | 4,933 | 2,017 | — | 21 | 6,960 | — | 717 | 14,648 |
| Deferred inflows of resources | | | | | | | | |
| Deferred inflows of property taxes | 413 | — | — | — | — | — | — | 413 |
| Total liabilities and deferred inflows of resources | 5,346 | 2,017 | — | 21 | 6,960 | — | 717 | 15,061 |
| Fund Balances: | | | | | | | | |
| Nonspendable | — | — | — | — | — | — | — | — |
| Restricted | 30,625 | 396 | 3,150 | — | — | 12,105 | 47,075 | 93,351 |
| Assigned | — | — | — | — | — | — | — | — |
| Unassigned | — | — | — | — | — | — | — | — |
| Total Fund Balance | 30,625 | 396 | 3,150 | — | — | 12,105 | 47,075 | 93,351 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | \$ 35,971 | \$ 2,413 | \$ 3,150 | \$ 21 | \$ 6,960 | \$ 12,105 | \$ 47,792 | \$ 108,412 |

See accompanying independent auditors' report

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, 2017
(Dollars in Thousands)

| | Other Special Revenue Funds | | | | | | | |
|---|------------------------------------|-----------------------------------|---------------------------|--------------------------|-------------------------------|------------------|-----------------------------------|-----------------------------------|
| | Expendable Trust | Home Investment Partnership | Section 108 Loan Trust | Car Rental Excise Tax | Hotel/ Motel Excise Tax | TSPLOST | Atlanta Housing Opportunity | Total Other Special Revenue |
| REVENUES | | | | | | | | |
| Local and Municipal Option Sales | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 12,111 | \$ — | \$ 12,111 |
| Other Taxes | 2,912 | — | — | 1,254 | 72,584 | — | — | 76,750 |
| Licenses and permits | 1,098 | — | — | — | — | — | — | 1,098 |
| Charges for current services | 3,974 | — | — | — | — | — | — | 3,974 |
| Fines, forfeitures and penalties | 1,564 | — | — | — | — | — | — | 1,564 |
| Investment Income | (102) | — | 11 | — | — | (6) | 69 | (28) |
| Intergovernmental Revenues and Contributions: | | | | | | | | |
| U.S. Government grants | — | 2,534 | — | — | — | — | — | 2,534 |
| State and local governments | 5,392 | — | — | — | — | — | — | 5,392 |
| Total intergovernmental revenues | 5,392 | 2,534 | — | — | — | — | — | 7,926 |
| Building Rentals and Concessions | 1,081 | — | — | — | — | — | — | 1,081 |
| Other | 1,614 | — | — | — | — | — | — | 1,614 |
| Total Revenue | 17,533 | 2,534 | 11 | 1,254 | 72,584 | 12,105 | 69 | 106,090 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Executive Offices | 2,447 | 202 | — | — | — | — | — | 2,649 |
| City Council | 2 | — | — | — | — | — | — | 2 |
| Courts and judicial agencies | 1 | — | — | — | — | — | — | 1 |
| Finance | 2,006 | — | 1,158 | — | — | — | — | 3,164 |
| Housing, planning and development | 2,125 | 2,299 | 941 | — | — | — | — | 5,365 |
| Nondepartmental | 163 | — | — | 1,254 | 54,445 | — | 2,569 | 58,431 |
| Total general government | 6,744 | 2,501 | 2,099 | 1,254 | 54,445 | — | 2,569 | 69,612 |
| Police | 3,008 | — | — | — | — | — | — | 3,008 |
| Fire | (63) | — | — | — | — | — | — | (63) |
| Corrections | 2,119 | — | — | — | — | — | — | 2,119 |
| Public Works | 936 | — | — | — | — | — | — | 936 |
| Parks, recreation and cultural affairs | 5,514 | — | — | — | — | — | — | 5,514 |
| Debt Services: | | | | | | | | |
| Bond issuance costs | — | — | — | — | — | — | 272 | 272 |
| Total Expenditures | 18,258 | 2,501 | 2,099 | 1,254 | 54,445 | — | 2,841 | 81,398 |
| Excess (Deficiency) of Revenues Over (under) Expenditures | (725) | 33 | (2,088) | — | 18,139 | 12,105 | (2,772) | 24,692 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Payment to escrow agent | — | — | — | — | — | — | (24,058) | (24,058) |
| Proceeds from general bond | — | — | — | — | — | — | 63,685 | 63,685 |
| Transfers in | 1,000 | — | — | — | — | — | 2,865 | 3,865 |
| Transfers out | (1,000) | — | — | — | (18,139) | — | (668) | (19,807) |
| Total Other Financing Sources (Uses) | — | — | — | — | (18,139) | — | 41,824 | 23,685 |
| Net Change in Fund Balances | (725) | 33 | (2,088) | — | — | 12,105 | 39,052 | 48,377 |
| FUND BALANCE: | | | | | | | | |
| Beginning of the period | 31,350 | 363 | 5,238 | — | — | — | 8,023 | 44,974 |
| FUND BALANCE, END OF PERIOD | \$ 30,625 | \$ 396 | \$ 3,150 | \$ — | \$ — | \$ 12,105 | \$ 47,075 | \$ 93,351 |

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, 2017

(Dollars in Thousands)

| | Community Development Fund | | | |
|---|--|-----------------------------------|-----------------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Intergovernmental Revenues: | | | | |
| Federal Revenues | \$ 10,570 | \$ 18,909 | \$ 6,449 | \$ (12,460) |
| State and local governments | — | — | — | — |
| Total intergovernmental revenues | <u>10,570</u> | <u>18,909</u> | <u>6,449</u> | <u>(12,460)</u> |
| Total Revenues | <u>10,570</u> | <u>18,909</u> | <u>6,449</u> | <u>(12,460)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Executive Offices | 1,818 | 4,091 | 1,874 | 2,217 |
| Courts and judicial agencies | 21 | 49 | 33 | 16 |
| Finance | 1,328 | 2,500 | 800 | 1,700 |
| Housing, planning and development | 5,070 | 7,251 | 2,321 | 4,930 |
| Nondepartmental | — | — | 233 | (233) |
| General government | <u>8,237</u> | <u>13,891</u> | <u>5,261</u> | <u>8,630</u> |
| Police | 162 | 1,647 | 549 | 1,098 |
| Fire | 37 | 37 | — | 37 |
| Corrections | — | — | — | — |
| Total public safety | <u>199</u> | <u>1,684</u> | <u>549</u> | <u>1,135</u> |
| Public Works | 350 | 350 | 15 | 335 |
| Parks, recreation and cultural affairs | 1,784 | 2,984 | 386 | 2,598 |
| Debt Service: | | | | |
| Principal payment | — | — | 270 | (270) |
| Interest paayment | — | — | 11 | (11) |
| Total Expenditures | <u>10,570</u> | <u>18,909</u> | <u>6,492</u> | <u>12,417</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>—</u> | <u>—</u> | <u>(43)</u> | <u>(43)</u> |
| FUND BALANCE: | | | | |
| Fund balances, beginning of period | <u>687</u> | <u>687</u> | <u>687</u> | |
| Fund Balance, End of Period | <u><u>\$ 687</u></u> | <u><u>\$ 687</u></u> | <u><u>\$ 644</u></u> | |

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, 2017

(Dollars in Thousands)

| | Emergency Telephone System Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ — | \$ — | \$ 99 | \$ 99 |
| Charges for Recurring Services | 18,923 | 18,923 | 16,805 | (2,118) |
| Total Revenues | 18,923 | 18,923 | 16,904 | (2,019) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 485 | 485 | 528 | (43) |
| General government | 485 | 485 | 528 | (43) |
| Police | 18,438 | 18,438 | 16,300 | 2,138 |
| Total public safety | 18,438 | 18,438 | 16,300 | 2,138 |
| Total Expenditures | 18,923 | 18,923 | 16,828 | 2,095 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | 76 | 76 |
| FUND BALANCE (DEFICIT) | | | | |
| Fund deficit, beginning of period | (4,828) | (4,828) | (4,828) | |
| Fund Deficit, End of Period | \$ (4,828) | \$ (4,828) | \$ (4,752) | |

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, 2017

(Dollars in Thousands)

| | Inter-governmental Grants Fund | | | |
|---|---------------------------------------|---------------------------------|----------------------------------|-------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Other Taxes | \$ 1,705 | \$ 5,385 | \$ — | \$ (5,385) |
| Intergovernmental Revenues: | | | | |
| Federal Revenues | 65,197 | 114,817 | 45,672 | (69,145) |
| State and local governments | 12,238 | 25,428 | 13,064 | (12,364) |
| Total intergovernmental revenues | <u>77,435</u> | <u>140,245</u> | <u>58,736</u> | <u>(81,509)</u> |
| Other | — | — | 32 | 32 |
| Total Revenues | <u>79,140</u> | <u>145,630</u> | <u>58,768</u> | <u>(86,862)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Executive Offices | 22,108 | 48,782 | 24,875 | 23,907 |
| Courts and judicial agencies | 86 | 210 | 121 | 89 |
| Finance | 796 | 1,199 | 291 | 908 |
| Housing, planning and development | 7,098 | 19,397 | 7,494 | 11,903 |
| Nondepartmental | — | — | 678 | (678) |
| General government | <u>30,088</u> | <u>69,588</u> | <u>33,459</u> | <u>36,129</u> |
| Police | 11,045 | 11,636 | 6,383 | 5,253 |
| Fire | 1,342 | 7,097 | 1,579 | 5,518 |
| Corrections | 223 | 816 | 287 | 529 |
| Total public safety | <u>12,610</u> | <u>19,549</u> | <u>8,249</u> | <u>11,300</u> |
| Public Works | 35,618 | 55,918 | 24,783 | 31,135 |
| Parks, recreation and cultural affairs | 824 | 1,606 | 583 | 1,023 |
| Principal payment | — | — | 44 | (44) |
| Total Expenditures | <u>79,140</u> | <u>146,661</u> | <u>67,118</u> | <u>79,543</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>—</u> | <u>(1,031)</u> | <u>(8,350)</u> | <u>7,319</u> |
| Other Financing Sources (Uses): | | | | |
| Proceeds from sale of assets | — | (3) | — | 3 |
| Transfers in | — | 1,045 | 1,035 | (10) |
| Total Other Financing Sources (Uses) | <u>—</u> | <u>1,042</u> | <u>1,035</u> | <u>(7)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>—</u> | <u>11</u> | <u>(7,315)</u> | <u>(7,326)</u> |
| FUND BALANCE: | | | | |
| Fund balances, beginning of period | <u>(7,207)</u> | <u>(7,207)</u> | <u>(7,207)</u> | |
| Fund Balance, End of Period | <u><u>\$ (7,207)</u></u> | <u><u>\$ (7,196)</u></u> | <u><u>\$ (14,522)</u></u> | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | NW Atlanta Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 2,834 | \$ 2,834 | \$ 2,933 | \$ 99 |
| Investment Income | 7 | 7 | 28 | 21 |
| Other | 7,130 | 7,130 | — | (7,130) |
| Total Revenues | 9,971 | 9,971 | 2,961 | (7,010) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Executive Offices | 158 | 158 | — | 158 |
| Nondepartmental | 8,161 | 8,161 | 4,204 | 3,957 |
| General government | 8,319 | 8,319 | 4,204 | 4,115 |
| Paying agent fees | 6 | 6 | 1 | 5 |
| Principal payments | 925 | 925 | 925 | — |
| Interest payments | 721 | 721 | 721 | — |
| Total Expenditures | 9,971 | 9,971 | 5,851 | 4,120 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | (2,890) | (2,890) |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 10,635 | 10,635 | 10,635 | |
| Fund Balance, End of Period | \$ 10,635 | \$ 10,635 | \$ 7,745 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Hollowell-Martun Luther King Dr. Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 321 | \$ 321 | \$ 311 | \$ (10) |
| Investment Income | 1 | 1 | 1 | — |
| Other | 2,260 | 2,260 | — | (2,260) |
| Total Revenues | 2,582 | 2,582 | 312 | (2,270) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 2,582 | 2,582 | 44 | 2,538 |
| General government | 2,582 | 2,582 | 44 | 2,538 |
| Total Expenditures | 2,582 | 2,582 | 44 | 2,538 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | 268 | 268 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 2,696 | 2,696 | 2,696 | |
| Fund Balance, End of Period | \$ 2,696 | \$ 2,696 | \$ 2,964 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Campbellton Road Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 209 | \$ 209 | \$ 1,077 | \$ 868 |
| Investment Income | 1 | 1 | 1 | — |
| Other | 1,571 | 1,571 | — | (1,571) |
| Total Revenues | 1,781 | 1,781 | 1,078 | (703) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 1,781 | 1,781 | 332 | 1,449 |
| General government | 1,781 | 1,781 | 332 | 1,449 |
| Total Expenditures | 1,781 | 1,781 | 332 | 1,449 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | 746 | 746 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 2,154 | 2,154 | 2,154 | |
| Fund Balance, End of Period | \$ 2,154 | \$ 2,154 | \$ 2,900 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Metropolitan Parkway Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 149 | \$ 149 | \$ 101 | \$ (48) |
| Investment Income | — | — | 1 | 1 |
| Other | 1,364 | 1,364 | — | (1,364) |
| Total Revenues | 1,513 | 1,513 | 102 | (1,411) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 1,513 | 1,513 | 54 | 1,459 |
| General government | 1,513 | 1,513 | 54 | 1,459 |
| Total Expenditures | 1,513 | 1,513 | 54 | 1,459 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | 48 | 48 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 1,487 | 1,487 | 1,487 | |
| Fund Balance, End of Period | \$ 1,487 | \$ 1,487 | \$ 1,535 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Stadium Neighborhoods Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 7 | \$ 7 | \$ 11 | \$ 4 |
| Other | 34 | 34 | — | (34) |
| Total Revenues | 41 | 41 | 11 | (30) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 41 | 41 | 42 | (1) |
| General government | 41 | 41 | 42 | (1) |
| Total Expenditures | 41 | 41 | 42 | (1) |
| Excess (deficiency) of revenues over (under) expenditures | — | — | (31) | (31) |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 174 | 174 | 174 | |
| Fund Balance, End of Period | \$ 174 | \$ 174 | \$ 143 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Atlantic Station Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 18,988 | \$ 18,988 | \$ 17,996 | \$ (992) |
| Investment Income | 390 | 390 | 371 | (19) |
| Other | 12,100 | 12,100 | — | (12,100) |
| Total Revenues | 31,478 | 31,478 | 18,367 | (13,111) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance | — | — | — | — |
| Nondepartmental | 10,175 | 10,175 | 96 | 10,079 |
| General government | 10,175 | 10,175 | 96 | 10,079 |
| Debit Service: | | | | |
| Paying agent fees | 11 | 11 | 4 | 7 |
| Principal payment | 13,760 | 13,760 | 4,980 | 8,780 |
| Interest payments | 7,532 | 7,532 | 8,157 | (625) |
| Total Expenditures | 31,478 | 31,478 | 13,237 | 18,241 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | 5,130 | 5,130 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 45,234 | 45,234 | 45,234 | |
| Fund Balance, End of Period | \$ 45,234 | \$ 45,234 | \$ 50,364 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Westside Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 15,193 | \$ 15,193 | \$ 15,035 | \$ (158) |
| Charges for Recurring Services | — | — | — | — |
| Investment Income | 22 | 22 | 26 | 4 |
| Other | 60,038 | 60,038 | 893 | (59,145) |
| Total Revenues | 75,253 | 75,253 | 15,954 | (59,299) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance | 3,739 | 3,739 | 50 | 3,689 |
| Nondepartmental | 61,590 | 61,590 | 10,072 | 51,518 |
| General government | 65,329 | 65,329 | 10,122 | 55,207 |
| Public Works | 355 | 355 | (52) | 407 |
| Debit Service: | | | | |
| Paying agent fees | 28 | 28 | — | 28 |
| Principal payment | 7,365 | 7,365 | 7,365 | — |
| Interest payments | 2,176 | 2,176 | 1,107 | 1,069 |
| Total Expenditures | 75,253 | 75,253 | 18,542 | 56,711 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | (2,588) | (2,588) |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 75,243 | 75,243 | 75,243 | |
| Fund Balance, End of Period | \$ 75,243 | \$ 75,243 | \$ 72,655 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Princeton Lakes Fund | | | |
|--|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | 1,954 | 1,954 | 1,934 | (20) |
| Investment Income | 1 | 1 | 2 | 1 |
| Other | — | 1,784 | — | (1,784) |
| Total Revenues | 1,955 | 3,739 | 1,936 | (1,803) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 289 | 5,002 | (184) | 5,186 |
| General government | 289 | 5,002 | (184) | 5,186 |
| Fire | — | 243 | — | 243 |
| Total public safety | — | 243 | — | 243 |
| Debit Service: | | | | |
| Bond issuance costs | — | — | — | — |
| Paying agent fees | 5 | 5 | — | 5 |
| Principal payment | 1,404 | 1,404 | 1,405 | (1) |
| Interest payments | 257 | 257 | 151 | 106 |
| Total Expenditures | 1,955 | 6,911 | 1,372 | 5,539 |
| Excess (deficiency) of revenues over (under) expenditures | — | (3,172) | 564 | 3,736 |
| Other Financing Sources (Uses): | | | | |
| Payment to escrow agent | — | (7,603) | — | 7,603 |
| Proceeds from general bond | — | 10,775 | — | (10,775) |
| Total Other Financing Sources (Uses) | — | 3,172 | — | (3,172) |
| Excess (deficiency) of revenues over (under) expenditures and other uses | — | — | 564 | 564 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 4,907 | 4,907 | 4,907 | |
| Fund Balance, End of Period | 4,907 | 4,907 | 5,471 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Eastside Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 13,414 | \$ 13,414 | \$ 13,340 | \$ (74) |
| Investment Income | 170 | 170 | 474 | 304 |
| Other | 80,285 | 80,285 | 3,502 | (76,783) |
| Total Revenues | 93,869 | 93,869 | 17,316 | (76,553) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance | 59,733 | 59,733 | — | 59,733 |
| Nondepartmental | 30,336 | 31,439 | 963 | 30,476 |
| General government | 90,069 | 91,172 | 963 | 90,209 |
| Debit Service: | | | | |
| Paying agent fees | 9 | 9 | — | 9 |
| Principal payment | 1,770 | 1,770 | 1,545 | 225 |
| Interest payments | 2,021 | 2,021 | 942 | 1,079 |
| Total Expenditures | 93,869 | 94,972 | 3,450 | 91,522 |
| Excess (deficiency) of revenues over (under) expenditures | — | (1,103) | 13,866 | 14,969 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 78,543 | 78,543 | 78,543 | |
| Fund Balance, End of Period | \$ 78,543 | \$ 77,440 | \$ 92,409 | |

See accompanying independent auditors' report

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, 2017
 (Dollars in Thousands)

| | Atlanta Beltline Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 27,539 | \$ 27,539 | \$ 30,587 | \$ 3,048 |
| Investment Income | 4 | 4 | 167 | 163 |
| Other | 5,284 | 5,284 | (30) | (5,314) |
| Total Revenues | 32,827 | 32,827 | 30,724 | (2,103) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 25,277 | 99,269 | 31,826 | 67,443 |
| General government | 25,277 | 99,269 | 31,826 | 67,443 |
| Debit Service: | | | | |
| Bond issuance costs | — | 15,183 | 697 | 14,486 |
| Paying agent fees | 5 | 5 | 10 | (5) |
| Principal payment | 2,525 | 2,525 | 2,525 | — |
| Interest payments | 5,020 | 5,020 | 5,020 | — |
| Total Expenditures | 32,827 | 122,002 | 40,078 | 81,924 |
| Excess (deficiency) of revenues over (under) expenditures | — | (89,175) | (9,354) | 79,821 |
| Other Financing Sources (Uses): | | | | |
| Payment to escrow agent | — | (78,632) | (73,598) | 5,034 |
| Proceeds from limited bond obligation | — | 144,855 | 144,855 | — |
| Proceeds from escrow restructure | — | 12,734 | — | (12,734) |
| Premium from bond sold | — | 11,319 | 11,319 | — |
| Total Other Financing Sources (Uses) | — | 90,276 | 82,576 | (7,700) |
| Excess (deficiency) of revenues over (under) | — | 1,101 | 73,222 | 72,121 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 10,450 | 10,450 | 10,450 | |
| Fund Balance, End of Period | \$ 10,450 | \$ 11,551 | \$ 83,672 | |

See accompanying independent auditors' report

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, 2017

(Dollars in Thousands)

| | Expendable Trust Fund | | |
|--|---------------------------|------------------|-------------------------------|
| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | |
| Other Taxes | \$ 2,912 | \$ 2,912 | \$ — |
| License & Permits | 1,116 | 1,098 | (18) |
| Charges for Recurring Services | 3,937 | 3,974 | 37 |
| Fines, Forfeitures and Penalties | 1,574 | 1,564 | (10) |
| Investment Income | 12 | (102) | (114) |
| Intergovernmental Revenues: | | | |
| State and local governments | — | — | — |
| Total intergovernmental revenues | 5,293 | 5,392 | 99 |
| Building Rentals and Concessions | 1,085 | 1,081 | (4) |
| Other | (675) | 1,614 | 2,289 |
| Total Revenues | 15,254 | 17,533 | 2,279 |
| EXPENDITURES | | | |
| Current: | | | |
| Executive Offices | 3,725 | 2,447 | 1,278 |
| Personnel and human services | 43 | — | 43 |
| City Council | 49 | 2 | 47 |
| Courts and judicial agencies | 301 | 1 | 300 |
| Finance | 10,714 | 2,006 | 8,708 |
| Housing, planning, and development | 11,297 | 2,125 | 9,172 |
| Procurement | 16 | — | 16 |
| Nondepartmental | 112 | 163 | (51) |
| Total general government | 26,257 | 6,744 | 19,513 |
| Police | 8,145 | 3,008 | 5,137 |
| Fire | 86 | (63) | 149 |
| Corrections | 3,080 | 2,119 | 961 |
| Total public safety | 11,311 | 5,064 | 6,247 |
| Public Works | 2,744 | 936 | 1,808 |
| Parks, recreation and cultural affairs | 11,999 | 5,514 | 6,485 |
| Debit Service: | | | |
| Paying agent fees | 18 | — | 18 |
| Total Expenditures | 52,329 | 18,258 | 34,053 |
| Excess (deficiency) of revenues over (under) expenditures | (37,075) | (725) | 36,350 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 1,600 | 1,000 | (600) |
| Transfers out | 1,687 | (1,000) | (2,687) |
| Total Other Financing Sources (Uses) | 3,287 | — | (3,287) |
| Excess (deficiency) of revenues over (under) expenditures and other uses | (33,788) | (725) | 33,063 |
| FUND BALANCE: | | | |
| Fund balance, beginning of period | 31,350 | 31,350 | |
| Fund Balance, End of Period | \$ (2,438) | \$ 30,625 | |

See accompanying independent auditors' report

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, 2017

(Dollars in Thousands)

| | Home Investment Partnership Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Intergovernmental Revenues | | | | |
| Federal Revenues | \$ 6,770 | \$ 9,618 | \$ 2,534 | \$ (7,084) |
| Total intergovernmental revenues | 6,770 | 9,618 | 2,534 | (7,084) |
| Total Revenues | 6,770 | 9,618 | 2,534 | (7,084) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Executive Offices | 283 | 483 | 202 | 281 |
| Finance | 24 | 24 | — | 24 |
| Housing, planning and development | 6,463 | 9,111 | 2,299 | 6,812 |
| General government | 6,770 | 9,618 | 2,501 | 7,117 |
| Total Expenditures | 6,770 | 9,618 | 2,501 | 7,117 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | 33 | 33 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 363 | 363 | 363 | |
| Fund Balance, End of Period | \$ 363 | \$ 363 | \$ 396 | |

See accompanying independent auditors' report

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, 2017

(Dollars in Thousands)

| | Section 108 Loan Trust Fund | | | |
|---|--|---------------------------------------|---------------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Investment Income | \$ — | \$ — | \$ 11 | \$ 11 |
| Intergovernmental Revenues | | | | |
| Federal Revenues | 2,461 | 2,461 | — | (2,461) |
| Total intergovernmental revenues | 2,461 | 2,461 | — | (2,461) |
| Total Revenues | 2,461 | 2,461 | 11 | (2,450) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance | 2,461 | 2,461 | 1,158 | 1,303 |
| Housing, planning and development | — | — | 941 | (941) |
| General government | 2,461 | 2,461 | 2,099 | 362 |
| Total Expenditures | 2,461 | 2,461 | 2,099 | 362 |
| Excess (deficiency) of revenues over (under) expenditures | — | — | (2,088) | (2,088) |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 5,823 | 5,823 | 5,238 | |
| Fund Balance, End of Period | \$ 5,823 | \$ 5,823 | \$ 3,150 | |

See accompanying independent auditors' report

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, 2017

(Dollars in Thousands)

| | Car Rental Excise Tax Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Other Taxes | \$ 1,046 | \$ 1,046 | \$ 1,254 | \$ 208 |
| Total Revenues | 1,046 | 1,046 | 1,254 | 208 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 1,046 | 1,046 | 1,254 | (208) |
| General government | 1,046 | 1,046 | 1,254 | (208) |
| Total Expenditures | 1,046 | 1,046 | 1,254 | (208) |
| Excess (deficiency) of revenues over (under) expenditures | — | — | — | — |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | — | — | — | |
| Fund Balance, End of Period | \$ — | \$ — | \$ — | |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

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

For the Year Ending June 30, 2017

(Dollars in Thousands)

| | Hotel/Motel Excise Tax Fund | | | |
|---|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Other Taxes | \$ 67,268 | \$ 67,268 | \$ 72,584 | \$ 5,316 |
| Total Revenues | 67,268 | 67,268 | 72,584 | 5,316 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 50,458 | 50,458 | 54,445 | (3,987) |
| General government | 50,458 | 50,458 | 54,445 | (3,987) |
| Total Expenditures | 50,458 | 50,458 | 54,445 | (3,987) |
| Excess (deficiency) of revenues over (under) expenditures | 16,810 | 16,810 | 18,139 | 1,329 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (16,810) | (16,810) | (18,139) | (1,329) |
| Total Other Financing Sources (Uses) | (16,810) | (16,810) | (18,139) | (1,329) |
| Excess (deficiency) of revenues over (under) expenditures | — | — | — | — |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | — | — | — | |
| Fund Balance, End of Period | \$ — | \$ — | \$ — | |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 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, 2017
 (Dollars in Thousands)

| | TSPLOST | | | |
|---|---------------------------------|---------------------------|------------------|-------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Local and Municipal Option Sales | — | — | 12,111 | 12,111 |
| Investment Income | \$ — | \$ — | \$ (6) | \$ (6) |
| Total Revenues | <u>—</u> | <u>—</u> | <u>12,105</u> | <u>12,105</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance | — | — | — | — |
| Housing, planning and development | — | — | — | — |
| General government | — | — | — | — |
| Total Expenditures | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>—</u> | <u>—</u> | <u>12,105</u> | <u>12,105</u> |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | — | — | — | |
| Fund Balance, End of Period | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 12,105</u> | |

See accompanying independent auditors' report

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, 2017

(Dollars in Thousands)

| | Bond Service Fund | | | |
|--|--|-----------------------------------|-----------------------|---------------------------------------|
| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 40,393 | \$ 40,393 | \$ 38,934 | \$ (1,459) |
| Other Taxes | 1,537 | 1,537 | 2,031 | 494 |
| Investment Income | 5 | 5 | 13 | 8 |
| Other | — | — | 20 | 20 |
| Total Revenues | 41,935 | 41,935 | 40,998 | (937) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Nondepartmental | 3 | 3 | 393 | (390) |
| General government | 3 | 3 | 393 | (390) |
| Debit Service: | | | | |
| Bond issuance costs | 9,812 | 9,812 | — | 9,812 |
| Paying agent fees | 81 | 81 | 9 | 72 |
| Principal payment | 15,210 | 15,210 | 7,670 | 7,540 |
| Interest payments | 16,817 | 16,817 | 15,973 | 844 |
| Payment to escrow agent | 12 | 12 | — | 12 |
| Total Expenditures | 41,935 | 41,935 | 24,045 | 17,890 |
| Excess (deficiency) of revenues over (under) | — | — | 16,953 | 16,953 |
| FUND BALANCE: | | | | |
| Fund balance, beginning of period | 15,145 | 15,145 | 15,145 | |
| Fund Balance, End of Period | \$ 15,145 | \$ 15,145 | \$ 32,098 | |

See accompanying independent auditors' report



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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 seven 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 financial 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 For the Year Ending June 30, 2017 (Dollars in Thousands)

| | Sanitation | Parks and Recreational Facilities | Underground Atlanta | Parking Deck | Permits Fund | City Plaza | Civic Center | Totals |
|---|------------|---|------------------------|-----------------|-----------------|------------|--------------|------------|
| ASSETS | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and cash equivalents, restricted | \$ — | \$ — | \$ — | \$ 33 | \$ — | \$ — | \$ — | \$ 33 |
| Equity in cash management pool | — | — | — | 212 | — | 3,470 | — | \$ 3,682 |
| Receivables: | | | | | | | | |
| Accounts | 47,007 | — | — | 53 | — | — | — | 47,060 |
| Less allowance for doubtful accounts | (8,476) | — | — | — | — | — | — | (8,476) |
| Total receivables | 38,531 | — | — | 53 | — | — | — | 38,584 |
| Total current assets | 38,531 | — | — | 298 | — | 3,470 | — | 42,299 |
| Noncurrent assets: | | | | | | | | |
| Restricted investments | — | — | — | — | — | 2 | — | 2 |
| Other assets | — | — | — | — | — | — | — | — |
| Capital assets: | | | | | | | | |
| Land | 446 | — | — | — | — | 3,280 | — | 3,726 |
| Construction-in-progress | — | — | — | — | — | 3,003 | — | 3,003 |
| Land improvements | 1,327 | — | — | — | — | 474 | 5,366 | 7,167 |
| Buildings and other structures | 2,443 | 1,024 | — | 23,480 | — | 15,447 | 6,495 | 48,889 |
| Other property and equipment | 27,899 | 18 | — | — | — | — | 441 | 28,358 |
| Less accumulated depreciation | (17,710) | (911) | — | (4,383) | — | (540) | (10,777) | (34,321) |
| Property and equipment, net | 14,405 | 131 | — | 19,097 | — | 21,664 | 1,525 | 56,822 |
| Total assets | \$ 52,936 | \$ 131 | \$ — | \$ 19,395 | \$ — | \$ 25,136 | \$ 1,525 | \$ 99,123 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Pension related deferred outflows | 5,806 | 27 | — | — | — | — | 150 | 5,983 |
| Total assets and deferred outflows of resources | \$ 58,742 | \$ 158 | \$ — | \$ 19,395 | \$ — | \$ 25,136 | \$ 1,675 | \$ 105,106 |
| LIABILITIES AND NET POSITION | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Accounts payable | \$ 2,472 | \$ 2 | \$ — | \$ — | \$ — | \$ 1,693 | \$ 111 | \$ 4,278 |
| Accrued salaries and vacation | 1,400 | — | — | — | — | — | 25 | 1,425 |
| Due to other funds | 30,817 | 383 | — | — | — | — | 4,418 | 35,618 |
| Current maturities of capital leases | — | — | — | — | — | — | — | — |
| Accrued workers' compensation | 1,181 | — | — | — | — | — | — | 1,181 |
| Total current liabilities | 35,870 | 385 | — | — | — | 1,693 | 4,554 | 42,502 |
| Liabilities payable from restricted assets: | | | | | | | | |
| Accounts payable | — | — | — | — | — | — | — | — |
| Contract retention | — | — | — | — | — | 206 | — | 206 |
| Accrued interest payable | — | — | — | 91 | — | 33 | — | 124 |
| Current maturities of long-term debt | — | — | — | 755 | — | 315 | — | 1,070 |
| Total liabilities payable from restricted assets | — | — | — | 846 | — | 554 | — | 1,400 |
| Total current liabilities | 35,870 | 385 | — | 846 | — | 2,247 | 4,554 | 43,902 |
| Long-term liabilities: | | | | | | | | |
| Long-term debt, excluding current maturities | — | — | — | 17,041 | — | 10,001 | — | 27,042 |
| Capital lease obligation, excluding current materials shown above | — | — | — | — | — | — | — | — |
| Pension liability | 53,910 | 714 | — | — | — | — | 2,061 | 56,685 |
| Net OPEB obligation | 25,402 | 322 | — | — | — | — | 738 | 26,462 |
| Accrued workers' compensation | 7,245 | — | — | — | — | — | — | 7,245 |
| Landfill postclosure costs | 15,827 | — | — | — | — | — | — | 15,827 |
| Total long-term liabilities | 102,384 | 1,036 | — | 17,041 | — | 10,001 | 2,799 | 133,261 |
| Total liabilities | 138,254 | 1,421 | — | 17,887 | — | 12,248 | 7,353 | 177,163 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Pension related deferred inflows | 48 | — | — | — | — | — | 2 | 50 |
| Total liabilities and deferred inflows of resources | \$ 138,302 | \$ 1,421 | \$ — | \$ 17,887 | \$ — | \$ 12,248 | \$ 7,355 | \$ 177,213 |
| Net Position: | | | | | | | | |
| Investment in capital assets, net of related debt | 14,405 | 131 | — | 1,301 | — | 11,348 | 1,525 | 28,710 |
| Unrestricted | (93,965) | (1,394) | — | 207 | — | 1,540 | (7,205) | (100,817) |
| Total net position | (79,560) | (1,263) | — | 1,508 | — | 12,888 | (5,680) | (72,107) |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenditures and Changes in Net Position
For the Year Ending June 30, 2017
(Dollars in Thousands)

| | Sanitation | Parks and Recreational Facilities | Underground Atlanta | Parking Deck | Permits Fund | City Plaza | Civic Center | Totals |
|---|-------------|---|------------------------|-----------------|-----------------|---------------|-----------------|-------------|
| Operating revenues: | | | | | | | | |
| Charges for services | \$ 52,644 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 52,644 |
| Rentals, admissions, and concessions | 26 | — | 1,281 | 1,019 | — | 1,261 | 344 | 3,931 |
| Other | 2,028 | — | — | — | — | — | — | 2,028 |
| Total operating revenues | 54,698 | — | 1,281 | 1,019 | — | 1,261 | 344 | 58,603 |
| Operating expenses: | | | | | | | | |
| Salaries and employee benefits | 12,925 | 59 | — | — | — | — | 575 | 13,559 |
| Utilities | 355 | 3 | — | — | — | — | 345 | 703 |
| Materials and supplies | 1,305 | — | — | — | — | — | 47 | 1,352 |
| Repairs, maintenance, and other contractual services | 52 | — | — | — | — | — | 69 | 121 |
| Motor equipment service | 7,311 | — | — | — | — | — | — | 7,311 |
| Engineering and consultant fees | 10,001 | — | 1,868 | — | — | 97 | 404 | 12,370 |
| General services and other costs | 5,325 | 2 | 34 | — | — | 200 | 6 | 5,567 |
| Depreciation and amortization | 2,636 | 19 | 49 | 470 | — | 540 | 238 | 3,952 |
| Total operating expenses | 39,910 | 83 | 1,951 | 470 | — | 837 | 1,684 | 44,935 |
| Operating income (loss) | 14,788 | (83) | (670) | 549 | — | 424 | (1,340) | 13,668 |
| Nonoperating revenues (expenses): | | | | | | | | |
| Interest expense | (68) | (1) | (65) | (830) | — | (369) | (135) | (1,468) |
| Other revenues (expenses) | (170) | — | 2,791 | (410) | — | 8,521 | — | 10,732 |
| Investment income (loss) | (145) | — | 54 | — | — | (3) | (6) | (100) |
| Total nonoperating revenues (expenses) | (383) | (1) | 2,780 | (1,240) | — | 8,149 | (141) | 9,164 |
| Income (loss) before transfers | 14,405 | (84) | 2,110 | (691) | — | 8,573 | (1,481) | 22,832 |
| Capital contributions | — | — | 8,850 | — | — | — | — | 8,850 |
| Transfers in | — | — | 110 | 738 | 15,671 | 3,745 | 1,626 | 21,890 |
| Transfers out | (11,176) | — | (19,872) | — | (53,816) | — | — | (84,864) |
| Net income (loss) | 3,229 | (84) | (8,802) | 47 | (38,145) | 12,318 | 145 | (31,292) |
| Net Position, beginning of period | (82,789) | (1,179) | 8,802 | 1,461 | 38,145 | 570 | (5,825) | (40,815) |
| Net Position, end of period | \$ (79,560) | \$ (1,263) | \$ — | \$ 1,508 | \$ — | \$ 12,888 | \$ (5,680) | \$ (72,107) |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Year Ending June 30, 2017
(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 | \$ 49,408 | \$ 18 | \$ 1,281 | \$ 1,043 | \$ — | \$ 1,761 | \$ 344 | \$ 53,855 |
| Cash payments to employees for services | (25,866) | (14) | — | — | (3,153) | — | (509) | (29,542) |
| Cash payments to suppliers for goods and services | (12,056) | (3) | (14,721) | — | (1,919) | (91) | (132) | (28,922) |
| Net cash provided by (used in) operating activities | 11,486 | 1 | (13,440) | 1,043 | (5,072) | 1,670 | (297) | (4,609) |
| Cash flows from noncapital financing activities | | | | | | | | |
| Transfers in | — | — | 110 | 738 | 15,671 | 3,745 | 1,626 | 21,890 |
| Transfers out | (11,176) | — | (19,872) | — | (53,816) | — | — | (84,864) |
| Net cash provided by (used in) noncapital financing activities | (11,176) | — | (19,762) | 738 | (38,145) | 3,745 | 1,626 | (62,974) |
| Cash flows from investing activities | | | | | | | | |
| Capital grants and donations | — | — | 8,850 | — | — | — | — | 8,850 |
| Proceeds from bond/note issuances | — | — | — | — | — | — | — | — |
| Principal paid on long term debt | 202 | — | — | (369) | (12,088) | (364) | (1,734) | (14,353) |
| Interest paid | (238) | (1) | 2,726 | (1,219) | — | (336) | (195) | 737 |
| Acquisition of capital assets | (129) | — | 21,572 | — | 1,597 | (1,310) | 1 | 21,731 |
| Net cash provided by (used in) capital and related financing activities | (165) | (1) | 33,148 | (1,588) | (10,491) | (2,010) | (1,928) | 16,965 |
| Cash flows from investing activities | | | | | | | | |
| Change in equity in cash management pool | — | — | — | (160) | 53,692 | (3,402) | 605 | 50,735 |
| Purchase of restricted investments | — | — | — | — | 16 | — | — | 16 |
| Interest on investments | (145) | — | 54 | — | — | (3) | (6) | (100) |
| Net cash provided by (used in) investing activities | (145) | — | 54 | (160) | 53,708 | (3,405) | 599 | 50,651 |
| Increase in cash and cash equivalents | — | — | — | 33 | — | — | — | 33 |
| Cash and cash equivalents, beginning of period | — | — | — | — | — | — | — | — |
| Cash and cash equivalents, end of period | \$ — | \$ — | \$ — | \$ 33 | \$ — | \$ — | \$ — | \$ 33 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Operating income (loss) | \$ 14,788 | \$ (83) | \$ (670) | \$ 549 | \$ — | \$ 424 | \$ (1,340) | \$ 13,668 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation and amortization | 2,636 | 19 | 49 | 470 | — | 540 | 238 | 3,952 |
| Accounts receivables - net of allowance | (5,290) | — | — | 24 | — | 500 | — | (4,766) |
| Prepaid expenses | (2,150) | 22 | — | — | 911 | — | (9) | (1,226) |
| Accounts payable and accrued expenses | 1,056 | 2 | (73) | — | (1,919) | 206 | 8 | (720) |
| Other Liabilities | (10,791) | 23 | — | — | (4,064) | — | 75 | (14,757) |
| Increase (decrease) in due to other funds | 11,237 | 18 | (12,746) | — | — | — | 731 | (760) |
| Net cash provided by (used in) operating activities | \$ 11,486 | \$ 1 | \$ (13,440) | \$ 1,043 | \$ (5,072) | \$ 1,670 | \$ (297) | \$ (4,609) |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Combining Statement of Net Position

Internal Service Funds

For the Year Ending June 30, 2017

(Dollars in Thousands)

| | <u>Fleet Services</u> | <u>Group Insurance</u> | <u>Total</u> |
|--------------------------------------|-----------------------|------------------------|--------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ — | \$ — | \$ — |
| Equity in cash management pool | — | 1,943 | 1,943 |
| Receivables | | | |
| Accounts | — | 663 | 663 |
| Less allowance for doubtful accounts | — | — | — |
| Total Receivables, Net | <u>—</u> | <u>663</u> | <u>663</u> |
| Inventories | <u>976</u> | <u>—</u> | <u>976</u> |
| Total Current Assets | <u>976</u> | <u>2,606</u> | <u>3,582</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 Equipments | 3,791 | — | 3,791 |
| Less Accumulated Depreciation | <u>(9,124)</u> | <u>—</u> | <u>(9,124)</u> |
| Capital assets, nets | <u>340</u> | <u>—</u> | <u>340</u> |
| Total Assets | <u>1,316</u> | <u>2,606</u> | <u>3,922</u> |
| LIABILITIES | | | |
| Liabilities: | | | |
| Current Liabilities | | | |
| Account payable | 2,077 | 1,750 | 3,827 |
| Accrued expenses | 553 | 71 | 624 |
| Due To Other Funds | 1,947 | — | 1,947 |
| Current Liabilities | <u>4,577</u> | <u>1,821</u> | <u>6,398</u> |
| NonCurrent Liabilities: | | | |
| Total liabilities | <u>4,577</u> | <u>1,821</u> | <u>6,398</u> |
| NET POSITION | | | |
| Net investment in capital assets | 340 | — | 340 |
| Unrestricted | <u>(3,601)</u> | <u>785</u> | <u>(2,816)</u> |
| Total Net Position | <u>\$ (3,261)</u> | <u>\$ 785</u> | <u>\$ (2,476)</u> |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Internal Service Funds

Combining Statement of Revenues, Expenditures and Changes in Net Position

For the Year Ending June 30, 2017

(Dollars in Thousands)

| | Fleet Services | Group Insurance | Total |
|--|--------------------------|----------------------|--------------------------|
| Operating Revenue: | | | |
| Charges for Services | \$ 32,122 | \$ 142,676 | \$ 174,798 |
| Other | 246 | 3,511 | 3,757 |
| Total Operating Revenue | <u>32,368</u> | <u>146,187</u> | <u>178,555</u> |
| Operating Expenses: | | | |
| Salaries and Employee Benefits | 11,818 | 92,257 | 104,075 |
| Utilities | 632 | — | 632 |
| Supplies and Materials | 10,971 | 12 | 10,983 |
| Repairs, maintenance, and other contractual services | 3,739 | 11 | 3,750 |
| Motor Equipment Services | 368 | — | 368 |
| Engineering and Consultant Fees | 1,293 | 107 | 1,400 |
| General Services and Other Costs | 2,494 | 60,260 | 62,754 |
| Depreciation and Amortization | 47 | — | 47 |
| Total operating expenses | <u>31,362</u> | <u>152,647</u> | <u>184,009</u> |
| Operating Income (loss) | <u>1,006</u> | <u>(6,460)</u> | <u>(5,454)</u> |
| Non operating revenues (expenses): | | | |
| Investment income (loss) | — | (20) | (20) |
| Interest expense | (198) | — | (198) |
| Other revenue (expenses) | 1 | 14 | 15 |
| Total non operating revenues (expenses), net | <u>(197)</u> | <u>(6)</u> | <u>(203)</u> |
| Income (loss) before transfers: | 809 | (6,466) | (5,657) |
| Transfers in | 21,800 | — | 21,800 |
| Transfers out | — | (3,550) | (3,550) |
| Change in net position | 22,609 | (10,016) | 12,593 |
| Net position, beginning of period | <u>(25,870)</u> | <u>10,801</u> | <u>(15,069)</u> |
| Net position, end of period | <u><u>\$ (3,261)</u></u> | <u><u>\$ 785</u></u> | <u><u>\$ (2,476)</u></u> |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA

Internal Service Funds

Combining Statement of Cash Flows

For the Year Ending June 30, 2017

(Dollars in Thousands)

| | Fleet Services | Group Insurance | Total |
|---|--------------------|--------------------|--------------------|
| Cash flow from operating activities | | | |
| Cash received from user charges | \$ 32,368 | \$ 146,172 | \$ 178,540 |
| Cash payments to employees for services | (11,711) | (92,254) | (103,965) |
| Cash payments to suppliers for goods and services | (42,319) | (58,757) | (101,076) |
| Net cash (used in) operating activities | <u>(21,662)</u> | <u>(4,839)</u> | <u>(26,501)</u> |
| Cash flows from noncapital financing activities | | | |
| Transfers in | 21,800 | — | 21,800 |
| Transfers out | — | (3,550) | (3,550) |
| Net cash provided by (used in) noncapital financing activities | <u>21,800</u> | <u>(3,550)</u> | <u>18,250</u> |
| Cash flows from noncapital and related financing activities | | | |
| Interest paid | (197) | 14 | (183) |
| Acquisition of capital assets | 59 | — | 59 |
| Net cash provided by (used in) capital and related financing | <u>(138)</u> | <u>14</u> | <u>(124)</u> |
| Cash flows from investing activities | | | |
| Change in equity in cash management pool | — | 8,308 | 8,308 |
| Interest on investments | — | (20) | (20) |
| Net cash provided by investing activities | <u>—</u> | <u>8,288</u> | <u>8,288</u> |
| Decrease in cash and cash equivalents | — | (87) | (87) |
| Cash and cash equivalents, beginning of period | — | 87 | 87 |
| Cash and cash equivalents, end of period | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ 1,006 | \$ (6,460) | \$ (5,454) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation and amortization | 47 | — | 47 |
| Accounts receivables - net of allowance | — | (15) | (15) |
| Inventory | (42) | — | (42) |
| Accounts payable and accrued expenses | (359) | 1,633 | 1,274 |
| Other Liabilities | 107 | 3 | 110 |
| Due to other funds | (22,421) | — | (22,421) |
| Net cash used in operating activities | <u>\$ (21,662)</u> | <u>\$ (4,839)</u> | <u>\$ (26,501)</u> |

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 of Net Position-Pension Trust Funds
Fiduciary Funds
For the Year Ending June 30, 2017
(Dollars in Thousands)

| | Pension Trust Funds | | | | |
|--|--|--|-------------------|---------------------|---------------------|
| | General Employees' Defined Benefit | General Employees' Defined Contribution | Firefighters' | Police Officers' | Total |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and cash deposit | \$ 32,351 | \$ — | \$ 11,748 | \$ 12,226 | \$ 56,325 |
| Securities Lending | 33,929 | — | — | — | 33,929 |
| Receivables | | | | | |
| Other Employee Contribution | 700 | 421 | 190 | 411 | 1,722 |
| Other Employer Contribution | 2,446 | 440 | 673 | 1,425 | 4,984 |
| Due from brokers | 623 | — | 1,230 | 2,748 | 4,601 |
| Accrued interest receivable | 1,071 | — | 817 | 1,042 | 2,930 |
| Other receivables | 1,449 | 7,193 | 60 | 376 | 9,078 |
| Total Receivables | <u>6,289</u> | <u>8,054</u> | <u>2,970</u> | <u>6,002</u> | <u>23,315</u> |
| Investments: | | | | | |
| Short term investments | 13,720 | — | 11,270 | 15,588 | 40,578 |
| Domestic fixed income securities | 227,081 | 37,317 | 115,959 | 181,501 | 561,858 |
| Domestic equities | 677,026 | 29,509 | 406,384 | 647,769 | 1,760,688 |
| International fixed income securities | 70,729 | — | 39,144 | 62,194 | 172,067 |
| International equities | 285,678 | — | 65,265 | 108,841 | 459,784 |
| Limited partnerships | 38,469 | — | 5,012 | 5,011 | 48,492 |
| Alternative investments: | | | | | |
| Limited partnerships | 25,645 | — | 16,981 | 21,707 | 64,333 |
| Comingled funds | — | 70,281 | — | — | 70,281 |
| Total Investments | <u>1,338,348</u> | <u>137,107</u> | <u>660,015</u> | <u>1,042,611</u> | <u>3,178,081</u> |
| Total Assets | <u>1,410,917</u> | <u>145,161</u> | <u>674,733</u> | <u>1,060,839</u> | <u>3,291,650</u> |
| LIABILITIES AND NET POSITION HELD IN TRUST FOR PENSION BENEFITS | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and other liabilities | \$ 2,287 | \$ 26 | \$ 752 | \$ 790 | \$ 3,855 |
| Due to brokers for securities purchased | 5,885 | — | 4,473 | 8,378 | 18,736 |
| Collateral payable for securities lending | 33,929 | — | — | — | 33,929 |
| Total liabilities | <u>42,101</u> | <u>26</u> | <u>5,225</u> | <u>9,168</u> | <u>56,520</u> |
| Net Position Held in Trust for Pension Benefits: | <u>\$ 1,368,816</u> | <u>\$ 145,135</u> | <u>\$ 669,508</u> | <u>\$ 1,051,671</u> | <u>\$ 3,235,130</u> |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
Pension Trust Funds
Combining Statement of Changes in Plan Net Position
For the Year Ending June 30, 2017
(Dollars in Thousands)

| | Pension Trust Funds | | | | |
|--|---|--|---------------|---------------------|--------------|
| | General Employees' Defined Benefit | General Employees' Defined Contribution | Firefighters' | Police Officers' | Total |
| Additions: | | | | | |
| Contributions: | | | | | |
| Employer contributions | \$ 105,817 | \$ 11,056 | \$ 17,901 | \$ 27,493 | \$ 162,267 |
| Employee contributions | 19,684 | 10,979 | 5,711 | 10,830 | 47,204 |
| Refunds and other | 72 | — | 1 | — | 73 |
| Total contributions | 125,573 | 22,035 | 23,613 | 38,323 | 209,544 |
| Investment Income: | | | | | |
| Net appreciation (depreciation) in fair value of investments | 155,829 | 12,141 | 72,220 | 116,211 | 356,401 |
| Investment income | 16,414 | 711 | 8,592 | 13,378 | 39,095 |
| Securities lending income | 339 | — | — | — | 339 |
| Less: Investment expenses | (3,661) | (166) | (2,565) | (3,651) | (10,043) |
| Net investment income | 168,921 | 12,686 | 78,247 | 125,938 | 385,792 |
| Total additions | 294,494 | 34,721 | 101,860 | 164,261 | 595,336 |
| Deductions: | | | | | |
| Benefit payments | 170,986 | 8,168 | 44,510 | 62,484 | 286,148 |
| Administrative expenses | 1,354 | 48 | 479 | 521 | 2,402 |
| Total deductions | 172,340 | 8,216 | 44,989 | 63,005 | 288,550 |
| Net increase in net position held in trust for pension benefits | 122,154 | 26,505 | 56,871 | 101,256 | 306,786 |
| Net position held in trust for pension benefits: | | | | | |
| Beginning of period | 1,246,662 | 118,630 | 612,637 | 950,415 | 2,928,344 |
| End of period | \$ 1,368,816 | \$ 145,135 | \$ 669,508 | \$ 1,051,671 | \$ 3,235,130 |

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
 Agency Fund
 Statement of Changes in Assets and Liabilities
 For the Year Ending June 30, 2017
 (Dollars in Thousands)

ASSETS

| | June 30, 2016 | Additions | Deductions | June 30, 2017 |
|--------------------------------|---------------|-----------|------------|---------------|
| Assets: | | | | |
| Cash and cash equivalents | \$ 251 | \$ — | \$ — | \$ 251 |
| Equity in cash management pool | 21,230 | 1,468 | — | 22,698 |
| Investments: | | | | |
| Equities | — | — | — | — |
| Prepaid expenses | — | 1,562 | — | 1,562 |
| Other receivables | 125 | — | (22) | 103 |
| | | | | |
| Total Assets | \$ 21,606 | \$ 3,030 | \$ (22) | \$ 24,614 |

LIABILITIES

| | | | | |
|-------------------|-----------|----------|------|-----------|
| Liabilities: | | | | |
| Accounts payable | \$ 21,606 | \$ 3,008 | \$ — | \$ 24,614 |
| Total Liabilities | \$ 21,606 | \$ 3,008 | \$ — | \$ 24,614 |

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.

City of Atlanta
2017 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 | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|---------------------|---------------------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | * | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities | | | | | | | | | | | |
| Net investment in capital assets | \$ 237,415 | \$ 146,670 | \$ 97,291 | \$ 58,841 | \$ 7,228 | \$ 95,513 | \$ 53,144 | \$ (292,446) | \$ 6,564 | \$ 86,340 | |
| Restricted for | | | | | | | | | | | |
| Debt service | 45,479 | 47,912 | 51,828 | 265,371 | 284,933 | 287,948 | 259,422 | 232,789 | 229,522 | 336,669 | |
| Programs | 87,259 | 79,096 | 75,482 | 76,517 | 69,776 | 72,591 | 65,332 | 64,806 | 62,807 | 109,282 | |
| Capital projects | 219,921 | 238,093 | 250,380 | 49,827 | 47,943 | 47,962 | 87,398 | 369,276 | 345,993 | 298,923 | |
| Unrestricted | (320,542) | (306,113) | (260,354) | (118,112) | (128,199) | (131,646) | (132,877) | (898,791) | (1,146,682) | (1,370,094) | |
| Total Governmental Activities Net Positions | \$ 269,532 | \$ 205,658 | \$ 214,627 | \$ 332,444 | \$ 281,681 | \$ 372,368 | \$ 332,419 | \$ (524,366) | \$ (501,796) | \$ (538,880) | |
| Business-type Activities | | | | | | | | | | | |
| Net investment in capital assets | \$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 | \$5,687,008 | |
| Restricted | | | | | | | | | | | |
| Debt service | 114,869 | 174,761 | 206,232 | 349,001 | 869,781 | 534,521 | 382,414 | 406,162 | 413,288 | 417,463 | |
| Programs | — | — | — | — | — | — | — | — | — | — | |
| Capital projects | 383,694 | 470,590 | 365,297 | 418,473 | — | 355,001 | 554,081 | 607,322 | 629,667 | 652,115 | |
| Unrestricted | 888,594 | 787,326 | 721,383 | 1,004,136 | 1,240,649 | 1,281,856 | 1,406,617 | 1,005,755 | 1,052,124 | 888,396 | |
| Total Business-type Activities Net Positions | \$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 | \$7,644,982 | |
| Primary Government | | | | | | | | | | | |
| Net investment in capital assets | \$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 | \$5,773,348 | |
| Restricted | | | | | | | | | | | |
| Debt service | 160,348 | 222,673 | 258,060 | 614,372 | 1,154,714 | 822,469 | 641,836 | 638,951 | 642,810 | 754,132 | |
| Programs | 87,259 | 79,096 | 75,482 | 76,517 | 69,776 | 72,591 | 65,332 | 64,806 | 62,807 | 109,282 | |
| Capital projects | 603,615 | 708,683 | 615,677 | 468,300 | 47,943 | 402,963 | 641,479 | 976,598 | 975,660 | 951,038 | |
| Unrestricted | 568,052 | 481,213 | 461,029 | 886,024 | 1,112,450 | 1,150,210 | 1,273,740 | 106,964 | (94,558) | (481,698) | |
| Total Primary Government Activities Net Positions | \$6,141,398 | \$6,398,595 | \$6,600,495 | \$6,983,815 | \$7,114,020 | \$ 7,559,668 | \$7,708,396 | \$6,669,451 | \$6,973,651 | \$7,106,102 | |

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

See accompanying independent auditors' report

Schedule 2
City of Atlanta, Georgia
Changes in Net Position (unaudited)
Last Ten Fiscal Periods
(accrual basis of accounting)
(Dollars in thousands)

| | Fiscal Period | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | \$ 234,198 | \$ 265,596 | \$ 260,413 | \$ 239,306 | \$ 215,030 | \$ 148,288 | \$ 346,897 | \$ 472,818 | \$ 308,606 | \$ 464,517 |
| Police | 219,614 | 192,161 | 187,800 | 197,598 | 217,777 | 210,751 | 210,418 | 197,267 | 213,198 | 226,881 |
| Fire | 94,871 | 84,454 | 79,190 | 83,596 | 89,016 | 92,018 | 87,587 | 86,906 | 86,768 | 85,527 |
| Corrections | 50,714 | 37,264 | 29,301 | 25,520 | 35,001 | 31,128 | 32,324 | 33,990 | 34,181 | 36,169 |
| Public works | 79,823 | 56,814 | 50,056 | 54,442 | 47,397 | 64,467 | 72,476 | 73,280 | 93,719 | 130,715 |
| Parks, recreation and cultural affairs | 48,626 | 34,161 | 39,976 | 41,939 | 46,280 | 59,732 | 56,124 | 60,246 | 58,589 | 64,952 |
| Interest on long-term debt | 43,734 | 51,784 | 51,274 | 47,629 | 47,080 | 42,731 | 36,508 | 29,788 | 40,686 | 38,173 |
| Total Governmental Activities Expenses | 771,580 | 722,234 | 698,010 | 690,030 | 697,581 | 649,115 | 842,334 | 954,295 | 835,747 | 1,046,934 |
| Business-type Activities | | | | | | | | | | |
| Watershed Management | \$ 326,279 | \$ 319,790 | \$ 404,629 | \$ 444,133 | \$ 441,092 | \$ 445,647 | \$ 454,742 | \$ 443,300 | \$ 450,896 | \$ 471,536 |
| Aviation | 386,316 | 423,198 | 448,979 | 437,659 | 504,918 | 585,148 | 638,452 | 628,824 | 640,793 | 673,027 |
| Other | 62,630 | 60,446 | 48,735 | 47,694 | 56,342 | 64,050 | 85,827 | 87,264 | 88,475 | 46,983 |
| Total Business-type Activities Expenses | 775,225 | 803,434 | 902,343 | 929,486 | 1,002,352 | 1,094,845 | 1,179,021 | 1,159,388 | 1,180,164 | 1,191,546 |
| Total Primary Government Expenses | \$ 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 | \$ 2,238,480 |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 93,169 | \$ 67,795 | \$ 66,148 | \$ 94,307 | \$ 91,008 | \$ 92,510 | \$ 108,164 | \$ 115,798 | \$ 113,637 | \$ 166,954 |
| Public safety | 31,989 | 31,218 | 20,627 | 21,727 | 19,669 | 21,633 | 29,742 | 33,182 | 32,469 | 31,311 |
| Public works | 16,438 | 13,168 | 13,168 | 2,383 | 2,421 | 3,731 | 4,152 | 5,002 | 5,560 | 7,970 |
| Parks recreation and cultural affairs | — | 1,932 | 1,418 | 2,267 | 2,556 | 3,581 | 3,405 | 3,519 | 5,454 | 4,698 |
| Operating grants and contributions | 49,832 | 42,336 | 78,533 | 100,943 | 56,663 | 75,657 | 63,249 | 51,070 | 61,369 | 73,217 |
| Capital grants and contributions | — | — | — | — | — | — | 4,540 | 77,707 | 253 | — |
| Total Governmental Activities Program Revenue | 174,990 | 159,719 | 179,894 | 221,627 | 172,317 | 197,112 | 213,252 | 286,278 | 218,742 | 284,150 |
| Business-type Activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Watershed Management | 319,087 | 351,743 | 380,413 | 433,183 | 466,052 | 448,167 | 436,644 | 459,673 | 466,929 | 486,285 |
| Aviation | 386,206 | 389,535 | 400,799 | 411,213 | 394,132 | 490,386 | 496,252 | 483,022 | 486,812 | 497,955 |
| Other | 54,337 | 51,011 | 57,143 | 56,754 | 69,245 | 76,718 | 82,293 | 86,875 | 78,147 | 58,603 |
| Capital grants and contributions | 250,113 | 275,033 | 201,492 | 241,456 | 238,639 | 260,944 | 235,883 | 259,682 | 271,863 | 266,459 |
| Total Business-type Activities Revenues | 1,009,743 | 1,067,322 | 1,039,847 | 1,142,606 | 1,168,068 | 1,276,215 | 1,251,072 | 1,289,252 | 1,303,751 | 1,309,302 |
| Total primary Government Revenues | \$ 1,184,733 | \$ 1,227,041 | \$ 1,219,741 | \$ 1,364,233 | \$ 1,340,385 | \$ 1,473,327 | \$ 1,464,324 | \$ 1,575,530 | \$ 1,522,493 | \$ 1,593,452 |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | (596,590) | (562,515) | (518,116) | (468,403) | (525,264) | (452,003) | (629,082) | (668,017) | (617,005) | (762,784) |
| Business-type activities | 234,518 | 263,888 | 137,504 | 213,120 | 165,716 | 181,370 | 129,051 | 129,864 | 123,587 | 117,756 |
| Total Primary Government Net Expense | \$ (362,072) | \$ (298,627) | \$ (380,612) | \$ (255,283) | \$ (359,548) | \$ (270,633) | \$ (557,031) | \$ (538,153) | \$ (493,418) | \$ (645,028) |
| GENERAL REVENUES and OTHER CHANGES in NET POSITION | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes levied for general purposes | \$ 141,913 | \$ 154,567 | \$ 222,087 | \$ 190,406 | \$ 184,021 | \$ 188,099 | \$ 183,109 | \$ 189,613 | \$ 189,714 | \$ 197,921 |
| Property taxes levied for debt service | 89,628 | 96,082 | 112,358 | 129,965 | 103,258 | 97,690 | 96,933 | 107,108 | 132,277 | 133,284 |
| Local and municipal option sales tax | 104,101 | 87,789 | 202,014 | 203,887 | 212,536 | 218,623 | 223,976 | 233,803 | 236,168 | 247,175 |
| Public utilities franchise taxes | 16,230 | 51,381 | 54,312 | 72,450 | 63,327 | 60,825 | 40,125 | 43,193 | 46,758 | 42,176 |
| Business taxes | 126,005 | 219,224 | 94,020 | 100,177 | 105,567 | 95,402 | 125,010 | 132,738 | 142,236 | 138,352 |
| Federal and state aid not restricted for specific purposes | 4,461 | 3,407 | — | — | 299 | — | 2 | — | — | — |
| Investment income | 18,302 | 6,834 | 3,962 | 3,825 | 2,728 | 679 | 4,228 | 3,864 | 8,445 | 1,288 |
| Gain on Sale of Assets | 5,764 | 517 | 456 | 6,391 | 8,185 | (4,197) | — | — | — | — |
| Other | 8,710 | 13,738 | 17,491 | — | — | — | — | — | — | — |
| Extraordinary Loss | — | — | (2,231) | — | — | — | — | — | — | — |
| Transfers | 2,311 | (118,523) | (119,590) | (120,880) | (123,580) | (114,431) | (84,250) | (118,897) | (116,023) | (34,496) |
| Total Governmental Activities | \$ 517,425 | \$ 515,016 | \$ 584,879 | \$ 586,221 | \$ 556,341 | \$ 542,690 | \$ 589,133 | \$ 591,422 | \$ 639,575 | \$ 725,700 |
| Business-Type Activities | | | | | | | | | | |
| Property taxes levied for debt service | — | — | — | — | — | — | — | — | — | — |
| Local option sales tax | 127,470 | — | — | — | — | — | — | — | — | — |
| Investment income | 96,244 | 40,739 | (37,323) | (68,499) | (31,724) | 58,710 | 35,429 | 32,985 | 41,775 | 5,971 |
| Other | 1,474 | (14,672) | — | — | (12) | 450 | (3,053) | 3 | 245 | 11,312 |
| Extraordinary Loss | — | — | (26,840) | — | — | — | — | — | — | — |
| Transfers | (2,311) | 118,523 | 119,590 | 120,880 | 123,580 | 114,431 | 84,250 | 118,897 | 116,023 | 34,496 |
| Total Business-type Activities | 227,877 | 144,590 | 55,427 | 52,381 | 91,844 | 173,591 | 116,626 | 151,885 | 158,043 | 51,779 |
| Total Primary Government | \$ 745,302 | \$ 659,606 | \$ 640,306 | \$ 638,602 | \$ 648,185 | \$ 716,281 | \$ 705,759 | \$ 743,307 | \$ 797,618 | \$ 777,479 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | (79,165) | (47,499) | 66,763 | 117,818 | 31,077 | 90,687 | (39,949) | (76,595) | 22,570 | (37,084) |
| Business-type activities | 457,395 | 408,478 | 192,931 | 265,501 | 257,560 | 354,961 | 188,677 | 281,749 | 281,630 | 169,535 |
| Total Primary Government | \$ 378,230 | \$ 360,979 | \$ 259,694 | \$ 383,319 | \$ 288,637 | \$ 445,648 | \$ 148,710 | \$ 205,175 | \$ 304,200 | \$ 132,451 |

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

City of Atlanta
2017 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 | | | | | | | | | |
|---|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Primary Government | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General government | \$ 93,169 | \$ 67,795 | \$ 66,148 | \$ 94,307 | \$ 91,008 | \$ 92,510 | \$ 108,164 | \$ 115,798 | \$ 113,637 | \$ 166,954 |
| Police | 15,258 | 14,976 | 14,643 | 19,228 | 16,729 | 17,506 | 22,351 | 27,149 | 28,598 | 21,066 |
| Fire | 258 | 253 | 428 | 496 | 640 | 808 | 998 | 906 | 906 | 1,341 |
| Corrections | 16,473 | 15,989 | 5,556 | 2,003 | 2,300 | 3,319 | 6,393 | 5,127 | 2,965 | 8,904 |
| Public works | — | 16,438 | 13,168 | 2,383 | 2,421 | 3,731 | 4,152 | 5,002 | 5,560 | 7,970 |
| Parks, Recreation, and Cultural Affairs | — | 1,932 | 1,418 | 2,267 | 2,556 | 3,581 | 3,405 | 3,519 | 5,454 | 4,698 |
| Total Governmental activities | \$ 125,158 | \$ 117,383 | \$ 101,361 | \$ 120,684 | \$ 115,654 | \$ 121,455 | \$ 145,463 | \$ 157,501 | \$ 157,120 | \$ 210,933 |
| Operating Grants | \$ 49,832 | \$ 42,336 | \$ 78,533 | \$ — | \$ 56,663 | \$ 75,657 | \$ 63,249 | \$ 51,070 | \$ 61,369 | \$ 73,217 |
| Capital Grants and Contributions | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 4,540 | \$ 77,707 | \$ 253 | \$ — |
| Business-type activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Watershed Management | \$ 319,087 | \$ 351,743 | \$ 380,413 | \$ 433,183 | \$ 466,052 | \$ 448,167 | \$ 436,644 | \$ 459,673 | \$ 466,929 | \$ 486,285 |
| Aviation | 386,206 | 389,535 | 400,799 | 411,213 | 394,132 | 490,386 | 496,252 | 483,022 | 486,812 | 497,955 |
| Sanitation | 49,768 | 46,513 | 51,414 | 51,985 | 53,993 | 54,071 | 55,565 | 54,593 | 46,527 | 54,698 |
| Parks and Recreational Facilities | 509 | 498 | 472 | 487 | 512 | 475 | 513 | 482 | 15 | — |
| Underground Atlanta | 2,563 | 2,340 | 2,220 | 1,941 | 1,898 | 1,707 | 2,309 | 4,229 | 1,695 | 1,281 |
| Parking Deck | — | — | 1,340 | 740 | 698 | 805 | 805 | 870 | 857 | 1,019 |
| Permit Fund | — | — | — | — | 10,716 | 18,464 | 21,541 | 25,977 | 28,155 | — |
| City Plaza | — | — | — | — | — | — | — | — | 500 | 1,261 |
| Civic Center | 1,497 | 1,660 | 1,697 | 1,601 | 1,428 | 1,196 | 1,560 | 724 | 398 | 344 |
| Total Business-type activities | \$ 759,630 | \$ 792,289 | \$ 838,355 | \$ 901,150 | \$ 929,429 | \$ 1,015,271 | \$ 1,015,189 | \$ 1,029,570 | \$ 1,031,888 | \$ 1,042,843 |
| Total Primary Government | \$ 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 | \$ 1,326,993 |

See accompanying independent auditors' report

City of Atlanta
2017 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 | | | | | | | | | |
|---|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 4,367 | \$ 3,382 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Unreserved | 5,763 | 4,011 | — | — | — | — | — | — | — | — |
| Nonspendable | — | — | 10,383 | 7,834 | 4,377 | 4,972 | 11,101 | 1,946 | 15,726 | 5,941 |
| Restricted | — | — | 11,398 | 6,388 | 15,231 | 14,159 | — | — | — | — |
| Committed | — | — | 16,260 | — | — | — | — | — | — | 47,208 |
| Assigned | — | — | 9,919 | 6,912 | 26,877 | 20,516 | 12,287 | 7,814 | 7,254 | 8,537 |
| Unassigned | — | — | 24,473 | 73,216 | 80,235 | 98,517 | 118,597 | 141,254 | 130,169 | 138,396 |
| Total General Fund | \$ 10,130 | \$ 7,393 | \$ 72,433 | \$ 94,350 | \$ 126,720 | \$ 138,164 | \$ 141,985 | \$ 151,014 | \$ 153,149 | \$ 200,082 |
| MOST | | | | | | | | | | |
| Reserved | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Unreserved | — | — | — | — | — | — | — | — | — | — |
| Restricted | — | — | — | — | — | — | — | — | — | — |
| Unassigned | — | — | — | — | — | — | — | — | — | — |
| Total MOST | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Capital Project | | | | | | | | | | |
| Restricted | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 327,865 | \$ 298,438 | \$ 247,278 |
| Assigned | — | — | — | — | — | — | — | — | — | — |
| Unassigned | — | — | — | — | — | — | — | — | — | — |
| Total Capital Project | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 327,865 | \$ 298,438 | \$ 247,278 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 119,182 | \$ 65,518 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Unreserved, reported in | | | | | | 0 | — | — | — | — |
| Special revenue funds | (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 | 497,596 |
| Committed | — | — | — | — | — | — | — | — | — | — |
| Unassigned | — | — | (33,216) | (28,661) | (23,388) | (14,490) | (12,815) | (2,510) | (12,035) | (19,274) |
| Total all other Governmental Funds | \$ 68,790 | \$ 45,958 | \$ 329,967 | \$ 551,181 | \$ 433,808 | \$ 394,011 | \$ 399,337 | \$ 336,496 | \$ 327,849 | \$ 478,322 |

Notes:

The Municipal Option Sales Tax Fund is considered a major governmental fund but has no fund balance. Beginning in FY11, GASB 54 was implemented and the Governmental Fund balances are presented accordingly.

City of Atlanta

2017 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 | | | | | | | | | |
|---|--------------------|-------------------|---------------------|---------------------|---------------------|---------------------|--------------------|-------------------|--------------------|---------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| REVENUES | | | | | | | | | | |
| Property taxes | \$ 227,563 | \$ 253,204 | \$ 329,127 | \$ 321,425 | \$ 288,771 | \$ 277,919 | \$ 281,369 | \$ 298,123 | \$ 325,494 | \$ 331,389 |
| Local and municipal option sales taxes * | 104,101 | 87,789 | 202,014 | 203,887 | 212,536 | 218,623 | 223,976 | 233,803 | 236,168 | 247,175 |
| Public utility, alcoholic beverages and other taxes * | 142,235 | 270,605 | 148,332 | 172,597 | 168,894 | 156,227 | 165,135 | 175,931 | 188,994 | 180,528 |
| Licenses and permits | 69,127 | 62,503 | 58,130 | 63,889 | 59,922 | 56,473 | 67,994 | 70,703 | 79,523 | 118,063 |
| Charges for current services | 27,729 | 20,765 | 17,843 | 17,312 | 16,745 | 23,904 | 30,023 | 34,286 | 37,556 | 36,477 |
| Fines, forfeitures and penalties | 18,323 | 15,820 | 15,847 | 22,368 | 24,550 | 24,293 | 26,119 | 28,827 | 26,333 | 24,352 |
| Investment income | 18,182 | 6,750 | 3,975 | 3,819 | 2,698 | 699 | 4,115 | 3,779 | 8,289 | 1,308 |
| Intergovernmental revenues and contributions | | | | | | | | | | |
| Federal revenues | 34,709 | 36,649 | 65,422 | 43,437 | 40,671 | 53,278 | 40,839 | 34,675 | 46,723 | 54,655 |
| State and local grants and contributions | 17,358 | 9,094 | 14,307 | 16,576 | 16,291 | 22,379 | 22,412 | 16,395 | 14,646 | 18,562 |
| Other | — | — | — | — | — | — | — | — | — | — |
| Building rentals and contributions | 18,962 | 18,295 | 8,344 | 7,153 | 7,583 | 7,400 | 8,178 | 8,845 | 8,267 | 12,450 |
| Other | 8,710 | 13,738 | 17,491 | 9,995 | 6,854 | 9,385 | 13,149 | 14,840 | 5,441 | 19,591 |
| TOTAL REVENUES | \$ 686,999 | \$ 795,212 | \$ 880,832 | \$ 882,458 | \$ 845,515 | \$ 850,580 | \$ 883,309 | \$ 920,207 | \$ 977,434 | \$ 1,044,550 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | \$ 285,698 | \$ 319,202 | \$ 250,558 | \$ 215,655 | \$ 217,879 | \$ 224,452 | \$ 304,137 | \$ 252,123 | \$ 304,634 | \$ 387,514 |
| Police | 230,571 | 186,364 | 179,455 | 189,309 | 190,917 | 195,017 | 204,830 | 208,128 | 226,517 | 231,513 |
| Fire | 87,559 | 82,581 | 75,180 | 74,608 | 78,018 | 82,478 | 82,418 | 87,805 | 87,938 | 84,134 |
| Corrections | 47,711 | 36,503 | 28,037 | 23,929 | 30,675 | 29,203 | 32,108 | 36,243 | 36,662 | 37,444 |
| Public works | 69,004 | 45,032 | 45,477 | 51,622 | 41,547 | 39,516 | 52,132 | 55,846 | 79,667 | 114,303 |
| Parks, recreation and cultural affairs | 53,542 | 39,569 | 35,866 | 43,799 | 40,565 | 49,181 | 47,484 | 48,635 | 51,008 | 55,845 |
| Capital outlay | — | — | — | — | — | — | — | — | — | — |
| Debt service | | | | | | | | | | |
| Principal | 39,293 | 54,919 | 55,730 | 49,155 | 52,648 | 59,949 | 47,006 | 89,650 | 82,310 | 44,508 |
| Interest | 42,879 | 50,429 | 47,617 | 48,909 | 46,460 | 44,411 | 36,337 | 33,002 | 44,413 | 37,011 |
| Bond issuance costs | 4,438 | 6,065 | 4,446 | 1,433 | 311 | 33 | 1,647 | 1,050 | 375 | 1,162 |
| TOTAL EXPENDITURES | \$ 860,695 | \$ 820,664 | \$ 722,366 | \$ 698,419 | \$ 699,020 | \$ 724,240 | \$ 808,099 | \$ 812,482 | \$ 913,524 | \$ 993,434 |
| Excess of Revenues Over (Under) Expenditures | (173,696) | (25,452) | 158,466 | 184,039 | 146,495 | 126,340 | 75,210 | 107,725 | 63,910 | 51,116 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | \$ 53,820 | \$ 134,042 | \$ 78,120 | \$ — | \$ — | \$ 6 | \$ 21,000 | \$ 307,390 | \$ 84,844 | \$ 235,690 |
| Capital leases | 23,480 | 48,602 | — | — | — | 2,198 | 363 | — | — | 8,735 |
| Insurance Proceeds | — | — | — | — | — | — | — | — | — | — |
| Premium on bonds sold | 5,787 | 4,027 | — | — | — | — | 277 | 39,325 | 10,903 | 16,077 |
| Other Revenue | — | — | — | — | — | — | — | — | — | — |
| Discount on bonds sold | — | (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) | (128,993) |
| Sales of assets | 6,794 | 851 | 456 | 7,089 | 14,623 | 123 | 2,547 | 3,376 | 1,287 | 380 |
| Extraordinary Loss | — | — | — | — | — | — | — | — | — | — |
| Transfers in (out) | 2,311 | (118,523) | (119,590) | (120,880) | (123,580) | (114,431) | (90,250) | (124,897) | (119,440) | (36,759) |
| Total Other Financing Sources (Uses) | \$ 91,775 | \$ 65,990 | \$ (106,771) | \$ (113,791) | \$ (108,957) | \$ (112,104) | \$ (66,063) | \$ 166,328 | \$ (99,849) | \$ 95,130 |
| Extraordinary Loss | — | — | (2,231) | — | — | — | — | — | — | — |
| Correction of a Prior Year Error | 37,800 | — | — | — | — | — | — | — | — | — |
| NET CHANGE IN FUND BALANCE | \$ (44,121) | \$ 40,538 | \$ 49,464 | \$ 70,248 | \$ 37,538 | \$ 14,236 | \$ 9,147 | \$ 274,053 | \$ (35,939) | \$ 146,246 |

Debt service as a percentage of noncapital expenditures

11.9% 15.5% 16.1% 15.2% 14.8% 16.8% 10.9% 16.4% 14.9% 9.3%

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

City of Atlanta
2017 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 | Residential Property | Commercial Property | Industrial Property | Other Property (1) | Less: Tax-exempt Property(2) | Total Taxable Assessed Value | Total Direct Tax Rate |
|----------------------------|-----------------------------|----------------------------|----------------------------|---------------------------|-------------------------------------|-------------------------------------|------------------------------|
| 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% |
| June 30, 2017 | 13,444,916,986 | 12,741,070,429 | 746,742,197 | 1,357,032,493 | 2,726,925,124 | 25,562,836,981 | 32.6% |

(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.

See accompanying independent auditors' report

City of Atlanta
2017 Comprehensive Annual Financial Report

Schedule 7

City of Atlanta, Georgia

Direct and Overlapping Property Tax Rates (unaudited)

Last Ten Fiscal Periods

(per \$1,000 of assessed value)

| Fiscal Period Ended | DeKalb County | | | | | | Fulton County | | | Total |
|---------------------|------------------------|---------------|-----------|--------------|-----------------------|------------|---------------|------------------|--------------------|-------|
| | General Operating Levy | Hospital Levy | Bond Levy | Library Levy | State of Georgia Levy | Total Levy | County Levy | County Bond Levy | Georgia State Levy | |
| June 30, 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 | 0.96 | 0.57 | 1 | 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 | 10.8 |
| June 30, 2013 | 10.43 | 0.94 | 0.7 | 1.22 | 0.2 | 13.49 | 10.28 | 0.27 | 0.2 | 10.75 |
| June 30, 2014 | 10.71 | 0.8 | — | 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 | 0.1 | 10.19 | 11.78 | 0.27 | 0.1 | 12.15 |
| June 30, 2016 | 10.39 | 0.89 | 0.01 | 1.11 | 0.05 | 12.45 | 10.5 | 0.25 | 0.05 | 10.8 |
| June 30, 2017 | 8.76 | 0.74 | 0.48 | 0.97 | — | 10.95 | 10.45 | 0.25 | — | 10.70 |

| Fiscal Period Ended | City Atlanta | | | Board of Education | | |
|---------------------|--------------|-----------|------------|--------------------|------------------|-------|
| | General Levy | Bond Levy | Parks Levy | Operating Levy | School Bond Levy | Total |
| June 30, 2008 | 7.09 | 1.33 | 0.5 | 21.65 | 0.05 | 30.62 |
| June 30, 2009 | 7.12 | 1.18 | 0.5 | 21.64 | 0.05 | 30.49 |
| June 30, 2010 | 10.24 | 1.2 | 0.5 | 21.64 | 0.05 | 33.63 |
| June 30, 2011 | 10.24 | 1.2 | 0.5 | 21.64 | 0.05 | 33.63 |
| June 30, 2012 | 10.24 | 1.2 | 0.5 | 21.64 | 0.05 | 33.63 |
| June 30, 2013 | 10.24 | 1.2 | 0.5 | 21.64 | 0.1 | 33.68 |
| June 30, 2014 | 10.05 | 1.2 | 0.50 | 21.64 | 0.1 | 33.49 |
| June 30, 2015 | 9.75 | 1.20 | 0.5 | 21.64 | 0.1 | 33.19 |
| June 30, 2016 | 8.89 | 1.48 | 0.5 | 21.64 | 0.1 | 32.61 |
| June 30, 2017 | 8.88 | 1.48 | 0.5 | 21.72 | 0.03 | 32.61 |

See accompanying independent auditors' report

City of Atlanta

2017 Comprehensive Annual Financial Report

Schedule 8

City of Atlanta, Georgia

Principal Property Tax Payers

Last Ten Fiscal Periods

| | | Fiscal Periods | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------|------------------------------|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|--|
| | | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | | |
| Taxpayer | Type of Business | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | |
| AT & T | Telecommunications | \$ — | — | — | \$ — | — | — | \$ — | — | — | \$233,061,383 | 5 | 1.10% | | | | | | | | | | |
| Bell South | Communication Service | 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% | 135,349,360 | 4 | 0.64% | | | | | | | |
| Coca-Cola Company | Marketing and Manufacturing | 172,011,442 | 4 | 0.73% | 174,796,651 | 4 | 0.72% | 166,718,521 | 4 | 0.73% | 239,494,269 | 4 | 1.13% | 160,539,113 | 3 | 0.76% | | | | | | | |
| Corporate Property Corporation | Commercial Real Estate | — | — | — | — | — | — | — | — | — | — | — | — | 87,232,239 | 9 | 0.41% | | | | | | | |
| Delta Airlines | Transportation | — | — | — | — | — | — | — | — | — | 144,071,482 | 6 | 0.68% | | | | | | | | | | |
| Development Authority of | 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% | 652,260,501 | 1 | 3.09% | | | | | | | |
| 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% | — | — | — | 84,328,320 | 8 | 0.40% | | | | | | | |
| Georgia Power Company | Utility Service | 197,766,434 | 2 | 0.84% | 206,701,589 | 3 | 0.85% | 222,362,604 | 2 | 0.97% | 355,267,690 | 2 | 1.68% | 258,789,449 | 2 | 1.23% | | | | | | | |
| 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% | — | — | — | 74,287,820 | 10 | 0.35% | | | | | | | |
| IEP Peachtree LLC | Commercial Real Estate | — | — | — | — | — | — | — | — | — | 93,279,610 | 10 | 0.44% | 91,879,110 | 7 | 0.44% | | | | | | | |
| Kan AM Grund America LP | Commercial Real Estate | — | — | — | 91,507,582 | 10 | 0.37% | — | — | — | — | — | | | | | | | | | | | |
| Post Apartment Homes | Residential Real Estate | 154,997,343 | 5 | 0.66% | 168,194,137 | 5 | 0.69% | 148,085,301 | 5 | 0.65% | 129,959,779 | 8 | 0.62% | 128,772,451 | 5 | 0.61% | | | | | | | |
| SunTrust Plaza Association | Commercial Real Estate | 115,924,129 | 7 | 0.49% | 119,200,000 | 7 | 0.49% | 103,661,410 | 7 | 0.45% | 103,532,500 | 9 | 0.49% | 96,150,900 | 6 | 0.46% | | | | | | | |
| | Total | \$ 1,475,464,084 | | 6.29% | \$ 1,791,447,963 | | 7.33% | \$ 1,664,102,047 | | 7.27% | \$ 2,587,317,692 | | 12.25% | \$ 1,769,589,263 | | 8.39% | | | | | | | |

| | | Fiscal Periods | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------------------------|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|--|
| | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | | |
| Taxpayer | Type of Business | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | |
| Bell South/AT&T | Communication Service | \$ — | — | — | \$ 144,069,022 | 5 | 0.7% | \$ 170,914,613 | 4 | 0.80% | \$ 155,862,813 | 4 | 0.66% | \$ 179,628,391 | 3 | 0.74% | | | | | | | |
| BF ATL, LLC | Commercial Real Estate | 154,833,309 | 8 | 0.76% | — | — | — | — | — | — | — | — | — | | | | | | | | | | |
| Coca-Cola Company | Marketing and Manufacturing | 158,398,076 | 3 | 0.77% | 154,658,325 | 4 | 0.75% | 154,851,783 | 5 | 0.72% | 146,645,787 | 5 | 0.62% | 145,352,469 | 5 | 0.6% | | | | | | | |
| Corporate Property Corporation | Commercial Real Estate | 72,222,920 | 6 | 0.35% | 87,232,240 | 8 | 0.42% | 107,531,880 | 6 | 0.50% | 136,742,310 | 6 | 0.58% | 110,808,008 | 7 | 0.46% | | | | | | | |
| Development Authority of Fulton | Government | 643,688,110 | 1 | 3.15% | 708,697,642 | 1 | 3.42% | 914,748,466 | 1 | 4.27% | 979,728,452 | 1 | 4.12% | 1,146,589,582 | 1 | 4.74% | | | | | | | |
| GA-Met | Government | — | — | — | — | — | — | 72,000,000 | 10 | 0.34% | 82,628,961 | 10 | 0.35% | 82,628,961 | 10 | 0.34% | | | | | | | |
| Georgia Pacific Company | Pulp and Paper Manufacturing | 76,031,870 | 7 | 0.37% | — | — | — | — | — | — | — | — | — | | | | | | | | | | |
| Georgia Power Company | Utility Service | 278,823,406 | 2 | 1.36% | 287,889,088 | 2 | 1.39% | 281,251,853 | 2 | 1.31% | 296,597,925 | 2 | 1.25% | 282,000,331 | 2 | 1.17% | | | | | | | |
| Google Inc | Technology | — | — | — | 99,021,890 | 6 | 0.48% | — | — | — | — | — | — | | | | | | | | | | |
| Hines One Atlantic Center LP | Commercial Real Estate | 72,158,940 | 10 | 0.35% | — | — | — | 80,341,160 | 8 | 0.38% | 96,895,409 | 8 | 0.41% | 96,894,280 | 8 | 0.4% | | | | | | | |
| IEP Peachtree LLC | Commercial Real Estate | 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 | 96,136,850 | 4 | 0.47% | 164,277,960 | 3 | 0.79% | 176,237,783 | 3 | 0.82% | 172,256,249 | 3 | 0.72% | 172,644,191 | 4 | 0.71% | | | | | | | |
| SunTrust Plaza Association | Commercial Real Estate | 87,837,149 | 5 | 0.43% | 96,130,950 | 7 | 0.46% | 94,698,251 | 7 | 0.44% | 110,808,080 | 7 | 0.47% | 135,009,840 | 6 | 0.56% | | | | | | | |
| HRLP Monarch LLC | Commercial Real Estate | — | — | — | — | — | — | — | — | — | — | — | — | 96,479,600 | 9 | 0.4% | | | | | | | |
| | Total | \$ 1,719,053,510 | | 8.40% | \$ 1,894,972,397 | | 9.15% | \$ 2,126,947,749 | | 9.93% | \$ 2,274,758,336 | | 9.59% | \$ 2,448,035,725 | | 10.12% | | | | | | | |

** 2016 Based on Net Assessed Value of \$23,761,822,876

City of Atlanta
2017 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, 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 | 99.4% |
| 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% | — | 238,838 | 99.15% |
| June 30, 2017 | 247,078 | 243,948 | 98.73% | — | 243,948 | 98.73% |

(1) Does not include tax revenues retained by Fulton and DeKalb County for administrative expenses, therefore the collection rate shown is slightly less than actual.

See accompanying independent auditors' report

City of Atlanta

2017 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 | | | | | | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Food | \$ 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 | \$ 23,803,463 |
| Apparel | 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 | 8,736,540 |
| General | 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 | 12,398,959 |
| Automotive | 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 | 2,498,320 |
| Home | 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 | 8,815,470 |
| Lumber | 6,228,429 | 4,235,049 | 728,285 | 587,895 | 484,572 | 645,845 | 896,719 | 1,030,259 | 1,121,857 | 1,149,400 |
| Miscellaneous Services | 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 | 13,615,484 |
| Manufacturers | 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 | 5,414,370 |
| Utilities | 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 | 6,157,788 |
| Miscellaneous | 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 | 20,764,655 |
| Total | \$ 102,926,512 | \$ 95,796,048 | \$ 92,461,647 | \$ 93,258,711 | \$ 98,888,342 | \$ 100,346,132 | \$ 99,708,270 | \$ 102,224,220 | \$ 103,515,449 | \$ 103,354,449 |
| City direct sales tax rate | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Municipal Option Sales Tax (1) | | | | | | | | | | |
| | Fiscal Period | | | | | | | | | |
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Food | \$ 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 | \$ 32,390,909 |
| Apparel | 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 | 7,676,618 |
| General | 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 | 17,354,996 |
| Automotive | 5,190,562 | 5,489,521 | 929,297 | 1,021,811 | 1,006,061 | 1,088,903 | 862,640 | 893,948 | 887,289 | 905,611 |
| Home | 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 | 11,228,626 |
| Lumber | 7,926,075 | 5,591,719 | 991,117 | 858,527 | 811,933 | 937,818 | 1,257,158 | 1,361,648 | 1,638,714 | 1,611,894 |
| Miscellaneous Services | 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 | 17,445,223 |
| Manufacturers | 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 | 6,869,995 |
| Utilities | 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 | 7,516,300 |
| Miscellaneous | 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 | 28,709,431 |
| Total | \$ 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 | \$ 131,709,603 |
| City direct sales tax rate | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

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

Source: Georgia Department of Revenue; Local Government Division

See accompanying independent auditors' report

City of Atlanta
2017 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> |
|--------------------|-------------------------|----------------------|
| 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% |
| 2017 | 1.00% | 7.00% |

See accompanying independent auditors' report

City of Atlanta
2017 Comprehensive Annual Financial Report

Schedule 12

City of Atlanta, Georgia

Principal Sales Tax Remitters (unaudited)

Last Nine Fiscal Periods

| Tax Remitters | 2008 | | 2009 | | 2010 | | 2011 | | 2012 | |
|------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total |
| Food | \$ 27,367,773 | 21.91% | \$ 25,487,704 | 20.89% | \$ 23,115,908 | 21.42% | \$ 24,249,636 | 21.31% | \$ 24,474,659 | 20.54% |
| Apparel | 6,537,725 | 5.23% | 8,265,601 | 6.77% | 6,819,859 | 6.32% | 7,411,259 | 6.51% | 7,844,861 | 6.58% |
| General | 10,801,409 | 8.65% | 10,829,434 | 8.88% | 13,496,332 | 12.51% | 14,539,307 | 12.78% | 15,198,078 | 12.76% |
| Automotive | 5,190,562 | 4.16% | 5,489,521 | 4.5% | 929,297 | 0.86% | 1,021,811 | 0.9% | 1,006,061 | 0.84% |
| Home | 15,614,925 | 12.5% | 13,952,527 | 11.44% | 8,302,473 | 7.69% | 10,528,843 | 9.25% | 11,254,508 | 9.45% |
| Lumber | 7,926,075 | 6.35% | 5,591,719 | 4.58% | 991,117 | 0.92% | 858,527 | 0.75% | 811,933 | 0.68% |
| Miscellaneous Services | 19,228,289 | 15.39% | 19,360,539 | 15.87% | 15,006,917 | 13.91% | 14,608,176 | 12.84% | 12,914,807 | 10.84% |
| Manufacturers | 4,804,876 | 3.85% | 4,399,557 | 3.61% | 6,763,647 | 6.27% | 7,374,252 | 6.48% | 6,797,657 | 5.71% |
| Utilities | 11,307,471 | 9.05% | 12,691,282 | 10.4% | 7,177,663 | 6.65% | 8,488,688 | 7.46% | 12,243,140 | 10.28% |
| Miscellaneous | 16,126,286 | 12.91% | 15,941,494 | 13.07% | 25,295,149 | 23.44% | 24,720,146 | 21.72% | 26,593,552 | 22.32% |
| Total | \$ 124,905,391 | 100% | \$ 122,009,378 | 100% | \$ 107,898,362 | 100% | \$ 113,800,645 | 100% | \$ 119,139,256 | 100% |
| Tax Remitters | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
| | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total | Tax Liability | Percentage of Total |
| Food | \$ 25,875,374 | 21.73% | \$ 27,193,787 | 21.88% | \$ 29,072,255 | 22.25% | \$ 31,087,468 | 23.35% | \$ 32,390,909 | 24.59% |
| Apparel | 8,659,305 | 7.27% | 9,081,924 | 7.31% | 8,575,055 | 6.56% | 8,085,793 | 6.07% | 7,676,618 | 5.83% |
| General | 15,821,702 | 13.29% | 16,527,598 | 13.3% | 17,425,387 | 13.33% | 17,544,873 | 13.18% | 17,354,996 | 13.18% |
| Automotive | 1,088,903 | 0.91% | 862,640 | 0.69% | 893,948 | 0.68% | 887,289 | 0.67% | 905,611 | 0.69% |
| Home | 10,342,273 | 8.69% | 10,625,539 | 8.55% | 11,079,218 | 8.48% | 11,758,120 | 8.83% | 11,228,626 | 8.53% |
| Lumber | 937,818 | 0.79% | 1,257,158 | 1.01% | 1,361,648 | 1.04% | 1,638,714 | 1.23% | 1,611,894 | 1.22% |
| Miscellaneous Services | 17,624,898 | 14.8% | 17,454,787 | 14.05% | 17,955,003 | 13.74% | 16,713,310 | 12.56% | 17,445,223 | 13.25% |
| Manufacturers | 6,283,568 | 5.28% | 7,090,205 | 5.71% | 7,258,328 | 5.55% | 6,818,479 | 5.12% | 6,869,995 | 5.22% |
| Utilities | 7,232,826 | 6.07% | 7,386,966 | 5.94% | 7,825,616 | 5.99% | 7,674,084 | 5.76% | 7,516,300 | 5.71% |
| Miscellaneous | 25,199,982 | 21.16% | 26,787,112 | 21.56% | 29,237,076 | 22.37% | 30,911,020 | 23.22% | 28,709,431 | 21.8% |
| Total | \$ 119,066,649 | 100% | \$ 124,267,716 | 100% | \$ 130,683,534 | 100% | \$ 133,119,150 | 100% | \$ 131,709,603 | 100% |

Source: Georgia Department of Revenue, Local Government Division

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

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, 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% | 1,877 |
| June 30, 2009 | 277,190 | — | — | 20,265 | 652,075 | 6,175 | 69,005 | 5,782 | 32,444 | 45,540 | 58,575 | 15,983 | 15,509 | 1,198,543 | 6.05% | 2,249 |
| June 30, 2010 | 275,269 | — | — | 18,837 | 633,806 | 5,115 | 83,396 | 2,555 | 32,444 | — | 52,885 | 15,177 | 14,083 | 1,133,567 | 5.70% | 2,493 |
| June 30, 2011 | 255,077 | — | — | 17,658 | 623,602 | 4,025 | 76,567 | — | 32,444 | — | 46,905 | 14,329 | 12,590 | 1,083,197 | 5.06% | 2,681 |
| June 30, 2012 | 239,310 | — | — | 16,419 | 603,862 | 2,890 | 69,349 | — | 32,444 | — | 40,660 | 13,432 | 11,027 | 1,029,393 | 4.63% | 2,507 |
| June 30, 2013 | 222,562 | — | — | 15,410 | 591,587 | 2,180 | 64,121 | — | 32,444 | — | 34,135 | 40,841 | 9,394 | 1,012,674 | 4.44% | 2,318 |
| June 30, 2014 | 205,176 | — | — | 14,005 | 519,521 | 1,175 | 57,129 | — | 32,444 | — | 29,780 | 133,358 | 7,683 | 1,000,271 | 4.38% | 2,258 |
| June 30, 2015 | 437,112 | — | 36,027 | 12,530 | 464,734 | 1,175 | 50,620 | — | 32,444 | — | 25,195 | 350,468 | 5,892 | 1,416,197 | 6.21% | 2,194 |
| June 30, 2016 | 395,623 | 36,889 | 33,681 | 10,980 | 444,681 | 930 | 19,261 | — | 32,444 | — | 20,385 | 353,455 | 4,016 | 1,352,345 | 5.88% | 3,106 |
| June 30, 2017 | 384,058 | 33,704 | 31,280 | 9,360 | 515,522 | 660 | 23,544 | — | 32,444 | — | 15,330 | 376,552 | 2,054 | 1,424,508 | 5.53% | 3,159 |

| 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 | | | | | Parking Deck | | | | | |
| | Facilities Revenue Bonds | Issuance Premiums and Discounts | System Revenue Bonds | Issuance Premiums and Discounts | GEFA Notes Payable | Capital Lease/ Other Obligations | Undergro und Atlanta Revenue Bonds | Parking Deck Capital Lease | Undergrou nd Atlanta Capital Lease | City Plaza | Civic Center Renovatio ns Agreement | | | | | | |
| 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 | 7,722,151 | 33.81% | 16,621 | | |
| June 30, 2017 | 2,880,645 | 127,339 | 2,740,300 | 234,491 | 176,874 | 7,143 | — | — | — | 10,316 | — | 17,796 | 6,194,904 | 7,619,412 | 29.59% | 16,897 | |

* 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 capital data not available for 2017, % based on 2016 data
Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Atlanta
2017 Comprehensive Annual Financial Report

Schedule 14

City of Atlanta, Georgia

Ratio of General Bonded Debt Outstanding (unaudited)

Last Ten Fiscal Periods

(Dollars in thousands, except per capita)

| Fiscal Period Ended | General Obligation Debt | Bond Sinking Fund | Net General Obligation Debt | Certificate of Participation | SWMA Revenue Refunding Bonds | APSJFA Revenue Bond | Inter-Governmental Agreements | Notes Payable | Other Long-term Debt (a) | Capital Leases | Total | Percentage of Actual Taxable Value of Property (b) | Per Capita (c) |
|---------------------|-------------------------|-------------------|-----------------------------|------------------------------|------------------------------|---------------------|-------------------------------|---------------|--------------------------|----------------|------------|--|----------------|
| June 30, 2008 | \$ 296,915 | \$ (45,479) | \$ 251,436 | — | 20,265 | \$ 48,385 | \$ 16,373 | \$ 17,000 | \$ 149,301 | \$ 26,564 | \$ 529,324 | 1.92% | 1,109 |
| June 30, 2009 | 277,190 | (47,912) | 229,278 | — | 20,265 | 46,700 | 15,983 | 15,509 | 158,324 | 69,605 | 555,664 | 2.15% | 1,156 |
| June 30, 2010 | 260,490 | (51,828) | 208,662 | — | 18,837 | 44,950 | 15,177 | 14,083 | 103,062 | 83,396 | 488,167 | 2.03% | 1,155 |
| June 30, 2011 | 244,965 | (55,198) | 189,767 | — | 17,658 | 43,125 | 14,329 | 12,590 | 93,678 | 76,567 | 447,714 | 1.94% | 1,036 |
| June 30, 2012 | 230,680 | (59,150) | 171,530 | — | 16,745 | 41,230 | 13,433 | 11,026 | 86,537 | 69,349 | 409,850 | 1.86% | 923 |
| June 30, 2013 | 215,320 | (62,496) | 152,824 | — | 15,410 | 39,265 | 40,841 | 9,394 | 79,070 | 64,120 | 400,924 | 1.88% | 894 |
| June 30, 2014 | 199,215 | (66,646) | 132,569 | — | 14,005 | 37,230 | 133,358 | 7,683 | 62,224 | 57,129 | 444,198 | 2.05% | 974 |
| June 30, 2015 | 395,890 | (33,756) | 362,134 | — | 12,530 | 35,110 | 350,468 | 5,892 | 57,639 | 50,620 | 874,393 | 3.89% | 1,918 |
| June 30, 2016 | 357,955 | (15,145) | 342,810 | 32,160 | 10,980 | 32,900 | 343,455 | 4,016 | 53,759 | 19,261 | 839,341 | 3.36% | 1,809 |
| June 30, 2017 | 350,285 | 33,773 | 384,058 | 29,780 | 9,360 | 27,150 | 376,552 | 2,054 | 48,434 | 23,544 | 900,932 | 3.52% | 1,907 |

(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 2017, percentage based on 2016 data

See accompanying independent auditors' report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt (unaudited)

| | Net Debt Outstanding | Percentage Applicable to City of Atlanta (a) | Amount Applicable to City of Atlanta |
|---|-------------------------|---|---|
| City of Atlanta General Obligation Debt | \$ 384,058,000 | 100.00% | \$ 384,058,000 |
| Certificate of Participation | 33,704,000 | 100.00% | 33,704,000 |
| APSJFA revenue bonds | 31,280,000 | 100.00% | 31,280,000 |
| SWMA revenue refunding bonds | 9,360,000 | 100.00% | 9,360,000 |
| Limited Obligation bonds | 515,522,000 | 100.00% | 515,522,000 |
| Net Direct Debt | | | 973,924,000 |
| Overlapping Debt: | | | |
| Fulton County (1) | 165,171,673 | 47.00% | 77,630,686 |
| DeKalb County (2) | 327,384,000 | 4.60% | 15,059,664 |
| Fulton County Building Authority (1) | — | | — |
| Contractual General Obligation Debt: | | | |
| Atlanta and Fulton Recreation Authority (AFCRA) | | | |
| Series 2010 Bonds (5) | 97,285,000 | 66.70% | 64,889,095 |
| Series 2005A/B AFCRA Revenue & Refunding Bonds (5) | 24,445,000 | 100.00% | 24,445,000 |
| Series 2005A/B Park Improvement Bonds (5) | | 100.00% | — |
| Series 2014A/B Park Improvement Bonds (5) | 63,950,000 | 100.00% | 63,950,000 |
| DDA Parking Deck Series 2006 (ADA) - COA (3) | 18,165,000 | 100.00% | 18,165,000 |
| AURA Bonds Series 2010 (ADA) - COA (3) | 17,285,000 | 100.00% | 17,285,000 |
| Urban Residential Finance Authority (URFA) - COA (4) | 24,855,000 | 100.00% | 24,855,000 |
| Underground Atlanta Refunding Series 2009 (ADA) COA (3) | 7,915,000 | 100.00% | 7,915,000 |
| AFCRA Revenue Zoo Series 2007 (5) | 10,930,000 | 75.00% | 8,197,500 |
| Overlapping Contractual Obligations: | | | |
| Fulton-DeKalb Hospital Authority (1) | 99,330,000 | 47% | 46,685,100 |
| Total Overlapping Debt | | | 369,077,045 |
| Total Direct and Overlapping Debt | | | \$ 1,343,001,045 |

(1) Fulton County CAFR - Year Ended December 31, 2016

(2) DeKalb County CAFR - Year Ended December 31, 2016

(3) DDA - Financial Statements as of June 30, 2016

(4) URFA Financial Statements as of June 30, 2016

(5) AFCRA Financial Statement Years Ended December 31, 2016 & 2015

See accompanying independent auditors' report

City of Atlanta
2017 Comprehensive Annual Financial Report

Schedule 16

City of Atlanta, Georgia

Legal Debt Margin Information (unaudited)

Last Ten Fiscal Periods

| | Fiscal Period | | | | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Debt limit | \$ 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 | \$ 2,680,586,893 |
| Total net debt applicable to limit | 699,290,000 | 795,340,000 | 260,490,000 | 244,965,000 | 230,680,000 | 215,320,000 | 199,215,000 | 395,890,000 | 357,955,000 | 350,285,000 |
| Legal debt margin | <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> | <u>\$ 2,330,301,893</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 23.75% | 29.13% | 9.92% | 10.06% | 9.8% | 9.78% | 9.19% | 17.61% | 13.68% | 13.07% |

See accompanying independent auditors' report

City of Atlanta
2017 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) |
| 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 |
| 2017 | 512,726 | 264,125 | 248,601 | 167,951 | 28,318 | 139,633 | 1.78 |

(1) Represents total operating revenues on a cash basis and includes interest earnings from the Operating Fund, and Renewal and Extension Fund as permitted under the Master Bond Ordinance. Parking revenues are reported on a gross basis.

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

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

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

See accompanying independent auditors' report

City of Atlanta
2017 Comprehensive Annual Financial Report

Schedule 17B
City of Atlanta, Georgia
Department of Watershed Management
Schedule of Revenue Bond Coverage (unaudited)
Last Ten Fiscal Periods
(Dollars in thousands)

| Period | Operating Revenue (1)(2) | Current Operating Expenses (3) | Net Revenue Available for Debt Service | Debt Service Requirements | | | |
|--------|--------------------------|--------------------------------|--|---------------------------|----------|-----------|---------------------|
| | | | | Principal | Interest | Total (4) | Coverage Percentage |
| 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 | 205,520 | 370,954 | 48,425 | 178,763 | 227,188 | 1.63 |
| 2014 | 575,656 | 210,265 | 365,391 | 51,370 | 158,893 | 210,263 | 1.74 |
| 2015 | 601,210 | 202,633 | 398,577 | 53,710 | 124,383 | 178,093 | 2.24 |
| 2016 | 614,633 | 224,954 | 389,679 | 56,310 | 155,241 | 211,551 | 1.84 |
| 2017 | 621,905 | 228,027 | 393,878 | 60,120 | 143,824 | 203,944 | 1.93 |

- (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
2017 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 | |
|-------------|-------------------|--|---------------------------------------|-----------------------|-----------------------------------|------------------------------|------------------------------|-----|
| 2007 | 461,956 | 203,924 | 40,251 | 34.7 | 82.9 | 49,707 | 4.4% | |
| 2008 | 477,300 | 206,232 | 39,889 | 32.0 | 87.0 | 51,377 | 6.2% | |
| 2009 | 480,700 | 198,067 | 37,793 | 35.0 | 83.4 | 48,093 | 9.9% | |
| 2010 | 422,806 | 198,872 | 37,493 | 35.0 | 87.3 | 48,696 | 10.3% | |
| 2011 | 432,135 | 214,002 | 39,826 | 34.0 | 85.5 | 49,874 | 9.9% | |
| 2012 | 444,032 | 222,204 | 40,738 | 32.9 | 86.8 | 49,474 | 8.8% | |
| 2013 | 448,409 | 228,134 | 41,307 | 33.2 | 88.0 | 48,831 | 7.8% | |
| 2014 | 456,002 | 228,134 | 41,307 | 33.2 | 88.0 | 49,842 | 6.8% | |
| 2015 | 463,878 | 244,065 | 43,472 | 33.3 | 88.4 | 50,708 | 5.3% | |
| 2016 | 472,522 | (1) 257,510 | (2) 45,092 | (3) 33.0 | (4) 89.0 | (5) 51,296 | (6) 4.6% | (7) |

(1) U.S. Census Bureau, QuickFacts Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2016; as of October 2, 2017.

(2) U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2015 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta; as of October 2, 2017.

(3) U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2015 for Atlanta MSA; as of October 2, 2017.

(4) U.S. Census Bureau, American Community Survey data for City of Atlanta; data limited to household population, excludes institutions, college dormitories, & other group quarters; data available 2010 through 2014 as of October 2, 2017.

(5) U.S. Census Bureau, American Community Survey for City of Atlanta, % of population that attained high school degree or higher educational degrees; data based on population 25 years and over and limited to household population, excludes institutions, college dormitories, & other group quarters; data available 2011 through 2015 as of October 2, 2017.

(6) Georgia Department of Education - Enrollment as of March fiscal year end 2017.

(7) U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for 2017 is not seasonally adjusted and is inclusive of Atlanta-Sandy Springs-Marietta.

See accompanying independent auditors' report

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

| Employer | Type of Business | 2007 | | Employer | Type of Business | 2008 | |
|--------------------------------------|------------------------------|---------------|-------------------------------------|--------------------------------------|------------------------------|---------------|-------------------------------------|
| | | Employees | Percentage of Total City Employment | | | Employees | Percentage of Total City Employment |
| The Coca-Cola Company | Marketing and Manufacturing | 3,029 | 1.65% | International Business Machine Corp. | Technology Services | 3,827 | 1.95% |
| Allied Barton Security Services | Security Services | 2,395 | 1.30% | Allied Barton Security Services | Security Services | 3,702 | 1.88% |
| Accenture LLP | Consulting | 2,100 | 1.14% | The Coca-Cola Company | Marketing and Manufacturing | 3,009 | 1.53% |
| Cable News Network, Inc. | Media | 1,809 | 0.98% | Accenture LLP | Consulting | 1,900 | 0.97% |
| Turner Broadcasting System, Inc. | Media/Entertainment | 1,710 | 0.93% | Cable News network | Media | 1,871 | 0.95% |
| Air Serv Corp. | Transportation | 1,391 | 0.76% | Turner Broadcasting System, Inc. | Media/Entertainment | 1,781 | 0.91% |
| Turner Entertainment Networks | Entertainment | 1,290 | 0.70% | Tenet Health System , Inc. | Healthcare | 1,251 | 0.64% |
| Tenet Healthsystem, Inc. | Healthcare | 1,279 | 0.69% | Georgia-Pacific Corporation | Pulp and Paper Manufacturing | 1,099 | 0.56% |
| Georgia-Pacific Corporation | Pulp and Paper Manufacturing | 1,106 | 0.60% | Air Service Corp | Transportation | 1,060 | 0.54% |
| Earthlink, Inc. | Internet | 1,106 | 0.60% | Atlanta Journal and Constitution | Media | 1,008 | 0.51% |
| Total | | 17,215 | 9.35% | Total | | 20,508 | 10.44% |
| 2009 | | | | 2010 | | | |
| Allied Barton Security Services | Security Services | 4,058 | 2.11% | Allied Barton Security Services | Security Services | 4,205 | 2.24% |
| International Business Machine | Technology Services | 3,739 | 1.94% | International Business Machine Corp. | Technology Services | 3,769 | 2.01% |
| The Coca-Cola Company | Marketing and Manufacturing | 3,020 | 1.57% | The Coca-Cola Company | Marketing and Manufacturing | 3,608 | 1.92% |
| Accenture LLP | Consulting | 2,100 | 1.09% | Turner Broadcasting System, Inc. | Media/Entertainment | 2,000 | 1.07% |
| Turner Broadcasting System, Inc. | Media/Entertainment | 1,868 | 0.97% | Cable News network | Media | 1,889 | 1.01% |
| Cable News network | Media | 1,792 | 0.93% | Air Service Corp | Transportation | 1,665 | 0.89% |
| Air Service Corp | Transportation | 1,386 | 0.72% | Accenture LLP | Consulting | 1,555 | 0.83% |
| AT & T Services Inc. | Telecommunication | 1,172 | 0.61% | AT & T Services Inc. | Telecommunication | 1,247 | 0.67% |
| Tenet Health System , Inc. | Healthcare | 1,164 | 0.60% | Georgia-Pacific Corporation | Pulp and Paper | 1,170 | 0.62% |
| Georgia-Pacific Corporation | Pulp and Paper Manufacturing | 1,139 | 0.59% | Tenet Health System , Inc. | Healthcare | 1,164 | 0.62% |
| Total | | 21,438 | 11.13% | Total | | 22,272 | 11.88% |
| 2011 | | | | 2012 | | | |
| Delta Air Lines, Inc. | Transportation | 3,678 | 1.87% | Delta Air Lines, Inc. | Transportation | 3,815 | 1.98% |
| The Coca-Cola Company | Marketing and Manufacturing | 3,670 | 1.87% | The Coca-Cola Company | Marketing and Manufacturing | 3,469 | 1.8% |
| International Business Machine Corp. | Technology Services | 3,561 | 1.81% | International Business Machine Corp. | Technology Services | 4,228 | 2.2% |
| Turner Broadcasting System, Inc. | Media/Entertainment | 2,090 | 1.06% | Turner Broadcasting System, Inc. | Media/Entertainment | 2,163 | 1.12% |
| Cable News network | Media | 1,884 | 0.96% | Cable News network | Media | 1,873 | 0.97% |
| AT & T Services Inc. | Telecommunication | 1,845 | 0.94% | AT & T Services Inc. | Telecommunication | 1,845 | 0.96% |
| Air Service Corp | Transportation | 1,733 | 0.88% | Air Service Corp | Transportation | 1,733 | 0.9% |
| Accenture LLP | Consulting | 1,725 | 0.88% | Accenture LLP | Consulting | 1,791 | 0.93% |
| Allied Barton Security Services | Security Services | 1,465 | 0.74% | Allied Barton Security Services | Security Services | 1,448 | 0.75% |
| Tenet Health System , Inc. | Healthcare | 1,166 | 0.59% | Tenet Health System , Inc. | Healthcare | 1,140 | 0.59% |
| Total | | 22,817 | 11.60% | Total | | 23,505 | 12.20% |
| 2013 | | | | 2014 | | | |
| Delta Air Lines, Inc. | Transportation | 4,357 | 2.20% | Accenture LLP | Consulting | 2,200 | 1.1% |
| The Coca-Cola Company | Marketing and Manufacturing | 3,498 | 1.77% | Air Service Corp | Transportation | 2,350 | 1.18% |
| Accenture LLP | Consulting | 2,200 | 1.11% | Allied Barton Security Services | Security Services | 1,467 | 0.73% |
| AT & T Services Inc. | Telecommunication | 2,179 | 1.10% | AT & T Services Inc. | Telecommunication | 2,179 | 1.09% |
| Turner Broadcasting System, Inc. | Media/Entertainment | 2,057 | 1.04% | Cable News Network | Media | 1,823 | 0.91% |
| Cable News network | Media | 1,823 | 0.92% | Deloitte Consulting LLP | Consulting | 1,195 | 0.6% |
| Air Service Corp | Transportation | 1,733 | 0.88% | Delta Air Lines, Inc. | Transportation | 4,357 | 2.18% |
| Allied Barton Security Services | Security Services | 1,467 | 0.74% | Tenet Health System , Inc. | Healthcare | 1,359 | 0.68% |
| Tenet Health System , Inc. | Healthcare | 1,359 | 0.69% | The Coca-Cola Company | Marketing and Manufacturing | 3,498 | 1.75% |
| Deloitte Consulting LLP | Consulting | 1,195 | 0.60% | Turner Broadcasting System, Inc. | Media/Entertainment | 2,057 | 1.03% |
| Total | | 21,868 | 11.05% | Total | | 22,485 | 11.25% |
| 2015 | | | | 2016 | | | |
| Delta Air Lines, Inc. | Transportation | 5,031 | 2.36% | Accenture LLP | Consulting | 2,159 | 0.93% |
| The Coca-Cola Company | Marketing and Manufacturing | 4,316 | 2.03% | Air Service Corp | Transportation | 1,733 | 0.75% |
| Air Service Corp | Transportation | 2,800 | 1.31% | Atlanta Medical center Inc. | Healthcare | 1,425 | 0.61% |
| Accenture LLP | Consulting | 2,253 | 1.06% | AT & T Services Inc. | Telecommunication | 2,139 | 0.92% |
| AT & T Services Inc. | Telecommunication | 1,826 | 0.86% | Cable News Network | Media | 1,732 | 0.75% |
| Turner Broadcasting System, Inc. | Media/Entertainment | 1,800 | 0.84% | CapGemini US LLC | Media | 1,516 | 0.65% |
| Cable News Network | Media | 1,733 | 0.81% | Delta Air Lines, Inc. | Transportation | 5,348 | 2.3% |
| Allied Barton Security Services | Security Services | 1,645 | 0.77% | The Coca-Cola Co One Coca Cola | Marketing and Manufacturing | 4,256 | 1.83% |
| Tenet Health System , Inc. | Healthcare | 1,275 | 0.60% | The Coca-Cola Company | Marketing and Manufacturing | 1,737 | 0.75% |
| Deloitte Consulting LLP | Consulting | 1,231 | 0.58% | Turner Broadcasting System, Inc. | Media/Entertainment | 1,614 | 0.69% |
| Total | | 23,910 | 11.22% | Total | | 23,659 | 10.18% |

City of Atlanta
2017 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 | | | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Government | | | | | | | | | | |
| Mayors Office | 3 | 3 | 3 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| City Council | 42 | 39 | 39 | 40 | 46 | 46 | 47 | 48 | 49 | 48 |
| Finance | 210 | 183 | 174 | 159 | 153 | 145 | 141 | 165 | 138 | 146 |
| Planning | 295 | 227 | 181 | 167 | 193 | 153 | 164 | 166 | 161 | 213 |
| Procurement | 50 | 40 | 39 | 34 | 34 | 40 | 46 | 41 | 41 | 82 |
| Human Resources | 73 | 62 | 56 | 56 | 57 | 148 | 143 | 147 | 134 | 136 |
| Police | | | | | | | | | | |
| Officers | 1,836 | 1,786 | 1,751 | 1,772 | 1,959 | 2,001 | 1,973 | 2,009 | 2,007 | 2,368 |
| Civilian | 543 | 434 | 445 | 452 | 475 | 490 | 444 | 525 | 520 | 169 |
| Fire | | | | | | | | | | |
| Officers | 1,070 | 939 | 938 | 975 | 985 | 1,060 | 1,060 | 1,062 | 1,064 | 1,069 |
| Civilian | 49 | 38 | 46 | 46 | 49 | 49 | 49 | 65 | 65 | 65 |
| Corrections | | | | | | | | | | |
| Officers | 560 | 473 | 313 | 313 | 309 | 313 | 313 | 326 | 346 | 359 |
| Public Works | | | | | | | | | | |
| Streets | 399 | 468 | 397 | 396 | 390 | 383 | 371 | 371 | 374 | 461 |
| Refuse Collection | 452 | 385 | 337 | 336 | 348 | 346 | 346 | 346 | 348 | 176 |
| Parks, Recreation and Cultural Affairs | 441 | 377 | 304 | 352 | 358 | 362 | 347 | 370 | 365 | 393 |
| Water/Wastewater | 1,964 | 1,816 | 1,680 | 1,545 | 1,535 | 1,475 | 1,515 | 1,486 | 1,567 | 1,162 |
| Aviation | 690 | 707 | 705 | 575 | 594 | 583 | 600 | 616 | 596 | 595 |
| Total full-time equivalent employees | 8,677 | 7,977 | 7,408 | 7,222 | 7,490 | 7,599 | 7,564 | 7,748 | 7,780 | 7,447 |

Source: City of Atlanta Fiscal Year 2018 Adopted Budget Book

See accompanying independent auditors' report

City of Atlanta
2017 Comprehensive Annual Financial Report

Schedule 21

City of Atlanta, Georgia

Operating Indicators by Function/Program (unaudited)

Last Ten Fiscal Periods

| | Fiscal Period | | | | | | | | | |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Function/Program | | | | | | | | | | |
| Police | | | | | | | | | | |
| Arrests | 142,361 | 42,670 | 38,628 | 37,276 | 38,773 | 46,974 | 44,428 | 42,439 | 35,886 | 35,634 |
| Parking violations | 79,546 | 52,577 | 56,692 | 17,599 | 17,105 | 13,613 | 14,818 | 12,430 | 10,621 | 12,335 |
| Traffic violations | 102,264 | 107,050 | 125,011 | 138,244 | 167,848 | 168,699 | 167,421 | 203,761 | 188,450 | 157,399 |
| Fire | | | | | | | | | | |
| Emergency responses | 54,756 | 57,292 | 53,089 | 58,943 | 67,420 | 83,662 | 91,379 | 93,725 | 97,106 | 92,380 |
| Fires extinguished | 2,263 | 2,096 | 1,994 | 2,252 | 1,892 | 1,756 | 1,701 | 1,731 | 1,763 | 1,940 |
| Inspections | 7,200 | 6,439 | 10,777 | 9,987 | 1,155 | 12,112 | 17,843 | 15,710 | 14,234 | 13,226 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per day) | 198,954 | 113,204 | 115,142 | 111,312 | 99,236 | 457 | 467 | 511 | 427 | 514 |
| Other public works | | | | | | | | | | |
| Miles of streets resurfaced | — | 33 | 13 | 17 | 5 | 21 | 12 | 33 | 24 | 69 |
| Potholes repaired | 1,953 | 1,152 | 5,892 | 6,367 | 3,255 | 1,784 | 5,006 | 2,561 | 3,919 | 3,771 |
| Parks and recreation | | | | | | | | | | |
| Athletic field permits issued | 185 | 172 | 165 | 180 | 109 | 249 | 326 | 449 | 553 | 469 |
| Community center admissions | N/A | 97,264 | 474,945 | 522,440 | 478,535 | 758,000 | 600,000 | 455,388 | 503,421 | 465,504 |
| Water | | | | | | | | | | |
| New connections | 2,057 | 1,084 | 1,100 | 947 | 820 | 1,104 | 1,041 | 1,115 | 1,541 | 1,694 |
| Water main breaks | 329 | 475 | 495 | 431 | 401 | 432 | 514 | 372 | 401 | 588 |
| Average daily consumption (thousands of gallons) | 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 | 97,570,000 |
| Peak daily consumption (thousands of gallons) | 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 | 131,870,000 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 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 | 120,940,000 |
| Aviation | | | | | | | | | | |
| Number of passengers served | 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 | 104,258,612 |

City of Atlanta
2017 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 | | | | | | | | | |
|---|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Police | | | | | | | | | | |
| Stations | 10 | 10 | 9 | 10 | 15 | 14 | 16 | 17 | 15 | 15 |
| Zone offices | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Patrol units | 336 | 336 | 311 | 376 | 355 | 357 | 337 | 377 | 396 | 359 |
| Fire Stations | 37 | 36 | 36 | 35 | 35 | 35 | 35 | 35 | 36 | 36 |
| Refuse collection | | | | | | | | | | |
| Collection trucks | 73 | 66 | 66 | 78 | 84 | 85 | 95 | 94 | 88 | 88 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 3,748 | 3,755 | 3,781 | 3,818 | 3,904 | 3,922 | 4,395 | 4,781 | 4,810 | 4,816 |
| Playgrounds | 105 | 106 | 107 | 109 | 109 | 109 | 111 | 111 | 113 | 115 |
| Baseball/softball diamonds | 82 | 82 | 82 | 84 | 85 | 86 | 86 | 58 | 58 | 58 |
| Soccer/football fields | 21 | 26 | 26 | 26 | 31 | 32 | 32 | 36 | 36 | 36 |
| Community centers | 41 | 42 | 42 | 42 | 42 | 42 | 42 | 44 | 42 | 43 |
| Water | | | | | | | | | | |
| Water mains (miles) | 2,766 | 2,766 | 2,766 | 2,766 | 2,766 | 2,766 | 2,766 | 2,766 | 2,766 | 2,818 |
| Storage capacity (thousands of gallons) | 247 | 246 | 246 | 246 | 246 | 246 | 247 | 247 | 247 | 247 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 2,259 | 1,871 |
| Treatment capacity (thousands of gallons) | 181.7MGD | 181.7MGD | 181.7MGD | 181.7MGD | 155.3MGD | 181.7MGD | 188.0MGD | 202.0MGD | 188.0MGD | 188.0MGD |
| Aviation | | | | | | | | | | |
| Number of Runways | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of Feet for each Runway: | | | | | | | | | | |
| 9R 27L 9,000 feet or 2,743 meters | | | | | | | | | | |
| 9L 27R 12,390 feet or 3,777 meters | | | | | | | | | | |
| 8R 27L 10,000 feet or 3,048 meters | | | | | | | | | | |
| 8L 26R 9,000 feet or 2,743 meters | | | | | | | | | | |
| 10-28 9,000 feet or 2,743 meters | | | | | | | | | | |

Sources: Various city departments