

**2020**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2020

CITY OF ATLANTA, GA  
KEISHA LANCE BOTTOMS, MAYOR



**THE CITY OF ATLANTA, GEORGIA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

**For the Year Ended June 30, 2020**

**Keisha Lance Bottoms**  
**Mayor**

**Roosevelt Council, Jr.**  
**Chief Financial Officer**



**CITY OF ATLANTA, GEORGIA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

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## **Introductory Section**





## City of Atlanta

Keisha Lance Bottoms  
MAYOR

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

Roosevelt Council, Jr.  
CHIEF FINANCIAL OFFICER

Tel (404) 330-6100

December 18, 2020

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

Dear President Moore and Members of the Atlanta City Council:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (“CAFR”) of the City of Atlanta, Georgia (the “City”) for the fiscal year ended June 30, 2020. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The law further requires that these statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The CAFR has been prepared by the City in accordance with those principles and standards. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

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

The City’s financial statements have been audited by *KPMG LLP*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2020,

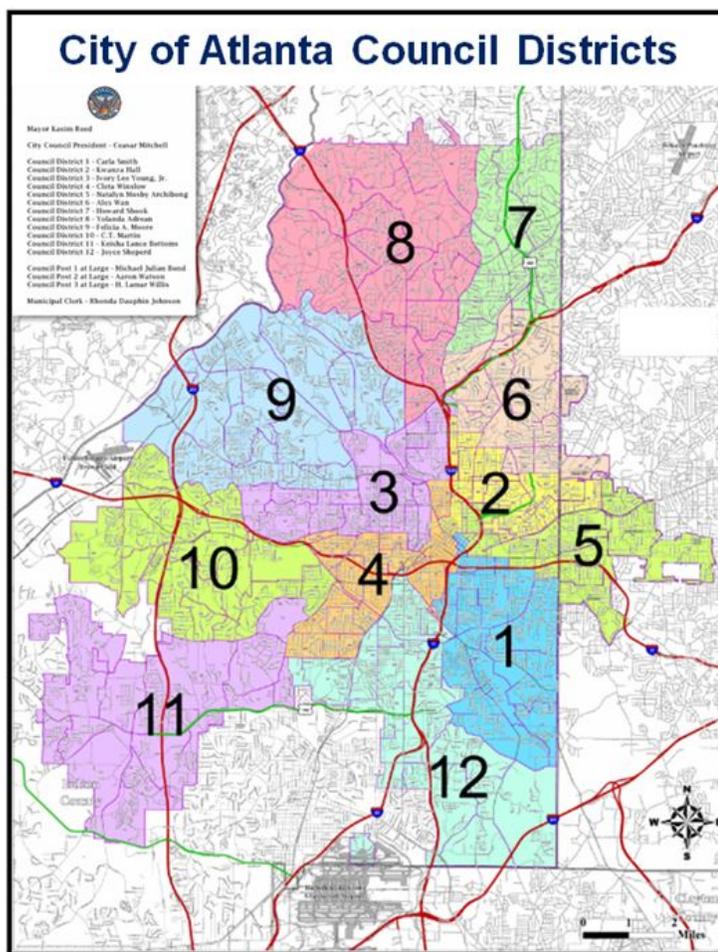
are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the City's financial statements for the year ended June 30, 2020, 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](http://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 506,811 in the City and 6 million people in the Atlanta Metropolitan area, according to 2019 United States Census Bureau estimates. The Atlanta-Sandy Springs-Roswell, GA MSA (commonly referred to as Metropolitan Atlanta) is the ninth largest metropolitan area in the country. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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



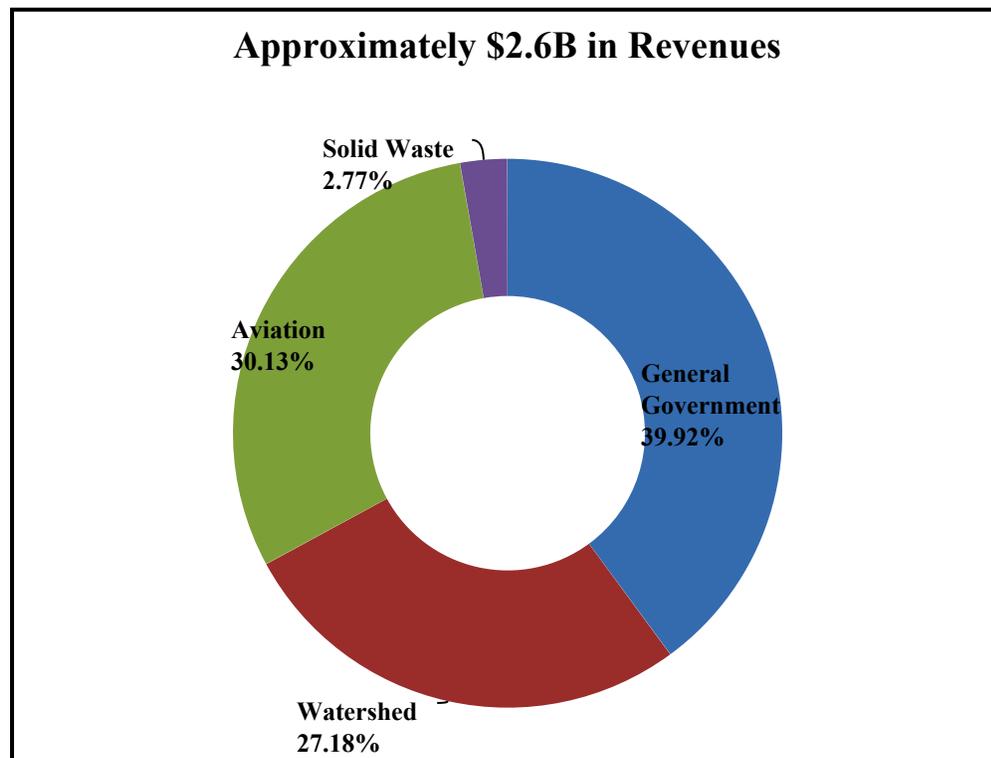
the various departments. The City Council is elected on a non-partisan basis. Council members serve four-year terms, as does the Mayor. The Mayor is limited to two consecutive terms. There are no term limits for Council Members or for the Council President. Twelve of the council members are elected by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

Annual budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds with the level of legal budgetary control established at the office level by City Council. The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal

provisions of the annual appropriated budget approved by the Mayor and City Council. The amounts of anticipated revenues and appropriated expenditures for the annual budget are controlled by the City Charter and various ordinances adopted by the City Council. Appropriations for capital projects are adopted by the City Council principally on an individual basis, when the project is initially approved.

**PRIMARY CITY FUNCTIONS**

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, and solid waste collection and disposal. The City’s Joint Operations Command Center (JOC) ensures that essential personnel from the Atlanta Police Department, Atlanta Fire and Rescue Department, Department of Public Works, Department of Parks and other key operational agencies can monitor weather, traffic, and reports of power outages and fallen trees to ensure a rapid and coordinated response to weather events or other events affecting public safety. The City accounts for solid waste collection and disposal activities separately within the reporting entity and attempts to recover operating costs of the function through user charges. The City is responsible for water operations and infrastructure along with operating the world’s busiest airport, which is financed exclusively with airport-generated income.



The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. The City engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses, with the exception of legal claims. The City Council has oversight responsibility for the City’s Pension Trust Funds, however the defined benefit pension plans are directly governed by the combined Pension Investment Board. In December 2017, the City of Atlanta adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board in order to improve administrative efficiency, governance and investment returns.

In addition, the City is financially accountable as of June 30, 2020, for the Atlanta-Fulton County Recreation Authority, the Solid Waste Management Authority (SWMA), the Atlanta Public Safety and

Judicial Facilities Authority (APSJFA), 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 within the scope of this report since they are established by the Constitution of the State of Georgia or state laws and are administered independent of the City of Atlanta. These include the Atlanta Independent School System (School System) and the Atlanta Housing Authority (AHA).

## ECONOMIC DEVELOPMENT

To promote economic development in undeveloped or underdeveloped areas, the City utilizes its redevelopment agent, the Atlanta Development Authority which does business as Invest Atlanta. Invest Atlanta spearheads diverse policies and activities which support increased private investment and job growth. Invest Atlanta also issues limited obligation Tax Allocation District (“TAD”) bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City, but are secured solely by and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD that exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station mixed-use development and the opening of the world’s largest Aquarium were products of TAD bonds and further strengthen the City’s core business districts. Development and re-development activities in the Atlanta Beltline TAD are projected to create 30,000 permanent jobs and 48,000 construction jobs. Public transportation initiatives included in the Atlanta Beltline will also play a vital role in ensuring continued building and investing in the City. As of November 2020, the Atlanta Beltline consists of five open trails; two trails in design and three trails under construction; seven parks; intensive planning for modern streetcar expansion; more than \$6.2 billion in private economic development and 18,700 permanent jobs created. There is also over 30,000 temporary construction jobs along the corridor. The Department of City Planning manages construction and development activity throughout the City of Atlanta. During fiscal year 2020, the City issued 7,601 building permits worth over \$5 billion in new construction.

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

## LOCAL ECONOMY

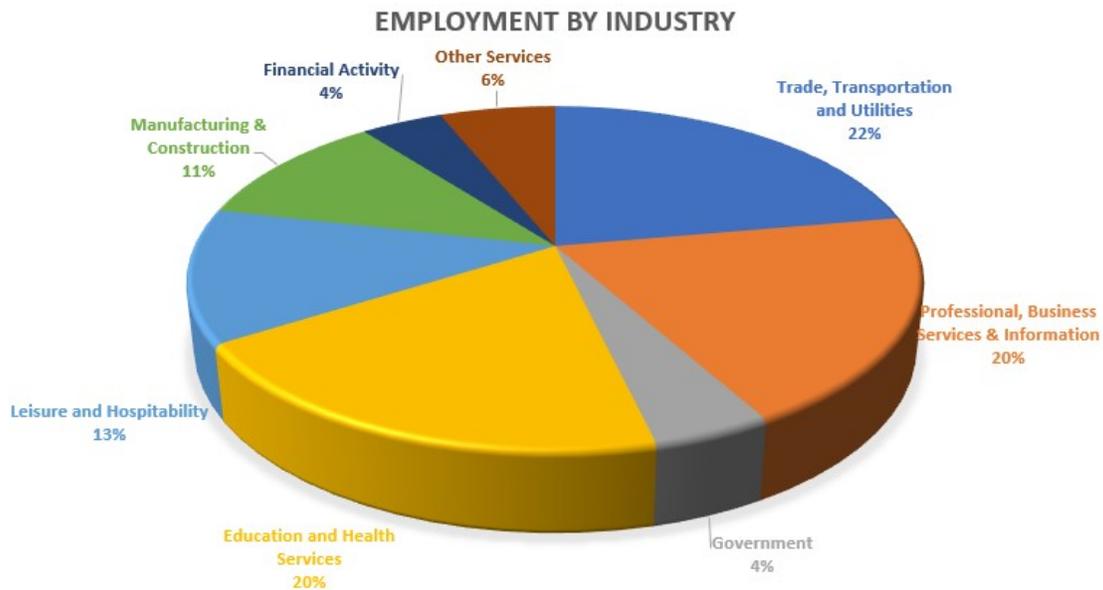
In 2020, the COVID-19 pandemic has caused abrupt declines in employment, economic growth, and key City revenues. Unlike the 2008 financial crisis, COVID-19 is an external “disruption” that is impacting the entire economy both globally and nationally. These unparalleled times pose a serious threat to the City of Atlanta’s existing and future General Fund revenues which are used for operating expenses.

To combat the spread of COVID-19, the City of Atlanta has enacted numerous COVID-19 restrictions such as shelter in place mandates and closure of City businesses, buildings, and courts. As a result, the FY21 General Fund budget was developed to reflect expected decreases in certain major revenue sources that are highly sensitive to the economic factors affected by the COVID-19 pandemic.

These major revenue sources are local option sales tax, licenses and permits, public utility alcoholic beverages, fines, hotel/motel, and other taxes.

Due to the evolving nature of the COVID-19 pandemic and the responses of governments, businesses, and individuals to the COVID-19 pandemic, the City is unable to predict, among other things: (a) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic (b) the existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the relaxation or release of such restrictions. The City will continue to monitor and make adjustments where needed.

Like most of the world, the City is currently responding to the COVID-19 pandemic. The hotel industry has seen a significant drop in its workforce. Between 70-80% of Atlanta hotel workforce of 100,000 have been laid off due to the pandemic. Many experts believe the recovery could take as long as five years to get back to 2019 RevPAR (Revenue Per Available Room) performance. The Atlanta MSA has a higher percentage of skill or knowledge-based workers compared to the national average; thus, many employees have the ability to work from home during the COVID-19 pandemic.



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

# Major Initiatives and Financial Planning

## Priorities and Investments



### Safe, Welcoming, and Inclusive City

- Recommendations announced from Reimagining Atlanta City Detention Center Task Force
- COVID-19 Pandemic phases and guidelines released
- Advisory Council created to address police use of force policy and procedures



### World Class Employees, Infrastructure, and Services

- 23,000+ potholes filled since Mayor took office
- Mayor announces hazard pay for frontline workers during COVID-19 pandemic
- ATLStrong website launched to provide resources for residents during pandemic



### Ethical, Transparent, and Fiscally Responsible Government

- Mayor signs legislation to create Office of the Inspector General
- Mayor develops Pandemic Coordination Team for COVID-19
- City Council passes legislation to integrate Invest Atlanta with WorkSource



### Thriving Neighborhoods, Communities, and Businesses

- Westside moratorium legislation passes City Council to halt construction permits
- Mayor announces One Atlanta: Economic Mobility, Recovery, and Resiliency Plan
- City launches Operation Clean Sweep



### Residents that are Equipped for Success

- Mayor launches Earned Income Tax Credit (EITC) awareness campaign
- Mayor officially kicks off Bank On Atlanta program
- Mayor allocates \$22 million from Coronavirus Relief fund for emergency rental assistance for Atlanta residents

In what turned out to be an unprecedented year, Mayor Bottoms continued her focus on the priorities and initiatives of One Atlanta and the five pillars of that vision, while at the same time, prioritizing two key emerging and critical issues: resources to assist residents and visitors during the COVID-19 pandemic and keeping them safe, and criminal justice and police reform.

In June 2020, Mayor Bottoms released the final report from the Reimagining City Detention Center Task Force. These recommendations came from months of meetings among the task force, of which members included key stakeholders and community leaders. The recommendations detailed moving forward to transform the Atlanta City Detention Center into a vibrant services hub that will restore and strengthen the social and civic life of Atlanta's communities that have been disproportionately harmed by overincarceration and punishment. In April 2020, the Advisory Council on Reopening Atlanta that was created by the Mayor through administrative order in response to the COVID-19 pandemic, provided recommendations, in line with public health expertise, to safely reopen the City of Atlanta in phases. In June 2020, the Mayor issued an Administrative Order to convene a Use of Force Advisory Council comprised of 28 community representatives, to review the City's use of force policies, and to make recommendations for changes or additions. The Mayor has issued several executive orders related to police reform in 2020.

In July 2020, more than 23,000 potholes were recorded to have been filled in the City of Atlanta since Mayor Bottoms took office, further solidifying the Mayor's commitment to improve the condition of streets throughout the City. In March 2020, Mayor Bottoms issued an executive order to provide hazard pay for the City's frontline workers, which gave employees an additional \$500 per month. This order was later extended to provide hazard pay for eligible employees through the end of September 2020. Mayor Bottoms launched the #ATLStrong website in March 2020, to provide COVID-19 information and resources for Atlanta residents. The site is updated regularly and also includes weekly COVID-19 data for Atlanta.

In February 2020, City Council approved the creation of the first Office of the Inspector General, creating the strongest set of ethical safeguards in the City of Atlanta's history. In March 2020, Mayor Bottoms created a COVID-19 Pandemic Coordination Team through an administrative order at the very beginning of the pandemic, to ensure funding remained in place to allow for no interruption in services for the public, despite City offices being temporarily closed. The team worked to ensure a strategic plan was in place to minimize impacts on services for residents. In October 2020, the Mayor's legislation to integrate Invest Atlanta with WorkSource was approved by City Council. This integration, in support of the Mayor's One Atlanta Economic Mobility, Recovery, and Resiliency Plan, will work towards improving economic mobility and job opportunities for Atlantans.

In February 2020, the Mayor signed legislation that put a moratorium on building and construction permits on the City's Westside neighborhoods that surround a new park, including Grove Park and Knight Park/Howell Station. The purpose of the moratorium was to address rapid gentrification happening in the area. In addition, it was to allow for the City to work with the communities to develop a robust equitable development plan. In July 2020, Mayor Bottoms announced the One Atlanta: Economic Mobility, Recovery and Resiliency Plan. This plan was created to ensure economic and quality of life security for Atlanta residents and business, and to ensure that Atlanta families and local businesses have the tools needed to survive the COVID-19 pandemic and thrive in a 21<sup>st</sup> century economy. In October 2020, the City launched Phase Two of Fix It ATL, with Operation Clean Sweep, to heighten clean up and beautification efforts across the City. Services include cleaning up illegal dump sites and street litter and improving residential and bulk trash pick-ups. Since the beginning of the initiative, in just under two months, more than 271 tons of bulk collection debris had been collected, more than 820 tons of debris from illegal dump sites was collected, and more than 3,200 illegal signs had been removed.

In February 2020, Mayor Bottoms launched an Earned Income Tax Credit (EITC) Day, in partnership with United Way and the IRS, to ensure all eligible residents get the tax credits they earned and deserve. Also in February 2020, the Mayor announced the official launch of the Bank On Atlanta program, a collaboration between financial institutions, community-based organizations, and local governments, to

ensure that all residents have access to safe, affordable, and certified bank accounts. In August 2020, Mayor Bottoms announced the City has allocated \$22 million from the Coronavirus Relief Fund for emergency rental assistance. This program will provide rental, utility, and/or security deposit assistance to more than 6,700 City residents through United Way.

## AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The City also earned the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. 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 2020. This award recognizes state and local governments that have prepared budget documents of the very highest quality.

## OTHER INFORMATION

### Acknowledgments

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

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

Respectfully submitted,



Keisha Lance Bottoms  
Mayor



Roosevelt Council, Jr.  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Atlanta  
Georgia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

# City Officials



Keisha Lance Bottoms  
*Mayor*

Jon Keen  
*Chief Operating Officer*

Carmen Chubb  
*Chief of Staff*

Roosevelt Council, Jr.  
*Chief Financial Officer*

Nina Hickson  
*City Attorney*

---

## MEMBERS OF CITY COUNCIL

Felicia A. Moore  
*Council President*

Carla Smith  
*District 1*

Amir R. Farokhi  
*District 2*

Antonio Brown  
*District 3*

Cleta Winslow  
*District 4*

Natalyn Mosby Archibong  
*District 5*

Jennifer N. Ide  
*District 6*

Howard Shook  
*District 7*

J.P. Matzigkeit  
*District 8*

Dustin Hillis  
*District 9*

Andrea L. Boone  
*District 10*

Marci Collier Overstreet  
*District 11*

Joyce M. Sheperd  
*District 12*

Michael Julian Bond  
*Post 1, At-Large*

Matt Westmoreland  
*Post 2, At-Large*

Andre Dickens  
*Post 3, At-Large*

Foris Webb  
*Municipal Clerk*

---

**JUDICIAL OFFICERS**

---

<b>COURT OPERATIONS</b>	Christopher T. Portis <i>Chief Judge</i>
<b>PUBLIC DEFENDER</b>	Kenneth Days III <i>Public Defender</i>
<b>SOLICITOR</b>	Raines F. Carter <i>Solicitor</i>

---

**BOARD OFFICERS**

---

<b>ATLANTA CITIZENS REVIEW DIRECTOR</b>	Samuel Lee Reid III <i>Executive Director</i>
<b>ETHICS OFFICER</b>	Jabu M. Sengova <i>Ethics Officer</i>
<b>CITY INTERNAL AUDITOR</b>	Amanda Noble <i>City Auditor</i>

---

**DEPARTMENT OFFICERS**

---

<b>AVIATION</b>	John Selden <i>General Manager</i>
<b>CORRECTIONS</b>	Reginald Mitchell <i>Corrections Chief</i>
<b>CUSTOMER SERVICE</b>	Salethea Graham <i>Executive Director</i>
<b>ENTERPRISE ASSETS MANAGEMENT</b>	Remy Saintil <i>Commissioner</i>
<b>FINANCE</b>	Roosevelt Council, Jr. <i>Chief Financial Officer</i>
<b>FIRE &amp; RESCUE SERVICES</b>	Randall Slaughter <i>Fire Chief</i>
<b>GRANTS and COMMUNITY DEVELOPMENT</b>	Jon Keen <i>COO/Interim Commissioner</i>
<b>HUMAN RESOURCES</b>	Jeffery Norman <i>Interim Commissioner</i>
<b>ATLANTA INFORMATION MANAGEMENT</b>	Tye Hayes <i>Chief Information Officer, Interim</i>
<b>LAW</b>	Nina Hickson <i>City Attorney</i>
<b>PARKS &amp; RECREATION</b>	John Dargle <i>Commissioner</i>
<b>CITY PLANNING</b>	Tim Keane <i>Commissioner</i>
<b>POLICE SERVICES</b>	Rodney Bryant <i>Interim Police Chief</i>
<b>PROCUREMENT</b>	Martin Clarke <i>Chief Procurement Officer</i>
<b>PUBLIC WORKS</b>	Jestin Johnson <i>Interim Commissioner</i>
<b>ATLANTA DEPARTMENT OF TRANSPORTATION</b>	Josh Rowan <i>Commissioner</i>
<b>WATERSHED MANAGEMENT</b>	Mikita Browning <i>Commissioner</i>

# Atlanta City Council Member



**Felicia A. Moore**  
President



**Michael Julian Bond**  
Post 1 At-Large



**Matt Westmoreland**  
Post 2 At-Large



**Andre Dickens**  
Post 3 At-Large



**Carla Smith**  
District 1



**Amir R. Farokhi**  
District 2



**Antonio Brown**  
District 3



**Clea Winslow**  
District 4



**Natalyn Mosby Archibong**  
District 5



**Jennifer N. Ide**  
District 6



**Howard Shook**  
District 7



**J. P. Matzigkeit**  
District 8



**Dustin Hillis**  
District 9



**Andrea L. Boone**  
District 10

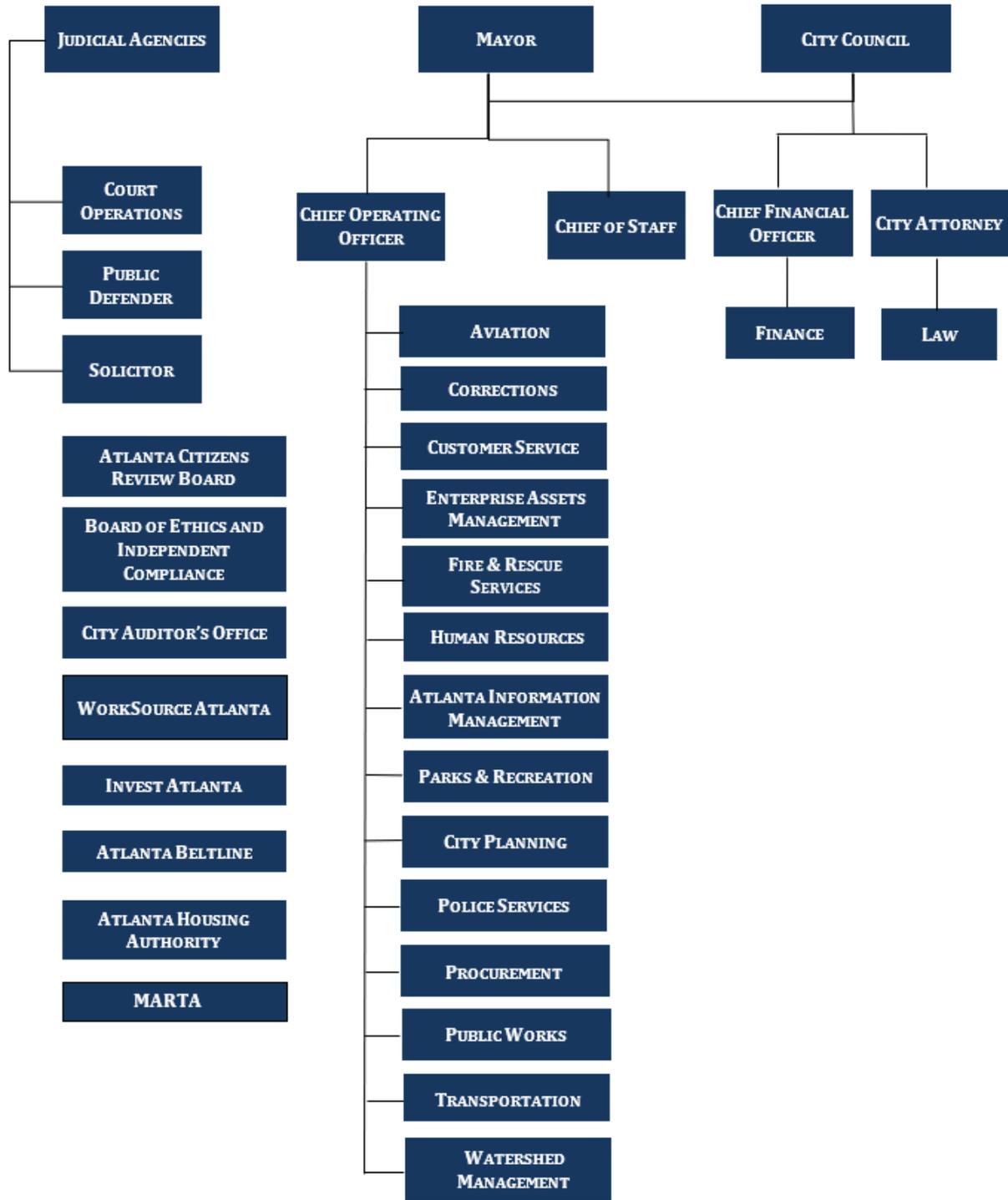


**Marci Collier Overstreet**  
District 11



**Joyce M. Sheperd**  
District 12

# City Organization Structure





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## **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, 2020, 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 Atlanta-Fulton County Recreation Authority and Atlanta Development Authority, which collectively represent all of the City's aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for all of the aggregate discretely presented component units, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Atlanta Development Authority's discretely component units, ADA/CAU Partner's Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Imagine Downtown, Inc. were not audited in accordance with *Government Auditing Standards*.

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, 2020, 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 4-21, the schedules of employer net pension liability and related ratios, schedules of changes in net pension liability, schedules of employer contributions, schedule of investment returns – General Employees; Firefighters' and Police Officers' Pension Plans, schedule of changes in net OPEB liability and related ratios, and schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, on pages 143-154 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 fund financial statements and schedule and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 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 18, 2020



# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited) June 30, 2020

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, 2020, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the fiscal year ended June 30, 2020 with the fiscal year ended June 30, 2019. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on pages i-viii of this report.

### Overview of the Financial Statements

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

### Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of fiscal year 2020 by \$7.9 billion as compared to \$7.3 billion at the close of fiscal year 2019. This amount represents the City's Net Position. Net Position is the difference between the City's assets and deferred outflows and the City's liabilities and deferred inflows.
- The City's total net position increased by \$577.5 million compared to fiscal year 2019. The increase was due mainly to an increase in net investment in capital assets of \$692.0 million and an increase in restricted net position of \$14.1 million offset by an increase in unrestricted net deficit of \$128.6 million
- As of the close of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$1,028.0 million. The overall General Fund balance decreased \$7.8 million or 4.0% to \$186.4 million. The decrease was mainly due to declines in revenues related to hotel/motel taxes, sales taxes, business license taxes, fines/forfeitures and alcohol revenues. In addition to declines in revenues, expenses exceeded anticipations due to protests on a national level resulting in overtime for Police and Fire throughout the City offset by savings related to vacant positions and restricted reserves.
- The City's long-term debt, including capital leases, at June 30, 2020 totaled \$7.6 billion, a net increase of \$415.6 million or 5.76%. The increase was mainly due to the issuance of revenue bonds by the of Department of Aviation.

**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 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.

# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited)

June 30, 2020

The *Statement of Activities* presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in the Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, police, fire, corrections, public works, parks and recreation and cultural affairs.

The business-type activities of the City include the Departments of Watershed Management (Water and Wastewater System), Aviation (Hartsfield-Jackson Atlanta International Airport), Sanitation (Solid Waste), Parks and Recreational Facilities, City Plaza and Parking Deck.

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

**Fund financial statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

## CITY OF ATLANTA, GEORGIA

### Management's Discussion and Analysis (Unaudited)

June 30, 2020

The City maintains thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund and capital project fund, which are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 156 in this report.

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

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

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

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

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the Department of Watershed Management and the Department of Aviation, which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements presented on page 192 in this report.

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

# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited) June 30, 2020

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

**Required Supplementary and other information** - In addition to the basic financial statements, this report also presents certain required supplementary information on the City's schedule of employer net pension liability and related ratios, changes in net pension liability, the employer contributions, and the investment returns for the General Employees' Pension Plan, Firefighters' Pension Plan, and Police Officers' Pension Plan, and the schedule of changes in net OPEB liability and related ratios, and General Fund information. Required supplementary information can be found following the notes in this report. The combining and individual funds statements, referred to earlier in connection with non-major governmental and proprietary funds follow the required supplementary information. Required supplementary information can be found beginning on page 143 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 \$7.9 billion at the close of the year ended June 30, 2020. Table 1 summarizes the assets and deferred outflows of resources, liabilities and deferred inflows of resources and Net Position for governmental activities, business-type activities, and the total primary government.

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# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited) June 30, 2020

**Table 1. City of Atlanta Net Position, Years Ended June 30, 2020 and June 30, 2019 (in thousands):**

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 1,258,920	\$ 1,121,646	\$ 3,898,031	\$ 3,884,656	\$ 5,156,951	\$ 5,006,302
Capital assets, net of depreciation	1,179,187	1,115,594	12,358,361	11,953,222	13,537,548	13,068,816
Total assets	<u>2,438,107</u>	<u>2,237,240</u>	<u>16,256,392</u>	<u>15,837,878</u>	<u>18,694,499</u>	<u>18,075,118</u>
Deferred outflows of resources	233,202	243,603	351,989	361,620	585,191	605,223
Total assets and deferred outflows of resources	<u>2,671,309</u>	<u>2,480,843</u>	<u>16,608,381</u>	<u>16,199,498</u>	<u>19,279,690</u>	<u>18,680,341</u>
Long-term liabilities						
Current	389,936	275,695	998,089	1,351,177	1,388,025	1,626,872
Non-current	2,524,131	2,629,423	6,934,773	6,419,852	9,458,904	9,049,275
Total Liabilities	<u>2,914,067</u>	<u>2,905,118</u>	<u>7,932,862</u>	<u>7,771,029</u>	<u>10,846,929</u>	<u>10,676,147</u>
Deferred inflows of resources	378,976	469,862	177,590	235,659	556,566	705,521
Total Liabilities and deferred inflows of resources	<u>3,293,043</u>	<u>3,374,980</u>	<u>8,110,452</u>	<u>8,006,688</u>	<u>11,403,495</u>	<u>11,381,668</u>
Net Position						
Net investment in capital assets	253,197	59,923	6,457,144	5,958,423	6,710,341	6,018,346
Restricted	852,179	775,513	1,124,454	1,187,039	1,976,633	1,962,552
Unrestricted (deficit)	<u>(1,727,110)</u>	<u>(1,729,573)</u>	<u>916,331</u>	<u>1,047,348</u>	<u>(810,779)</u>	<u>(682,225)</u>
Total Net Position	<u>\$ (621,734)</u>	<u>\$ (894,137)</u>	<u>\$ 8,497,929</u>	<u>\$ 8,192,810</u>	<u>\$ 7,876,195</u>	<u>\$ 7,298,673</u>

By far the largest portion of the City's net position, \$6.7 billion or 85.2%, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debts and deferred outflows/inflows of resources used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

An additional portion of the City's net position, \$2.0 billion or 25.1%, 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 \$1.7 billion in unrestricted net position, primarily due to the net pension liability as well as the net OPEB liability. The general fund reported a positive balance of \$127.9 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.

**CITY OF ATLANTA, GEORGIA**

**Management's Discussion and Analysis (Unaudited)  
June 30, 2020**

**Financial Analysis - Government-wide Statements, continued**

**Table 2. City of Atlanta's Changes in Net Position, Years Ended June 30, 2020 and June 30, 2019 (in thousands):**

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019
Revenues:						
Program revenues:						
Charges for services	\$ 201,466	\$ 230,855	\$ 997,791	\$ 1,121,706	\$ 1,199,257	\$ 1,352,561
Operating grants and contributions	55,389	54,924	—	—	55,389	54,924
Capital grants and contributions	—	—	258,186	280,759	258,186	280,759
General revenues:						
Property taxes	435,683	409,911	—	—	435,683	409,911
Other taxes	333,982	374,615	146,696	154,634	480,678	529,249
Investment income	17,786	23,073	96,867	202,915	114,653	225,988
Non-capital grants	—	—	80,881	—	80,881	—
Other	362	1,895	(4,841)	15,536	(4,479)	17,431
<b>Total revenues</b>	<b>1,044,668</b>	<b>1,095,273</b>	<b>1,575,580</b>	<b>1,775,550</b>	<b>2,620,248</b>	<b>2,870,823</b>
Expenses:						
General government:	259,946	344,274	—	—	259,946	344,274
Police	205,209	195,031	—	—	205,209	195,031
Fire	83,403	86,236	—	—	83,403	86,236
Corrections	17,339	25,614	—	—	17,339	25,614
Public Works	124,193	121,525	—	—	124,193	121,525
Parks, Recreation and Cultural Affairs	66,907	79,454	—	—	66,907	79,454
Interest on long-term debt	37,555	75,241	—	—	37,555	75,241
Water and Wastewater System	—	—	465,908	483,199	465,908	483,199
Department of Aviation	—	—	716,194	688,909	716,194	688,909
Sanitation	—	—	64,601	56,108	64,601	56,108
Other	—	—	1,471	1,394	1,471	1,394
<b>Total Expenses</b>	<b>794,552</b>	<b>927,375</b>	<b>1,248,174</b>	<b>1,229,610</b>	<b>2,042,726</b>	<b>2,156,985</b>
Change in Net Position before transfers	250,116	167,898	327,406	545,940	577,522	713,838
Transfers in(out)	22,287	21,566	(22,287)	(21,566)	—	—
<b>Change in Net Position</b>	<b>272,403</b>	<b>189,464</b>	<b>305,119</b>	<b>524,374</b>	<b>577,522</b>	<b>713,838</b>
Net Position (Deficit), Beginning of period	(894,137)	(1,083,601)	8,192,810	7,668,436	7,298,673	6,584,835
<b>Net Position (Deficit), End of Period</b>	<b>\$ (621,734)</b>	<b>\$ (894,137)</b>	<b>\$ 8,497,929</b>	<b>\$ 8,192,810</b>	<b>\$ 7,876,195</b>	<b>\$ 7,298,673</b>

Revenue for the City in fiscal year 2020 totaled approximately \$2.6 billion, a \$251 million decrease when compared to the year 2019. Charges for services decreased \$153.3 million or 11.3% for the primary government as a whole which is due mainly to the significant decline in airport passenger traffic as a result of the COVID-19 pandemic. Landing fees and terminal rentals decreased. In an effort to mitigate the financial impact of the pandemic, these fees were suspended for the later part of fiscal year 2020. Charges for services of governmental activities decreased by \$29.4 million or 12.7%, and business-type activities charges decreased by \$123.9 million or 11.0%. The decreased charges for business-type activities were the result of decreases in passenger traffic as a result of the pandemic and a delay in water collections. The increase in operating grants of \$0.5 million or 0.8%, is primarily the result of increased federal funding related to multiple projects. Business-type activities capital grants and contributions decreased by \$22.6 million due mainly to the decrease in federal funding related to capital projects. Property taxes during fiscal year 2020 increased by \$25.8 million or 6.3%, due mainly to new construction projects completed throughout the City. Other taxes decreased by \$48.6 million or 9.2%.

**CITY OF ATLANTA, GEORGIA**

**Management's Discussion and Analysis (Unaudited)**

**June 30, 2020**

**Financial Analysis - Government-wide Statements, continued**

driven primarily by the COVID- 19 pandemic resulting in losses of \$8 million hotel/motel, \$8 million Municipal Option Sale Tax (MOST), \$5 million Local Option Sales Tax (LOST), \$4 million fines and forfeitures, \$4 million alcohol, and \$3 million business license.

Total expenses for the City were \$2.0 billion in fiscal year 2020, a decrease of \$114.3 million or 5.3% when compared to fiscal year ended June 30, 2019. Total expenses for governmental activities, excluding transfers decreased by \$132.8 million or 14.3% year-over-year. Expenses for business-type activities increased by \$18.6 million, or 1.5% compared to fiscal year 2019.

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CITY OF ATLANTA, GEORGIA

Management’s Discussion and Analysis (Unaudited)  
June 30, 2020

Financial Analysis - Government-wide Statements, continued

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

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2020 (in thousands):

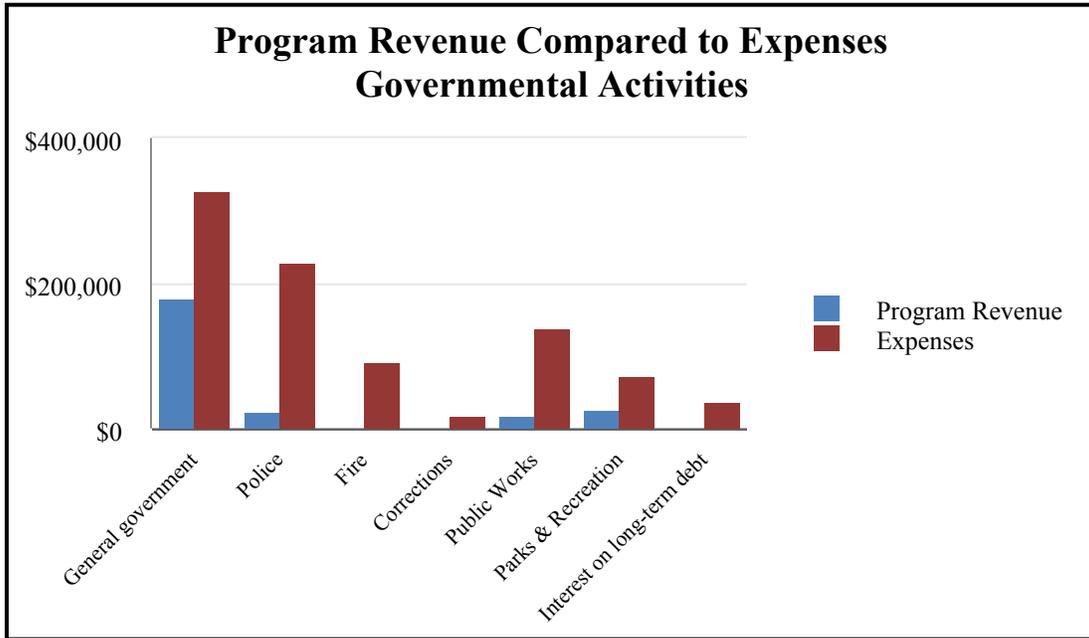
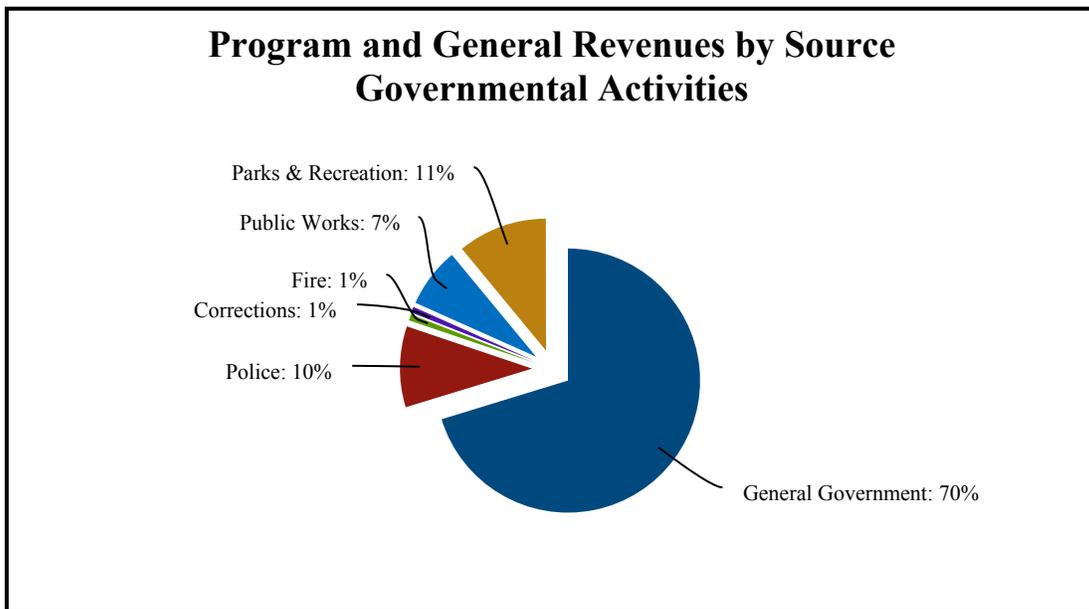


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2020:



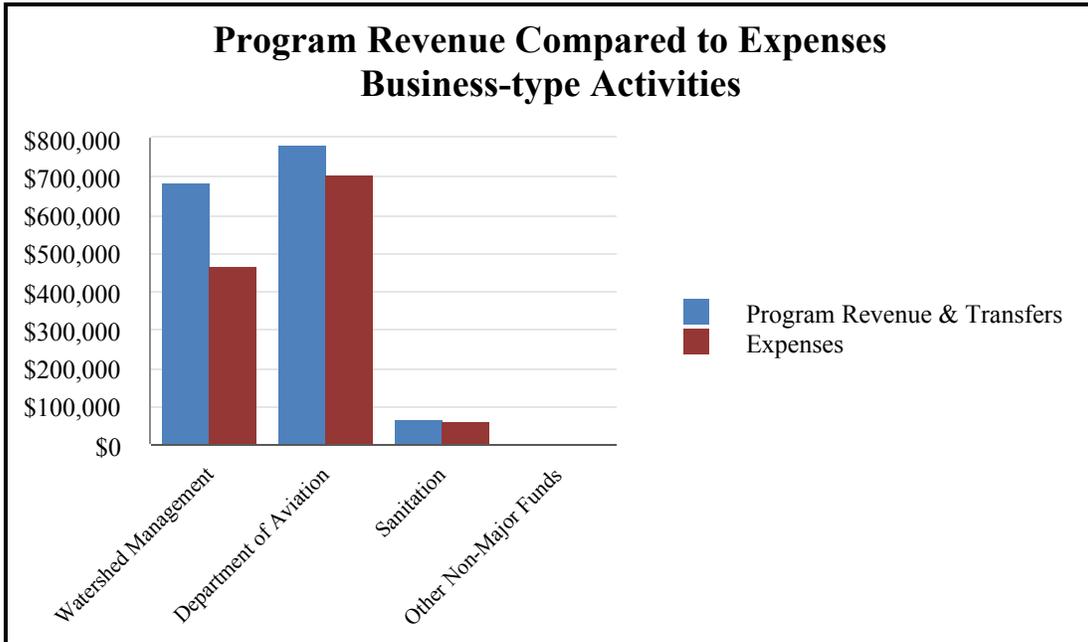
**CITY OF ATLANTA, GEORGIA**

**Management's Discussion and Analysis (Unaudited)  
June 30, 2020**

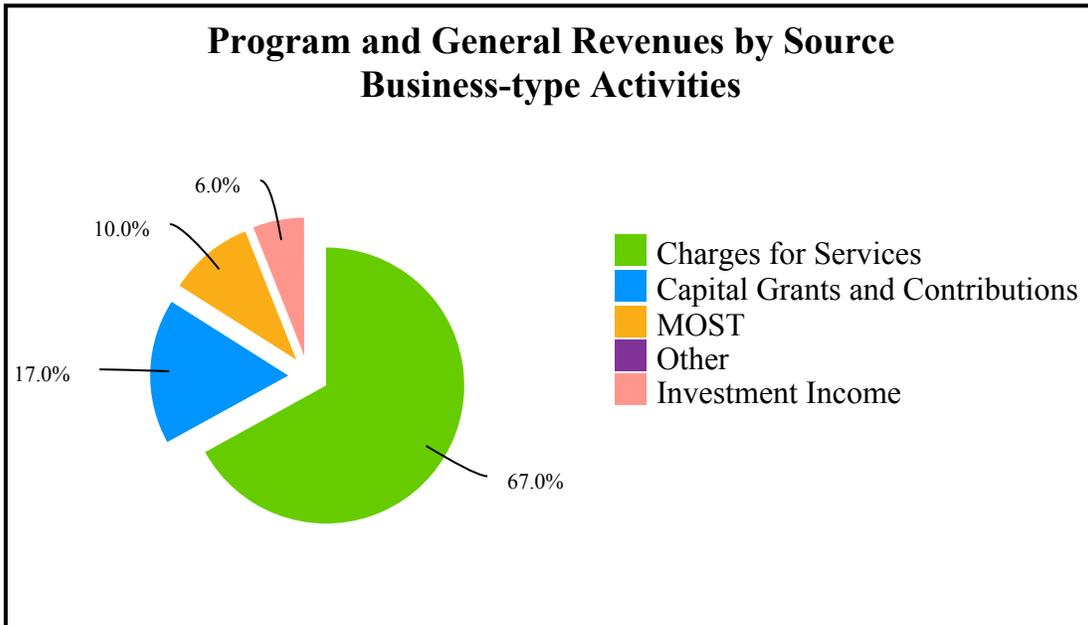
**Financial Analysis - Business-type activities**

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

**Figure 3 - Expenses for Business-type Activities, Year Ended June 30, 2020 (in thousands):**



**Figure 4 - Program Revenues for Business-type Activities, Year Ended June 30, 2020:**



**CITY OF ATLANTA, GEORGIA**

**Management's Discussion and Analysis (Unaudited)  
June 30, 2020**

**Financial Analysis - Business-type activities, continued**

*Department of Watershed Management (DWM)* The net position for DWM for the twelve month period ended June 30, 2020 increased by \$222.3 million or 6.9% to \$3.4 billion.

**Table 3 - Department of Watershed Management Revenues and Expenses - Year Ended June 30, 2020 and June 30, 2019 (in thousands):**

	<b>Year Ended June 30</b>		<b>Change</b>
	<b>2020</b>	<b>2019</b>	
<b>REVENUES</b>			
Total operating revenues	\$ 478,397	\$ 488,089	\$ (9,692)
Non-operating revenues, net	176,108	282,206	(106,098)
Total revenues	<u>654,505</u>	<u>770,295</u>	<u>(115,790)</u>
<b>EXPENSES</b>			
Total operating expenses	328,492	334,490	(5,998)
Non-operating expenses			
Interest expense	135,411	143,440	(8,029)
Other expenses	2,005	5,269	(3,264)
Total expenses	<u>465,908</u>	<u>483,199</u>	<u>(17,291)</u>
Income before Capital Contributions & Transfers	<u>188,597</u>	<u>287,096</u>	<u>(98,499)</u>
Capital Contributions	54,704	21,271	33,433
Transfers, net	<u>(20,990)</u>	<u>(22,354)</u>	<u>1,364</u>
Change In Net Position	<u>222,311</u>	<u>286,013</u>	<u>(63,702)</u>
Net Position, beginning of period	<u>3,206,161</u>	<u>2,920,148</u>	<u>286,013</u>
Net Position, end of period	<u>\$ 3,428,472</u>	<u>\$ 3,206,161</u>	<u>\$ 222,311</u>

Total DWM revenues for the year ended June 30, 2020 decreased \$115.8 million or 15.0% to \$654.5 million compared to June 30, 2019. Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, decreased by \$9.7 million or 2.0% to \$478 million. The decrease is due to an reduction in other revenue related to recoveries.

Non-operating revenue decreased by \$106.1 million which was primarily due to a decrease related to a non-cash increase in investment income due to a swap termination from prior year. Of the \$176.1 million in non-operating revenues, for 2020 the MOST (Municipal Option Sale Tax) totaled \$146.7 million compared with \$154.6 million in fiscal year 2019, a decrease of (5.1)%. Pilot and Franchise Fees paid by DWM are also included as an offset in net transfer amounts and totaled \$20.5 million during fiscal year 2020.

Total DWM expenses decreased \$17.3 million or 3.6% to \$465.9 million when compared to the year ended June 30, 2019. The primary reason for the decrease was due to a decrease in salaries and interest expenses related to debt. Total operating revenues less operating expenses, or operating margin, was \$149.9 million for fiscal year 2020, a decrease of \$3.7 million or 2.4% compared to fiscal year 2019.

**CITY OF ATLANTA, GEORGIA**

**Management's Discussion and Analysis (Unaudited)  
June 30, 2020**

**Financial Analysis - Business-type activities, continued**

**Department of Aviation (DOA)** The net position for DOA for the twelve month period ended June 30, 2020 increased by \$77.9 million or 1.5% to \$5.2 billion.

**Table 4 - Department of Aviation Revenues and Expenses - Year Ended June 30, 2020 and June 30, 2019 (in thousands):**

	Year Ended June 30		Change
	2020	2019	
<b>REVENUES</b>			
Operating revenues	\$ 442,318	\$ 568,507	\$ (126,189)
Investment income	67,418	78,595	(11,177)
Non-operating revenues, net	246,604	253,414	(6,810)
Total revenues	<u>756,340</u>	<u>900,516</u>	<u>(144,176)</u>
<b>EXPENSES</b>			
Operating expenses	595,697	573,701	21,996
Interest expense	112,353	115,208	(2,855)
Total expenses	<u>708,050</u>	<u>688,909</u>	<u>19,141</u>
(Loss) income before Capital Contributions & Transfers	<u>48,290</u>	<u>211,607</u>	<u>(163,317)</u>
Capital Contributions	29,615	21,599	8,016
Transfers Net	—	(420)	420
Change In Net Position	<u>77,905</u>	<u>232,786</u>	<u>(154,881)</u>
Net Position, beginning of period	<u>5,119,874</u>	<u>4,887,088</u>	<u>232,786</u>
Net Position, end of period	<u>\$ 5,197,779</u>	<u>\$ 5,119,874</u>	<u>\$ 77,905</u>

Total DOA revenues for the year ended June 30, 2020 of \$756.3 million decreased by \$144.2 million or 16.0% year over year due to significant decrease in passenger traffic as a result of the COVID-19 pandemic. Total operating revenues decreased \$126.2 million, or 22.2% when compared to fiscal year 2019. Operating revenues decreased primarily due to decreases in concessions, and parking and transportation network companies.

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 \$154.4 million in fiscal year 2020 compared with \$209.3 million in fiscal year 2019. CFCs, which are collected to fund the financing and operation of the Rental Car Center, were \$34 million in fiscal 2020 compared with \$41 million in fiscal 2019. DOA also received \$80.9 million from CARES (Coronavirus Aid, Relief, and Economic Security) Act as a result of the COVID-19 pandemic. Net investment income decreased to \$67.4 million during fiscal year 2020 compared to \$78.6 million in fiscal year 2019.

Total DOA expenses increased by \$19.1 million or 2.8% to \$708.0 million. Operating expenses for the period were \$595.7 million which reflect an increase of \$22.0 million or 3.8% over June 30, 2019. Repairs, maintenance, and other contractual services decreased by \$0.1 million, which is primarily

## CITY OF ATLANTA, GEORGIA

### Management's Discussion and Analysis (Unaudited) June 30, 2020

#### Financial Analysis - Business-type activities, continued

attributed to a decrease in security, ground transportation, operations, parking, capital planning and operations expenses for consulting and professional services in fiscal year 2020 compared to 2019. Salaries and employee benefits expenses increased by \$5.0 million in comparison to fiscal year 2019. Other operating expenses increased by \$5.6 million in comparison to fiscal year 2019. This increase was driven by increases in major maintenance type expenditures which were offset by a reduction in fuel facility costs and advertising expenses. Depreciation and amortization expenses increased by \$15.0 million year over year, which is attributable to a net increase of \$727.3 million of depreciable assets during fiscal year 2020.

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

#### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$1,028.0 million, an increase of \$68.7 million or 7.2%. The increase was primarily due to additional property taxes and local option taxes. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2020, the unrestricted fund balance is the combination of unassigned fund balance of \$97.3 million and assigned fund balance of \$19.8 million and totals \$117.1 million.

The General Fund is the chief operating fund of the City. During fiscal 2020, the fund balance of the general fund decreased by \$7.8 million or 4.0% to \$186.4 million. The decrease in fund balance of \$7.8 million was primarily due to the decline in revenues of \$13 million related to the COVID-19 pandemic mainly for hotel/motel revenues and local option sales taxes offset by efficiency savings of \$5 million mainly in expenditures.

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

**CITY OF ATLANTA, GEORGIA**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2020**

**Financial Analysis - Government Funds, continued**

**General Fund Budgetary Highlights**

The General Fund is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds, comprised of mostly general tax revenues and provides basic city services such as Police, Fire & Rescue, and Parks & Recreation Services. Each departmental expenditure budget must be developed and justified each year during the legally required budget adoption process. Total 2020 General Fund revenues on a generally accepted accounting principles (GAAP) basis were \$604.1 million, \$3.5 million more than the final budget of \$600.5 million. Fiscal year 2020 final revenue budget does not include prior year fund balance. Current year property taxes were \$226.8 million which was \$7.7 million more than budget. Local option sales taxes totaled \$110.8 million which was \$4.7 million less than budget. Licenses and permits revenue of \$119.2 million was \$2.5 million less than budget. The Hotel-Motel transfer-out excise tax is budgeted as transfer-in revenue and amounted to \$13.6 million, an decrease of \$7.7 million compared to \$21.3 million in fiscal year 2019.

Total 2020 General Fund expenditures on a GAAP basis were \$609.3 million, which was 24.0 million or 3.8% more than the original budgeted expenditures. An adjustment of \$24.0 million, (indicated on page 152) was made to correct the budget variance. The Department of Police and Fire exceeded their budgets due mainly to increased overtime costs related to protests and salary adjustments. Additionally, the Department of Atlanta Information Management was over budget mainly due to post cyber incident costs and contracts.

**Capital Assets and Debt Administration**

**Table 5 - Capital Assets Schedule (in thousands):**

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

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019
Land	\$ 230,972	\$ 228,804	\$ 994,826	\$ 994,565	\$ 1,225,798	\$ 1,223,369
Land improvements	15,775	17,818	1,819,060	1,739,433	1,834,835	1,757,251
Buildings and building improvements	282,501	289,503	7,622,078	7,175,053	7,904,579	7,464,556
Other property and equipment	70,936	70,071	292,115	312,504	363,051	382,575
Infrastructure	293,399	306,674	—	—	293,399	306,674
Construction in progress	285,604	202,724	1,630,282	1,731,667	1,915,886	1,934,391
<b>Total</b>	<b>\$ 1,179,187</b>	<b>\$ 1,115,594</b>	<b>\$ 12,358,361</b>	<b>\$ 11,953,222</b>	<b>\$ 13,537,548</b>	<b>\$ 13,068,816</b>

# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited) June 30, 2020

### 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, 2020 and June 30, 2019 totaled \$13.5 billion and \$13.1 billion, net of accumulated depreciation respectively. This investment in capital assets includes land, buildings and systems, improvements, construction in progress, machinery and equipment, park facilities, roads, highways, and bridges. The net increase in the City's investment in capital assets for the year ended June 30, 2020 was \$468.7 million or 3.6%.

Highlights of capital asset activity during the year ended June 30, 2020 included the following:

- \$346.7 million was added to the Construction-In-Progress (CIP) balance for various Department of Watershed Management projects and \$163.8 million of assets was transferred from CIP and placed in-service.
- \$435.0 million was added to the Construction-In-Progress (CIP) balance related to various Department of Aviation projects and \$717.3 million of assets was transferred from CIP and placed in-service.
- \$95.0 million was added to the Construction-In-Progress (CIP) balance related to various Governmental Infrastructure projects and \$12.1 million of assets was transferred from CIP and placed in-service.
- Depreciation expense during fiscal year 2020 totaled \$436.0 million city-wide.

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

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**CITY OF ATLANTA, GEORGIA**

**Management's Discussion and Analysis (Unaudited)  
June 30, 2020**

**Capital Assets and Debt Administration, continued**

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

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

	Government Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019	As of June 30, 2020	As of June 30, 2019
General obligation and annual bonds	\$ 273,900	\$ 299,095	\$ —	\$ —	\$ 273,900	\$ 299,095
Premium on bonds	23,922	26,520	—	—	23,922	26,520
Certificate of participation	63,380	67,405	—	—	63,380	67,405
Premiums	7,056	8,139	—	—	7,056	8,139
APSJFA revenue bonds	20,070	22,495	—	—	20,070	22,495
Premiums	2,090	2,701	—	—	2,090	2,701
SWMA revenue refunding bonds	4,015	5,885	—	—	4,015	5,885
Limited obligation bonds	323,960	373,300	—	—	323,960	373,300
Premium on bonds	11,216	14,265	—	—	11,216	14,265
Section 108 loans	—	220	—	—	—	220
Other general long-term obligations	40,774	41,644	—	—	40,774	41,644
Intergovernmental agreements	415,796	424,503	—	—	415,796	424,503
Loan Payable	926	982	—	—	926	982
Water and Wastewater Revenue Bonds	—	—	2,720,285	2,821,475	2,720,285	2,821,475
Bond issuance discounts	—	—	(623)	(1,631)	(623)	(1,631)
Bond issuance premiums	—	—	279,265	281,788	279,265	281,788
GEFA notes payable	—	—	185,690	193,165	185,690	193,165
Airport Facilities Revenue Bonds	—	—	2,815,580	2,318,260	2,815,580	2,318,260
Issuance premiums	—	—	244,558	98,893	244,558	98,893
Issuance discounts	—	—	(92)	(106)	(92)	(106)
Capital lease obligation (equipment)	—	—	10,526	12,570	10,526	12,570
City Plaza	—	—	8,240	8,585	8,240	8,585
Premiums	—	—	801	893	801	893
Parking Deck	—	—	13,195	14,030	13,195	14,030
Premiums	—	—	1,444	1,950	1,444	1,950
Capital Leases:						
General fund	22,390	30,050	—	—	22,390	30,050
Water and Wastewater System	—	—	138,691	143,924	138,691	143,924
Aviation	—	—	8,069	8,498	8,069	8,498
<b>Total</b>	<b>\$ 1,209,495</b>	<b>\$ 1,317,204</b>	<b>\$ 6,425,629</b>	<b>\$ 5,902,294</b>	<b>\$ 7,635,124</b>	<b>\$ 7,219,498</b>

# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited) June 30, 2020

### Long-term debt, continued

**Long-term debt** - The City's long-term debt, including capital leases, reflected a net increase of \$415.6 million or 5.8% during the current twelve-month period. General and limited obligation debt decreased by \$80.2 million in fiscal year 2020. The Department of Aviation debt (excluding capital leases) increased by \$643.0 million and Department of Watershed Management debt including GEFA notes payable (excluding capital leases) decreased by \$110.2 million. Government-wide capital lease obligations decreased by \$17.1 million during the current fiscal year.

The City's underlying ratings for its outstanding bonds at June 30, 2020 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-	AA-
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT REVENUE BONDS	Aa3	AA-	AA-

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's outstanding general obligation debt is significantly less than the current debt limitation of \$3.1 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, 2020, 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.

### COVID-19 Policy Response, Economic Factors and Next Year's Budgets

In 2020, the COVID-19 pandemic has caused abrupt declines in employment, economic growth, and key City revenues. Unlike the 2008 financial crisis, COVID-19 is an external "disruption" that is impacting the entire economy both globally and nationally. These unparalleled times pose a serious threat to the City of Atlanta's existing and future General Fund revenues which are used for operating expenses.

To combat the spread of COVID-19, the City of Atlanta has enacted numerous COVID-19 restrictions such as shelter in place mandates and closure of City businesses, buildings, and courts. As a result, the fiscal year 2021 General Fund budget was developed to reflect expected decreases in certain major revenue sources that are highly sensitive to the economic factors affected by the COVID-19 pandemic. These major revenue sources are local option sales tax, licenses and permits, public utility, alcoholic beverages, fines, hotel/motel, and other taxes.

Local Option Sales Tax (LOST) has experienced decreases that are expected to continue due to the closure of businesses, shelter in place restrictions, and shift from in person shopping to online. LOST is

## CITY OF ATLANTA, GEORGIA

### Management's Discussion and Analysis (Unaudited) June 30, 2020

#### COVID-19 Policy Response, Economic Factors and Next Year's Budgets, continued

primarily derived from consumer spending, which due to the uncertainty of the current economic environment has slowed. Sales tax is expected to experience a seasonal bump during holiday sales activity however that will not be enough to overcome the drastic declines from businesses that were forced to close for approximately 2 months and then reopened with precautions in place that make it difficult to recover from the initial closures.

License and Permits revenues are highly dependent on General Business license taxes and Building Permits, which due to the COVID-19 closure of businesses and city government buildings are experiencing declines. Business license taxes are sensitive to employment and GDP indicators, which have lowered. Building permit revenue is highly sensitive to the real estate market especially new construction and renovations. Though real estate experienced an initial slow down it is trending upward.

Public utility, alcoholic beverages and other taxes are made up primarily of public utility and alcohol taxes. The sale of wholesale alcohol and by the drink taxes is expected to suffer significantly due to closures of non-essential businesses, restaurants, and entertainment venues. Many people still do not feel safe eating in restaurants, drinking in bars, or attending sporting events, which contributes to the anticipated decline in alcohol taxes.

Fines and Penalties revenues are highly dependent on city traffic however due to shelter in place orders, there has been a significant decrease in the number of cars traveling on the roads. This combined with the closure of City Courts and the suspension of parking enforcement has contributed to the major revenue shortfall which may extend into fiscal year 2021.

Hotel Motel revenues have essentially halted; occupancy rates are at historical lows due to the Covid-19 pandemic. The erosion of business, convention, and leisure travel has resulted in reduced demand and lower room rates. In previous years Atlanta has hosted several conventions and sporting events, helping to boost these revenues. COVID-19 has temporarily wiped out the opportunities for these events, and hotel motel revenues are suffering as a result.

In September of 2020, Atlanta had an unemployment rate of 6.7% according to the Bureau of Labor Statistics. Though the unemployment rate is almost twice as high as the previous year Atlanta is still below the national average of 7.9%. If the economy remains shutdown unemployment will continue to trend higher and we may experience a lasting recession. The hotel industry has seen a significant drop in its workforce. Between 70-80% of Atlanta hotel workforce of 100,000 have been laid off due to the pandemic. Many experts believe the recovery could take as long as five years to get back to 2019 RevPAR (Revenue Per Available Room) performance. David Marvin, president of hospitality investment company Legacy Ventures says, "recovery will be slow until there is a widely available vaccine."

The Atlanta MSA has a higher percentage of skill or knowledge-based workers compared to the national average; thus, many employees have the ability to work from home during the COVID-19 pandemic. The ability for employees to continue to work minimizes some of the negative effects of the pandemic on the economy.

With the presence of the United Parcel Service and increases in e-commerce sales, Atlanta has another buffer from the brunt of the effects of an economic downturn. One area of concern however is the airline industry. Delta Airlines, one of the top employers in Atlanta, lost \$5.7B in the quarter ended September 2020 and has seen passenger revenue decline as much as 83%. According to Gus Faucher, the chief economist for PNC, "until there is a COVID-19 vaccine, the public's comfort level with the safety risks of air travel could mean lower volumes for the airlines into 2021, 2022, and beyond."

# CITY OF ATLANTA, GEORGIA

## Management's Discussion and Analysis (Unaudited) June 30, 2020

### COVID-19 Policy Response, Economic Factors and Next Year's Budgets, continued

The City Finance Office will continue to closely monitor revenue trends from COVID-19 for alignment with recent expectations and potential revision or mid-year corrective measures to budgeted revenue. Though the CARES Act funding will mitigate some of the economic impact of Covid-19 on the General Fund, revenues are not expected to fully recover until the health crisis is resolved.

Highlights of the fiscal year 2021 budget include:

- Balanced the General Fund Budget with utilization of \$34 million of fund balance; keeping commitment to increase pay for police officers and firefighters and to avoid personnel layoffs and furloughs.
- Department of Watershed Management revenue anticipation of \$570 million, a decrease of \$23 million or 4% compared to fiscal 2020.
- Department of Aviation revenue anticipation of \$370.1 million, a decrease of \$218 million or 37% compared to fiscal 2020.

### Requests for Information

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



## **Basic Financial Statements**



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**CITY OF ATLANTA, GEORGIA**  
**Statement of Net Position**  
**June 30, 2020**  
(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 34	\$ 1,443	\$ 1,477	\$ 41,906
Restricted cash	740,425	689,787	1,430,212	118,379
Equity in cash management pool	273,952	1,650,060	1,924,012	—
Restricted investments	57,765	—	57,765	—
Receivables (net of allowance for uncollectibles)	68,887	145,851	214,738	4,444
Due from other governments	29,037	62,145	91,182	—
Due from component unit	5,500	—	5,500	5,149
Capital lease receivable, current portion	—	—	—	6,829
Internal balances	54,464	(54,464)	—	—
Inventories	438	24,467	24,905	—
Other restricted assets	—	24,581	24,581	—
Prepaid expenses and other current assets	—	1,699	1,699	480
<b>Total current assets</b>	<b>1,230,502</b>	<b>2,545,569</b>	<b>3,776,071</b>	<b>177,187</b>
Noncurrent assets:				
Restricted cash	—	331,304	331,304	58,549
Restricted investments	—	927,530	927,530	—
Investments	—	—	—	8,981
Due from primary government	—	—	—	666,204
Capital assets:				
Capital assets not being depreciated	516,576	2,625,108	3,141,684	299,838
Capital assets being depreciated	1,925,591	16,203,201	18,128,792	520,730
Less accumulated depreciation	(1,262,980)	(6,469,948)	(7,732,928)	(195,948)
Investments in joint venture	—	69,628	69,628	—
Restricted investments in escrow	7,399	—	7,399	—
Due from other parties	10,758	—	10,758	—
Due from component unit	—	24,000	24,000	49,455
Other assets	10,261	—	10,261	14,953
Long-term receivable	—	—	—	6,768
<b>Total noncurrent assets</b>	<b>1,207,605</b>	<b>13,710,823</b>	<b>14,918,428</b>	<b>1,429,530</b>
<b>Total Assets</b>	<b>2,438,107</b>	<b>16,256,392</b>	<b>18,694,499</b>	<b>1,606,717</b>
Deferred outflows of resources:				
Pension related deferred outflows	137,727	44,750	182,477	—
OPEB related deferred outflows	81,623	41,638	123,261	—
Deferred losses on swap termination and debt refunding	13,852	265,601	279,453	3,250
<b>Total deferred outflows of resources</b>	<b>233,202</b>	<b>351,989</b>	<b>585,191</b>	<b>3,250</b>
<b>Total assets and deferred outflows of resources</b>	<b>2,671,309</b>	<b>16,608,381</b>	<b>19,279,690</b>	<b>1,609,967</b>

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Statement of Net Position  
June 30, 2020  
(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 122,855	\$ 207,004	\$ 329,859	\$ 7,531
Accrued expenses	7,002	34,303	41,305	—
Accrued interest payable	3,601	99,602	103,203	11,238
Current portion of claims payable	6,788	415	7,203	—
Contract retentions	2,303	30,086	32,389	—
Due to other governments	137	—	137	—
Due to component unit	22,719	—	22,719	—
Other liabilities	—	3,919	3,919	4,805
Current portion of unearned revenue	77,006	3,779	80,785	2,683
Commercial paper notes payables	—	374,160	374,160	—
Current portion of Net OPEB liability	23,708	11,572	35,280	—
Current portion of long-term debt, capital leases, SWAPS	117,497	232,754	350,251	39,513
Current portion of other liabilities	6,320	495	6,815	604
Total current liabilities	<u>389,936</u>	<u>998,089</u>	<u>1,388,025</u>	<u>66,374</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	657,581	6,043,506	6,701,087	782,693
Noncurrent portion of claims payable	3,960	4,836	8,796	—
Noncurrent portion of capital leases	18,621	149,369	167,990	—
Noncurrent portion of contract retentions	—	5,448	5,448	—
Noncurrent portion of unearned revenue	—	25,249	25,249	—
Net pension liability	750,141	364,223	1,114,364	—
Net OPEB liability, net of current portion	648,709	308,109	956,818	—
Due to primary government	—	—	—	41,571
Due to component unit	393,077	—	393,077	—
Other long-term liabilities	52,042	34,033	86,075	34,368
Total non-current liabilities	<u>2,524,131</u>	<u>6,934,773</u>	<u>9,458,904</u>	<u>858,632</u>
Total Liabilities	<u>2,914,067</u>	<u>7,932,862</u>	<u>10,846,929</u>	<u>925,006</u>
Deferred inflows of resources				
Pension related deferred inflows	165,300	68,952	234,252	—
OPEB related deferred inflows	203,415	108,638	312,053	—
Accumulated deferred gain on refundings	—	—	—	329,814
Accumulated increase in fair value of derivative instruments	10,261	—	10,261	—
Total deferred inflows of resources	<u>378,976</u>	<u>177,590</u>	<u>556,566</u>	<u>329,814</u>
Total liabilities and deferred inflows of resources	<u>3,293,043</u>	<u>8,110,452</u>	<u>11,403,495</u>	<u>1,254,820</u>
<b>NET POSITION</b>				
Net investment in capital assets	253,197	6,457,144	6,710,341	\$ 233,193
Restricted for:				
Debt service	391,800	458,750	850,550	\$ 51,377
Programs	205,674	—	205,674	\$ 80,680
Capital projects	254,705	665,704	920,409	\$ 18,700
Unrestricted (deficit)	<u>(1,727,110)</u>	<u>916,331</u>	<u>(810,779)</u>	<u>\$ (28,803)</u>
Total Net Position (Deficit)	<u>\$ (621,734)</u>	<u>\$ 8,497,929</u>	<u>\$ 7,876,195</u>	<u>\$ 355,147</u>

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**  
**(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	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 259,946	\$ 141,974	\$ 39,032	\$ —	\$ (78,940)	\$ —	\$ (78,940)	
Police	205,209	23,964	6,589	—	(174,656)	—	(174,656)	
Fire	83,403	721	198	—	(82,484)	—	(82,484)	
Corrections	17,339	1,822	501	—	(15,016)	—	(15,016)	
Public Works	124,193	7,557	2,078	—	(114,558)	—	(114,558)	
Parks, Recreation and Cultural Affairs	66,907	25,428	6,991	—	(34,488)	—	(34,488)	
Interest on long-term debt	37,555	—	—	—	(37,555)	—	(37,555)	
<b>Total Governmental activities</b>	<b>794,552</b>	<b>201,466</b>	<b>55,389</b>	<b>—</b>	<b>(537,697)</b>	<b>—</b>	<b>(537,697)</b>	
<b>Business-type activities:</b>								
Watershed Management	465,908	478,397	—	54,704	—	67,193	67,193	
Aviation	716,194	442,318	—	203,482	—	(70,394)	(70,394)	
Sanitation	64,601	74,584	—	—	—	9,983	9,983	
Parking Deck	506	1,032	—	—	—	526	526	
City Plaza	965	1,460	—	—	—	495	495	
<b>Total Business-type activities</b>	<b>1,248,174</b>	<b>997,791</b>	<b>—</b>	<b>258,186</b>	<b>—</b>	<b>7,803</b>	<b>7,803</b>	
<b>Total Primary Government</b>	<b>\$2,042,726</b>	<b>\$1,199,257</b>	<b>\$ 55,389</b>	<b>\$ 258,186</b>	<b>\$ (537,697)</b>	<b>\$ 7,803</b>	<b>\$ (529,894)</b>	
<b>Component Units</b>	<b>\$ 110,218</b>	<b>\$ 23,788</b>	<b>\$ 33,134</b>	<b>\$ 70,119</b>				<b>\$ 16,823</b>
<b>General Revenues</b>								
					222,468	—	222,468	—
					213,215	—	213,215	—
					168,130	146,696	314,826	—
					165,852	—	165,852	702
					362	—	362	—
					17,786	96,867	114,653	6,767
					—	80,881	80,881	—
					—	(4,841)	(4,841)	9,535
<b>Total General revenues</b>					<b>787,813</b>	<b>319,603</b>	<b>1,107,416</b>	<b>17,004</b>
Transfers					22,287	(22,287)	—	—
<b>Total general revenues, special items and transfers</b>					<b>810,100</b>	<b>297,316</b>	<b>1,107,416</b>	<b>17,004</b>
Change in net position					272,403	305,119	577,522	33,827
Net Position (Deficit) - beginning of period					(894,137)	8,192,810	7,298,673	321,320
<b>NET POSITION (DEFICIT) - END OF PERIOD</b>					<b>\$ (621,734)</b>	<b>\$ 8,497,929</b>	<b>\$7,876,195</b>	<b>\$ 355,147</b>

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report



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**CITY OF ATLANTA, GEORGIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**  
(Dollars in Thousands)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 34	\$ —	\$ —	\$ 34
Cash and cash equivalents, restricted	—	205,487	534,938	740,425
Equity in cash management pool	126,988	384	141,060	268,432
Restricted investments	—	—	57,765	57,765
Receivables:				
Taxes	4,710	—	13,787	18,497
Accounts	18,176	—	31,525	49,701
Due from other governments	—	5,500	29,037	34,537
Due from other funds	107,408	—	—	107,408
Investments in escrow	—	7,399	—	7,399
<b>TOTAL ASSETS</b>	<b>\$ 257,316</b>	<b>\$ 218,770</b>	<b>\$ 808,112</b>	<b>\$ 1,284,198</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 54,518	\$ 9,641	\$ 49,291	\$ 113,450
Accrued expenditures	5,789	2	221	6,012
Contract retentions	27	1,855	421	2,303
Due to other governments	—	—	137	137
Due to other funds	6,276	18,391	23,884	48,551
Advance due to other funds	—	—	—	—
Unearned revenue	—	—	77,006	77,006
<b>Total Liabilities</b>	<b>66,610</b>	<b>29,889</b>	<b>150,960</b>	<b>247,459</b>
Deferred inflows of resources				
Deferred inflows of property taxes	4,280	—	4,505	8,785
<b>Total liabilities and deferred inflows of resources</b>	<b>70,890</b>	<b>29,889</b>	<b>155,465</b>	<b>256,244</b>
Fund Balances:				
Nonspendable	29,094	—	—	29,094
Restricted	—	188,881	663,527	852,408
Committed	29,395	—	—	29,395
Assigned	19,800	—	—	19,800
Unassigned	108,137	—	(10,880)	97,257
<b>Total fund balances</b>	<b>186,426</b>	<b>188,881</b>	<b>652,647</b>	<b>1,027,954</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 257,316</b>	<b>\$ 218,770</b>	<b>\$ 808,112</b>	<b>\$ 1,284,198</b>

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**CITY OF ATLANTA, GEORGIA**  
**Reconciliation of Governmental Funds Balance Sheet**  
**To the Government-wide Statement of Net Position**  
**June 30, 2020**  
**(Dollars in Thousands)**

Total fund balances		\$ 1,027,954
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred inflows for property taxes are not recognized as current year revenues and, therefore, are classified as deferred inflows in the governmental funds		8,785
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Land and construction in progress	516,576	
Cost of capital assets	1,925,591	
Less: accumulated depreciation	<u>(1,262,980)</u>	1,179,187
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	25,363	
Deferred outflows-Fire pension	44,613	
Deferred outflows-Police pension	<u>67,751</u>	137,727
Certain amounts related to the OPEB liability are deferred and amortized over time		
Deferred outflows of resources-OPEB	<u>81,623</u>	81,623
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>13,852</u>	13,852
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	(393)	
Net Position for internal service fund	<u>(7,748)</u>	(8,141)
Certain amounts related to the net pension liability are deferred and amortized over time		
Deferred inflows of resources- General pension	(49,910)	
Deferred inflows of resources- Fire pension	(33,102)	
Deferred inflows of resources- Police pension	<u>(82,288)</u>	(165,300)
Certain amounts related to the OPEB liability are deferred and amortized over time		
Deferred inflows of resources-OPEB	<u>(203,415)</u>	(203,415)
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in governmental funds.		
Accrued interest payable	<u>(3,601)</u>	(3,601)
Due to component units	(415,796)	
Long-term debt	(273,900)	
Certificates of Participation	(63,380)	
APSJFA revenue bonds	(20,070)	
SWMA revenue refunding bonds	(4,015)	
Limited obligation bonds	(323,960)	
Capital leases	(22,390)	
Other general long-term obligations	(40,774)	
Unamortized premiums (discounts) on bond issues	(44,284)	
Vacation and compensated absences payable	(24,678)	
Loans payable	(926)	
Net Pension liability	(750,141)	
Net OPEB obligation	(672,417)	
Health, dental and general claims payable	(15,000)	
Workers' compensation	<u>(29,432)</u>	(2,701,163)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ (621,734)</u></b>

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2020  
(Dollars in Thousands)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 226,849	\$ —	\$ 213,215	\$ 440,064
Local and municipal option sales taxes	110,770	—	57,360	168,130
Public utility, alcoholic beverage and other taxes	105,918	—	59,934	165,852
Licenses and permits	119,237	—	1,046	120,283
Charges for current services	6,129	—	36,555	42,684
Fines, forfeitures and penalties	18,541	871	1,198	20,610
Investment income	7,155	3,055	7,446	17,656
Intergovernmental revenues and contributions:				
Federal revenues	362	—	46,190	46,552
State and local grants and contributions	—	—	8,837	8,837
Building rentals and concessions	4,542	—	1,183	5,725
Other	4,549	(5)	6,748	11,292
<b>Total revenues</b>	<b>604,052</b>	<b>3,921</b>	<b>439,712</b>	<b>1,047,685</b>
<b>EXPENDITURES</b>				
Current:				
General government	192,569	22,421	140,644	355,634
Police	205,133	8,385	23,632	237,150
Fire	90,647	5,988	(206)	96,429
Corrections	19,143	395	904	20,442
Public Works	52,373	19,105	53,334	124,812
Parks, recreation and cultural affairs	42,985	14,678	9,942	67,605
Debt Service:				
Principal payments	5,606	9,324	73,536	88,466
Interest payments	838	5,645	27,411	33,894
Paying agent fees	40	2	18	60
<b>Total Expenditures</b>	<b>609,334</b>	<b>85,943</b>	<b>329,215</b>	<b>1,024,492</b>
Excess (deficiency) of revenues over expenditures	(5,282)	(82,022)	110,497	23,193
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	373	—	—	373
Payment to refunded bond escrow agent	—	(23,308)	—	(23,308)
Premium on debt issuance	—	1,479	—	1,479
Issuance of long term debt	—	44,640	—	44,640
Transfers in	34,586	33,901	13,826	82,313
Transfers out	(37,463)	(2,486)	(20,077)	(60,026)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,504)</b>	<b>54,226</b>	<b>(6,251)</b>	<b>45,471</b>
Net change in fund balance	(7,786)	(27,796)	104,246	68,664
Fund Balance:				
Beginning of the period	194,212	216,677	548,401	959,290
<b>FUND BALANCE, END OF PERIOD</b>	<b>\$ 186,426</b>	<b>\$ 188,881</b>	<b>\$ 652,647</b>	<b>\$ 1,027,954</b>

The accompanying notes are an integral part of this statement  
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**CITY OF ATLANTA, GEORGIA**  
**Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance**  
**To the Government-wide Statement of Activities**  
**For the Year Ended June 30, 2020**  
**(Dollars in Thousands)**

Net change in fund balance - total governmental funds	\$	68,664
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property taxes in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds		(4,381)
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	114,105	
Disposal of assets	(1,260)	
Depreciation expense	<u>(49,252)</u>	63,593
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	145,008	
Issuance of long-term debt	(44,640)	
Capitalization of premiums and discounts	(1,479)	
Amortization of premiums and discounts	<u>8,820</u>	107,709
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.		
	<u>(7,680)</u>	(7,680)
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	(1,886)	
Deferred outflows-Fire pension	744	
Deferred outflows-Police pension	(20,049)	
Deferred inflows of resources- General pension	25,069	
Deferred inflows of resources- Fire pension	1,818	
Deferred inflows of resources- Police pension	<u>(1,205)</u>	4,491
OPEB related items reported in the statement of activities that do not require the use of current financial resources to governmental funds.		
Deferred outflows-OPEB	12,768	
Deferred inflows of resources-OPEB	<u>67,226</u>	79,994
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 accrued interest payable	<u>3,082</u>	3,082
Change in due from other parties	—	
Change in net pension liability	(13,841)	
Amortization of deferred losses on refunding	(1,978)	
Change in health, dental and general claims payable	(2,941)	
Change in vacation and compensated absences	(2,002)	
Change in net OPEB obligation	(31,000)	
Change in workers' compensation	<u>8,693</u>	(43,069)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>272,403</u></b>

The accompanying notes are an integral part of this statement  
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**CITY OF ATLANTA, GEORGIA**  
Statement of Net Position  
Proprietary Funds  
June 30, 2020  
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Governmental Activities	
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,394	\$ 49	—	\$ 1,443	\$ —
Restricted cash and cash equivalents	178,492	511,050	245	689,787	—
Equity in cash management pool	806,205	840,537	3,318	1,650,060	5,520
Receivables:					
Accounts	209,060	30,228	53,683	292,971	689
MOST receivable	10,621	—	—	10,621	—
Less allowance for doubtful accounts	(139,002)	(8,267)	(10,472)	(157,741)	—
Total receivables, net	<u>80,679</u>	<u>21,961</u>	<u>43,211</u>	<u>145,851</u>	<u>689</u>
Due from other governments	62,145	—	—	62,145	—
Due from other funds	77	—	—	77	—
Advance to other funds, current portion	6,199	—	—	6,199	—
Inventories	12,577	11,890	—	24,467	438
Prepaid expenses	—	1,699	—	1,699	—
Restricted assets	597	23,984	—	24,581	—
Total current assets	<u>1,148,365</u>	<u>1,411,170</u>	<u>46,774</u>	<u>2,606,309</u>	<u>6,647</u>
Noncurrent assets:					
Restricted cash and cash equivalents	30,653	300,651	—	331,304	—
Restricted investments	166,900	760,630	—	927,530	—
Investment in joint venture	69,628	—	—	69,628	—
Due from other component units	24,000	—	—	24,000	—
Capital assets:					
Land	128,958	584,230	3,862	717,050	136
Construction in progress	836,893	793,389	—	1,630,282	—
Land improvements	13,173	3,572,479	1,801	3,587,453	29
Land purchased for noise abatement	—	277,776	—	277,776	—
Buildings and other structures	—	4,708,993	45,040	4,754,033	5,507
Water collection and distribution system	5,005,762	—	—	5,005,762	—
Water and wastewater plant and treatment facilities	2,037,169	—	—	2,037,169	—
Machinery, equipment, and other	290,783	488,835	39,166	818,784	3,805
Less accumulated depreciation	(2,680,245)	(3,757,510)	(32,193)	(6,469,948)	(9,084)
Capital assets, net	<u>5,632,493</u>	<u>6,668,192</u>	<u>57,676</u>	<u>12,358,361</u>	<u>393</u>
Total noncurrent assets	<u>5,923,674</u>	<u>7,729,473</u>	<u>57,676</u>	<u>13,710,823</u>	<u>393</u>
Total assets	<u>7,072,039</u>	<u>9,140,643</u>	<u>104,450</u>	<u>16,317,132</u>	<u>7,040</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related deferred outflows	16,217	24,758	3,775	44,750	—
OPEB related deferred outflows	16,989	20,601	4,048	41,638	—
Accumulated losses on debt refunding	233,642	31,959	—	265,601	—
Total assets and deferred outflows of resources	<u>\$ 7,338,887</u>	<u>\$ 9,217,961</u>	<u>\$ 112,273</u>	<u>\$ 16,669,121</u>	<u>\$ 7,040</u>

The accompanying notes are an integral part of this statement  
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**CITY OF ATLANTA, GEORGIA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**  
**(Dollars in Thousands)**

	Business Activities - Enterprise Funds			Governmental Activities	
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
<b>LIABILITIES</b>					
Liabilities:					
Current liabilities					
Accounts payable	\$ 39,334	\$ 31,734	\$ 2,369	\$ 73,437	\$ 9,405
Accrued expenses	10,976	22,917	410	34,303	990
Current portion of unearned revenue	—	3,779	—	3,779	—
Current portion of Net OPEB	5,764	4,518	1,290	11,572	—
Current portion of claims payable	415	—	—	415	—
Current portion of other liabilities	254	186	55	495	—
Deposits and advances	9,519	—	—	9,519	—
Accrued interest payable	—	39,075	—	39,075	—
Due to other funds	—	—	35,293	35,293	29,840
Current portion of other debt	4,482	94,815	—	99,297	—
Current maturities of capital leases	5,341	—	2,118	7,459	—
Accrued workers' compensation	1,922	352	1,645	3,919	—
Current liabilities	<u>78,007</u>	<u>197,376</u>	<u>43,180</u>	<u>318,563</u>	<u>40,235</u>
Current liabilities payable from restricted assets:					
Accounts payable	42,054	81,994	—	124,048	—
Accrued interest payable	30,518	29,980	29	60,527	—
Contract retention	10,582	19,504	—	30,086	—
Commercial paper notes payables	16,258	357,902	—	374,160	—
Current maturities of capital leases	—	458	—	458	—
Current maturities of long-term debt	79,080	45,245	1,215	125,540	—
Total current liabilities payable from restricted assets	<u>178,492</u>	<u>535,083</u>	<u>1,244</u>	<u>714,819</u>	<u>—</u>
Total current liabilities	<u>256,499</u>	<u>732,459</u>	<u>44,424</u>	<u>1,033,382</u>	<u>40,235</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,101,055	2,919,986	22,465	6,043,506	—
Capital lease obligations, excluding current maturities	133,350	7,611	8,408	149,369	—
Unearned revenue	—	25,249	—	25,249	—
Net pension liability	179,601	145,334	39,288	364,223	—
Net OPEB liability	145,728	112,789	49,592	308,109	—
Claims payable	3,906	717	213	4,836	—
Contract retention, excluding current portion	—	5,448	—	5,448	—
Accrued workers' compensation	8,469	1,551	7,250	17,270	—
Landfill postclosure costs	—	—	16,763	16,763	—
Total noncurrent liabilities	<u>3,572,109</u>	<u>3,218,685</u>	<u>143,979</u>	<u>6,934,773</u>	<u>—</u>
Total Liabilities	<u>3,828,608</u>	<u>3,951,144</u>	<u>188,403</u>	<u>7,968,155</u>	<u>40,235</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferred inflows	33,577	28,435	6,940	68,952	—
OPEB related deferred inflows	48,230	40,603	19,805	108,638	—
Total liabilities and deferred inflows of resources	<u>3,910,415</u>	<u>4,020,182</u>	<u>215,148</u>	<u>8,145,745</u>	<u>40,235</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,810,162	3,612,986	33,996	6,457,144	393
Restricted					
Debt service	—	458,750	—	458,750	—
Capital projects	—	665,704	—	665,704	—
Unrestricted (deficit)	<u>618,310</u>	<u>460,339</u>	<u>(136,871)</u>	<u>941,778</u>	<u>(33,588)</u>
Total Net Position (Deficit)	<u>\$ 3,428,472</u>	<u>\$ 5,197,779</u>	<u>\$ (102,875)</u>	<u>\$ 8,523,376</u>	<u>\$ (33,195)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(25,447)</u>	
Net position of business-type activities				<u>\$ 8,497,929</u>	

The accompanying notes are an integral part of this statement  
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**CITY OF ATLANTA, GEORGIA**  
**Statement of Revenue, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**  
**(Dollars in Thousands)**

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
Operating revenues:					
Charges for services	\$ 451,898	\$ 276,807	\$ 73,225	\$ 801,930	\$ 189,306
Sewer service charges from other governmental units	21,150	—	—	21,150	—
Rentals, admissions and concessions	14	146,612	1,985	148,611	—
Other	5,335	18,899	1,866	26,100	88
Total operating revenues	478,397	442,318	77,076	997,791	189,394
Operating expenses:					
Salaries and employee benefits	84,335	97,237	21,732	203,304	124,665
Utilities	21,413	8,105	393	29,911	547
Supplies and materials	21,388	4,559	1,218	27,165	10,869
Repairs, maintenance and other contractual services	13,265	158,015	186	171,466	5,457
Motor equipment services	7,016	—	7,425	14,441	468
Engineering and consultant fees	43,531	23,149	11,491	78,171	962
General services and other costs	26,583	32,137	18,595	77,315	58,538
Depreciation and amortization	110,961	272,495	3,277	386,733	53
Total operating expenses	328,492	595,697	64,317	988,506	201,559
Operating income (loss)	149,905	(153,379)	12,759	9,285	(12,165)
Non-operating revenues (expenses):					
Investment income, net of capitalized interest	29,412	67,418	38	96,868	130
Municipal Option Sales Tax revenue	146,696	—	—	146,696	—
Interest expense	(135,411)	(112,353)	(994)	(248,758)	(462)
Passenger facility charges	—	154,393	—	154,393	—
Customer facility charges	—	19,474	—	19,474	—
Non-capital grants	—	80,881	—	80,881	—
Other revenue (expenses), net	(2,005)	(8,144)	(765)	(10,914)	4
Total nonoperating revenues (expenses), net	38,692	201,669	(1,721)	238,640	(328)
Income (loss) before capital contributions and transfers	188,597	48,290	11,038	247,925	(12,493)
Capital contributions	54,704	29,615	—	84,319	—
Transfers in	—	—	3,873	3,873	—
Transfers out	(20,990)	—	(5,170)	(26,160)	—
Change in net position	222,311	77,905	9,741	309,957	(12,493)
Net Position, beginning of period	3,206,161	5,119,874	(112,616)	8,213,419	(20,702)
Net Position, end of period	\$ 3,428,472	\$ 5,197,779	\$ (102,875)	\$ 8,523,376	\$ (33,195)
			Change in net position	309,957	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				(4,838)	
			Change in net position of business-type activities	\$ 305,119	

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**  
**(Dollars in Thousands)**

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
<b>Cash flows from operating activities</b>					
Cash received from user charges	\$ 428,183	\$ 410,654	\$ 78,510	\$ 917,347	\$ 189,367
Cash received for interfund services received	9,827	—	—	9,827	—
Cash paid for interfund services received	(7,782)	—	—	(7,782)	—
Cash paid to employees for services	(116,467)	(103,530)	(28,805)	(248,802)	(124,249)
Cash paid to suppliers for goods and services	(114,807)	(232,581)	(43,264)	(390,652)	(64,005)
Net cash provided by operating activities	198,954	74,543	6,441	279,938	1,113
<b>Cash flows from noncapital financing activities</b>					
Non-capital grants and donations	(2,005)	80,881	—	78,876	—
Transfers in	148,824	—	3,873	152,697	—
Transfers out	(20,990)	—	(5,170)	(26,160)	—
Net cash provided by (used in) noncapital financing activities	125,829	80,881	(1,297)	205,413	—
<b>Cash flows from capital and related financing activities</b>					
Capital grants and donations	54,704	21,648	—	76,352	—
Principal repayments of long-term debt	(231,527)	(1,723,454)	(3,526)	(1,958,507)	—
Acquisition, construction and improvements of capital assets	(358,200)	(438,361)	(95)	(796,656)	(74)
Passenger and customer facility charges	—	200,036	—	200,036	—
Proceeds from bond/note issuances	134,140	2,024,501	—	2,158,641	—
Premium from issuance of debt	19,618	—	—	19,618	—
Interest paid	(149,936)	(134,162)	(1,808)	(285,906)	(462)
Net cash provided by (used in) capital and related financing activities	(531,201)	(49,792)	(5,429)	(586,422)	(536)
<b>Cash flows from investing activities</b>					
Change in equity in cash management pool	75,408	(48,114)	(635)	26,659	(707)
Interest on investments	28,618	91,747	38	120,403	130
Purchases of restricted investments	—	(820,413)	—	(820,413)	—
Sales and redemptions of restricted investments	3,466	1,119,432	—	1,122,898	—
Net cash provided by (used in) investing activities	107,492	342,652	(597)	449,547	(577)
Increase (decrease) in cash and cash equivalents	(98,926)	448,284	(882)	348,476	—
Cash and cash equivalents:					
Beginning of year	309,465	363,466	1,127	674,058	—
End of year	\$ 210,539	\$ 811,750	\$ 245	\$ 1,022,534	\$ —

continued

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020  
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 149,905	\$ (153,379)	\$ 12,759	\$ 9,285	\$ (12,165)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	110,961	272,495	3,277	386,733	53
Changes in assets and liabilities					
Accounts receivable - net of allowance	2,831	(11,722)	1,435	(7,456)	(27)
Inventories	(386)	(1,224)	—	(1,610)	219
Due from other funds	10,125	—	—	10,125	—
Prepaid expenses	—	160	(622)	(462)	1,089
Due (from) other governmental units, net	(43,573)	—	—	(43,573)	—
Investment in joint venture	2,640	—	—	2,640	—
Accounts payable and accrued expenses	(23,013)	(18,908)	(486)	(42,407)	3,318
Unearned revenue	—	(3,787)	—	(3,787)	—
Other liabilities	—	(9,092)	(6,452)	(15,544)	416
Claims payable	(10,891)	—	—	(10,891)	—
Customer deposits	355	—	—	355	—
Due to other funds	—	—	(3,470)	(3,470)	8,210
Net cash provided by (used in) operating activities	<u>\$ 198,954</u>	<u>\$ 74,543</u>	<u>\$ 6,441</u>	<u>\$ 279,938</u>	<u>\$ 1,113</u>
Schedule of noncash capital and related financing activity:					
Acquisition of capital assets with accounts payable	\$ 42,054	\$ 81,994	\$ —	\$ 124,048	—
Amortization of bond discount and premium, net	21,133	22,071	—	43,204	—
Accrued contract retention	—	24,952	—	24,952	—
Retainage payable	10,582	—	—	10,582	—

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020  
(Dollar amounts in thousands)

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 72,085	\$ 152
Equity in cash management pool	—	24,735
Receivables:		
Other employee contributions	3,450	—
Other employer contributions	5,807	—
Due from brokers	2,786	—
Accrued interest receivable	3,847	—
Other receivables	15,626	982
Total receivables	31,516	982
Investments:		
Cash and cash equivalents	159,613	—
Domestic fixed income securities	782,714	—
Domestic equities	2,115,805	—
International fixed income securities	5,254	—
International equities	208,021	—
Alternative partnerships:		
Real estate	54,339	—
Limited partnerships	57,600	—
Commingled funds	107,493	—
Total investments	3,490,839	—
Total assets	3,594,440	25,869
<b>LIABILITIES</b>		
Payables:		
Accounts payable	6,389	25,869
Due to brokers for investments purchased	27,815	—
Total liabilities	34,204	25,869
<b>Net Position Restricted for Pension</b>	<b>\$ 3,560,236</b>	

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2020  
(Dollars in Thousands)

	<u><b>Pension Trust Funds</b></u>
Additions	
Contributions:	
Employer contributions	\$ 155,641
Employee contributions	52,484
Refunds and other	362
Total Contributions	<u>208,487</u>
Investment income:	
Net change in fair value of investments	80,930
Investment income	32,945
Securities lending income	36
Less: Investment expenses	<u>(8,904)</u>
Net investment income	<u>105,007</u>
Total Additions	<u>313,494</u>
Deductions	
Benefit payments	318,460
Administrative expenses	<u>3,241</u>
Total Deductions	<u>321,701</u>
Change in net position	(8,207)
Net position held in trust for pension benefits:	
Beginning of period	<u>3,568,443</u>
End of period	<u><u>\$ 3,560,236</u></u>

The accompanying notes are an integral part of this statement  
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## Component Units

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

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





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**CITY OF ATLANTA, GEORGIA**  
**Component Units**  
Statement of Net Position  
For the Year Ended June 30, 2020  
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 14,687	\$ 27,219	\$ 41,906
Restricted cash and cash equivalents	—	118,379	118,379
Restricted Investments	—	—	—
Short-term investments	—	—	—
Receivables:			
Accounts	425	—	425
Other receivables	—	4,019	4,019
Total receivables	425	4,019	4,444
Due from primary government	—	—	—
Due from other component units	—	5,149	5,149
Current portion of capital lease receivable	—	6,829	6,829
Prepaid expenses and other assets	8	472	480
Total current assets	15,120	162,067	177,187
Noncurrent Assets:			
Unrestricted assets:			
Due from primary government	380,279	285,925	666,204
Investments	—	8,981	8,981
Other receivable	—	1,809	1,809
Mortgage loans receivable	—	4,959	4,959
Due from other component units	—	49,455	49,455
Other assets	—	14,953	14,953
Total unrestricted assets	380,279	366,082	746,361
Restricted assets:			
Cash	58,549	—	58,549
Total restricted assets	58,549	—	58,549
Capital assets - at cost:			
Land	22,497	107,532	130,029
Construction-in-progress	—	169,809	169,809
Land improvements	346	5,809	6,155
Buildings and improvements	454,687	39,367	494,054
Other property and equipment	15,745	4,776	20,521
	493,275	327,293	820,568
Less accumulated depreciation	(169,303)	(26,645)	(195,948)
Capital assets, net	323,972	300,648	624,620
Total assets	777,920	828,797	1,606,717
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Accumulated deferred losses on debt refunding	\$ 2,034	\$ 1,216	\$ 3,250
Total assets and deferred outflows of resources	\$ 779,954	\$ 830,013	\$ 1,609,967

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Component Units**  
Statement of Net Position  
For the Year Ended June 30, 2020  
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 25	\$ 7,506	\$ 7,531
Accrued interest payable	—	11,238	11,238
Other liabilities	9	4,796	4,805
Unearned revenues	—	2,683	2,683
Current portion of long-term debt	—	29,403	29,403
Total current liabilities	<u>34</u>	<u>55,626</u>	<u>55,660</u>
Liabilities payable from restricted assets:			
Current portion of long-term debt	10,110	—	10,110
Other liabilities	604	—	604
Total liabilities payable from restricted assets	<u>10,714</u>	<u>—</u>	<u>10,714</u>
Long-term liabilities:			
Long-term debt, less current portion	372,715	409,978	782,693
Other long-term liabilities	—	34,368	34,368
Due to primary government	17,571	24,000	41,571
Total long-term liabilities	<u>390,286</u>	<u>468,346</u>	<u>858,632</u>
Total liabilities	<u>401,034</u>	<u>523,972</u>	<u>925,006</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated deferred gain on refundings	328,930	884	329,814
Total liabilities and deferred inflows of resources	<u>729,964</u>	<u>524,856</u>	<u>1,254,820</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,343	219,850	233,193
Restricted	21,539	129,218	150,757
Unrestricted (deficit)	15,108	(43,911)	(28,803)
Total net position	<u>\$ 49,990</u>	<u>\$ 305,157</u>	<u>\$ 355,147</u>

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Component Units**  
Statement of Activities  
For the Year Ended June 30, 2020  
(Dollars in Thousands)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	TOTALS
<b>Component Units</b>							
Business-type activities							
Atlanta Fulton County Recreation Authority	\$ 32,678	\$ 4,266	\$ 270	\$ 8,978	\$ (19,164)	\$ —	\$ (19,164)
Atlanta Development Authority	77,540	19,522	32,864	61,141	—	35,987	35,987
Total Business-type activities	110,218	23,788	33,134	70,119	(19,164)	35,987	16,823
Total Component Units	<u>\$ 110,218</u>	<u>\$ 23,788</u>	<u>\$ 33,134</u>	<u>\$ 70,119</u>	<u>\$ (19,164)</u>	<u>\$ 35,987</u>	<u>\$ 16,823</u>
<b>General revenues:</b>							
Other taxes					\$ 702	\$ —	\$ 702
Investment income					5,621	1,146	6,767
Other					8,696	839	9,535
Total General revenues					15,019	1,985	17,004
Change in net position					(4,145)	37,972	33,827
Net position - beginning of period					54,135	267,185	321,320
Net position - end of period					<u>\$ 49,990</u>	<u>\$ 305,157</u>	<u>\$ 355,147</u>

The accompanying notes are an integral part of this statement  
See accompanying independent auditors' report



## **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, 2020

### I. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

##### The Financial Reporting Entity

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

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

##### Blended Presented Component Units

Atlanta Public Safety and Judicial Facilities Authority ("APSJFA"), Solid Waste Management Authority ("SWMA"), and Atlanta Housing Opportunity, Inc. (AHOI) are legally separate from the City, but governed by boards appointed by the Mayor and/or the City Council. There exists a financial benefit/burden relationship between the City and these entities. 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 component units because the governing body of each of these component

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Reporting Entity, continued

units is not substantively the same as the primary government. All the discretely presented component units are accounted for as proprietary fund types.

*Atlanta Fulton County Recreation Authority (Recreation Authority)* - Created in 1960, the principal activities of the Recreation Authority include the maintenance and oversight of an athletic stadium (the "Stadium"), an athletic coliseum (the "Arena"), and the Atlanta Fulton County Zoo, Inc. ("Zoo"), for which the Recreation Authority acts as lessee under a leasehold interest granted by the City. The Mayor appoints the majority 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 may be obtained from the Atlanta Fulton County Recreation Authority, 1 State Farm Drive, Atlanta, Georgia, 30303.

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

*Invest Atlanta* - Invest Atlanta is the economic development agency for the City of Atlanta, 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 includes the Downtown Development Authority and Urban Residential Finance Authority and discretely presented component units: Atlanta Beltline Inc., Inner City Development Corporation, ADA/CAU Partners, Inc., Pryor Road/Lakewood LLC, Imagine Downtown Inc., and Imagine Downtown Managing Member 2007 QEI, LLC. 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. The separate audited financial statements 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

# CITY OF ATLANTA, GEORGIA

## Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Reporting Entity, continued

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 did not contribute any funds for the current fiscal year.

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 approximately \$3,265,000 for the year ended June 30, 2020. The costs are reflected in operating costs. At June 30, 2020, the City owes the County approximately \$465,000 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, 2019 (in thousands):

Total assets	<u>\$ 134,394</u>
Total fund net position	<u>\$ 133,648</u>
Total operating revenue	<u>\$ 8,664</u>
Total operating expenses	<u>\$ 14,009</u>
Net loss	<u>\$ (5,345)</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, 2020, the City paid \$308,801 in dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality in the area. The OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC.

Separate financial statements may be obtained from the Atlanta Regional Commission at 229 Peachtree Street NE, STE 100, Atlanta, GA, 30303.

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## 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 services. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to applicants who use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not meeting the definition of program revenues are reported as *general revenues*.

#### *Fund Financial Statements*

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

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

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### **B. Basis of Presentation, continued**

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following fund types:

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

*Fiduciary Fund Types:*

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

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

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## 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, 2020

### 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 (a) Obligations of this state or of other states; (b) Obligations issued by the United States government; (c) Obligations fully insured or guaranteed by the United States government or a United States government agency; (d) Obligations of any corporation of the United States government; (e) Prime bankers' acceptances; (f) The local government investment pool established by Code Section 36-83-8; (g) Repurchase agreements; and (h) Obligations of other political subdivisions of this state. Also, "pursuant to Code Section 50-17-53 and the other powers of the State Depository Board, the State Depository Board shall establish policies and procedures related to the approval of third-party service providers and the ongoing monitoring of participation in deposit placement programs in accordance with this Code section." The City's investment policy follows that of State Code and further puts limitations on Maximum Maturities, Ratings and Portfolio Percentage Limitations. 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, 2020. Repurchase Agreements are reported at amortized cost.

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

##### ***Inventories***

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

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

***Prepaid Items***

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

***Restricted Assets***

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

***Capital Assets***

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

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

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

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

**Governmental-type Activities:**

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

**Business-type activities:**

Department of Aviation:

Runways, taxiways, and other land improvements	10-35 years
Terminal and maintenance buildings and other structures	10-35 years
Other property and equipment	2-20 years

Department of Watershed Management:

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

Sanitation:

Buildings	20-50 years
Equipment	5-15 years

Parks and Recreational Facilities:

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

Internal Service Fund:

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

City of Atlanta and Fulton County Recreation Authority:

(as a discretely presented component unit):

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

Atlanta Development Authority:

(as a discretely presented component unit):

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

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

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

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

Interest is capitalized on proprietary fund assets constructed with the proceeds of tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project against interest earned on invested proceeds over the same period. The Department of Watershed Management and the Department of Aviation capitalized approximately \$1.3 million and \$9.6 million respectively, in net interest costs during the year ended June 30, 2020.

#### ***Compensated Absences***

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

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

#### ***Bond Premiums and Discounts***

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

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

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

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

#### ***Fund Balances***

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

#### ***Spending Prioritization Policy***

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

#### ***Authority to Commit or Assign Funds Policy***

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

#### ***Minimum Unrestricted Balance in the General Fund Policy***

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

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

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, 2020 (dollars in thousands).

	General Fund	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>				
Net Advances Receivable	\$ 29,094	\$ —	\$ —	\$ 29,094
<b>Restricted</b>				
HUD -Community Development	—	—	1,572	1,572
Tax Allocation Districts	—	—	24,311	24,311
Debt Service	—	—	391,798	391,798
Expendable Trust	—	—	49,044	49,044
HUD Section 108 Loans	—	—	3,247	3,247
TSPLOST	—	—	78,791	78,791
AHOI	—	—	39,468	39,468
HUD Home Investment	—	—	233	233
Capital Projects	—	188,881	65,823	254,704
E911	—	—	9,240	9,240
	—	188,881	663,527	852,408
<b>Committed</b>	29,395	—	—	29,395
<b>Assigned</b>				
Contract Services	12,125	—	—	12,125
Supplies	6,983	—	—	6,983
Capital	669	—	—	669
Other	23	—	—	23
	19,800	—	—	19,800
<b>Unassigned</b>				
312 Trust Grant	—	—	—	—
Intergovernmental grants	—	—	(10,880)	(10,880)
General Fund	108,137	—	—	108,137
	108,137	—	(10,880)	97,257
<b>Total Fund Balance</b>	\$ 186,426	\$ 188,881	\$ 652,647	\$ 1,027,954

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

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, 2020 as follows (dollars in thousands):

	<u>General Fund</u>
Contract Services	\$ 12,125
Supplies	6,983
Capital	669
Other	23
Total	<u>\$ 19,800</u>

**Net Position**

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

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

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

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

**Deferred Outflows of Resources**

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

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

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

##### ***Deferred Inflows of Resources***

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

##### ***Grants from Other Governments***

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

##### ***General Services Costs***

The City allocates a portion of general services costs (such as purchasing, accounting, budgeting, personnel administration, and certain other costs based on allocation methods determined by an independent study) to the Department of Aviation, the Department of Watershed Management, the Sanitation Fund and the Internal Service Fund in order to more fully reflect the actual cost of providing these services. For the year ended June 30, 2020, such allocated expenses amounted to approximately \$7,782,000 for the Department of Watershed Management, approximately \$12,458,000 for the Department of Aviation, approximately \$9,715,000 for the Sanitation Fund, and approximately \$9,822,000 for the Internal Service Funds.

##### ***Net Pension Liability***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Atlanta Pension Plans (Pension Plans), and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. For the year ended June 30, 2020, the net pension liability for the City is approximately \$1.11 billion.

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

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

##### ***Net OPEB Liability***

For purposes of measuring the net other postemployment liability (OPEB), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. For the year ended June 30, 2020, the net OPEB liability for the City is approximately \$0.99 billion.

#### **E. New Accounting Pronouncements**

Pronouncements effective for the 2020 Financial Statements:

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. As a result of the effect of the COVID-19 Pandemic on governments and other stakeholders, the GASB extended the effective dates on all Pronouncements such that no Pronouncements issued are effective for the 2020 Financial Statements.

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

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, 2019. The City is in the process of evaluating the impact of this Statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement establishes accounting and financial reporting standards focused on certain lease liabilities that currently are not reported. Comparability of financial statements among governments will be enhanced by requiring lessees and lessors to report leases under a single model. Decision-usefulness will also be enhanced by requiring notes to financial statements related to the timing, significance, and purpose of leasing arrangements. This Statement is effective for fiscal years beginning after December 15, 2020. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for fiscal years beginning after June 15, 2019. The City is in the process of evaluating the impact of this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The Statement establishes accounting requirements for interest cost

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### E. New Accounting Pronouncements, continued

incurred before the end of a construction period. It enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. This Statement is effective for reporting periods beginning after December 15, 2020. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement is effective for reporting periods beginning after December 15, 2019. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for fiscal years beginning after June 15, 2021. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). This Statement is effective for fiscal years beginning after June 15, 2021. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

#### F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenditures/expenses and disclosures. Actual results could differ from those estimates.

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### II. Stewardship, Compliance and Accountability

#### A. Compliance with Finance Related Legal and Contractual Provisions

- In 2019, the City received notice from the Securities and Exchange Commission that it is investigating the expenditure and use of Airport revenue and local taxes on aviation fuel, grant compliance, and the preparation and transmission of the Airport's Comprehensive Annual Financial Report. The City has received a subpoena and continues to cooperate with the investigation, but is unable to predict the ultimate resolution.
- In 2019, the City received notice from the Office of the Inspector of the United States Department of Housing and Urban Development that it is investigating the funding approval and HOME Investment Partnerships Agreement with the United States Department of Housing and Urban Development in connection with The Center for Working Families, Inc. The City has received a subpoena and continues to cooperate with the investigation, but is unable to predict the ultimate resolution.
- In 2019, the City received notice from the Federal Aviation Administration that it is investigating the unlawful diversion of airport revenues to the City. The City has received a subpoena for unredacted legal bills in conjunction with previous notices of its intent to conduct a financial review of airport operations. The City continues to cooperate with the investigation, but is unable to predict the ultimate resolution.
- In 2016, the City received notice from the United States Attorney's Office for the Northern District of Georgia that it was investigating matters relating to corruption at the City. The City has received 12 subpoenas and several informal requests for information connected to the ongoing investigation and continues to cooperate with the Department. The investigation has resulted in the conviction of 3 former employees, 4 vendor/contractors and the indictment of 2 former employees and 2 vendor/contractors. The investigation continues and the DOJ has not indicated when it will conclude.

#### B. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section on page 143.

#### C. Deficit Fund Balances

The following funds reported deficits in fund balance at June 30, 2020:

- Intergovernmental Grants fund had an accumulated deficit of approximately \$10.9 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 Services Fund had an accumulated deficit of approximately \$121.5 million. Lack of adequate billing to cover costs is contributing to this deficit. Therefore, Ordinance 18-O-1300

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**C. Deficit Fund Balances, continued**

and Ordinance 19-O-1297 were both adopted in fiscal year 2019 to adjust the current solid waste rate structures to implement best practices and meet the future demands of the City's service area. The increase in the rate structure is expected to cover this deficit fund balance. It is expected that the full impact of the assessment to increase revenue will occur in upcoming years.

- Group Insurance Fund had a deficit of approximately \$36.6 million. This deficit was primarily due to the rate structure. The City adopted Resolution 19-R-4736 in fiscal year 2019 to address the rate structure. The Resolution provides for a price modification during a renewal term based upon the cost of claims and other factors. It is anticipated that future rate increases will be implemented to reduce the deficit fund balance.

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

Following are components of the City's cash and cash equivalents, and investments (excluding the Pension and Agency Funds and the Component Units) at June 30, 2020 (dollars in thousands).

	Primary Government				Component Units	
	Unrestricted	Restricted	Cash Pool	Total	Unrestricted	Restricted
Cash and Cash Equivalents	\$ 1,477	\$1,761,516	\$ 10,116	\$1,773,109	\$ 41,906	\$ 176,928
Georgia Fund 1	—	—	441,731	441,731	—	—
State and Local Bonds	—	282,505	773,301	1,055,806	—	—
Federal Agency Obligations	—	493,725	378,687	872,412	—	—
US Treasury Obligations	—	105,440	320,177	425,617	—	—
Repurchase Agreements (Repos)	—	103,367	—	103,367	—	—
Other Investment Pools	—	7,657	—	7,657	8,981	—
	<u>\$ 1,477</u>	<u>\$2,754,210</u>	<u>\$1,924,012</u>	<u>\$4,679,699</u>	<u>\$ 50,887</u>	<u>\$ 176,928</u>

The OCGA 36-83-4 authorizes the City to invest in (a) Obligations of this state or of other states; (b) Obligations issued by the United States government; (c) Obligations fully insured or guaranteed by the United States government or a United States government agency; (d) Obligations of any corporation of the United States government; (e) Prime bankers' acceptances; (f) The local government investment pool established by Code Section 36-83-8; (g) Repurchase agreements; and (h) Obligations of other political subdivisions of this state. 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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Deposits and Investments, continued**

to prepayments of mortgages, which may result from a decline in interest rates. The City invests in these securities in part to maximize yields and in part to hedge against a rise in interest rates.

*Concentration of Credit Risk - Primary Government*

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

Investment Type	Maximum Maturity	Ratings			Portfolio Limitation	
		S&P	Moody's	Fitch	Minimum	Maximum
U.S. Treasuries	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	15%	100%
U.S. Agencies/Instrumentalities	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	75%
Obligations of other political units in the State of Georgia	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	25%
Other Municipal Securities	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	25%
Repurchase Agreements (Repos)/GICs	180 days	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	50%
Bankers Acceptances (BA's)	270 days	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	10%
Local Government Investment Pools	N/A	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	40%
Certificates of Deposits (CD's)	3 years	>AA/A-2	>Aa2/P-1	>AA/A-2	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. The City shall have the authority to invest up to \$100,000,000 in municipal bonds which do not meet the Maximum Maturity and Ratings guidelines above. Those \$100,000,000 of municipal bonds will be allowed to have single security maximum maturities of up to 10 years and minimum investment grade ratings (BBB-/Baa3/BBB-). All other criteria herein will be still need to be met.

The City's General Employees' Pension Plan's investment policy sets targets of 42% invested in domestic equity, 28% in international equity, 25% in domestic fixed income, and 5% alternative investments. The City's Firefighters' and Police Officers' Pension Plans' investment policy sets targets of 61% invested in domestic equity, 9% in international equity, 25% in domestic fixed income, and 5% in alternative investments.

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### A. Deposits and Investments, continued

#### Pooled Cash and Investments Held in the State Treasury

The City maintains a cash and investment pool that is available for use by all funds. Each participating fund's portion of this pool is displayed on the accompanying financial statements as "Equity in cash management pool". The OCGA § 36-83-1 to 36-83-8 authorizes the City to invest funds in Georgia Fund 1 (GF1). GF1 is managed as a stable Net Asset Value ("NAV") pool. Investments are restricted to those enumerated in O.C.G.A. §50-5A-7, §50-17-2, and §50-17-63. The primary objectives of the pool are safety of capital, liquidity, investment income, and diversification. It is managed to maintain a constant net asset value of \$1.00 and a weighted average maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. At June 30, 2020, the GF1 weighted average maturity was 40 days. Portfolio composition in GF1 consisted of various investments allowed by State code above. The Annual report can be found at the following website: <https://ost.georgia.gov/divisions-offices/investments/georgia-fund-1>.

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

The investment types that are authorized for the City by the Policy are as follows: (a) Obligations of this state or of other states; (b) Obligations issued by the United States government; (c) Obligations fully insured or guaranteed by the United States government or a United States government agency; (d) Obligations of any corporation of the United States government; (e) Prime bankers' acceptances; (f) The local government investment pool established by Code Section 36-83-8; (g) Repurchase agreements; and (h) Obligations of other political subdivisions of this state.

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, outlined under the Concentration of Credit Risk- Primary Government section.

#### ***Fair Value Measurement - Primary Government***

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Deposits and Investments, continued**

- 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, 2020 (in thousands):

	Level 1	Level 2	Level 3	Total
Debt securities:				
US Treasury Obligations	\$ 425,617	\$ —	\$ —	\$ 425,617
Federal Agency Obligations	—	872,412	—	872,412
State and Local Bonds	—	1,055,806	—	1,055,806
Total debt securities	425,617	1,928,218	—	2,353,835
Repurchase Agreements	—	103,367	—	103,367
Total investments at fair value	\$ 425,617	\$ 2,031,585	\$ —	\$ 2,457,202
Other Investments				
Georgia Fund 1 and other investment pools				449,388
Total Investments				\$ 2,906,590

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. There were no Level 3 securities.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Deposits and Investments, continued**

**INVESTMENT RISK DISCLOSURES**

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

The City has the ability and generally has the intent to hold all investments until their respective maturity dates. The average maturity of the City's pooled cash and investments governed by the Policy as of June 30, 2020, was approximately 0.79 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.

**Interest Rate and Credit Risks**

As of June 30, 2020, the City had the following investments with the corresponding credit ratings and maturities (dollars in thousands):

Type of Investments	Credit Rating	Maturity					Carrying Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years	Over 5 Years	
State and local bonds	Aaa-Baa2	\$ 212,413	\$ 332,222	\$ 50,172	\$ 374,634	\$ 86,365	\$ 1,055,806
Federal Agency Obligations	Aaa/AA+	48,788	64,154	26,901	732,569	—	872,412
US Treasury Obligations	Exempt	98,577	254,521	40,362	32,157	—	425,617
Georgia Fund 1 and other investment pools	AAAf	449,388	—	—	—	—	449,388
Repurchase Agreements	NR	—	—	—	—	103,367	103,367
		<u>\$ 809,166</u>	<u>\$ 650,897</u>	<u>\$ 117,435</u>	<u>\$ 1,139,360</u>	<u>\$ 189,732</u>	<u>\$ 2,906,590</u>

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### A. Deposits and Investments, continued

#### Custodial Credit Risk.

##### *Custodial credit risk - Deposits*

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

##### *Custodial credit risk - Investments*

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

Through the Georgia Secure Deposit Program, public deposits held with covered depositories participating in the program in excess of FDIC insurance limits are protected through a combination of collateral pledged by the bank and the contingent liability provisions of the program that require participating banks to jointly cover all deposits not protected by FDIC insurance and the sale of pledged collateral in the event of a loss. The Depository agrees that, as long as the State Treasurer of the State of Georgia or any Public Body has Public Funds on deposit with the Depository, the Depository shall maintain at all times Pledged Securities with an aggregate Fair Market Value equal to at least the Required Collateral determined by the State Treasurer. The City requires that the market value of collateralized pledged securities must be at least 102% for Repurchase Agreements. All investments of the City are either held by the City or by counterparties in the City's name; therefore, the City's investments had no custodial risk as of June 30, 2020.

#### Concentration of Credit Risk.

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the OCGA. At June 30, 2020, individual issuers that represent 5% or more of total financial instruments by investment type were as follows:

Issuer	Investment Type	Investment %
Federal Home Loan Mtg Corp	Agency Bond	9.6 %
United States	Treasury	9.2 %
Federal Farm Credit	Agency Bond	7.6 %
State of Georgia	Local Gov't Investment Pool	16.0 %

#### Investments in Pension Plans

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

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### A. Deposits and Investments, continued

City of Atlanta Defined Benefit Pension Plan Investment Board (the Board) to improve administrative efficiency, governance and investment returns.

The Board is ultimately responsible for making all decisions regarding the administration of the Plans, including the management of Plan assets, and for carrying out the investment policy on behalf of their respective Plans. The Plans' investments are managed by various investment managers under contracts with the respective Plans who have discretionary authority over the assets managed by them, within the investment guidelines, established by the Board. The investments are held in trust by the Plans' custodians in each of the Plans' name. These assets are held exclusively for the purpose of providing benefits to members of the Plans and their beneficiaries. Identified below are the investment types authorized by the Board for each of the Plans. The investment policies also identify certain provisions addressing interest rate risk, credit risk and concentration of credit risk.

The Plans, by policy, are to invest their cash in domestic equities, domestic fixed income securities, international equities, international fixed income, alternative investments and cash equivalents. These instruments consist of common and preferred stock, obligations of the U.S. government and agencies (GNMA, FHLMC, and FNMA securities and CMO's), corporate bonds, and certificates of deposit. The Plans have strict limitations on the amounts managers are allowed to invest in any one issuer in all classes of securities. The Plans also invest in Repurchase Agreements which must be fully collateralized by the U.S. government or agency guaranteed securities. As of June 30, 2020, the Plans had an alternative investment in a limited partnership totaling \$57,600,400, with some outstanding commitments. As part of the Partnership Agreement (Partnership), the Plan may not voluntarily withdraw from the partnership prior to its dissolution, and no limited partnership interest is redeemable or purchasable by the partnership at the option of the Plan.

#### *Fair Value Measurement - Pensions*

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

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Deposits and Investments, continued**

- 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 commingled 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, 2020 (in thousands):

	June 30, 2020			Total
	Level 1	Level 2	Level 3	
Short term investments				
Cash and cash equivalents	\$ 159,613	—	—	159,613
Debt securities:				
Asset backed securities	—	31,238	—	31,238
Comingled bond funds	—	141,561	—	141,561
Corporate and municipal bonds	—	309,762	—	309,762
Bond exchange traded funds	8,935	—	—	8,935
U.S. agency securities	—	137,102	—	137,102
U.S. treasury securities	94,638	—	—	94,638
Total debt securities	103,573	619,663	—	723,236
Equity securities:				
Commingled equity funds	—	1,327,669	—	1,327,669
Common stock	477,850	10,348	—	488,198
Exchange traded funds	190,766	—	—	190,766
Total equity securities	668,616	1,338,017	—	2,006,633
Commingled Funds	—	107,493	—	107,493
Stable value funds	—	35,148	—	35,148
Total investments at fair value	\$ 931,802	2,100,321	—	3,032,123
Investments measured at NAV:				
Commingled bond funds				29,584
Commingled equity funds				317,193
Private equity funds				57,600
Real estate funds				54,339
Total investments measured at NAV				458,716
Total investments				\$ 3,490,839

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### **A. Deposits and Investments, continued**

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

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Commingled equity funds, and stable value funds classified in Level 2 are valued using prices quoted in active markets for those investment types and the readily determinable fair value per share (unit) which is determined based on the publication of the price or on the basis of current transactions. There were no Level 3 investments.

Investments in privately held limited partnerships and commingled vehicles which do not have a readily determinable fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2020. 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 the 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 lending securities 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, 2020, the General Employees' Pension Plan had no funds under a Securities Lending Agreement.

#### ***Alternative Investments***

As of June 30, 2020, the Plans had alternative investments totaling \$57.6 million in the form of limited partnerships and approximately \$54.3 million in real estate funds.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Deposits and Investments, continued**

As of June 30, 2020, the related unfunded commitments of the Plans' alternative investments and limitations and restrictions on the Plans' ability to redeem or sell are summarized as follows (in thousands):

	<u>Unfunded commitments</u>	<u>Redemptions frequency (if currently eligible)</u>	<u>Redemptions notice period</u>
<u>General Employees' Pension Plan</u>			
Private equity fund	\$ 3,582,424	not eligible	not eligible
<u>Firefighters' Pension Plan</u>			
Private equity fund	\$ 2,123,119	not eligible	not eligible
<u>Police Officers' Pension Plan</u>			
Private equity fund	\$ 2,995,486	not eligible	not eligible

**Pension Trust Fund's Investment Risk Disclosures**

**Interest Rate and Credit Risks.** As of June 30, 2020, the Pension Plans had the following fixed income investments with the corresponding credit ratings and maturities (dollars in thousands):

<u>Type of Investments</u>	<u>Credit Rating</u>	<u>Maturity</u>					<u>Fair Value</u>
		<u>Under 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>5 - 10 years</u>	<u>Over 10 years</u>	
U.S. treasury securities	NR	\$ 4,352	\$ 28,578	\$ 5,527	\$ 30,626	\$ 25,555	\$ 94,638
U.S. agency securities	AAA/AA+	17,748	27,978	1,107	—	—	46,833
U.S. agency securities	AGY	8,053	11,901	74	5,206	65,035	90,269
Corporate bonds	AA/A-	—	373	3,443	—	—	3,816
Corporate and municipal bonds	A-/AA/AAA	1,975	17,227	25,875	102,731	26,345	174,153
Corporate and municipal bonds	B+/BBB/ BBB-	267	8,724	5,781	75,618	16,454	106,844
Corporate and municipal bonds	AA-	1,330	249	5,377	9,570	4,602	21,128
Bond exchange traded funds	NR	8,935	—	—	—	—	8,935
Commingled bond fund	NR	79,779	—	—	—	—	79,779
Asset-backed securities	AAA	—	—	6,257	—	—	6,257
Asset-backed securities	NR	—	—	5,522	—	—	5,522
Asset-backed securities	AAA/A	—	—	—	—	4,524	4,524
Asset-backed securities	NR	—	—	—	—	14,935	14,935
Corporate and municipal bonds	A/A+/AA/ AA+/AA-/ AAA	—	703	1,421	799	896	3,819
Corporate and municipal bonds	BBB/B+	—	2	—	—	—	2
Commingled bond fund	NR	91,366	—	—	—	—	91,366
		<u>\$ 213,805</u>	<u>\$ 95,735</u>	<u>\$ 60,384</u>	<u>\$ 224,550</u>	<u>\$ 158,346</u>	<u>\$ 752,820</u>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Deposits and Investments, continued**

**Custodial Risk.** As of June 30, 2020, 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>
<b>Firefighters' Pension Plan:</b>		
BlackRock Growth Index Fund	Commingled Equity Fund	\$ 273,103
Johnston International Equity Group	Commingled Equity Fund	50,155
NT Collective Commingled Equity Fund	Commingled Equity Fund	88,179
<b>Police Officers' Pension Plan:</b>		
Johnston International Equity Group	Commingled Equity Fund	89,852
Artisan Partners Asset Management Inc.	Commingled Equity Fund	65,324
BlackRock Growth Index Fund	Commingled Equity Fund	539,528
<b>General Employees' Pension Plan:</b>		
BlackRock Equity Index Fund	Domestic Equities	\$ 267,541
Artisan Funds	Equity Exchange Traded Fund	90,002
Johnston International Equity Group	Commingled Equity Fund	124,598
SSGA U.S. Aggregate Bond Index	Commingled Bond Fund	76,688

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020, the exposure to foreign currency risk is as follows (dollars in thousands):

<b>Currency:</b>	<b>Country:</b>	<b>Fixed Income</b>	<b>Equity</b>	<b>Total</b>
Euro	Belgium	\$2,677	—	\$2,677
Euro	France	—	2,069	2,069
Euro	Germany	—	3,585	3,585
Euro	Ireland	—	6,283	6,283
Euro	Italy	—	566	566
Euro	Netherlands	—	1,604	1,604
Euro	Spain	—	509	509
Euro	United Kingdom	1,754	4,752	6,506
Total Euro		4,431	19,368	23,799
Australian Dollar	Australia	—	1,330	1,330
Canadian Dollar	Canada	—	5,214	5,214
Cayman Islands Dollar	Cayman Islands	—	118	118
Chinese Yuan Renminbi	China	—	2,503	2,503
Denmark	Denmark	—	1,421	1,421
Hong Kong Dollar	Hong Kong	—	396	396
Indian Rupee	India	—	1,259	1,259
Israeli New Shekel	Israel	—	808	808
Japanese Yen	Japan	—	3,015	3,015
Jersey Pound	Jersey, C.I.	—	142	142
Russian Federation	Russian Federation	—	1,176	1,176
South African rand	South Africa	—	401	401
Sweden Krona	Sweden	—	905	905
Swiss Franc	Switzerland	823	1,687	2,510
New Taiwan Dollar	Taiwan	—	421	421
United States Dollar	Virgin Islands - British	—	294	294
Various foreign currencies	International Region	—	167,563	167,563
<b>Total Securities subject to Foreign Currency Risk</b>		<b>\$5,254</b>	<b>\$208,021</b>	<b>\$213,275</b>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

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

Property taxes include amounts levied on all real, public utility, and tangible property within the City corporate limits. Senate Bill 177, Act 431 was signed April 30, 1999 and became effective January 1, 2000 (Taxpayers Bill of Rights). One key component of this legislation pertains to prevention of indirect tax increases due to property value appreciation and/or inflation. The O.C.G.A. 48-5-32.1 requires levying authorities; municipalities, counties, and school boards to either rollback property millage rates for property value appreciation by a corresponding millage equivalent or follow specific requirements if the levying authority chooses not to rollback their millage rate. The City's tax digest is coterminous with the Atlanta Independent School System, and overlaps portions of Fulton and DeKalb counties (the "Counties"), and Grady Hospital. Property taxes are normally levied and billed by July 1, on the assessed value of all real and personal property and property owner of record as of January 1. City property taxes are due 45 days from the date of billing for Fulton County; and 60 days from date of billing for DeKalb County. The distribution of the City's 2019 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	\$ 7.850
General Obligation Bond Sinking Fund:	
City Bonds	1.880
Park Improvement Fund (included in Capital Projects Funds)	0.500
Board of Education (operations)	20.740
Special Tax District DeKalb County	1.370
	<u>32.340</u>

The Fulton and DeKalb County Tax Assessors establish assessed values at 40% of the fair market value. The property valuation in calendar year 2019 resulted in a gross assessed value of \$33,482,210,284 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 are 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 \$4,738,116 in fiscal year 2020. Real and tangible property taxes are payable to the Counties on August 15th and become delinquent on August 16<sup>th</sup>. Interest accrues at the rate of 1% per month on the 16<sup>th</sup> 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 the property as of January 1 of the following year. A 1% local option sales tax is levied in Fulton County, of which the City receives a percentage of that amount based on a pre-defined formula. This amount is collected by the State of Georgia and remitted to the City on a one-month lag. The tax law requires an offsetting reduction in property tax during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year.

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

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

Pursuant to paragraph (1) of subsection (b) of O.C.G.A. Section 48-8-121, the City of Atlanta imposed an additional 0.4% sales tax to be collected for 5 years for the purpose of transportation improvements and congestion reduction. Through a referendum, the voters approved the 0.4% TSPLOST in November 2016. The maximum amount of net proceeds to be collected is \$380,000,000. The TSPLOST began on January 1, 2017 and continues for up to five (5) years thereafter, or until such time the TSPLOST has raised revenues sufficient to provide the City the net proceeds equal to or greater than the maximum amount, whichever comes first. Proceeds from TSPLOST for fiscal year 2020 were approximately \$57,360,000, of which \$7,524,000 was receivable from the Georgia Department of Revenue at June 30, 2020.

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-B- Clean Water Atlanta Program regarding the levy of a 1% Municipal Option Sales Tax.

#### **C. Tax Abatements**

The City of Atlanta's tax abatement encourages economic development and growth throughout the City. The total economic impact to the City of the abatement is approximately \$4.8 billion along with the creation of 13,206 jobs and 1,196 housing units.

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

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

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**C. Tax Abatements, continued**

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.

Tax Abatement Program	Total Amount of Taxes Abated For the year 2019 (dollars in thousands)
Atlanta Development Authority d/b/a Invest Atlanta	\$ 1,317,761

The City property tax revenues were reduced by approximately \$6.7 million under agreements entered into with Fulton County, Georgia.

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020 follows (dollars in thousands):

	Balance at June 30, 2019	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2020
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 228,804	\$ 2,168	\$ —	\$ —	\$ 230,972
Construction in progress	202,724	95,025	—	(12,145)	285,604
Total capital assets not being depreciated	<u>431,528</u>	<u>97,193</u>	<u>—</u>	<u>(12,145)</u>	<u>516,576</u>
Capital assets being depreciated:					
Land improvements	119,050	74	—	570	119,694
Buildings and building improvements	465,497	194	—	3,162	468,853
Other property and equipment	293,123	16,593	(3,753)	2,116	308,079
Infrastructure	1,022,839	51	(222)	6,297	1,028,965
Total capital assets being depreciated	<u>1,900,509</u>	<u>16,912</u>	<u>(3,975)</u>	<u>12,145</u>	<u>1,925,591</u>
Total capital assets	<u>2,332,037</u>	<u>114,105</u>	<u>(3,975)</u>	<u>—</u>	<u>2,442,167</u>
Less: Accumulated Depreciation					
Land improvements	101,232	2,687	—	—	103,919
Buildings and building improvements	175,994	10,358	—	—	186,352
Other property and equipment	223,052	16,783	(2,692)	—	237,143
Infrastructure	716,165	19,424	(23)	—	735,566
Total accumulated depreciation	<u>1,216,443</u>	<u>49,252</u>	<u>(2,715)</u>	<u>—</u>	<u>1,262,980</u>
Governmental activities capital assets, net	<u>\$ 1,115,594</u>	<u>\$ 64,853</u>	<u>\$ (1,260)</u>	<u>\$ —</u>	<u>\$ 1,179,187</u>

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

General government	\$ 10,892
Police	4,395
Fire	3,039
Corrections	300
Public Works	20,190
Parks, Recreation and Cultural Affairs	10,436
Total	<u>\$ 49,252</u>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**D. Capital Assets, continued**

	Balance at June 30, 2019	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2020
Business-type activities:					
Capital assets not being depreciated					
Land	\$ 994,565	\$ 136	\$ —	\$ 125	\$ 994,826
Construction in progress	1,731,667	781,683	(1,918)	(881,150)	1,630,282
Total capital assets not being depreciated	<u>2,726,232</u>	<u>781,819</u>	<u>(1,918)</u>	<u>(881,025)</u>	<u>2,625,108</u>
Capital assets being depreciated					
Land improvements	3,406,611	14	—	180,828	3,587,453
Buildings and other structures	11,113,710	29	—	683,225	11,796,964
Other property and equipment	792,209	13,398	(3,795)	16,972	818,784
Total capital assets being depreciated	<u>15,312,530</u>	<u>13,441</u>	<u>(3,795)</u>	<u>881,025</u>	<u>16,203,201</u>
Total capital assets	<u>18,038,762</u>	<u>795,260</u>	<u>(5,713)</u>	<u>—</u>	<u>18,828,309</u>
Less: Accumulated Depreciation					
Land improvements	1,667,178	101,210	5	—	1,768,393
Buildings and other structures	3,938,657	237,054	(825)	—	4,174,886
Other property and equipment	479,705	48,470	(1,506)	—	526,669
Total accumulated depreciation	<u>6,085,540</u>	<u>386,734</u>	<u>(2,326)</u>	<u>—</u>	<u>6,469,948</u>
Business-type activities capital assets, net	<u>\$ 11,953,222</u>	<u>\$ 408,526</u>	<u>\$ (3,387)</u>	<u>\$ —</u>	<u>\$ 12,358,361</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, 2020, there is approximately \$169.8 million of CIP recorded in Invest Atlanta's financial statements for Atlanta BeltLine corridor design and other development that are expected to become assets of the City.

Additionally, DWM advanced \$24.0 million to Invest Atlanta related to the development of the Clear Creek Project. Upon completion of the project, both the project costs and any portion of the advance not expended will revert to the DWM. At June 30, 2020, total project costs to date were \$23.9 million. Clear Creek Chemical System Improvements and System Wide Flow Monitoring construction was completed in FY2021. The project comprised of the upgrade of the four Sodium Hypochlorite (NaOCl) Storage Tanks, replacement of pump and piping system at Clear Creek CSCF, replacement of the drum screen at Custer Avenue CSF, and improvement of flow monitoring for regulatory compliance purposes at all the treatment facilities.

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**D. Capital Assets, continued**

purchased for an amount equal to \$45.0 million for the purpose of redevelopment by Invest Atlanta. Subsequent to its development, certain parcels of land have been sold and as of June 30, 2020, the land value is now estimated at \$44.0 million. Upon completion of redevelopment, it is anticipated that title to the land will be transferred to the City.

In fiscal year 2020, Atlanta Beltline Inc. transferred another section of Beltline corridor, including sections for the Murphy Crossing assemblage, Southside Trail, and the Westside Trail Extension to Invest Atlanta. The amount transferred was \$13.7 million.

**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, 2020, are as follows (dollars in thousands):

		<u>Due to</u>		
		<u>General Fund</u>	<u>Watershed Management</u>	<u>Total</u>
<b>Due from</b>	<b>General Fund</b>	\$ —	\$ 6,276	\$ 6,276
	<b>Capital Projects</b>	18,391	—	18,391
	<b>Non-major Governmental</b>	23,884	—	23,884
	<b>Internal Service</b>	29,840	—	29,840
	<b>Non-major Enterprise</b>	35,293	—	35,293
	<b>Total</b>	<u>\$ 107,408</u>	<u>\$ 6,276</u>	<u>\$ 113,684</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, 2020 is approximately \$6.2 million in principal and \$77 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.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**E. Interfund Receivables, Payables, and Transfers, continued**

Balances as of June 30, 2020, are as follows (dollars in thousands):

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

**Transfers**

Transfers for the year ended June 30, 2020, are as follows (dollars in thousands):

		<u>Transfer from</u>					
		<u>General Fund</u>	<u>Capital Projects</u>	<u>DWM</u>	<u>Non-major Enterprise</u>	<u>Non-major Government</u>	<u>Total</u>
<b>Transfer to</b>	<b>General Fund</b>	\$ —	\$ —	\$ 20,990	\$ —	\$ 13,596	\$ 34,586
	<b>Capital Projects</b>	25,857	1,563	—	—	6,481	33,901
	<b>Non-major Governmental</b>	10,896	923	—	2,007	—	13,826
	<b>Non-major Enterprise</b>	710	—	—	3,163	—	3,873
	<b>Total</b>	<b>\$ 37,463</b>	<b>\$ 2,486</b>	<b>\$ 20,990</b>	<b>\$ 5,170</b>	<b>\$ 20,077</b>	<b>\$ 86,186</b>

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.

**F. Leases**

**Department of Aviation (DOA)**

*Tenant and concession agreements*

The City leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants at the Airport under various operating leases, a majority of which terminate no later than 2035. The total cost of the facilities described above that are substantially leased to various tenants is \$6.2 billion with a carrying value of \$3.6 billion. Depreciation expense for fiscal years 2020 on the facilities was \$176.6 million.

Certain of the leases provide for fixed and variable rental payments, and all are generally designed to allow the Department of Aviation to meet its debt service requirements and recover certain operating and maintenance costs. Rental receipts related to the terminal are based on the cost of the facilities. In addition, certain of the agreements under which the Department of Aviation receives

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**F. Leases, continued**

revenue from the operation of concessions at the Airport, provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

The Airport Use and Lease Agreement provides for the payment of rentals, fees, and charges for airline use and occupancy airfield and terminal facilities to allow the City to recover all operating and maintenance expenses, Bond debt service, and coverage on Bond debt service allocable to the airfield and terminal cost centers. Coverage is to be calculated at 20% for outstanding Bonds and Bonds to be issued for the Terminal Modernization Project. Coverage is to be calculated at 30% for other future Bonds. Required terminal rentals, fees, and charges are offset by a credit of a share of terminal concessions revenues and a per passenger credit.

At June 30, 2020 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):

2021	\$	287,665
2022		358,896
2023		364,557
2024		370,332
2025		376,222
2026-2030		1,973,663
2031-2035		2,139,617
2036-2040		906,125
		<u>\$ 6,777,077</u>

The agreement covering the operation of the parking lot does not provide for a minimum fee and is therefore not included in the above table. Revenue from this source, which is solely a function of parking receipts as defined was approximately \$107.4 million for the year ended June 30, 2020.

*Capital Lease Obligations*

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**F. Leases, continued**

The annual lease obligation requirements as of June 30, 2020 are as follows (in thousands):

Year:	<b>Principal</b>	<b>Interest</b>	<b>Total debt service</b>
2021	\$ 458	\$ 190	\$ 648
2022	488	179	667
2023	519	168	687
2024	551	156	707
2025	585	143	728
2026-2030	3,485	489	3,974
2031-2035	1,983	81	2,064
Total	\$ 8,069	\$ 1,406	\$ 9,475

**Department of Watershed Management (DWM)**

On August 31, 2016, DWM entered into an installment purchase agreement for the purchase of certain heavy equipment. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. Included in other property and equipment as of June 30, 2020 is approximately \$7.1 million of heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$1,374,000 as of June 30, 2020 and related amortization expense was \$476,000 for the year ended June 30, 2020.

On November 30, 2017, DWM entered into an addendum to the existing installment purchase agreement for the purchase of a nutrient recovery system. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. There were no costs included in other property and equipment as of June 30, 2020 of the \$11 million nutrient recovery system to be ultimately acquired under this addendum to the installment purchase agreement. Included in construction in progress related to the installment purchase agreement was \$7,376,000 as of June 30, 2020.

On December 19, 2017, DWM entered into two equipment-lease purchase agreements for the purchase of an energy service performance initiative. These lease agreements qualified as capital leases for accounting purposes and the lease payments are reflected as capital lease obligations at the present value of the aggregate payments due over the remaining life of the leases. There were no costs included in other property and equipment as of June 30, 2020 of the \$114,296,923 energy service performance initiative to be ultimately acquired under these equipment-lease purchase agreements. Included in construction in progress related to the equipment-lease purchase agreements was \$104,320,000 as of June 30, 2020.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**F. Leases, continued**

The value of future minimum installment purchase payments as of June 30, 2020, is as follows (in thousands):

Fiscal year					
	2021		\$		15,296
	2022				13,446
	2023				13,446
	2024				13,446
	2025				13,446
	2026-2030				63,361
	2031-2035				48,637
	Total minimum payments				181,078
	Less amount representing interest				(42,387)
	Minimum installment purchase payments		\$		138,691

**Sanitation Fund**

The Sanitation Department entered into a master lease agreements for the acquisition and replacement of heavy duty vehicles. This agreement is reflected as a capital lease at the value of the aggregate payments due over the remaining life of the agreement. Included in vehicles as of June 30, 2020 is \$11,587,421 of heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$1,657,000 at June 30, 2020.

The value of future payments as of June 30, 2020, is as follows (in thousands):

Fiscal year					
	2021		\$		2,458
	2022				2,458
	2023				2,458
	2024				2,458
	2025				1,622
	2026-2030				—
	Total minimum payments				11,454
	Less amount representing interest				(928)
	Minimum installment purchase payments		\$		10,526
	Capital Asset Value		\$		11,587
	Accumulated Amortization				(1,657)
	Net Capital Asset Value		\$		9,930

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**F. Leases, continued**

**General Fund**

*Capital Lease Obligations*

In October 2018 the City entered into two equipment-lease purchase agreements for the purchase of an energy service performance initiatives. These lease agreements qualified as capital leases for accounting purposes and the lease payments are reflected as capital lease obligations at the present value of the aggregate payments due over the remaining life of the leases. There were no costs included in other property and equipment as of June 30, 2020 of the \$20,110,279 energy service performance initiative to be ultimately acquired under these equipment-lease purchase agreements. Included in construction in progress related to the equipment-lease purchase agreements was \$16,514,402 as of June 30, 2020.

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

Fiscal Year	Ameresco	Johnson Controls	Other Capital Leases	Total
2021	\$ 607	\$ 1,014	\$ 2,640	\$ 4,261
2022	625	1,045	1,839	3,509
2023	644	1,071	—	1,715
2024	663	1,110	—	1,773
2025	683	1,144	—	1,827
2026-2030	3,734	6,119	—	9,853
2030-2034	1,164	1,159	—	2,323
Total minimum payments	8,120	12,662	4,479	25,261
Less amounts representing interest	(1,124)	(1,643)	(104)	(2,871)
Minimum capital lease payments	\$ 6,996	\$ 11,019	\$ 4,375	\$ 22,390
Gross Capital Asset Value	\$ —	\$ —	\$ 58,129	\$ 58,129
Accumulated Amortization	—	—	48,945	\$ 48,945
Net Capital Asset Value	\$ —	\$ —	\$ 107,074	\$ 107,074

*Operating Leases*

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**F. Leases, continued**

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

2021	\$	2,492
2022		2,159
2023		1,743
2024		1,672
2025		1,563
2026-2029		7,897
2031-2035		8,268
2036-2040		4,705
2041-2045		1,367
Total minimum payments	\$	<u>31,866</u>

The total amount of lease expenditures for the year ended June 30, 2020, amounted to \$5,746,000.

**G. Restricted Net Position and Restricted Assets**

The various bond covenants require certain restrictions of net position of the Department of Aviation. Restricted net position at June 30, 2020 is as follows (dollars in thousands):

	Department of Aviation
Debt service and debt service reserve	\$ 458,750
Capital Projects	665,704
Total	<u>\$ 1,124,454</u>

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**G. Restricted Net Position and Restricted Assets, continued**

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources that may be used only to service outstanding debt. Other assets are restricted by bond ordinances for capital purposes. Restricted assets of the enterprise funds at June 30, 2020 are as follows (dollars in thousands):

	Department of Watershed Management	Department of Aviation	Total
Renewal and Extension Fund:			
Cash and cash equivalents	\$ —	\$ 15,131	\$ 15,131
Other assets	—	11,071	11,071
Passenger Facility Charge Fund:			
Cash and cash equivalents	—	96,140	96,140
Other assets	—	10,901	10,901
Investments	—	544,778	544,778
Customer Facility Charge Fund:			
Cash and cash equivalents	—	45,752	45,752
Other assets	—	1,253	1,253
Construction Fund:			
Cash and cash equivalents	—	411,780	411,780
Sinking Funds:			
Cash and cash equivalents	—	242,898	242,898
Other assets	—	759	759
Investments	—	215,852	215,852
Construction Revenue Funds:			
Cash and cash equivalents	178,492	—	178,492
Sinking Fund:			
Cash and cash equivalents	30,653	—	30,653
Restricted interest receivable	597	—	597
Investments - Guaranteed Investment Contracts	166,900	—	166,900
Total	\$ 376,642	\$ 1,596,315	\$ 1,972,957

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations**

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2020, follow (dollars in thousands):

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Due within One Year
Governmental activities:					
Long-term debt:					
General obligation and annual bonds	\$ 299,095	\$ 19,640	\$ (44,835)	\$ 273,900	\$ 29,705
Issuance premiums	26,520	1,479	(4,077)	23,922	—
	<u>325,615</u>	<u>21,119</u>	<u>(48,912)</u>	<u>297,822</u>	<u>29,705</u>
Certificate of Participation	67,405	—	(4,025)	63,380	4,220
Issuance premiums	8,139	—	(1,083)	7,056	—
	<u>75,544</u>	<u>—</u>	<u>(5,108)</u>	<u>70,436</u>	<u>4,220</u>
APSJFA revenue bonds	22,495	—	(2,425)	20,070	2,515
Issuance premiums	2,701	—	(611)	2,090	—
	<u>25,196</u>	<u>—</u>	<u>(3,036)</u>	<u>22,160</u>	<u>2,515</u>
SWMA revenue refunding bonds	5,885	—	(1,870)	4,015	1,965
Limited obligation bonds	373,300	—	(49,340)	323,960	74,355
Issuance premiums	14,265	—	(3,049)	11,216	—
	<u>387,565</u>	<u>—</u>	<u>(52,389)</u>	<u>335,176</u>	<u>74,355</u>
Other long-term debt:					
Loan Payable	982	—	(56)	926	58
Section 108 loans	220	—	(220)	—	—
1998 GMA lease pool	32,444	—	—	32,444	—
Intergovernmental agreements	424,503	25,000	(33,707)	415,796	22,719
Installment sale program	9,200	—	(870)	8,330	910
Capital leases	30,050	—	(7,660)	22,390	3,769
Total long-term debt	<u>1,317,204</u>	<u>46,119</u>	<u>(153,828)</u>	<u>1,209,495</u>	<u>140,216</u>
Other long-term liabilities:					
Vacation and compensation payable	22,676	6,257	(4,255)	24,678	—
Health and dental claims payable	4,916	51,274	(51,938)	4,252	877
General claims payable	7,143	6,788	(3,183)	10,748	6,788
Net Pension liability	736,300	99,316	(85,475)	750,141	—
Net OPEB obligation	641,417	82,404	(51,404)	672,417	23,708
Workers' compensation	38,125	—	(8,693)	29,432	5,443
Total other long-term liabilities	<u>1,450,577</u>	<u>246,039</u>	<u>(204,948)</u>	<u>1,491,668</u>	<u>36,816</u>
Total governmental activities long-term liabilities	<u>\$ 2,767,781</u>	<u>\$ 292,158</u>	<u>\$ (358,776)</u>	<u>\$ 2,701,163</u>	<u>\$ 177,032</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, 2020

**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, 2020, follow (dollars in thousands):

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Due within One Year
Business-type activities:					
Long-term debt:					
Department of Aviation					
Facilities revenue bonds	\$ 2,318,260	\$ 962,160	\$ (464,840)	\$ 2,815,580	140,060
Bond issuance premiums	98,893	177,992	(32,327)	244,558	—
Bond issuance discounts	(106)	—	14	(92)	—
Capital lease obligations (equipment)	8,498	—	(429)	8,069	458
Department of Watershed Management					
System revenue bonds	2,821,475	103,135	(204,325)	2,720,285	79,080
Bond issuance premiums	281,788	19,618	(22,141)	279,265	—
Bond issuance discounts	(1,631)	—	1,008	(623)	—
GEFA notes payable	193,165	1,292	(8,767)	185,690	4,482
Capital lease obligations (equipment)	143,924	13,455	(18,688)	138,691	5,341
Nonmajor funds					
Capital lease obligations (equipment)	12,570	—	(2,044)	10,526	2,118
Revenue Bond - City Plaza	8,585	—	(345)	8,240	360
Bond issuance premiums	893	—	(92)	801	—
Revenue Bond - Parking Deck	14,030	—	(835)	13,195	855
Bond issuance premiums	1,950	—	(506)	1,444	—
Total long-term debt	<u>5,902,294</u>	<u>1,277,652</u>	<u>(754,317)</u>	<u>6,425,629</u>	<u>232,754</u>
Other long-term liabilities					
Unearned revenue	32,815	—	(3,787)	29,028	3,779
Landfill postclosure liability	16,468	295	—	16,763	—
Health and dental claims payable	2,760	28,842	(29,198)	2,404	495
Contract retention	10,028	25,506	—	35,534	30,086
General claims payable	14,051	415	(11,124)	3,342	415
Net Pension liability	363,888	40,465	(40,130)	364,223	—
Net OPEB obligation	308,519	1,576	9,586	319,681	11,572
Workers' compensation	19,625	2,968	(1,404)	21,189	3,919
Total other long-term liabilities	<u>768,154</u>	<u>100,067</u>	<u>(76,057)</u>	<u>792,164</u>	<u>50,266</u>
Total business-type activities long-term liabilities	<u>\$ 6,670,448</u>	<u>\$ 1,377,719</u>	<u>\$ (830,374)</u>	<u>\$ 7,217,793</u>	<u>\$ 283,020</u>
Component Units					
Long-term Debt and other obligations					
Atlanta Fulton County Recreation Authority					
Due to primary government	\$ 15,266	\$ 2,305	\$ —	\$ 17,571	\$ —
Revenue bonds	392,580	—	(9,755)	382,825	10,110
Total Atlanta Fulton County Recreation Authority	<u>407,846</u>	<u>2,305</u>	<u>(9,755)</u>	<u>400,396</u>	<u>10,110</u>
Atlanta Development Authority					
Revenue and other bonds	406,310	25,748	(24,346)	407,712	26,455
Bond issuance premiums	19,952	—	(1,380)	18,572	—
Notes payable	12,198	—	(2,767)	9,431	2,948
Other long-term liabilities:					
Loans payable	3,666	—	—	3,666	—
Due to primary government	24,000	—	—	24,000	—
Other long-term liabilities	32,440	1,928	—	34,368	—
Total Atlanta Development Authority	<u>498,566</u>	<u>27,676</u>	<u>(28,493)</u>	<u>497,749</u>	<u>29,403</u>
Total component units long-term liabilities	<u>\$ 906,412</u>	<u>\$ 29,981</u>	<u>\$ (38,248)</u>	<u>\$ 898,145</u>	<u>\$ 39,513</u>

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### 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 14, 2019 the City issued its City of Atlanta Various Purpose General Obligation Bonds, Series 2019A in the aggregate principal amount of \$3,350,000 (the "Series 2019A Bonds") and City of Atlanta General Obligation Refunding Bonds, Series 2019B in the aggregate principal amount of \$16,290,000 (the "Series 2019B Bonds"). The Series 2019A Bonds were issued for the purpose of (a) providing funds for renovating, improving, adding to, and equipping certain existing municipal buildings and facilities, and (b) paying certain costs of issuance. The Series 2019B Bonds were issued for the purpose of refunding a portion of the City of Atlanta General Obligation Refunding Bonds, Series 2009A, \$22,730,000 and (b) paying certain costs of issuance. By issuing the Series 2019B bonds, the City obtained an estimated economic gain of approximately 1.06 million and obtained a net present value savings of approx \$638 thousand.

**Certificate of Participation-**On February 22, 2018 the Georgia Municipal Association ("GMA," also referred to herein as the "Trustor") issued \$43,335,000 in aggregate of Certificates of Participation (City of Atlanta Public Safety Projects), Series 2018 pursuant to the Indenture of Trust and Assignment of Installment Sale Agreement, dated as of February 1, 2018 (the "Indenture"), between GMA and U.S. Bank National Association, as trustee (the "Trustee"). The Series 2018 Certificates were issued for the purpose of : (a) acquiring various public safety projects in the City of Atlanta (the "City"), and (b) paying certain costs of issuance related to the Series 2018 Certificates.

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

On December 21, 2017, the City of Atlanta refunded all outstanding Atlantic Station Series 2007 Bonds in the amount of \$44.6 million and a portion of the Atlantic Station Series 2006 Bonds in the amount of \$80.2 million. The City issued the Atlantic Station Refunding Series 2017 Bonds in the aggregate par amount of \$85,380,000. The Series 2017 Refunding Bonds were issued for the purpose of (a) refunding all of the City's outstanding Tax Allocation Refunding Bonds (Atlantic Station Project), Series 2007 (the "Series 2007 Bonds"), (b) refund a portion of the City's outstanding Subordinate Lien Tax Allocation Bonds (Atlantic Station Project), Series 2006 (the "Subordinate Series 2006 Bonds"), (c) fund certain accounts with respect to the Series 2017 Bonds, including, among others, the Series 2017 Debt Service Reserve Account, and (d) pay certain costs of issuance related to the Series 2017 Bonds. By issuing the Series 2017 Bonds, the City obtained

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### H. Long Term Obligations, continued

an estimated economic gain of approximately \$62.94 million and a net present value savings of approximately \$20.2 million.

**Loan Payable-** In July 2015, the City entered into an agreement by and between the Georgia Transportation Infrastructure Bank (GTIB), by and through the State Road and Tollway Authority ("SRTA") in the aggregate principle amount of \$1,000,000. In FY 2019 the proceeds of the the GTIB loan were drew down and used to fund the Street Light LED Conversion Project (Transportation Infrastructure Repair and Replacement). The repayment schedule commenced on March 1, 2019.

#### Intergovernmental Agreements:

##### *Atlanta Urban Redevelopment Agency*

On December 12, 2019, the Atlanta Urban Redevelopment Agency was provided authorization to issue the Atlanta Urban Redevelopment Agency Taxable Revenue Bonds (City's Park Department Building Project) Series, 2019 in the aggregate amount of \$25,000,000. The Series 2019 bonds were issued to provide financing for the cost of acquisition, construction and equipping of two vacant buildings, located at 160 Trinity Avenue, SW, Atlanta, Georgia 30303 and 185 Ted Turner Drive, SW, Atlanta, Georgia 30303, totaling approximately 129,000 gross square feet, and the associated land, for use by, among others, the City of Atlanta Department of Parks and Recreation and any other City Department, governmental agency or other tenant as may be designated, from time to time, by the City, together with a general use parking facility consisting of approximately 225 parking spaces, all located in the Urban Redevelopment Area (the "Project") (including without limitation, reimbursing the City for certain eligible costs of the Project incurred or expended prior to the date of issuance of the Series 2019 Bonds) and paid certain cost related to the issuance of the Series 2019 Bonds.

##### *Invest Atlanta*

In September 2017, the Atlanta Development Authority d/b/a Invest Atlanta (the "Issuer") issued \$25,700,000 in aggregate principal amount of its Revenue Bonds (Homeless Opportunity Project), Taxable Series 2017 ("Series 2017 Bonds"), for the purpose of: (a) financing, in whole or in part, the acquisition, renovation, installation and equipping of certain capital costs and related administrative and other expenses associated with emergency shelter, permanent supportive housing and transportation projects (collectively, the "Project"); and (b) paying certain costs of issuance related to the Series 2017 Bonds. The Regional Commission of Homelessness at the United Way (Homeless Commission") has offered a philanthropic match to the Series 2017 Bonds of up to \$25,000,000 which will be added to proceeds of the Series 2017 Bonds to fund the costs of the Project.

In December 2017, the Atlanta Development Authority d/b/a Invest Atlanta (the "Issuer") issued \$47,000,000 in aggregate principal amount of its Revenue Bonds (Beltline T-SPLOST Project), Taxable Series 2017 ("Series 2017 Bonds"), for the purpose of: (a) financing the acquisition and installation of lighting and security systems, and the acquisition of critical right-of-way to complete an approximately 21-mile loop circumscribing Atlanta Tax Allocation District number six- Beltline ("The Beltline TAD"). The City has agreed to make payments to the Issuer (Invest Atlanta) from

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### H. Long Term Obligations, continued

T-SPLOST Collections for such services in amounts sufficient to enable the Issuer (Invest Atlanta) to pay, when due, the principal of, and interest on the Series 2017 Bond and other amounts due under the bond resolution.

On August 2, 2017, the City of Atlanta and Atlanta Fulton County Recreation Authority ( the “Issuer”) issued \$30,390,000 in the aggregate principal amount of Revenue Bonds (Zoo Atlanta Parking Facility Project), Series 2017 (the “Series 2017 Bonds”) for the purpose of financing (a) the design, acquisition, construction, installation and equipping of a portion of the Parking Complex Project consisting of a 3-story structured parking deck totaling approximately 400,000 square feet with approximately 1,000 parking spaces (the “Parking Facility”), (b) deposits to certain fund and accounts related to the Series Bonds, and (c) paying certain costs of issuance related to the Series 2017 Bonds (collectively, the “2017 Project”).

#### 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, 2020, the City had no arbitrage rebate liability.

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020, is as follows (dollars in thousands):

<b>General Obligation Bonds:</b>	
2014A Refunding Issue, \$15,365, 4.00% - 5.00%, due December 1, 2026	\$ 11,280
2014B Taxable Refunding Issue, \$40,025, 1.281% - 3.339%, due December 1, 2025	16,595
2015 Public Imp. Issue, \$252,000, 4.50% - 5.00%, due December 1, 2034	224,065
2016 Various Purpose General Obligation Bond \$3,575, 2.000%-4.000%, due December 1, 2025	2,320
2019A Various Purpose General Obligation Bonds \$3,350, 4.000% - 5.000%, due December 1, 2029	3,350
2019B General Obligation Refunding Bonds, \$16,290, 4.000%, due December 1, 2022	16,290
	<hr/>
	273,900
Bond issuance premiums	23,922
Total general obligation and annual bonds payable	<hr/> <hr/>
	297,822
<b>Certificate of Participation:</b>	
2016 City Court of Atlanta Project, Refunding \$32,160, 4.000%-5.000%, due December 1, 2026	22,185
2018 City of Atlanta Public Safety Projects Series, \$43,335, 3.000%-5.000%, due June 30, 2038	41,195
	<hr/>
	63,380
Bond issuance premiums	7,056
Total certificate of participation	<hr/> <hr/>
	70,436
<b>APSJFA Revenue Bonds</b>	
2016 Public Safety Facility Project, \$27,150, 4.25% - 5.00%, issued by the Atlanta Public Safety Judicial Facilities Authority, due December 1, 2026	20,070
Bond issuance premium	2,090
Total APSJFA revenue bonds payable	<hr/> <hr/>
	22,160
<b>SWMA Revenue Refunding Bonds:</b>	
Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority due December 1, 2021	4,015
	<hr/>
<b>Limited Obligation Bonds:</b>	
2001 Westside Project, \$14,995, (5.000% at June 30, 2019), due December 1, 2021	1,430
2005A Westside Project, \$72,350, (5.000% at June 30, 2019), due December 1, 2023	24,710
2005B Westside Project, \$10,215, (5.000% at June 30, 2019), due December 1, 2023	3,645
2006 Atlantic Station, \$166,515, (5.00% at June 30, 2019), December 1, 2024	55,205
2008 Westside, \$63,760 3.27%, due December 1, 2037	43,240
2014 Perry Bolton Project, \$21,000, 3.00% - 5.00%, due July 1, 2041	14,810
2016B Princeton Lakes Refunding, \$4,955, 3.25%, due January 1, 2027	4,885
2016A Beltline Refunding, \$21,600, 3.00%-5.00%, due June 30, 2031	18,045
2016B Beltline Refunding, \$39,035, 3.00%-5.00%, due June 30, 2031	32,970
2016C Beltline Refunding, \$6,290, 1.984%-4.579%, due June 30, 2031	5,195
2016D Beltline Project, \$39,605, 3.00%-5.00%, due June 30, 2031	31,695
2016E Beltline Project, \$38,325, 1.984%-3.879%, due June 30, 2025	23,670
2017 Atlantic Station Refunding, \$85,380, 5.000%, due December 01, 2024	64,460
	<hr/>
Total Limited Obligation Bonds	323,960

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations, continued**

Bond issuance premiums	11,216
Total limited obligation bonds payable	335,176
Total bonds payable	729,609
Other general long-term debt	
GTIB Loan, \$1,000, 2.48%, due February 1, 2034	926
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)	8,330
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	4,403
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	12,175
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	51,549
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	1,650
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	206,825
2017 Intergovernmental Agreement Guaranteed payments toward 2017 URFRA Taxable Revenue Bond, \$63,685, 1.250%-2.839%, due June 30, 2037	53,130
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds (Homeless Opportunity Project), \$25,700, 1.500%-3.565%, issued by the Atlanta Development Authority due June 30, 2037	23,545
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds (Zoo Atlanta Parking Facility Project), \$30,390, 2.000%-5.000%, issued by the Atlanta Fulton County Recreation Authority due December 01, 2036	28,315
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds ( T-SPLOST Project), \$47,000, 2.920%, issued by the Atlanta Development Authority, due December 01, 2021	9,204
2019 Intergovernmental Agreement Guaranteed payments toward 2019 Revenue Bonds (AURA City Park Building Project), \$25,000, 1.767%-3.298%, issued by the Atlanta Urban Redevelopment Agency due December 01, 2039	25,000
	457,496
Capital leases	22,390
Total long-term debt	\$ 1,209,495

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, 2020

**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.

The City has issued commercial paper, classified as short-term debt, and bond anticipation notes, classified as short-term and long-term debt, to provide interim financing for long-term projects that will ultimately be funded with bonds, PFC debt, or City dollars through its renewal and extension fund.

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations, continued**

Summary of Department of Aviation long-term debt at June 30, 2020, consists of the following (dollars in thousands):

Facilities Revenue Bonds:	
General Revenue and Refunding Bonds:	
Airport General Revenue and Refunding Bonds, Series 2010C Bonds, combination serial at 2.0% - 5.875% and term at 5.25% - 6.0% through 2030	\$ 338,865
Airport General Revenue and Refunding Bonds, Series 2011A, 3.0% - 5.0%, due serially through 2021	39,850
Airport General Revenue and Refunding Bonds, Series 2011B, 3.0% - 5.0%, due serially through 2030	166,560
Airport General Revenue Refunding Bonds, Series 2012A, combination serial at 2.00% - 5.00% and term, at 4.00% - 5.00% through 2042	56,150
Airport General Revenue Refunding Bonds, Series 2012B, combination serial at 3.00% - 5.00% and term, at 5.00% through 2042	164,495
Airport General Revenue Refunding Bonds, Series 2012C, combination serial at 4.00% - 5.00% and term, at 5.00% through 2042	200,550
Airport General Revenue and Refunding Bonds, Series 2014B, 3.0% - 5.0%, due serially through 2033	124,495
Airport General Revenue and Refunding Bonds, Series 2014C, 2.0% - 5.0%, due serially through 2030	95,330
Airport General Revenue Bond- Non-AMT Series 2019A at 2.00% - 5.00% due serially through 2049	47,150
Airport General Revenue Bond - AMT Series 2019B at 2.00% - 5.00% due serially through 2049	254,215
Airport General Revenue Bond - AMT Series 2019E at 4.00% - 5.00% due serially through 2039	100,585
Total General Revenue and Refunding Bonds	<u>1,588,245</u>
Passenger Facility Charge (PFC) and Subordinate Lien General Revenue Bonds:	
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2014A at 4.0% - 5.0%, due serially through 2034	523,605
PFC and Subordinate Lien GARB Non-AMT, Series 2019C, at 4.00% - 5.00%, due serially through 2040	185,670
PFC and Subordinate Lien GARB AMT, Series 2019D, at 4.00% - 5.00%, due serially through 2040	220,105
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2019F, at 4.00% - 5.00%, due serially through 2025	154,435
Total PFC and Subordinate Lien General Revenue Bonds	<u>1,083,815</u>
Customer Facility Charge (CFC) Restricted Revenue Bonds:	
City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Series 2006A at 5.758% - 5.965% (Conduit Debt)	130,920
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)	12,600
Total Customer Facilities Charge Revenue Bonds	<u>143,520</u>
Total Facilities Revenue Bonds	<u>2,815,580</u>
Deferred amounts:	
Bond issuance premiums	244,558
Bond issuance discounts	(92)
	<u>244,466</u>
Capital Leases	8,069
Total long-term debt	<u><u>\$ 3,068,115</u></u>

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### H. Long Term Obligations, continued

On September 10, 2019, the Department of Aviation issued \$47,150,000 in the aggregate principal amount for the Airport General Revenue Bonds, Series 2019A (NON-AMT), \$254,215,000 in the aggregate principal amount for the Airport General Revenue Bond, Series 2019B (AMT), \$185,670,000 in the aggregate principal amount for the Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2019C (NON-AMT) and \$220,105,000 in the aggregate principal amount for the Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2019D (AMT). The 2019 Bonds were issued for the purpose of providing funds to, among other things: (a) finance or refinance the costs of planning, engineering, design, acquisition and construction of all or a portion of the 2019 Projects, which constitutes a portion of the Capital Plan to 2023; (b) pay capitalized interest during construction on a portion of the 2019 Bonds; (c) fund a deposit to the Debt Service Reserve account to meet Debt Service Reserve requirements related to the 2019 Bonds; and (d) pay certain costs of issuance with respect to the Series 2019 Bonds.

On October 29, 2019, the Department of Aviation issued \$100,585,000 in the aggregate principal amount for the Airport General Revenue Refunding Bonds, Series 2019E (NON-AMT), \$154,435,000 in the aggregate principal amount for the Airport Passenger Facility Charge and Subordinate Lien General Revenue Refunding Bonds, Series 2019F (NON-AMT). The Series 2019 Refunding Bonds were issued for the purpose of providing funds to among other things: (a) refund and redeem all or a portion of the outstanding principal amount of the Refunded Bonds; and (b) pay certain costs of issuance with respect to the Series 2019 Refunding Bonds. By issuing the Series 2019 bonds, the City obtained and estimated economic gain of approximately \$93.10 million and obtained a net present value savings of approx \$43 million.

**Commercial Paper Notes:** On August 7, 2019, the Department of Aviation issued an aggregate amount of \$950MM for Commercial Paper Notes J/K/L. The Notes J/K/L were issued to provide funds, on a short-term, interim basis, to: (a) finance and or refinance, a portion of the costs of the planning, engineering, design, acquisition, and construction of certain improvements to the Airport, as further described in the Twenty-Fifth Supplemental Bond Ordinance and (b) refund in whole or in part the principal and interest of any Outstanding D/F/H&I CP Notes and 2018 Bond Anticipation Notes (BANs). The Series J Notes may be repaid and reissued as often as necessary to effectuate the purposes set forth in the Twenty-Fifth Supplemental Bond Ordinance, so long as the aggregate principal amount outstanding of the Series J Notes, does not exceed \$350MM at any one time, or such lesser amount specified in the related New Program Order. The Series K Notes may be repaid and reissued as often as necessary to effectuate the purposes set forth in the Twenty-Fifth Supplemental Bond Ordinance, so long as the aggregate principal amount outstanding of the Series K Notes, does not exceed \$475MM at any one time, or such lesser amount specified in the related New Program Order. The Series L Notes may be repaid and reissued as often as necessary to effectuate the purposes set forth in the Twenty-Fifth Supplemental Bond Ordinance, so long as the aggregate principal amount outstanding of the Series L Notes, does not exceed \$125MM at any one time, or such lesser amount specified in the related New Program Order.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations, continued**

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

	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Reclass</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>	<u>Due within one year</u>
Bond anticipation and commercial paper notes	\$ 731,746	884,341	—	(1,258,185)	357,902	357,902
Total notes	<u>\$ 731,746</u>	<u>884,341</u>	<u>—</u>	<u>(1,258,185)</u>	<u>357,902</u>	<u>357,902</u>

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 of Aviation to maintain a ratio of Net Airport Revenue to Aggregate Debt Service, as defined, of at least 120%.

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020 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	\$ 110,300
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 Refunding Revenue Bonds, \$448,965 Series 2009B, combination serial (4.00% - 5.50%) and term bonds (5.25-5.375%), due serially and term through 2039	53,100
Water and Wastewater Refunding Revenue Bonds, \$200,140 Series 2013B, (5.0% - 5.50%), due serially and term through 2030	137,765
Water and Wastewater Revenue Refunding Bonds, \$1,237,405 Series 2015, (2.00% - 5.00%), due serially and term through 2043	1,232,705
Water and Wastewater Revenue Refunding Bonds, \$226,175 Series 2017A, (3.50% - 5.00%), due serially through 2039	226,175
Water and Wastewater Revenue Refunding Bonds, \$51,210 Series 2018A, serial bonds (5.00%), due serially through 2041	51,210
Water and Wastewater Revenue Refunding Bonds, \$289,730 Series 2018B, term bonds (3.50% - 5.00%), due serially through 2047	284,990
Water and Wastewater Revenue Refunding Bonds, \$288,900 Series 2018C, serial bonds (4.00% - 5.00%), due serially through 2038	288,900
Water and Wastewater Revenue Refunding Bonds, \$14,020 Series 2018D, term bonds (3.50% - 5.00%), due serially through 2028	12,840
Water and Wastewater Revenue Refunding Bonds, \$103,135, Series 2019, serial bonds (2.00% - 5.00%), due serially through 2038	103,135
	<hr/>
	2,720,285
Bond issuance premiums	279,265
Bond issuance discounts	(623)
Total revenue bonds	<hr/> <hr/> 2,998,927
Georgia Environmental Facilities Authority (GEFA) Notes Payable:	
Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3.00% due serially through 2024	988
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2036	12,398
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2037	13,107
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038	13,814
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2037	21,198
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2038	21,369
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2038	20,950
Georgia Environmental Facilities Authority (GEFA) \$5,500 Loan, 3.00%, due serially through 2033	3,748
Georgia Environmental Facilities Authority (GEFA) \$3,000 Loan, 3.81%, due serially through 2033	2,109
Georgia Environmental Facilities Authority (GEFA) \$34,990 Loan, (3.00%), due serially through 2035	27,727
Georgia Environmental Facilities Authority (GEFA) \$51,426 maximum gross loan (2.03%), due serially through 2038	46,989
Georgia Environmental Facilities Authority (GEFA) \$45,000 maximum gross loan (2.25%), construction status	176
Georgia Environmental Facilities Authority (GEFA) \$12,851 maximum gross loan (2.25%), construction status	641
Georgia Environmental Facilities Authority (GEFA) \$25,000 maximum gross loan (2.25%), construction status	476
Total GEFA notes payable	<hr/> <hr/> 185,690
Capital leases	138,691
Total long-term debt	<hr/> <hr/> <hr/> \$ 3,323,308

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### H. Long Term Obligations, continued

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

On July 11, 2018, the City of Atlanta issued approximately \$289.7 million of its Water and Wastewater Revenue Refunding Bonds, Series 2018B (the "Series 2018B Bonds"). The Series 2018B Bonds were issued to: (a) pay all or a portion of the cost of the 2018 Project; (b) pay the outstanding principal portion of maturing 2015 Commercial Paper Notes; (c) fund a deposit to the Debt Service Reserve Account and (d) pay the costs of issuance related to the Series 2018B Bonds.

On October 24, 2018, the City of Atlanta issued approximately \$288.9 million of its Water and Wastewater Revenue Refunding Bonds, Series 2018C (the "Series 2018C Bonds"). The Series 2018C Bonds were issued to: (a) refund all of the City's outstanding Series 2013A bonds; and (b) pay the costs of issuance related to the Series 2018C Bonds. By issuing the Series 2018C bonds, the City obtained and estimated economic gain of approximately \$53.96 million and obtained a net present value savings of approx \$34.5 million.

On November 28, 2018, the City of Atlanta issued approximately \$14.0 million of its Water and Wastewater Revenue Refunding Bonds, Series 2018D (the "Series 2018D Bonds"). The Series 2018D Bonds were issued to: (a) fund all or a portion of the cost of the Series 2018D project; and (b) pay the costs of issuance related to the Series 2018D Bonds.

On August 29, 2019, the City of Atlanta issued approximately \$103.1 million of its Water and Wastewater Revenue Refunding Bonds, Series 2019 (the "Series 2019 Bonds"). The Series 2019 Bonds were issued to: (a) refund a portion of the City's Water and Wastewater Revenue Bonds, Series 2009B; and (b) pay the costs of issuance related to the Series 2019 Bonds.

On April 29, 2020, the City of Atlanta entered into Equipment Schedule No. 5 to the Master Lease Agreement with First Municipal Credit Company, LLC (Grant Capital Lease #5) for the purpose of refinancing the outstanding lease liability of \$13.5 million on Equipment Schedule No. 3 (Grant Capital Lease #3) in the original amount of \$14.8 million.

#### Commercial Paper Notes Payable

In August 2018, DWM authorized the issuance of the following Water and Wastewater Revenue Commercial Paper Notes (Series 2018 Notes), up to the amount of \$125,000,000. On August 1, 2018, DWM entered into a Letter of Credit and Reimbursement Agreement which expires on August 2, 2021 with Wells Fargo Bank, National Association to facilitate the payment of principal and interest on the Series 2018 Notes in the principal amount of \$125 million for the 2018 Commercial Paper Program. The Series 2018 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 DWM, (B) refund in whole or in part the principal of and interest on outstanding Series 2018 Notes, and (C) pay expenses necessary to

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### H. Long Term Obligations, continued

accomplish the foregoing. Revenue of DWM is pledged as security for payments on the Series 2018 Notes, which is junior and subordinate to the pledge of revenue securing DWM's long-term debt.

The Series 2018 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 2018 Notes are considered a short-term obligation of DWM and may be repaid and reissued as often as necessary to affect the purposes set out in the program.

Short-term debt activity for the years ended June 30, 2020 , was as follows (in thousands):

	<u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>2020</u>
Commercial paper	\$ —	16,258	—	16,258

The City issued \$16,258,000 of its Series 2018 Water and Wastewater Commercial Paper Notes during fiscal year 2020.

### 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 \$16,763,437 reported as the landfill post-closure costs liability at June 30, 2020, 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 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.

### *Interest Rate Exchange Agreements (SWAPs) and Associated Bonds*

#### **General Government**

On June 25, 1998, the City, along with other Georgia municipal entities, entered into an interest rate swap agreement with Morgan Guaranty Trust Company of New York (Swap 1). The City's swap agreement is associated with a portion of the fixed rate Georgia Local Government Grantor Trust Certificates of Participation, Series 1998A with a total principal amount of \$150,126,000. The City is responsible for \$32,444,000 of principal of the Series 1998A bonds and \$32,444,000 of notional amount of the Series 1998A Swap.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations, continued**

The following Georgia Local Government Grantor Trust COPs, dated June 1, 1998, are associated with Swap 1:

<u>Georgia Local Government Grantor Trust COP</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
City of Atlanta's portion of Series 1998A	June 1, 2028	\$32,444,000
Other Municipalities' portion of Series 1998A	June 1, 2028	117,682,000
Total		<u><u>\$150,126,000</u></u>

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the changes in fair value of such derivative instruments for the years then ended are as follows (in thousands):

<u>Swap</u>	<u>Terms</u>	<u>2020 Changes in Fair Value</u>		<u>Fair Value at June 30, 2020</u>		<u>Notional</u>
		<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
—	Receive-fixed interest rate swaps	Deferred Inflow	\$2,021	Hedging	\$10,261	32,444

The fair value was estimated using zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

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 categorized as Level 2 as defined in GASB Statement No. 72.

The following table displays the objective and terms of the City's hedging derivative instrument that was outstanding as of June 30, 2020, along with the credit rating of the counterparty.

<u>Swap</u>	<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
1	Receive-fixed interest rate swap	Hedge of changes in fair values of fixed debt obligations	\$32,444,000	7/21/1998	6/1/2028	Receive 4.75%; pay SIFMA + 31bps	AA/Aa2/A+

\* AA issued by Fitch, London; Aa2 issued by Moody's, New York; A+ issued by Standard & Poor's, New York.

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### H. Long Term Obligations, continued

##### *Risks*

**Credit Risk** - Credit risk is the risk that a counterparty will not fulfill its obligations. A counterparty's likelihood of default under the terms of the agreement can be measured by the credit ratings of the counterparty. The counterparty is rated AA- as issued by Fitch, London, Aa2 as issued by Moody's, New York, and A+ as issued by Standard & Poor's, New York.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the City's financial instruments or its cash flows. The City is exposed to interest rate risk on its receive-fixed, pay-variable interest rate swap. The fixed rate payments made on the Series 1998A bonds and the fixed rate payments received on the swap offset each other, leaving the City to make variable rate swap payments based on the SIFMA index plus 0.31%. As of June 30, 2020, the SIFMA index rate was 0.13% and the floating interest rate paid on the swap was 0.44%. As a result of the City being exposed to interest rate risk, variable rate payments on the swap will increase if the SIFMA index 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 City is not exposed to basis risk on its receive-fixed interest rate swap hedging instrument because the fixed-rate payments made to the counterparty exactly offset the fixed rate payments received from the counterparty.

**Termination Risk** - Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City's asset and liability strategy or will present the City with a potentially significant unscheduled termination payment to the counterparty.

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

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020 (dollars in thousands):

Year Ended June 30	Governmental Activities					
	General Obligations		SWMA Revenue Bonds		APSJFA Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 29,705	\$ 12,160	\$ 1,965	\$ 131	\$ 2,515	\$ 896
2022	26,925	10,970	2,050	41	2,615	795
2023	16,405	10,001	—	—	2,715	648
2024	14,275	9,275	—	—	2,835	594
2025	15,010	8,580	—	—	2,980	452
2026-2030	77,650	31,971	—	—	6,410	316
2031-2035	93,930	11,935	—	—	—	—
	<u>\$ 273,900</u>	<u>\$ 94,892</u>	<u>\$ 4,015</u>	<u>\$ 172</u>	<u>\$ 20,070</u>	<u>\$ 3,701</u>

Year Ended June 30	Certificate of Participation		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 4,220	\$ 2,969	\$ 74,355	\$ 14,737	\$ 27,456
2022	4,430	2,753	31,655	12,864	21,072	8,153
2023	4,635	2,541	33,905	11,357	22,124	7,406
2024	4,835	2,335	38,180	9,616	21,470	6,773
2025	5,045	2,120	81,175	8,095	18,894	6,222
2026-2030	17,330	7,416	51,865	10,298	130,523	23,380
2031-2035	13,215	4,135	10,450	1,374	97,677	11,374
2036-2040	9,670	741	—	594	76,050	1,323
2041-2045	—	—	2,375	178	64,620	—
	<u>\$ 63,380</u>	<u>\$ 25,010</u>	<u>\$ 323,960</u>	<u>\$ 69,113</u>	<u>\$ 479,886</u>	<u>\$ 73,662</u>

Year Ended June 30	Business-Type Activities					
	Aviation		GA Environmental Facilities-DWM		Watershed Management Revenue Bonds	
	Principal	Interest	Principal(1)	Interest	Principal	Interest
2021	\$ 140,060	\$ 138,176	\$ 4,482	\$ 2,708	\$ 79,080	\$ 133,430
2022	115,565	131,125	9,166	5,215	83,285	129,240
2023	121,665	125,026	9,441	4,940	87,950	124,823
2024	143,020	118,615	9,645	4,656	88,265	120,317
2025	145,675	111,427	9,691	4,369	95,195	115,667
2026-2030	852,335	406,950	53,027	17,275	560,005	495,661
2031-2035	515,655	256,533	60,245	8,769	639,445	343,028
2036-2040	535,510	146,077	29,993	1,160	783,730	170,304
2041-2045	163,015	30,098	—	—	252,860	37,717
2046-2050	83,080	12,257	—	—	50,470	3,869
	<u>\$ 2,815,580</u>	<u>\$ 1,476,284</u>	<u>\$ 185,690</u>	<u>\$ 49,092</u>	<u>\$ 2,720,285</u>	<u>\$ 1,674,056</u>

(1) Includes the anticipated full debt service of three loans currently in construction status. The City is drawing down on these respective loans, not to exceed the aggregate amount of \$82.9 million.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations, continued**

Debt Service Requirements, continued

Year Ended June 30	Business-Type Activities					
	City Plaza		Downtown Parking Deck		Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 360	\$ 344	\$ 855	\$ 568	\$ 2,118	\$ 340
2022	370	330	885	533	2,192	265
2023	385	314	925	497	2,270	188
2024	405	297	970	459	2,350	108
2025	425	276	1,005	420	1,595	28
2026-2030	2,475	1,029	5,795	1,303	—	—
2031-2035	3,130	382	2,760	97	—	—
2036-2040	690	11	—	—	—	—
	<u>\$ 8,240</u>	<u>\$ 2,983</u>	<u>\$ 13,195</u>	<u>\$ 3,877</u>	<u>\$ 10,525</u>	<u>\$ 929</u>

Year Ended June 30	Component Units			
	Recreation Authority		Atlanta Development Authority	
	Principal	Interest	Principal	Interest
2021	\$ 10,110	\$ 17,302	\$ 29,403	\$ 17,587
2022	8,765	16,943	32,796	16,731
2023	9,120	16,590	18,173	15,975
2024	7,350	16,265	15,415	15,367
2025	19,625	22,694	16,000	14,725
2026-2030	60,840	77,916	81,565	62,980
2031-2035	72,035	53,695	81,890	45,315
2036-2040	71,485	37,543	77,280	25,369
2041-2045	84,045	20,060	64,620	8,743
2046-2050	39,450	2,193	—	—
	<u>\$ 382,825</u>	<u>\$ 281,201</u>	<u>\$ 417,142</u>	<u>\$ 222,792</u>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**H. Long Term Obligations, continued**

Defeased Debt

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

Below is a description of the City's defeased bonds and the outstanding balances as of June 30, 2020 (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 6/30/2020
<b>General Obligation Bonds</b>								
2009 Refunding	5/28/2009	\$ 78,025	12/1/2019	1/14/2016	2022-2023	4.125 - 5.250	\$ 43,035	\$ —
		<u>\$ 78,025</u>					<u>\$ 43,035</u>	<u>\$ —</u>
<b>Revenue Bonds</b>								
2009A Water & Wastewater	6/25/2009	\$ 750,000	11/1/2019	3/12/2015	2020-2039	6.0-6.25	\$ 608,885	\$ —
2009B Water & Wastewater	10/22/2009	\$ 448,965	11/1/2039	5/4/2017	2020-2039	4.25-5.50	\$ 240,210	\$ 53,100
		<u>\$1,198,965</u>					<u>\$ 849,095</u>	<u>\$ 53,100</u>

**IV. Other Information**

**A. Risk Management**

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

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

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Risk Management, continued

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

##### Self-insurance

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

##### Workers' Compensation

The City's workers' compensation liability is calculated by an outside actuary. Liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated including amounts for claims incurred but not yet reported. The calculation of the present value of future workers' compensation liabilities, as calculated by the outside actuary, is based on a discount rate of 3.5% for 2020. 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 Anthem Point of Service and its dental plan under Anthem PPO High/Low Option are fully self-insured. The Kaiser HMO, Aetna Dental DHMO and UHC 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 yet reported.

##### General Claims

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020 were as follows (dollars in thousands):

	Beginning of period liability		Period claims and changes in estimates		Claim payments		End of period liability
Workers' compensation:							
2019	\$ 73,290	\$	(589)	\$	(14,951)	\$	57,750
2020	\$ 57,750	\$	2,968	\$	(10,097)	\$	50,621
Health and Dental claims:							
2019	\$ 7,472	\$	83,329	\$	(83,125)	\$	7,676
2020	\$ 7,676	\$	80,116	\$	(81,136)	\$	6,656
General claims liability:							
2019	\$ 22,063	\$	1,176	\$	(2,045)	\$	21,194
2020	\$ 21,194	\$	7,203	\$	(14,307)	\$	14,090

**B. Commitments and Contingent Liabilities**

Litigation

There have been ante litem notices based on incidents related to the civil unrest that occurred during the summer of 2020, but no new litigation at this point. 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, 2020, the total estimated remaining costs on committed projects are \$84.9 million for the City, \$593.6 million for the Department of Aviation, and \$256.7 million for the Department of Watershed Management.

Department of Aviation

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest Airlines and the Georgia Environmental Protection Division (EPD) to settle all claims in exchange for transfer and assumption of environmental obligations of Leased Space formerly between Northwest and the

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### **B. Commitments and Contingent Liabilities, continued**

Georgia EPD. As of June 30, 2020, a restricted non-current asset is recorded for approximately \$5.1 million as a result of this settlement.

#### Department of Watershed Management

##### *Other Governments*

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

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

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

Additional capital improvements may be made to the Plants to relieve excessive flows and/or loads that impair the efficient operation of the City's sewer system, to improve existing processes, to improve the efficiency of current operations, or to comply with applicable laws. In any such event, the DWM and DeKalb County have agreed to share the costs of such capital improvements, generally upon the basis of relative sewerage flow contributed by the City and DeKalb County, respectively. DeKalb County, Fulton County, the City of Hapeville, the City of East Point and the City of College Park (collectively, the "Municipalities") share in the costs of the operation and maintenance of the R.M. Clayton, South River, Intrenchment Creek and Utoy Creek Water Reclamation Centers based upon the ratio that their sewerage flow bears to the total flows to the plants. The Municipalities' share of the operation and maintenance costs for the Plants was \$21,150,000 for the year ended June 30, 2020. 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 \$54,704,000 for the year ended June 30, 2020. These payments are treated as capital contributions. The amounts receivable from the Municipalities is included in the amount due from other governments in the accompanying financial statements.

#### **Consent Decrees for Wastewater System**

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

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### **B. Commitments and Contingent Liabilities, continued**

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

The plaintiffs alleged that the City violated the terms of its permits that authorize discharge of wastewater from the City's Combined Sewer Overflows (CSO) Control Facilities and its wastewater treatment facilities. In 1998, the plaintiffs and the City agreed to the entry of a consent decree relating to the CSO Control Facilities. On December 20, 1999, the First Amended Consent Decree (the "FACD") was entered into with the United States District Court for the Northern District of Georgia. The United States, the State of Georgia, and the City are the parties to the FACD. Because claims brought by Riverkeeper were resolved under the CSO Consent Decree, Riverkeeper is not a party to the FACD. Current CSO related contract commitments for the wastewater project is \$156,137,000.

#### **CSO Consent Decree**

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

As mentioned, the City and the citizen plaintiffs settled the lawsuit in what is referred to as the CSO Consent Decree (EPA and the EPD also joined). The CSO Consent Decree required the City to study the performance of the existing CSO treatment facilities, evaluate treatment alternatives that may be necessary for meeting State water quality standards, and improve the performance, maintenance, operation, and management of the existing treatment facilities. As of June 30, 2020, all projects required under the CSO Consent Decree were substantially complete. Remaining liabilities for the CSO is approximately \$25,268,000.

#### **First Amended Consent Decree**

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

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### **B. Commitments and Contingent Liabilities, continued**

2004. All capital improvements, upgrades, and repairs under the FACD had an original completion date of July 1, 2014.

#### **Amendment to the First Amended Consent Decree**

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

#### **Clean Water Atlanta Program**

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

- Municipal Option Sales Tax (MOST) - Effective October 1, 2004, a 1% municipal sales and use tax is being collected for retail sales and use occurring in the incorporated city limits of the City of Atlanta. Proceeds from this tax are used for operations, debt service and funding renovations to the City's water and sewer system. The MOST was approved by the City's residents in the July 2004 general election for a period not to exceed four years and for raising not more than \$750,000,000. Up to two extensions, at four years each can be approved by a vote of the City's residents. In the February 2008 general election, the residents approved the first extension and in the March 2012 general election, the residents approved the second extension. In 2010, the statute was amended to allow up to three four-year extensions. In May 2018, the City of Atlanta secured state legislative approval for additional referenda to continue MOST as a funding source for the Department's system improvements. Proceeds from the MOST for the year ended June 30, 2020 were approximately \$146,696,000, of which approximately \$10,621,000 was receivable from the Georgia Department of Revenue at June 30, 2020.
- 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 2020, the City received no GEFA funding. As of June 30, 2020, the City had \$185,690,000 in short and long-term loans

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Commitments and Contingent Liabilities, continued**

outstanding to GEFA.

- The 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 2016 - 2020 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 2020.

Graduated Monthly Water Rate Structure:

Water Consumption	2016	2017	2018	2019	2020
Base Charge	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56
1-3 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	2016	2017	2018	2019	2020
Base Charge	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56
1-3 ccf	\$ 9.74	\$ 9.74	\$ 9.74	\$ 9.74	\$ 9.74
4-6 ccf	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64
Above 7 ccf	\$ 15.69	\$ 15.69	\$ 15.69	\$ 15.69	\$ 15.69

**Consent Orders for Drinking Water System**

The City is subject to two administrative Consent Orders issued by the Georgia Department of Natural Resources Environmental Protection Division. They are dated December 9, 1997, and March 21, 2003. Those Orders require capital improvement at the Chattahoochee and Hemphill Treatment Plants, as well as operational improvement to ensure compliance with Georgia Rules for Safe Drinking water. While the City is in substantial compliance with the provisions of both Orders, certain aspects of the capital program remain to be completed. Estimated remaining cost to satisfy the CSO is \$26,438,000.

**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 \$1.59 billion. Total capital cost recorded to date is \$3.4 billion.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Commitments and Contingent Liabilities, continued**

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

<u>Project Types</u>	Total 2006-2027 CIP (In millions)	Remaining Cost 2021-2027 CIP (In millions)
Wastewater Projects:		
Consent Decree Program (CSO)	\$ 755	25
First Amended Consent Decree Program (SSO)	1,886	691
Regulatory	160	1
Renewal & Extension Fund Projects	892	407
	3,693	1,124
Water Projects:		
Consent Order	70	26
Non-Consent Order	1,279	435
	1,349	461
	\$ 5,042	1,585

COVID-19 Pandemic

Like most of the world, the City is currently responding to the COVID-19 pandemic. Airports in the United States have been acutely affected by interruptions in travel, reductions in passenger volumes and flights, as well as by the broader economic slowdown resulting from the COVID-19 pandemic. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines have reported unprecedented reductions in passenger volumes, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Currently, this reduction in demand and capacity is expected to continue in the near term, although with modest incremental improvement.

The impact to water and wastewater revenues are primarily driven by a decrease in commercial and industrial water usage. The collection of Sales Tax revenues has decreased as a result of reduced consumer spending within the City. The City's Department of Watershed Management (the "Department") also anticipates increased defaults from households which are unable to pay their current and past due bills. In addition, the Department could incur additional costs for ongoing emergency operations during the course of the COVID-19 pandemic.

There are expected General Fund decreases in certain major revenue sources that are highly sensitive to the economic factors affected by the COVID-19 pandemic. These major revenue sources are local option sales tax, licenses and permits, public utility alcoholic beverages, fines, hotel/motel, and other taxes.

The City Finance Office will continue to closely monitor revenue trends from COVID-19 for alignment with recent expectations and potential revision or mid-year corrective measures to revenues. Though the CARES Act funding will mitigate some of the economic impact of Covid-19 on the General Fund, revenues are not expected to fully recover until the health crisis is resolved.

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### V. Pensions and Postemployment Benefits

#### A. Pensions

The City maintains the following separately administered pension plans:

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

#### ***Plans Administration***

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

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

A stand-alone audited financial report is issued for each of the three defined benefit plans and can be obtained at the below address. The defined contribution plan does not have separately issued financial statements. The condensed financial statements for the defined contribution plan can be found on page 132.

City of Atlanta  
68 Mitchell Street, S.W.  
Suite 1600  
Atlanta, Georgia 30303

The valuation date for the three defined benefit plans is July 1, 2018, with the results rolled forward to the measurement date of June 30, 2019. The allocation of the pension liability to the various funds is based upon fiscal year 2019 contributions from the various departments. The City is

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Pensions, continued

presenting the net pension liability as of the measurement date of June 30, 2019 for the fiscal year 2020 financial statements.

#### The General Employees' Pension Plan

##### *Plan Description*

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

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

#### General Employees' Pension Plan

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

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

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

Employees hired on or after September 1, 2011 who are below pay grade 19 or its equivalent are required to participate in a hybrid defined-benefit plan with a mandatory defined-

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Pensions, continued

contribution component. The defined-benefit portion of this plan includes a mandatory 8% employee contribution and 1% multiplier.

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

Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the Plan measured as a percentage of payroll. The City's annual contribution to the Plan may not exceed 35% of payroll of the participants in the City's three defined-benefit pension plans. In the event that this 35% cap is reached, the City will fund any overage for the first 12-month period from its reserves. During that period, the City's management must agree on an alternative method to reduce the overage. If no alternative is reached, beginning in the second 12-month period, the City and the participants will equally split the cost of the overage, subject only to a provision that employee contributions may not increase more than 5%. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums. During the year ended June 30, 2020, the City contributions were \$48,219,000.

#### *b. Contribution requirements of the GEPP - School System*

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

#### *c. Description of GEPP benefit terms - The City*

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

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

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 60 after completing 10 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 60 after completing 15 years of service.

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

Hired after October 31, 2011:

Age 62 after completing 15 years of service.

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

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

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

**Early Pension:**

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

Hired before July 1, 2010

10 years of credited service.

Hired between July 1, 2010 and October 31, 2011

15 years of credited service.

Hired after October 31, 2011

Age 52 and 15 years credited service.

**Disability:**

Service requirement:

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

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

***d. Amendment of the eligibility for participation in the City of Atlanta, Georgia General Employees' Pension Plan***

Effective September 1, 2005, a participant in the City of Atlanta Defined Contribution Plan (the "Defined Contribution Plan") who (i) is a permanent, full-time employee of the City of Atlanta, (ii) is either a classified employee, as defined in section 114-84 of the Code of Ordinances of the City of Atlanta, or an employee whose payroll grade level is 18 or below and (iii) either has never received a distribution from the Defined Contribution Plan or has repaid to the Defined Contribution Plan the full amount of any prior distribution pursuant to the terms of such plan, may elect at any time before January 31, 2005 to transfer his vested and unvested account balance under the Defined Contribution Plan, excluding any amounts attributable to rollover contributions from other plans and voluntary after-tax employee contributions made under the Defined Contribution Plan, to the fund established under this act, 1927 Ga. Laws, page 265, as amended, and shall be credited with (A) such service and monthly earnings as the employee would have been credited if he had participated under the terms in this act during the period that he participated in the Defined Contribution Plan and (B) if such employee previously participated under the terms of this act and elected to transfer the actuarial present value of his benefit under this act to the Defined Contribution Plan pursuant to Ordinance No. 02-0-0791, such service and monthly earnings as were used to determine the amount so transferred.

Effective January 1, 2018, a participant in the City of Atlanta Defined Contribution Plan (the "Defined Contribution Plan") on December 13, 2017 (date of passage of Ordinance No. 17-O-1826) who: (i) is a permanent, full-time employee of the City of Atlanta who was hired between January 1, 2001 and December 31, 2005, and (ii) either has never received a

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Pensions, continued

distribution from the Defined Contribution Plan or has repaid to the Defined Contribution Plan the full amount of any prior distribution pursuant to the terms of such plan, and (iii) has executed a payment plan, which shall not exceed five (5) years from the date that it is signed, to contribute all additional sums that such employee would have contributed to the General Employees' Pension Fund. Specifically, an additional 1-2% of salary for any period of employment between January 1, 2001 and September 1, 2011; and an additional 6-7% of salary for any period of employment between September 1, 2011 and January 1, 2018 as applicable.

Such employees may elect at any time before April 30, 2018 to transfer their vested and unvested account balance under the Defined Contribution Plan, excluding any amounts attributable to rollover contributions from other plans and voluntary after-tax employee contributions made under the Defined Contribution Plan, to the fund established under this act, 1927 Ga. Laws, page 265, as amended, and shall be credited with (A) such service and monthly earnings as the employee would have been credited if they had participated under the terms of this act during the period that they participated in the Defined Contribution Plan and (B) if such employee previously participated under the terms of this act and elected to transfer the actuarial present value of his benefit under this act to the Defined Contribution Plan pursuant to Ordinance No. 02-0-0791, such service and monthly earnings as were used to determine the amount so transferred.

#### *e. 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 60 after completing 10 years of service. The monthly benefit is 2.5% of the average monthly salary for each year of credited service. This amount cannot be less than \$17 per month for each year of service, and is capped at 80% of average monthly salary. Average monthly salary is defined as the highest average monthly base compensation over any 36-month period.

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

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

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### A. Pensions, continued

#### Firefighters' and Police Officers' Plans

##### Plan Description

The City of Atlanta, Firefighters' (FPP) and Police Officers' (PPP) Pension Plans are single-employer defined-benefit plans. They were established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time sworn firefighters and police officers of the City of Atlanta (the City) Fire Rescue Department and the Police Department. Until 1983, the Georgia Legislature established all requirements and policies of the FPP and PPP. By a constitutional amendment, effective July 1983, control over all aspects of the FPP and PPP transferred to the City under the principle of Home Rule. The types of benefits offered by the FPP and PPP are: retirement, disability, and 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. Contribution Requirements to the FPP and PPP*

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

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

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

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

# CITY OF ATLANTA, GEORGIA

## Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Pensions, continued

plan will include a mandatory 8% employee contribution, and a 1% multiplier. The retirement age increased to age 57 for participants in the FPP and PPP. Early Retirement Age is changed from any age (as long as vested) with penalty to age 47 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for hires after September 1, 2011.

Employer contributions to the FPP and PPP during the year ended June 30, 2020 were \$15,626,000 and \$21,571,000 respectively.

#### *b. Description of the Benefit Terms for FPP and PPP*

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

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

Normal retirement age:	Any age with at least 30 years of creditable service (participants who are covered by the '05 Amendment*);
	Age 55 with at least 10 years of creditable service (hired prior to July 1, 2010);
	Age 55 with at least 15 years of creditable service, (hired prior to September 1, 2011);
	Age 57 with at least 15 years of creditable service;
	Age 65 with at least 5 years of creditable service

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

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

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

Any age with at least 15 years of creditable service ( hired from July 1, 2010 to August 31, 2011)

Minimum age 47 with at least 15 years of service for participants hired after August 31, 2011.

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

For a service-connected disability for participants hired before 1986, the basic pension formula is the greater of 70% of the top salary for the employee's grade and position occupied by the participant at the time of disability or basic pension formula, offset by worker's compensation payments such that the combination of payments 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 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, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

Pre-retirement death benefit: 75% of the basic pension formula (payable to the eligible beneficiary upon death not in the line-of-duty).

100% of base pay offset by worker’s compensation or other payments (payable to the eligible beneficiary beginning two years after the death in the line-of-duty).

75% of the larger of the basic pension formula or 70% of top salary for the employee's grade (payable to the eligible beneficiary beginning two years after death in the line-of-duty).

75% of the basic pension formula (payable to the eligible beneficiary beginning two years after death in the line-of-duty if the employee was covered by the 1986 amendment).

**Membership**

As of the beginning of the fiscal year ended June 30, 2019, pension plan membership consisted of the following:

	General Employees - The City	Firefighters	Police Officers
Inactive plan members or beneficiaries currently receiving benefits	3,920	1,034	1,629
Inactive plan members entitled to, but not yet receiving benefits	614	12	18
Active plan members	3,830	928	1,746
Total membership	<u>8,364</u>	<u>1,974</u>	<u>3,393</u>

**The Plans’ Investments**

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

The Plans’ investments are managed by various investment managers under contract with the Board who has discretionary authority over the assets managed by them and within the investment guidelines as established by the Board. The investments are held in trust by the Plans' custodian in

## CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Pensions, continued

the Plans' names. These assets are held exclusively for the purpose of providing benefits to members of the respective Plans' and their beneficiaries.

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

In the development of the current asset allocation plan, the Board reviews the long-term performance and risk characteristics of various asset classes, balancing the risks and rewards of market behavior, and reviewing state legislation regarding investments options. There were no changes to the investment policy in fiscal year 2020. The policy may be amended by the Board with a majority vote of its members.

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**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

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, 2020, are summarized in the table below.

<u>General Employees' Plan</u>		2019
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50 %	6.41%
International equity	20 %	7.54%
Fixed income	25 %	1.96%
Alternative investments	5 %	5.80%
	<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, 2020, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense was 3.56%, 2.74%, and 2.47%, 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, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

**Net Pension Liability**

The total pension liability is based on the July 1, 2018 actuarial valuation rolled forward to June 30, 2019 using standard roll-forward techniques (dollars in thousands):

	<u>General Employees' (City)</u>	<u>Firefighters'</u>	<u>Police Officers'</u>	<u>Total</u>
Total pension liability	\$1,895,114	971,323	1,472,276	4,338,713
Plan fiduciary net position	<u>1,333,862</u>	<u>727,344</u>	<u>1,163,143</u>	<u>3,224,349</u>
Net pension liability	<u><u>561,252</u></u>	<u><u>243,979</u></u>	<u><u>309,133</u></u>	<u><u>1,114,364</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 70.38 %	 74.88 %	 79.00 %	

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, 2020 (dollars in thousands):

	<u>General Employees'</u>	<u>Firefighters'</u>	<u>Police Officers'</u>	<u>Total</u>
General Government	\$ 277,875	\$ 187,864	\$ 284,402	\$ 750,141
Department of Airport	64,488	56,115	24,731	145,334
Department of Watershed Management	179,601	—	—	179,601
Other Non-major Enterprise	39,288	—	—	39,288
Total	<u><u>\$ 561,252</u></u>	<u><u>\$ 243,979</u></u>	<u><u>\$ 309,133</u></u>	<u><u>\$ 1,114,364</u></u>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

**Changes in Net Pension Liability**

The City is presenting the net pension liability for the year June 30, 2020 based on the June 30, 2019 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, 2019	\$ 1,872,963	1,300,987	571,976
Changes for the year:			
Service cost	20,216	—	20,216
Interest expense	132,670	—	132,670
Difference between expected and actual investments earnings	(4,244)	—	(4,244)
Contributions - employer	—	47,220	(47,220)
Contributions - employee	—	35,639	(35,639)
Net investment income	—	77,334	(77,334)
Benefit payments and refunds	(126,491)	(126,491)	—
Administrative expenses	—	(832)	832
Other	—	5	(5)
Net changes	22,151	32,875	(10,724)
Balances at June 30, 2020	\$ 1,895,114	1,333,862	561,252

<u>Firefighters'</u>	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2019	\$ 937,070	718,133	218,937
Changes for the year:			
Service cost	11,773	—	11,773
Interest expense	68,477	—	68,477
Demographic experience	12,391	—	12,391
Assumption changes	(8,569)	—	(8,569)
Contributions - employer	—	21,194	(21,194)
Contributions - employee	—	5,980	(5,980)
Net investment income	—	32,146	(32,146)
Benefit payments and refunds	(49,819)	(49,819)	—
Administrative expenses and other	—	(290)	290
Net changes	34,253	9,211	25,042
Balances at June 30, 2020	\$ 971,323	727,344	243,979

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2019	\$ 1,439,664	1,130,389	309,275
Changes for the year:			
Service cost	19,836	—	19,836
Interest expense	105,604	—	105,604
Demographic experience	(6,683)	—	(6,683)
Assumption changes	(16,496)	—	(16,496)
Contributions - employer	—	31,232	(31,232)
Contributions - employee	—	11,273	(11,273)
Net investment income	—	60,466	(60,466)
Benefit payments and refunds	(69,649)	(69,649)	—
Administrative expenses	—	(568)	568
Net changes	32,612	32,754	(142)
Balances at June 30, 2020	\$ 1,472,276	1,163,143	309,133

**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, 2019:

<u>General Employees' Plan</u>	<u>Firefighters'</u>	<u>Police Officers'</u>
7.25%	7.41%	7.41%

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

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

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

	Discount Rate		
	1% Decrease 6.25%	Current 7.25%	1% Increase 8.25%
General Employees - the City	\$ 767,080	561,252	387,388
Firefighters' Pension	371,472	243,979	139,704
Police Officers' Pension	511,236	309,133	145,077

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to the June 30, 2019 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

	Inflation	Salary increases	Investment rate of return
General Employees'	2.25%	3.00%	7.25%
Firefighters'	2.25%	4.00%	7.41%
Police Officers'	2.25%	4.00%	7.41%

The General Pension Plan's last experience study was conducted in 2017 and covered the period from July 1, 2011 to June 30, 2016. The Police and Firefighters' Plans' last experience study was conducted in 2011.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

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

	General Employees' - the City	Firefighters'	Police Officers'
Valuation date	July 1, 2018	July 1, 2018	July 1, 2018
Actuarial cost method	Entry age	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed
Remaining amortization period	22 years	22 years	22 years
Asset valuation method	Market value	Market value	Market value

For the General Employees' Plan, the pre-retirement mortality assumption was based on the approximate RP-2006 Blue Collar Employee Table, loaded by 25% for males and females. The post-retirement mortality assumption for healthy annuitants was based on the approximate RP-2006 Blue Collar Healthy Annuitant Table, loaded by 25% for males and females. The mortality assumption for disabled retirees was based on the approximate RP-2006 Disabled Retiree Table, loaded by 25% for males and females.

For the Firefighters' and Police Officers' Pension Plans the mortality assumption was changed from the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale AA to the PUB-2010 Public Safety Mortality Table with generational mortality projects using Scale MP-2017.

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

The City recognized total pension expense of \$69,199,356 for the year ended June 30, 2020. Of the total pension expense, \$64,408,535 was recognized in the governmental activities and \$4,790,821 was recognized in the business type activities.

Deferred outflows of resources totaling \$182,477,000 with \$85,416,000 of contributions made after the plan's measurement date, \$43,595,000 for demographic gains/losses, \$48,366,000 for assumption changes, \$2,676,000 in changes in proportion and differences between employer's contribution and proportionate share of contributions and \$2,424,000 for net investment change.

Deferred inflows of resources totaling \$234,252,000 with \$109,210,000 for demographic gains/losses, \$31,812,000 for differences between expected and actual experience, \$2,676,000 in proportion and differences between employer's contribution and proportionate share of contributions, \$22,303,000 for net investment change, and \$68,251,000 for assumption changes.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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
<b>General employees'</b>						
Deferred Inflows						
Difference between expected and actual experience	2017	4.00	(8,912)	—	4,456	(4,456)
	2018	4.00	(36,260)	—	12,086	(24,174)
	2019	4.00	—	(4,244)	1,062	(3,182)
Assumption changes	2018	4.00	(71,166)	—	23,722	(47,444)
Net difference between projected and actual pension investments income						—
	2015	5.00	5,503	(5,503)	—	—
	2016	5.00	29,062	(14,530)	—	14,532
	2017	5.00	(41,856)	—	13,952	(27,904)
	2018	5.00	(25,084)	—	6,270	(18,814)
	2019	5.00	—	(3,076)	15,376	12,300
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2018		(5,054)	0	5,054	—
	2019		—	(2,676)	—	(2,676)
			<u>(153,767)</u>	<u>(30,029)</u>	<u>81,978</u>	<u>\$ (101,818)</u>
Deferred Outflows						
Contributions subsequent to the measurement date			47,220	48,219	(47,220)	48,219
Difference between expected and actual experience	2016	4.00	402	—	(402)	—
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2018		5,054	—	(5,054)	—
	2019		—	2,676	—	2,676
			<u>52,676</u>	<u>50,895</u>	<u>(52,676)</u>	<u>\$ 50,895</u>
<b>Firefighters'</b>						
Deferred Inflows						
Net difference between projected and actual pension investments income	2015	5.00	9,108	—	(9,108)	—
	2016	5.00	22,681	—	(22,681)	—
	2017	5.00	(20,116)	—	20,116	—
	2018	5.00	(15,590)	—	15,590	—
Demographic gain/loss	2015	11.95	(15,219)	—	1,915	(13,304)
	2016	12.10	(17,143)	—	1,884	(15,259)
	2018	6.09	(9,072)	—	1,782	(7,290)
Assumption changes	2019	5.98	—	(8,569)	1,433	(7,136)
			<u>(45,351)</u>	<u>(8,569)</u>	<u>10,931</u>	<u>\$ (42,989)</u>
Deferred Outflows						
Net difference between projected and actual pension investments income	2015	5.00	—	9,108	(9,108)	—
	2016	5.00	—	22,681	(11,340)	11,341
	2017	5.00	—	(20,116)	6,705	(13,411)
	2018	5.00	—	(15,590)	3,898	(11,692)
	2019	5.00	—	20,233	(4,047)	16,186
Contributions subsequent to the measurement date			21,194	15,626	(21,194)	15,626
Demographic gain/loss	2014	12.30	5,990	—	(820)	5,170
	2017	6.36	3,314	—	(761)	2,553
	2019	5.98	—	12,391	(2,072)	10,319
Assumption changes	2014	12.30	9,646	—	(1,322)	8,324
	2018	6.09	16,829	—	(3,306)	13,523
			<u>56,973</u>	<u>44,333</u>	<u>(43,367)</u>	<u>57,939</u>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

	Year of deferral	Amortizati on period (in years)	Beginning of year balance	Additions	Deductions	End of year balance
<b><u>Police Officers'</u></b>						
Deferred Inflows						
Net difference between projected and actual pension investments income	2015	5.00	12,793	—	(12,793)	—
	2016	5.00	32,807	—	(16,403)	16,404
	2017	5.00	(33,846)	—	11,282	(22,564)
	2018	5.00	(18,781)	—	4,695	(14,086)
	2019	5.00	—	22,286	(4,457)	17,829
Demographic gain/loss	2015	10.65	(20,325)	—	3,056	(17,269)
	2016	11.03	(24,936)	—	3,105	(21,831)
	2018	6.03	(35,845)	—	7,126	(28,719)
	2019	5.84	—	(6,682)	1,144	(5,538)
Assumption changes	2019	5.84	—	(16,496)	2,825	(13,671)
			<u>(88,133)</u>	<u>(892)</u>	<u>(420)</u>	<u>\$ (89,445)</u>
Deferred Outflows						
Contributions subsequent to the measurement date			31,232	21,571	(31,232)	21,571
Demographic gain/loss	2014	11.08	19,954	—	(3,282)	16,672
	2017	6.44	11,463	—	(2,582)	8,881
Assumption changes	2014	11.08	7,338	—	(1,207)	6,131
	2018	6.03	25,448	—	(5,060)	20,388
			<u>95,435</u>	<u>21,571</u>	<u>(43,363)</u>	<u>73,643</u>
			<b>Grand total of deferred inflows</b>			<b>\$234,252</b>
			<b>Grand total of deferred outflows</b>			<b>\$182,477</b>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**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, 2020 (amounts in thousands):

	Balance June 30, 2020	General Government	Department of Watershed Management	Department of Aviation	Other non-major enterprise funds
<b>General employees'</b>					
Deferred Inflows					
Net difference between projected and actual pension investments	\$ (19,886)	\$ (9,846)	\$ (6,363)	\$ (2,285)	\$ (1,392)
Changes in proportion and differences between employer's contribution and proportionate share of contribution	(2,676)	(824)	(1,852)	—	—
Demographic gain/loss	(31,812)	(15,750)	(10,180)	(3,655)	(2,227)
Assumption Changes	(47,444)	(23,490)	(15,182)	(5,451)	(3,321)
	<u>(101,818)</u>	<u>(49,910)</u>	<u>(33,577)</u>	<u>(11,391)</u>	<u>(6,940)</u>
Deferred Outflows					
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2,676	1,489	787	—	400
Contributions subsequent to the measurement date	48,219	23,874	15,430	5,540	3,375
	<u>50,895</u>	<u>\$ 25,363</u>	<u>\$ 16,217</u>	<u>5,540</u>	<u>\$ 3,775</u>
<b>Deferred amount to be amortized</b>	<b><u>\$ (99,142)</u></b>	<b><u>\$ (48,421)</u></b>	<b><u>\$ (32,790)</u></b>	<b><u>\$ (11,391)</u></b>	<b><u>\$ (6,540)</u></b>
<b>Firefighters'</b>					
Deferred Inflows					
Demographic gain/loss	(35,853)	(27,607)	—	(8,246)	—
Assumption changes	(7,136)	(5,495)	—	(1,641)	—
	<u>(42,989)</u>	<u>(33,102)</u>	<u>—</u>	<u>(9,887)</u>	<u>—</u>
Deferred Outflows					
Net difference between projected and actual pension investments income	2,424	1,867	—	557	—
Assumption changes	21,847	16,822	—	5,025	—
Demographic gain/loss	18,042	13,892	—	4,150	—
Contributions subsequent to the measurement date	15,626	12,032	—	3,594	—
	<u>57,939</u>	<u>44,613</u>	<u>—</u>	<u>13,326</u>	<u>—</u>
<b>Deferred amount to be amortized</b>	<b><u>\$ (676)</u></b>	<b><u>\$ (521)</u></b>	<b><u>\$ —</u></b>	<b><u>\$ (155)</u></b>	<b><u>\$ —</u></b>
<b>Police Officers'</b>					
Deferred Inflows					
Net difference between projected and actual pension investments income	(2,417)	(2,223)	—	(194)	\$ —
Demographic gain/loss	(73,357)	(67,488)	—	(5,869)	—
Assumption changes	(13,671)	(12,577)	—	(1,094)	—
	<u>(89,445)</u>	<u>(82,288)</u>	<u>—</u>	<u>(7,157)</u>	<u>—</u>
Deferred Outflows					
Assumption changes	26,519	24,397	—	2,122	—
Demographic gain/loss	25,553	23,509	—	2,044	—
Contributions subsequent to the measurement date	21,571	19,845	—	1,726	—
	<u>73,643</u>	<u>67,751</u>	<u>—</u>	<u>5,892</u>	<u>—</u>
<b>Deferred amount to be amortized</b>	<b><u>\$ (37,373)</u></b>	<b><u>\$ (34,382)</u></b>	<b><u>\$ —</u></b>	<b><u>\$ (2,991)</u></b>	<b><u>\$ —</u></b>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**A. Pensions, continued**

Contributions subsequent to the measurement date in the amount of \$85,416,000 will be recognized as a reduction of the net pension liability during the year ended June 30, 2020. 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
2021	\$ (43,944)	\$ (20,680)	\$ (15,520)	\$ (5,049)	\$ (2,695)
2022	(54,016)	(27,156)	(16,892)	(6,206)	(3,762)
2023	(4,256)	(2,107)	(1,362)	(489)	(298)
2024	3,074	1,522	984	353	215
2025 and thereafter	—	—	—	—	—
	<u>\$ (99,142)</u>	<u>\$ (48,421)</u>	<u>\$ (32,790)</u>	<u>\$ (11,391)</u>	<u>\$ (6,540)</u>

**Firefighters'**

2021	\$ 6,051	\$ 4,659	\$ —	\$ 1,392	\$ —
2022	(5,289)	(4,073)	—	(1,216)	—
2023	1,416	1,090	—	326	—
2024	4,827	3,717	—	1,110	—
2025 and thereafter	(7,681)	(5,914)	—	(1,767)	—
	<u>\$ (676)</u>	<u>\$ (521)</u>	<u>\$ —</u>	<u>\$ (155)</u>	<u>\$ —</u>

**Police Officers'**

2021	\$ (244)	\$ (224)	\$ —	\$ (20)	\$ —
2022	(16,647)	(15,315)	—	(1,332)	—
2023	(5,366)	(4,936)	—	(430)	—
2024	(2,117)	(1,947)	—	(170)	—
2025 and thereafter	(12,999)	(11,960)	—	(1,039)	—
	<u>\$ (37,373)</u>	<u>\$ (34,382)</u>	<u>\$ —</u>	<u>\$ (2,991)</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, 2020

### 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.

The City of Atlanta has a contract with Prudential Financial for managing the 401(a) Defined Contribution Plan, 457(b) and 457 Roth Deferred Compensation Plans (collectively, the "Contribution Plans"). Under the current contract, Prudential uses a Net Unit Value (NUV) 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 NUV is the measure of value for units of a Separate Account.

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

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

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

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

#### Amendments to Defined Contribution Plan

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

As of June 30, 2020, there were 1,454 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$102,697,478. Employer contributions

# CITY OF ATLANTA, GEORGIA

## Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### A. Pensions, continued

for the year ended June 30, 2020, were approximately \$13,525,000 and employee contributions were approximately \$13,073,000, totaling 25.9% of covered payroll. In addition, there were another 3,462 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, 2020, is shown below (dollars in thousands):

Current assets:		
Investments		
Domestic fixed income securities	\$	39,647
Domestic equities	\$	32,235
Commingled funds	\$	107,493
Other assets	\$	14,554
Total Assets	\$	<u>193,929</u>
Current liabilities		
Accounts payable	\$	56
Due to Brokers for Securities purchased	\$	139
Total net position held in trust for pension benefits	\$	<u>193,734</u>
Additions:		
Employer contributions	\$	13,525
Employee contributions	\$	13,073
Refunds and other	\$	5,238
Total additions	\$	<u>31,836</u>
Deductions:		
Benefit Payments	\$	12,769
Administrative expenses	\$	431
Total deductions	\$	<u>13,200</u>
Change in net position held in trust for pension benefits	\$	<u>18,636</u>

# CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2020

## Notes to the Financial Statements - Continued

### B. Post-Employment Benefits

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

*Funding Policy:* The City is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amounts necessary to provide current benefits to retirees, eligible dependents and beneficiaries. For the fiscal year ended June 30, 2020, the City made \$63.3 million “pay-as-you-go” benefit payments on behalf of the Plan, note there were no refunds included. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed \$49.0 million through their required contributions.

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

*Plan Membership:* The Valuation Date is June 30, 2019 and claims and participant data is collected as of this date. Employees covered by benefit terms as of June 30, 2019 consisted of the following:

<b>Participant Data</b>	<b>Medical</b>	<b>Dental</b>	<b>Life Insurance</b>
Inactive employees or beneficiaries currently receiving benefits	7,842	6,917	7,372
Active employees	7,425	5,808	7,425
	<u>15,267</u>	<u>12,725</u>	<u>14,797</u>

### Net OPEB Liability

The City's Net OPEB liability was measured as of June 30, 2019 and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

# CITY OF ATLANTA, GEORGIA

## Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### B. Post-Employment Benefits, continued

Actuarial Assumptions: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified:

Inflation	2.25%
Salary Increases	4.00% for Police and Firefighters, 3.50% plus age related salary scale for General employees
Discount Rate	3.5%
Healthcare costs trend rates:	
Medical (non-MA)	9.1%, then 5.50% grading down by 25 bps annually to an ultimate rate of 4.50% in 2024
Medicare Advantage (MA)	5.7%, -1.1% then 4.50% every year after
Dental	0.00% for the first 2 years, 3% every year after
Mortality Rates (Healthy)	Mortality Table for public safety employees, projected generationally using Scale MP-2017. For General Employees, RP-2006 Blue Collar Healthy Annuitant times 1.25 projected generationally with Scale SSA2016-2D.
Mortality Rates:	
Employee (General Employees):	RP-2006 Blue Collar Employee Table, loaded by 25% with generational projection (Scale SSA2016-2D)
Employee (Fire and Police):	PUB-2010 Sex-Distinct Public Safety Employees Mortality Table with generational projection using Scale MP-2017
Healthy (General Employees):	RP-2006 Blue Collar Healthy Annuitant Table, loaded by 25% with generational projection (Scale SSA2016-2D)
Healthy (Fire and Police):	PUB-2010 Sex-Distinct Public Safety Employees Mortality Table with generational projection using Scale MP-2017
Disabled (General Employees):	RP-2006 Blue Collar Disabled Annuitant Table, loaded by 25% and projected with scale SSA2016-2D
Disabled (Fire and Police):	PUB-2010 Sex-Distinct Public Safety Employees Mortality Table with generational projection using Scale MP-2017

#### *Discount rate*

The discount rate used to measure the total OPEB liability was 3.50%.

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of the sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Post-Employment Benefits, continued**

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, 2019 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 an annual medical cost trend rate of 7 percent initially, graded down to 4.5 percent over five years. Both rates include a 2.25 percent inflation assumption. Currently there are no assets set aside that are legally held exclusively for OPEB.

<u>Year ending June 30,</u>	<u>Medical / Drugs Rate (%)</u>	<u>Dental</u>	<u>Medicare Advantage</u>
2020	5.50	—	(1.10)
2021	5.25	3.00	4.50
2022	5.00	3.00	4.50
2023	4.75	3.00	4.50
2024 and later	4.50	3.00	4.50

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

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# CITY OF ATLANTA, GEORGIA

## Notes to Financial Statements

Year Ended June 30, 2020

### Notes to the Financial Statements - Continued

#### **B. Post-Employment Benefits, continued**

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

##### **Early Retirement:**

###### General Employees:

Any age with 10 years of creditable service (if hired prior to July 1, 2010),

Any age with 15 years of creditable service (if hired before September 1, 2011),

Age 52 with 15 years of creditable service (if hired after August 31, 2011).

###### Police Officers and Firefighters:

Any age with 10 years of creditable service (if hired before July 1, 2010),

Any age with 15 years of service (if hired before September 1, 2011),

Age 47 with 15 years of service (if hired after August 31, 2011).

##### **Normal Retirement**

###### General Employees: Earlier of:

Age 65 regardless of service (all employees),

Age 60 with 5 years of service (if hired before July 1, 2010),

Age 60 with 10 years of service (if hired before September 1, 2011),

Age 62 with 10 years of service (if hired before August 31, 2011).

###### Police Officers and Firefighters: Earlier of:

Any age with 30 years of service (only if covered by the '05 Amendment),

Age 55 with 5 years of service (if hired prior to July 1, 2010),

Age 55 with 10 years of service (if hired prior to July 1, 2011),

Age 57 with 10 years of service (if hired after June 30, 2011),

Age 65 with 5 years of service (all employees).

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Post-Employment Benefits, continued**

The following table shows the elements of the City’s OPEB cost for the year and changes in the City’s net OPEB liability to the Plan for the year ended June 30, 2019 (dollars in thousands):

<b>Change in Net OPEB liability</b>	
Service cost	\$ 18,510
Interest expense	36,254
Difference between expected and actual experience	26,415
Changes of assumptions	24,298
Benefit payments and refunds	<u>(63,315)</u>
Net change in total OPEB liability	42,162
Total OPEB liability - beginning	<u>949,936</u>
Total OPEB liability - ending	<u><u>\$ 992,098</u></u>

The net OPEB liability allocated among the General Government, the Department of Aviation, the Department of Watershed Management and Other Non-major Enterprise Funds as June 30, 2020 (dollars in thousands):

	<b>Net OPEB Liability</b>
General Government	\$ 672,417
Department of Airport	117,307
Department of Watershed Management	151,492
Other Non-major Enterprise	<u>50,882</u>
Total	<u><u>\$ 992,098</u></u>

- Benefit Types:** Medical, prescription drug, dental and life insurance.
- Duration of Coverage:** Lifetime.
- Dependent Benefits:** Medical, prescription drug, dental, and life insurance.
- Dependent Coverage:** Lifetime.

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Post-Employment Benefits, continued**

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

Net OPEB Liability	\$ 992,098	\$ 949,936
Reporting Date	June 30, 2020	June 30, 2019
Annual OPEB Expense (Benefit)	\$ (13,801,943)	\$ (5,610,225)
Service Cost at Beginning of Year	18,509,803	30,349,868
Total Covered Payroll	416,861,529	378,659,301

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

The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current rate. Also, shown is the TOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

**Net OPEB Liability Sensitivity to Changes in Discount Rate**

	Discount Rate		
	1% Decrease	Current	1% Increase
	2.5%	3.5%	4.5%
Net OPEB Liability	\$ 1,138,547	992,098	873,192

**Net OPEB Liability Sensitivity to Changes in Healthcare Cost Trend**

	Healthcare Cost Trend		
	1% Decrease	Current	1% Increase
	6%	7%	8%
Net OPEB Liability	\$ 865,427	992,098	1,149,306

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

For the year ended June 30, 2020, the City recognized OPEB benefit of approximately \$13.8 million. Of the total OPEB expense (benefit), \$7.1 million was recognized in the governmental activities and 6.7 million was recognized in the business type activities.

The deferred outflows of resources totaled approximately \$123 million, with approximately \$87 million for demographic gains/losses, approximately \$16 million in differences between

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Post-Employment Benefits, continued**

employer's contributions and proportionate share of contributions, and approximately \$20 million in assumption changes. The deferred inflows of resources totaled approximately \$312 million, with approximately \$296 million in assumption changes and approximately \$16 million in differences between employer's contributions and proportionate share of contributions.

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

	Year of deferral	Amortization period (in years)	Beginning of year balance	Additions	Deductions	End of year balance
<u>OPEB</u>						
Deferred Inflows						
Changes in proportion and differences between employer's contributions and proportionate share of contributions	2018	5	\$ (14,766)	—	14,766	—
	2019	5	—	(15,604)	—	(15,604)
Assumption Changes	2017	5	(93,675)	—	23,418	(70,257)
	2018	5	(301,590)	—	75,398	(226,192)
			<u>\$(410,031)</u>	<u>(15,604)</u>	<u>113,582</u>	<u>(312,053)</u>
Deferred Outflows						
Changes in proportion and differences between employer's contributions and proportionate share of contributions	2018	5	14,766	—	(14,766)	—
	2019	5	—	15,604	—	15,604
Demographic gain/loss	2017	5	7,849	—	(1,962)	5,887
	2018	5	79,345	—	(19,837)	59,508
	2019	5	—	26,415	(4,403)	22,012
Assumption Changes	2019	5	—	24,299	(4,049)	20,250
			<u>\$ 101,960</u>	<u>66,318</u>	<u>(45,017)</u>	<u>123,261</u>

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**B. Post-Employment Benefits, continued**

The following table presents a summary of allocations to the departments in the collective deferred outflows and deferred inflows of resources as indicated above for the year ended June 30, 2020 (amounts in thousands):

	<u>Total</u>	<u>General Government</u>	<u>Department of Watershed Management</u>	<u>Department of Aviation</u>	<u>Other non-major enterprise funds</u>
<b>Deferred Inflows</b>					
Proportionate share of contribution	\$ (15,604)	(5,816)	(221)	(5,887)	(3,680)
Assumption Changes	<u>(296,449)</u>	<u>(197,599)</u>	<u>(48,009)</u>	<u>(34,716)</u>	<u>(16,125)</u>
	<u>(312,053)</u>	<u>(203,415)</u>	<u>(48,230)</u>	<u>(40,603)</u>	<u>(19,805)</u>
<b>Deferred Outflows</b>					
Proportionate share of contribution	15,604	3,152	4,898	7,554	—
Demographic gain/loss	87,407	63,291	10,140	10,583	3,393
Assumption Changes	<u>20,250</u>	<u>15,180</u>	<u>1,951</u>	<u>2,464</u>	<u>655</u>
	<u>123,261</u>	<u>81,623</u>	<u>16,989</u>	<u>20,601</u>	<u>4,048</u>
<b>Deferred amount to be amortized</b>	<b><u>\$ (188,792)</u></b>	<b><u>(121,792)</u></b>	<b><u>(31,241)</u></b>	<b><u>(20,002)</u></b>	<b><u>(15,757)</u></b>

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

	<u>Deferred amount to be amortized</u>	<u>General Government</u>	<u>Department of Watershed Management</u>	<u>Department of Aviation</u>	<u>Other non-major enterprise units</u>
2021	\$ (68,565)	(44,493)	(11,772)	(6,843)	(5,457)
2022	(68,565)	(44,493)	(11,772)	(6,843)	(5,457)
2023	(68,565)	(44,493)	(11,772)	(6,843)	(5,457)
2024	8,455	5,845	2,039	264	307
2025 and thereafter	<u>8,448</u>	<u>5,842</u>	<u>2,036</u>	<u>263</u>	<u>307</u>
	<u>\$ (188,792)</u>	<u>\$ (121,792)</u>	<u>\$ (31,241)</u>	<u>\$ (20,002)</u>	<u>\$ (15,757)</u>

Deferred Compensation Plan

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

**CITY OF ATLANTA, GEORGIA**

Notes to Financial Statements

Year Ended June 30, 2020

**Notes to the Financial Statements - Continued**

**VI. Subsequent Events**

Department of Watershed Management

On September 18, 2020, the City of Atlanta issued its Water and Wastewater Draw-Down Revenue Bond (North Fork Project), Taxable Series 2020 in the aggregate amount of \$61,949,715 (The “Series 2020 WIFIA Bonds”). The Series 2020 WIFIA Bonds were issued for the purpose of financing certain eligible project costs of the North Fork Storage Tank and Pump Station Project and costs of issuance related to the Series 2020 WIFIA Bonds.

On October 29, 2020, the City of Atlanta issued its Water and Wastewater Revenue Refunding Bonds, Taxable Series 2020 in the aggregate amount of \$504,590,000 (the “Series 2020 Bonds”). The Series 2020 Bonds were issued to (a) refund portions of the City of Atlanta Water and Wastewater Revenue Refunding Bonds, Series 2013B and Water and Wastewater Revenue Refunding Bonds, Series 2015; and (b) pay the costs of issuance relating to the Series 2020 Bonds.

Department of Aviation

On October 8, 2020, the City issued its Airport General Revenue Refunding Bonds, Series 2020A (Non-AMT) in the amount of \$238,530,000 and Airport General Revenue Refunding Bonds, Series 2020B (AMT) in the amount of \$126,070,000. These bonds were issued to refund and redeem all or a portion of the outstanding principal amount of the Series 2010C and Series 2011B Refunded Bonds and to pay certain cost of issuance for the Series 2020 Refunding Bonds.

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## **Required Supplementary Information**

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

**General Employees' Pension Plan**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability	\$1,895,114	\$1,872,962	\$1,941,752	\$1,915,577	\$1,873,213	\$1,832,883
Plan fiduciary net position	\$1,333,862	\$1,300,987	\$1,229,420	\$1,122,786	\$1,153,715	\$1,145,333
Employers net pension liability	\$ 561,252	\$ 571,975	\$ 712,332	\$ 792,791	\$ 719,498	\$ 687,550
Plan fiduciary net position as a percentage of total pension liability	70.38 %	69.46 %	63.31 %	58.61 %	61.59 %	62.49 %
Covered payroll	\$ 180,549	\$ 171,195	\$ 158,839	\$ 151,625	\$ 145,654	\$ 142,494
Employers net pension liability as a percentage of covered payroll	310.86 %	334.11 %	448.46 %	522.86 %	493.98 %	482.51 %

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

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

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

<b>Firefighters' Pension Plan</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability	\$ 971,323	\$ 937,070	\$ 897,096	\$ 861,493	\$ 853,690	\$ 846,325
Plan fiduciary net position	\$ 727,344	\$ 718,133	\$ 669,508	\$ 612,637	\$ 644,649	\$ 658,508
Employers net pension liability	\$ 243,979	\$ 218,937	\$ 227,588	\$ 248,856	\$ 209,041	\$ 187,817
Plan fiduciary net position as a percentage of total pension liability	74.88 %	76.64 %	74.63 %	71.11 %	75.51 %	77.81 %
Covered payroll	\$ 47,197	\$ 46,962	\$ 47,479	\$ 46,918	\$ 47,181	\$ 44,508
Employers net pension liability as a percentage of covered payroll	516.94 %	466.20 %	479.34 %	530.41 %	443.06 %	421.98 %

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

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

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

**Police Officers' Pension Plan**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability	\$1,472,276	\$1,394,135	\$1,394,134	\$1,317,840	\$1,294,907	\$1,270,494
Plan fiduciary net position	\$1,163,143	\$1,130,389	\$1,051,671	\$ 950,415	\$ 983,385	\$ 987,507
Employers net pension liability	\$ 309,133	\$ 263,746	\$ 342,463	\$ 367,425	\$ 311,522	\$ 282,987
Plan fiduciary net position as a percentage of total pension liability	79.00 %	81.08 %	75.44 %	72.12 %	75.94 %	77.73 %
Covered payroll	\$ 88,768	\$ 90,948	\$ 104,788	\$ 92,965	\$ 93,836	\$ 91,840
Employers net pension liability as a percentage of covered payroll	348.25 %	290.00 %	326.82 %	395.23 %	331.99 %	308.13 %

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 20,216	\$ 18,850	\$ 21,238	\$ 20,230	\$ 20,191	\$ 19,644
Interest	132,670	142,508	139,298	136,155	133,276	130,279
Change of benefit terms	—	34,081	—	—	—	—
Demographic experience	—	—	—	1,610	—	—
Differences between expected and actual experience	(4,244)	(48,346)	(17,825)	—	(1,399)	—
Changes of assumptions	—	(94,889)	—	—	—	—
Benefit payments, including refunds of member contributions	(126,491)	(120,993)	(116,536)	(115,631)	(111,738)	(108,175)
Net change in total pension liability	22,151	(68,789)	26,175	42,364	40,330	41,748
Total pension liability - beginning	<u>1,872,963</u>	<u>1,941,752</u>	<u>1,915,577</u>	<u>1,873,213</u>	<u>1,832,883</u>	<u>1,791,135</u>
Total pension liability - ending	<u>\$ 1,895,114</u>	<u>\$ 1,872,963</u>	<u>\$ 1,941,752</u>	<u>\$ 1,915,577</u>	<u>\$ 1,873,213</u>	<u>\$ 1,832,883</u>
Plan fiduciary net position:						
Contributions - employer	\$ 47,220	\$ 51,903	\$ 53,817	\$ 54,236	\$ 48,015	\$ 42,145
Contributions - member	35,639	20,671	18,243	19,173	16,975	17,366
Net investment income	77,334	121,682	152,258	12,257	56,575	188,381
Benefit payments, including member refunds	(126,491)	(120,993)	(116,536)	(115,631)	(111,738)	(108,175)
Administrative expenses	(832)	(1,806)	(1,148)	(964)	(1,445)	(8,813)
Other	5	110	—	—	—	—
Net changes in plan fiduciary net position	32,875	71,567	106,634	(30,929)	8,382	130,904
Plan fiduciary net position - beginning	<u>1,300,987</u>	<u>1,229,420</u>	<u>1,122,786</u>	<u>1,153,715</u>	<u>1,145,333</u>	<u>1,014,429</u>
Plan fiduciary net position - ending	<u>1,333,862</u>	<u>1,300,987</u>	<u>1,229,420</u>	<u>1,122,786</u>	<u>1,153,715</u>	<u>1,145,333</u>
Plan net pension liability - ending	<u>\$ 561,252</u>	<u>\$ 571,976</u>	<u>\$ 712,332</u>	<u>\$ 792,791</u>	<u>\$ 719,498</u>	<u>\$ 687,550</u>

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

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

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability:						
Service cost	\$ 11,773	\$ 11,925	\$ 12,155	\$ 12,013	\$ 12,612	\$ 13,783
Interest	68,477	65,668	63,123	62,584	60,396	59,473
Differences between expected and actual experience	—	—	—	—	—	10,092
Demographic experience	12,391	(10,855)	4,835	(22,794)	(23,053)	—
Changes of assumptions	(8,569)	20,135	—	—	—	16,251
Benefit payments, including refunds of member contributions	(49,819)	(46,898)	(44,510)	(44,000)	(42,590)	(41,629)
Net change in total pension liability	34,253	39,975	35,603	7,803	7,365	57,970
Total pension liability - beginning	937,070	897,095	861,493	853,690	846,325	788,355
Total pension liability - ending	<u>\$ 971,323</u>	<u>\$ 937,070</u>	<u>\$ 897,096</u>	<u>\$ 861,493</u>	<u>\$ 853,690</u>	<u>\$ 846,325</u>
Plan fiduciary net position:						
Contributions - employer	\$ 21,194	\$ 21,882	\$ 17,901	\$ 16,454	\$ 20,866	\$ 20,656
Contributions - member	5,980	5,945	5,711	5,667	5,637	5,670
Net investment income (loss)	32,146	68,379	78,247	(9,895)	2,651	112,374
Other	—	—	1	150	(427)	(374)
Benefit payments, including member refunds	(49,819)	(46,898)	(44,510)	(44,000)	(42,590)	(41,268)
Administrative expenses	(290)	(683)	(479)	(388)	4	—
Net change in plan fiduciary net position	9,211	48,625	56,871	(32,012)	(13,859)	97,058
Plan fiduciary net position - beginning	718,133	669,508	612,637	644,649	658,508	561,450
Plan fiduciary net position - ending	727,344	718,133	669,508	612,637	644,649	658,508
Plan net pension liability - ending	<u>\$ 243,979</u>	<u>\$ 218,937</u>	<u>\$ 227,588</u>	<u>\$ 248,856</u>	<u>\$ 209,041</u>	<u>\$ 187,817</u>

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 19,836	\$ 21,230	\$ 24,887	\$ 21,573	\$ 22,387	\$ 23,755
Interest	105,604	102,549	97,265	95,436	91,326	89,442
Changes of benefit terms	(6,683)	(42,971)	16,627	(34,253)	(33,047)	—
Differences between expected and actual experience	—	—	—	—	—	36,363
Changes of assumptions	(16,496)	30,506	—	—	—	13,373
Benefit payments, including refunds of member contributions	(69,649)	(65,785)	(62,484)	(59,823)	(56,253)	(51,070)
Net change in total pension liability	32,612	45,529	76,295	22,933	24,413	111,863
Total pension liability - beginning	1,439,664	1,394,135	1,317,840	1,294,907	1,270,494	1,158,631
Total pension liability - ending	<u>\$ 1,472,276</u>	<u>\$ 1,439,664</u>	<u>\$ 1,394,135</u>	<u>\$ 1,317,840</u>	<u>\$ 1,294,907</u>	<u>\$ 1,270,494</u>
Plan fiduciary net position:						
Contributions - employer	\$ 31,232	\$ 34,176	\$ 27,493	\$ 25,441	\$ 32,693	\$ 30,197
Contributions - member	11,273	10,555	10,830	11,825	11,224	11,157
Net investment income	60,466	100,532	125,938	(10,177)	8,734	168,964
Other	—	76	—	193	4	(327)
Benefit payments, including member refunds	(69,649)	(65,785)	(62,484)	(59,823)	(56,253)	(51,299)
Administrative expenses	(568)	(836)	(521)	(429)	(524)	—
Net change in plan fiduciary net position	32,754	78,718	101,256	(32,970)	(4,122)	158,692
Plan fiduciary net position - beginning	1,130,389	1,051,671	950,415	983,385	987,507	828,815
Plan fiduciary net position - ending	1,163,143	1,130,389	1,051,671	950,415	983,385	987,507
Plan net pension liability - ending	<u>\$ 309,133</u>	<u>\$ 309,275</u>	<u>\$ 342,464</u>	<u>\$ 367,425</u>	<u>\$ 311,522</u>	<u>\$ 282,987</u>

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

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

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

<b>General Employees'</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Actuarily determined contributions	\$ 48,219	\$ 47,220	\$ 51,903	\$ 53,817	\$ 54,236	\$ 48,015	\$ 42,145	\$ 38,688	\$ 35,237	\$ 46,068
Contributions in relation to the actuarily determined contribution	48,219	47,220	51,903	53,817	54,236	48,015	42,145	38,688	35,237	46,068
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 176,470	\$ 180,549	\$ 171,195	\$ 158,839	\$ 151,625	\$ 145,654	\$ 142,494	\$ 133,069	\$ 139,107	\$ 135,636
Contributions as a percentage of covered payroll	27.3 %	26.2 %	30.3 %	33.9 %	35.8 %	33.0 %	29.6 %	29.1 %	25.3 %	34.0 %
<b>Firefighters'</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Actuarily determined contributions	\$ 15,626	\$ 21,194	\$ 21,882	\$ 17,901	\$ 16,454	\$ 20,866	\$ 20,656	\$ 17,491	\$ 21,092	\$ 24,912
Contributions in relation to the actuarily determined contribution	15,626	21,194	21,882	17,901	16,454	20,866	20,656	17,491	21,092	24,912
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 49,940	\$ 47,197	\$ 46,962	\$ 47,479	\$ 46,918	\$ 47,181	\$ 44,508	\$ 42,797	\$ 39,482	\$ 42,963
Contributions as a percentage of covered payroll	31.3 %	44.9 %	46.6 %	37.7 %	35.1 %	44.2 %	46.4 %	40.9 %	53.4 %	58.0 %
<b>Police Officers'</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Actuarily determined contributions	\$ 21,571	\$ 31,232	\$ 34,176	\$ 27,493	\$ 25,441	\$ 32,693	\$ 30,197	\$ 26,525	\$ 33,748	\$ 19,568
Contributions in relation to the actuarily determined contribution	21,571	31,232	34,176	27,493	25,441	32,693	30,197	26,525	33,748	19,568
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 94,943	\$ 88,768	\$ 90,948	\$ 104,788	\$ 92,965	\$ 93,836	\$ 91,840	\$ 88,297	\$ 73,688	\$ 83,551
Contributions as a percentage of covered payroll	22.7 %	35.2 %	37.6 %	26.2 %	27.4 %	34.8 %	32.9 %	30.0 %	45.8 %	23.4 %

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

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

General Employees' Pension Plan -  
 the City

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weight rate of return	3.56%	6.09%	10.27%	13.32%	1.24%	4.64%	19.26%	17.55%	0.93%	19.69%

Firefighters' Pension  
 Plan

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weight rate of return	2.74%	4.75%	9.85%	13.15%	-1.13%	0.79%	21.01%	15.34%	1.68%	25.58%

Police Officers' Pension  
 Plan

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weight rate of return	2.47%	5.74%	10.00%	14.19%	-0.71%	1.22%	21.37%	15.73%	0.99%	21.30%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 18,510	\$ 30,350	\$ 35,579
Interest	36,254	42,319	36,735
Change in benefit terms	—	(1,262)	—
Differences between expected and actual experience	26,415	99,182	11,772
Changes of assumptions	24,298	(376,987)	(140,512)
Benefit payments	<u>(63,315)</u>	<u>(51,540)</u>	<u>(48,947)</u>
Net change in total OPEB liability	42,162	(257,938)	(105,373)
Total OPEB liability - beginning	<u>949,936</u>	<u>1,207,874</u>	<u>1,313,247</u>
Total OPEB liability - ending	<u>\$ 992,098</u>	<u>\$ 949,936</u>	<u>\$ 1,207,874</u>
Plan Fiduciary net position as a percentage of total OPEB liability	N/A	N/A	N/A
Covered Employee Payroll	<u>\$ 416,862</u>	<u>\$ 378,659</u>	<u>\$ 384,478</u>
City's net OPEB liability as a percentage of covered-employee payroll	<u>237.99 %</u>	<u>250.87 %</u>	<u>314.16 %</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**  
**General Fund**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2020**  
**(Dollars in Thousands)**

**Notes and Comments:**

Total revenue for Original and Final, per Council approval, was \$600,512

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

Total Budget for Revenues:	\$ 677,629	
less: Operating Transfer Budget	(42,477)	Reflected in other financing sources and uses as a transfer in
less: Proceeds from sales of assets	(330)	Reflected in other financing sources and uses
less: Indirect Cost Recovery	(34,310)	Reflected as an offset to General Government expenditures
<b>Total Revenues</b>	<b>\$ 600,512</b>	

	<u>Budgeted Amounts</u>			Actual Amounts	Variance with Budget
	Original	Adjustment	Final Budget		
<b>Revenues:</b>					
Property taxes	\$ 219,142	\$ —	\$ 219,142	\$ 226,849	\$ 7,707
Local and municipal option sales taxes	115,427	—	115,427	110,770	(4,657)
Public utility, alcoholic beverage and other taxes	107,712	—	107,712	105,918	(1,794)
Licenses and permits	121,771	—	121,771	119,237	(2,534)
Charges for current services	4,562	—	4,562	6,129	1,567
Fines, forfeitures and penalties	22,212	—	22,212	18,541	(3,671)
Investment income	3,544	—	3,544	7,155	3,611
Intergovernmental Revenues and Contributions:					
Federal Revenues	—	—	—	\$ 362	362
Building rentals and concessions	3,727	—	3,727	\$ 4,542	815
Other	2,415	—	2,415	4,549	2,134
<b>Total revenues</b>	<b>600,512</b>	<b>—</b>	<b>600,512</b>	<b>604,052</b>	<b>3,540</b>
<b>Expenditures:</b>					
General government	214,002	(21,433)	192,569	\$ 192,569	—
Police	201,748	3,385	205,133	\$ 205,133	—
Fire	89,204	1,443	90,647	\$ 90,647	—
Corrections	20,036	(893)	19,143	\$ 19,143	—
Public works	49,675	2,698	52,373	\$ 52,373	—
Parks, recreation and cultural affairs	41,203	1,782	42,985	\$ 42,985	—
Debt service					
Principal payments	16,386	(10,780)	5,606	\$ 5,606	—
Interest payments	946	(108)	838	\$ 838	—
Paying agent fees	133	(93)	40	\$ 40	—
<b>Total expenditures</b>	<b>633,333</b>	<b>(23,999)</b>	<b>609,334</b>	<b>609,334</b>	<b>—</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>(32,821)</b>	<b>23,999</b>	<b>(8,822)</b>	<b>(5,282)</b>	<b>3,540</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of assets	330	—	330	\$ 373	43
Transfers in	42,477	—	42,477	\$ 34,586	(7,891)
Transfers out	(9,986)	—	(9,986)	\$ (37,463)	(27,477)
<b>Total other financing sources (uses):</b>	<b>32,821</b>	<b>—</b>	<b>32,821</b>	<b>(2,504)</b>	<b>(35,325)</b>
<b>Net change in fund balance</b>	<b>—</b>	<b>23,999</b>	<b>23,999</b>	<b>(7,786)</b>	<b>(31,785)</b>
Fund balance, beginning of the period	194,212	—	194,212	\$ 194,212	—
<b>Fund balance, end of period</b>	<b>\$ 194,212</b>	<b>\$ 23,999</b>	<b>\$ 218,211</b>	<b>\$ 186,426</b>	<b>\$ (31,785)</b>

**CITY OF ATLANTA, GEORGIA**  
Notes to Required Supplementary Information  
Year ended June 30, 2020  
(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. For the General Employees' Plan, a separate actuarial valuation is completed separately for the City and the School System. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the respective Plan.

**(2) Schedule of Employer Contributions**

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

**(3) Changes of Assumptions and Benefit Terms**

*Changes of assumptions for Pension Plans:* For fiscal year 2017, the General Employees' Pension Plan changed the pre-retirement mortality assumption from the sex-distinct RP-2000 Combined Healthy Mortality Table, to the approximate RP-2006 Blue Collar Employee Table, loaded by 25% for males and females. The post-retirement mortality assumption for healthy annuitants was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, to the approximate RP-2006 Blue Collar Healthy Annuitant Table, loaded by 25% for males and females. The mortality assumption for disabled retirees was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table, to the approximate RP-2006 Disabled Retiree Table, loaded by 25% for males and females. The Firefighters' and Police Officers' Pension Plans mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Mortality Table for public safety retirees, with generational improvements in Mortality using Scale MP-2017.

*Changes of assumptions for OPEB:*

Short term healthcare trend assumptions were updated to reflect most recent premium rates, and the elimination of the HIF in 2021. The excise tax regulation was repealed by Congress in December 2019. The discount rate effective June 30, 2019 was 3.5%. For June 30, 2018, the effective discount rate was 3.87%. The police and fire mortality assumptions were changed to match the mortality assumptions used for the GASB 68 reports for the fiscal year ending June 30, 2020 reporting date.

**Budgetary Data**

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

**CITY OF ATLANTA, GEORGIA**  
Notes to Required Supplementary Information  
Year ended June 30, 2020  
(Unaudited)

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

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

After the initial annual budget is adopted, it may be amended for interdepartmental transfers of appropriations with the approval of City Council. Intra-departmental 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, 2020.

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 2020, the General Fund did not have expenditures that exceeded appropriations at the fund level.

**CITY OF ATLANTA, GEORGIA**  
Notes to Required Supplementary Information  
Year ended June 30, 2020  
(Unaudited)

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

**Empowerment Zone Fund** - Established to account for grant revenue and expenditures related to community redevelopment in distressed communities.

**C.A.R.E.S Act 2020 Fund** - Established to account for revenue and expenditures related to CARES Act 2020 relief funds received from the Federal Government to cover costs incurred due to the public health emergency Coronavirus.

**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>312 Trust Fund</i>	

### **Debt Service Fund**

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

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

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

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

### **Capital Projects Funds**

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

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

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

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



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**CITY OF ATLANTA, GEORGIA**

Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ending June 30, 2020  
(Dollars in Thousands)

	Special Revenue Funds						Debt Service Funds		
	Community Development	Emergency Telephone System	Inter-Governmental Grants	Empowerment Zone	Care Act 2020	Tax Allocation Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
<b>ASSETS</b>									
Cash and cash equivalents, restricted	\$ 4,908	\$ —	\$ 13,913	\$ —	\$ 77,393	\$ 24,123	\$ 42,922	\$ 85,358	\$ 233,584
Equity in cash management pool	—	8,739	—	—	—	—	45,177	—	—
Restricted investments	—	—	—	—	—	—	323	—	57,442
Receivables									
Taxes	—	—	—	—	—	893	819	1,187	3,086
Accounts	2	929	1,660	—	—	—	15,549	126	13,116
Due from other governments	2,736	—	23,635	—	—	—	2,666	—	—
<b>TOTAL ASSETS</b>	<b>\$ 7,646</b>	<b>\$ 9,668</b>	<b>\$ 39,208</b>	<b>\$ —</b>	<b>\$ 77,393</b>	<b>\$ 25,016</b>	<b>\$107,456</b>	<b>\$ 86,671</b>	<b>\$ 307,228</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>									
Liabilities:									
Account payable	\$ 4,815	\$ 292	\$ 30,089	\$ (78)	\$ —	\$ 219	\$ 10,342	\$ —	\$ 974
Accrued expenditures	—	136	6	—	—	—	63	—	—
Contract retentions	—	—	113	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—	28	—	109
Due to other funds	1,180	—	19,861	78	387	(123)	4,804	(2,619)	319
Unearned Revenue	—	—	—	—	77,006	—	—	—	—
<b>Total liabilities</b>	<b>5,995</b>	<b>428</b>	<b>50,069</b>	<b>—</b>	<b>77,393</b>	<b>96</b>	<b>15,237</b>	<b>(2,619)</b>	<b>1,402</b>
Deferred inflows of resources									
Deferred inflows of property taxes	79	—	19	—	—	609	227	1,153	2,165
Total liabilities and deferred inflows of resources	<b>6,074</b>	<b>428</b>	<b>50,088</b>	<b>—</b>	<b>77,393</b>	<b>705</b>	<b>15,464</b>	<b>(1,466)</b>	<b>3,567</b>
Fund Balances:									
Restricted	1,572	9,240	—	—	—	24,311	91,992	88,137	303,661
Unassigned	—	—	(10,880)	—	—	—	—	—	—
<b>Total Fund Balances</b>	<b>1,572</b>	<b>9,240</b>	<b>(10,880)</b>	<b>—</b>	<b>—</b>	<b>24,311</b>	<b>91,992</b>	<b>88,137</b>	<b>303,661</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 7,646</b>	<b>\$ 9,668</b>	<b>\$ 39,208</b>	<b>\$ —</b>	<b>\$ 77,393</b>	<b>\$ 25,016</b>	<b>\$107,456</b>	<b>\$ 86,671</b>	<b>\$ 307,228</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

<b>Capital Project Funds</b>					
TSPLOST	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	<b>Total Nonmajor Governmental Funds</b>
\$ —	\$ —	\$ —	\$ 52,336	\$ 401	\$ 534,938
73,609	6,968	6,567	—	—	141,060
—	—	—	—	—	57,765
7,524	278	—	—	—	13,787
—	33	110	—	—	31,525
—	—	—	—	—	29,037
<u>\$ 81,133</u>	<u>\$ 7,279</u>	<u>\$ 6,677</u>	<u>\$ 52,336</u>	<u>\$ 401</u>	<u>\$ 808,112</u>
\$ 2,046	\$ 144	\$ —	\$ 448	\$ —	\$ 49,291
—	16	—	—	—	221
296	—	—	12	—	421
—	—	—	—	—	137
—	—	—	3	(6)	23,884
—	—	—	—	—	77,006
<u>2,342</u>	<u>160</u>	<u>—</u>	<u>463</u>	<u>(6)</u>	<u>150,960</u>
—	253	—	—	—	4,505
<u>2,342</u>	<u>413</u>	<u>—</u>	<u>463</u>	<u>(6)</u>	<u>155,465</u>
78,791	6,866	6,677	51,873	407	663,527
—	—	—	—	—	(10,880)
<u>78,791</u>	<u>6,866</u>	<u>6,677</u>	<u>51,873</u>	<u>407</u>	<u>652,647</u>
<u>\$ 81,133</u>	<u>\$ 7,279</u>	<u>\$ 6,677</u>	<u>\$ 52,336</u>	<u>\$ 401</u>	<u>\$ 808,112</u>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance  
 Nonmajor Governmental Funds  
 For the Year Ending June 30, 2020

	Special Revenue Funds						Debt Service Funds		
	Community Development	Emergency Telephone System	Inter- Governmental Grants	Empowermen t Zone	Cares Act 2020	Tax Allocation Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
<b>REVENUES</b>									
Property Taxes	\$ —	\$ 157	\$ —	\$ —	\$ —	\$ 7,153	\$ —	\$ 69,046	\$ 122,348
Local and Municipal Option Sales taxes	—	—	—	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—	56,071	3,096	—
Licenses and permits	—	—	—	—	—	—	1,046	—	—
Charges for current services	—	22,046	—	—	—	—	4,390	—	—
Fines, forfeitures and penalties	—	—	—	—	—	—	1,198	—	—
Investment Income	—	—	—	—	—	163	1,268	396	3,175
Intergovernmental Revenues and Contributions:									
Federal revenues, grants and contributions	6,574	—	28,168	—	11,446	—	2	—	—
State and local governments	—	—	4,746	—	—	—	4,091	—	—
Total intergovernmental revenues	6,574	—	32,914	—	11,446	—	4,093	—	—
Building Rentals and Concessions	—	—	—	—	—	—	1,183	—	—
Other	—	—	447	(24)	—	—	6,300	2	23
<b>Total Revenues</b>	<b>6,574</b>	<b>22,203</b>	<b>33,361</b>	<b>(24)</b>	<b>11,446</b>	<b>7,316</b>	<b>75,549</b>	<b>72,540</b>	<b>125,546</b>
<b>EXPENDITURES</b>									
Current:									
Executive Offices	1,019	—	15,008	—	1,500	—	(2,037)	—	—
City Council	—	—	—	—	—	—	13	—	—
Personnel and human services	—	—	—	—	8,579	—	2,354	—	—
Courts and judicial agencies	51	—	90	—	—	—	15	—	—
Finance	459	(12)	155	—	—	—	(85)	—	—
Housing, planning and development	1,208	—	5,965	—	10	—	1,018	—	—
Nondepartmental	107	546	(696)	—	1,064	3,316	54,946	753	38,054
Total general government	2,844	534	20,522	—	11,153	3,316	56,224	753	38,054
Police	1,483	16,264	2,198	—	2	—	3,685	—	—
Fire	—	—	(469)	—	—	—	(28)	—	290
Corrections	—	—	—	—	—	—	904	—	—
Public Works	1,050	—	12,026	—	—	—	(1,943)	—	—
Parks, recreation and cultural affairs	758	—	525	—	291	—	3,810	—	—
Debt Service:									
Principal payments	220	—	—	—	—	1,011	—	22,105	48,330
Interest payments	2	—	—	—	—	634	—	12,811	13,737
Paying agent fees	—	—	—	—	—	—	—	1	15
<b>Total Expenditures</b>	<b>6,357</b>	<b>16,798</b>	<b>34,802</b>	<b>—</b>	<b>11,446</b>	<b>4,961</b>	<b>62,652</b>	<b>35,670</b>	<b>100,426</b>
Excess (Deficiency) of Revenues Over (under) Expenditures	217	5,405	(1,441)	(24)	—	2,355	12,897	36,870	25,120
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	—	—	—	—	—	—	10,974	755	—
Transfers out	—	—	—	—	—	—	(13,597)	(6,480)	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,623)</b>	<b>(5,725)</b>	<b>—</b>
<b>Net Change in Fund Balances</b>	<b>217</b>	<b>5,405</b>	<b>(1,441)</b>	<b>(24)</b>	<b>—</b>	<b>2,355</b>	<b>10,274</b>	<b>31,145</b>	<b>25,120</b>
<b>FUND BALANCE:</b>									
Beginning of the period	1,355	3,835	(9,439)	24	—	21,956	81,718	56,992	278,541
<b>FUND BALANCE, END OF PERIOD</b>	<b>\$ 1,572</b>	<b>\$ 9,240</b>	<b>\$ (10,880)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 24,311</b>	<b>\$ 91,992</b>	<b>\$ 88,137</b>	<b>\$ 303,661</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**

Combining Statement of Revenue, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ending June 30, 2020

Capital Project Funds						Total Nonmajor Governmental Funds
TSPLOST	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority		
\$ —	\$ 14,511	\$ —	\$ —	\$ —	\$ —	\$ 213,215
57,360	—	—	—	—	—	57,360
—	767	—	—	—	—	59,934
—	—	—	—	—	—	1,046
—	—	703	9,416	—	—	36,555
—	—	—	—	—	—	1,198
1,706	162	146	428	2	—	7,446
—	—	—	—	—	—	46,190
—	—	—	—	—	—	8,837
—	—	—	—	—	—	55,027
—	—	—	—	—	—	1,183
—	—	—	—	—	—	6,748
59,066	15,440	849	9,844	2	—	439,712
1,324	—	—	—	—	—	16,814
—	—	—	—	—	—	13
—	—	—	—	—	—	10,933
—	—	—	—	—	—	156
—	—	—	49	1	—	567
—	55	—	53	—	—	8,309
(568)	6,694	—	(364)	—	—	103,852
756	6,749	—	(262)	1	—	140,644
—	—	—	—	—	—	23,632
—	—	—	1	—	—	(206)
—	—	—	—	—	—	904
39,835	—	—	2,366	—	—	53,334
—	2,764	—	1,794	—	—	9,942
—	—	—	—	1,870	—	73,536
—	—	—	—	227	—	27,411
—	2	—	—	—	—	18
40,591	9,515	—	3,899	2,098	—	329,215
18,475	5,925	849	5,945	(2,096)	—	110,497
—	—	—	—	2,097	—	13,826
—	—	—	—	—	—	(20,077)
—	—	—	—	2,097	—	(6,251)
18,475	5,925	849	5,945	1	—	104,246
60,316	941	5,828	45,928	406	—	548,401
<b>\$ 78,791</b>	<b>\$ 6,866</b>	<b>\$ 6,677</b>	<b>\$ 51,873</b>	<b>\$ 407</b>	<b>\$ —</b>	<b>\$ 652,647</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds-Tax Allocation Districts**  
**For the Year Ending June 30, 2020**  
**(Dollars in Thousands)**

	Special Revenue Funds						Debt Service Funds					
	NW Atlanta	Hollowell/ M.L. King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
<b>ASSETS</b>												
Cash and cash equivalents, restricted	\$ 15,922	\$ 1,576	\$ 4,590	\$ 1,707	\$ 328	\$ 24,123	\$ 20,754	\$ 69,294	\$ 5,462	\$ 48,707	\$ 89,367	\$ 233,584
Restricted investments	—	—	—	—	—	—	—	—	—	57,442	—	57,442
Receivable:												
Taxes	495	240	71	84	3	893	360	893	15	850	968	3,086
Accounts	—	—	—	—	—	—	—	11,532	—	725	859	13,116
<b>TOTAL ASSETS</b>	<b>\$ 16,417</b>	<b>\$ 1,816</b>	<b>\$ 4,661</b>	<b>\$ 1,791</b>	<b>\$ 331</b>	<b>\$ 25,016</b>	<b>\$ 21,114</b>	<b>\$ 81,719</b>	<b>\$ 5,477</b>	<b>\$ 107,724</b>	<b>\$ 91,194</b>	<b>\$ 307,228</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>												
<b>Liabilities:</b>												
Account payable	30	51	72	40	26	219	44	381	33	338	178	974
Due to other governments	—	—	—	—	—	—	109	—	—	—	—	109
Due to other Funds	(25)	(9)	(73)	(20)	4	(123)	1	299	(17)	32	4	319
<b>Total Liabilities</b>	<b>5</b>	<b>42</b>	<b>(1)</b>	<b>20</b>	<b>30</b>	<b>96</b>	<b>154</b>	<b>680</b>	<b>16</b>	<b>370</b>	<b>182</b>	<b>1,402</b>
<b>Deferred inflows of resources</b>												
Deferred inflows of property taxes	319	146	91	50	3	609	100	550	8	365	1,142	2,165
<b>Total liabilities and deferred inflows of resources</b>	<b>324</b>	<b>188</b>	<b>90</b>	<b>70</b>	<b>33</b>	<b>705</b>	<b>254</b>	<b>1,230</b>	<b>24</b>	<b>735</b>	<b>1,324</b>	<b>3,567</b>
<b>Fund Balance:</b>												
Restricted	16,093	1,628	4,571	1,721	298	24,311	20,860	80,489	5,453	106,989	89,870	303,661
<b>Total Fund Balances</b>	<b>16,093</b>	<b>1,628</b>	<b>4,571</b>	<b>1,721</b>	<b>298</b>	<b>24,311</b>	<b>20,860</b>	<b>80,489</b>	<b>5,453</b>	<b>106,989</b>	<b>89,870</b>	<b>303,661</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 16,417</b>	<b>\$ 1,816</b>	<b>\$ 4,661</b>	<b>\$ 1,791</b>	<b>\$ 331</b>	<b>\$ 25,016</b>	<b>\$ 21,114</b>	<b>\$ 81,719</b>	<b>\$ 5,477</b>	<b>\$ 107,724</b>	<b>\$ 91,194</b>	<b>\$ 307,228</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds-Tax Allocation Districts**  
**For the Year Ending June 30, 2020**  
**(Dollars in Thousands)**

	Special Revenue Funds						Debt Service Funds					
	NW Atlanta	Hollowell/ M.L. King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
REVENUE												
Property Taxes	\$ 5,876	\$ 417	\$ 264	\$ 393	\$ 203	\$ 7,153	\$ 23,412	\$ 22,883	\$ 2,110	\$ 21,628	\$ 52,315	\$ 122,348
Investment Income	115	13	23	10	2	163	140	366	30	1,986	653	3,175
Other	—	—	—	—	—	—	—	23	—	—	—	23
Total Revenues	5,991	430	287	403	205	7,316	23,552	23,272	2,140	23,614	52,968	125,546
EXPENDITURES												
Current:												
Fire	—	—	—	—	—	—	—	—	290	—	—	290
Nondepartmental	91	2,200	394	510	121	3,316	120	10,130	132	3,735	23,937	38,054
Total general government	91	2,200	394	510	121	3,316	120	10,130	422	3,735	23,937	38,344
Debt Service:												
Paying agent fees	—	—	—	—	—	—	7	—	—	—	8	15
Principal payment	1,011	—	—	—	—	1,011	27,100	8,355	1,580	—	11,295	48,330
Interest payment	634	—	—	—	—	634	6,119	1,619	198	187	5,614	13,737
Total Expenditures	1,736	2,200	394	510	121	4,961	33,346	20,104	2,200	3,922	40,854	100,426
Excess (Deficiency) of Revenue Over (under) Expenditures	4,255	(1,770)	(107)	(107)	84	2,355	(9,794)	3,168	(60)	19,692	12,114	25,120
Net Change in Fund Balances	4,255	(1,770)	(107)	(107)	84	2,355	(9,794)	3,168	(60)	19,692	12,114	25,120
FUND BALANCE:												
Beginning of the period	11,838	3,398	4,678	1,828	214	21,956	30,654	77,321	5,513	87,297	77,756	278,541
FUND BALANCE, END OF PERIOD	\$ 16,093	\$ 1,628	\$ 4,571	\$ 1,721	\$ 298	\$ 24,311	\$ 20,860	\$ 80,489	\$ 5,453	\$ 106,989	\$ 89,870	\$ 303,661

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, 2020  
(Dollars in Thousands)

	Other Special Revenue Funds							Total Other Special Revenue
	Expendable Trust	Home Investment Partnership Trust	312 Trust Fund	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity, Inc.	
<b>ASSETS</b>								
Cash and cash equivalents, restricted	\$ 10,884	\$ 4,053	\$ —	\$ 3,247	\$ 18	\$ —	\$ 24,720	\$ 42,922
Equity in cash management pool	44,594	—	—	—	—	583	—	45,177
Investments	323	—	—	—	—	—	—	323
Receivables:								
Taxes	—	—	—	—	—	819	—	819
Accounts	927	—	—	—	33	—	14,589	15,549
Due from other governments	—	1,492	—	—	—	1,012	162	2,666
<b>TOTAL ASSETS</b>	<b>\$ 56,728</b>	<b>\$ 5,545</b>	<b>\$ —</b>	<b>\$ 3,247</b>	<b>\$ 51</b>	<b>\$ 2,414</b>	<b>\$ 39,471</b>	<b>\$ 107,456</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Account payable	7,476	2,844	—	—	22	—	—	10,342
Accrued expenditures	63	—	—	—	—	—	—	63
Due to other governments	—	—	—	—	25	—	3	28
Due to other funds	—	2,386	—	—	4	2,414	—	4,804
Unearned revenue	—	—	—	—	—	—	—	—
<b>Total liabilities</b>	<b>7,539</b>	<b>5,230</b>	<b>—</b>	<b>—</b>	<b>51</b>	<b>2,414</b>	<b>3</b>	<b>15,237</b>
Deferred inflows of resources								
Deferred inflows of property taxes	145	82	—	—	—	—	—	227
Total liabilities and deferred inflows of resources	7,684	5,312	—	—	51	2,414	3	15,464
Fund Balances:								
Restricted	49,044	233	—	3,247	—	—	39,468	91,992
Unassigned	—	—	—	—	—	—	—	—
<b>Total Fund Balance</b>	<b>49,044</b>	<b>233</b>	<b>—</b>	<b>3,247</b>	<b>—</b>	<b>—</b>	<b>39,468</b>	<b>91,992</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 56,728</b>	<b>\$ 5,545</b>	<b>\$ —</b>	<b>\$ 3,247</b>	<b>\$ 51</b>	<b>\$ 2,414</b>	<b>\$ 39,471</b>	<b>\$ 107,456</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Combining Statement of Revenue, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds-Other Special Revenue Funds  
For the Year Ending June 30, 2020  
(Dollars in Thousands)

	Other Special Revenue Funds							Total Other Special Revenue
	Expendable Trust	Home Investment Partnership Trust	312 Trust Fund	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity, Inc.	
<b>REVENUES</b>								
Other Taxes	\$ 717	\$ —	\$ —	\$ —	\$ 953	\$ 54,401	\$ —	\$ 56,071
Licenses and permits	1,046	—	—	—	—	—	—	1,046
Charges for current services	4,390	—	—	—	—	—	—	4,390
Fines, forfeitures and penalties	1,198	—	—	—	—	—	—	1,198
Investment Income	840	—	—	29	—	—	399	1,268
Intergovernmental Revenues and Contributions:								
Federal revenues	—	2	—	—	—	—	—	2
State and local grants and contributions	4,091	—	—	—	—	—	—	4,091
Total intergovernmental revenues	4,091	2	—	—	—	—	—	4,093
Building rentals and concessions	1,183	—	—	—	—	—	—	1,183
Other	6,300	—	—	—	—	—	—	6,300
<b>Total Revenues</b>	<b>19,765</b>	<b>2</b>	<b>—</b>	<b>29</b>	<b>953</b>	<b>54,401</b>	<b>399</b>	<b>75,549</b>
<b>EXPENDITURES</b>								
Current:								
Executive Offices	(2,033)	(4)	—	—	—	—	—	(2,037)
City Council	13	—	—	—	—	—	—	13
Personnel and human services	2,354	—	—	—	—	—	—	2,354
Courts and judicial agencies	15	—	—	—	—	—	—	15
Finance	(85)	—	—	—	—	—	—	(85)
Housing, planning and development	2,241	(1,211)	(12)	—	—	—	—	1,018
Nondepartmental	4,383	—	—	—	953	40,804	8,806	54,946
Total general government	6,888	(1,215)	(12)	—	953	40,804	8,806	56,224
Police	3,685	—	—	—	—	—	—	3,685
Fire	(28)	—	—	—	—	—	—	(28)
Corrections	904	—	—	—	—	—	—	904
Public Works	(1,943)	—	—	—	—	—	—	(1,943)
Parks, recreation and cultural affairs	3,810	—	—	—	—	—	—	3,810
<b>Total Expenditures</b>	<b>13,316</b>	<b>(1,215)</b>	<b>(12)</b>	<b>—</b>	<b>953</b>	<b>40,804</b>	<b>8,806</b>	<b>62,652</b>
Excess (Deficiency) of Revenues Over (under) Expenditures	6,449	1,217	12	29	—	13,597	(8,407)	12,897
<b>OTHER FINANCING SOURCES (USES)</b>								
Payment to escrow agent	—	—	—	—	—	—	—	—
Transfers in	5,734	—	—	—	—	—	5,240	10,974
Transfers out	—	—	—	—	—	(13,597)	—	(13,597)
<b>Total Other Financing Sources (Uses)</b>	<b>5,734</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(13,597)</b>	<b>5,240</b>	<b>(2,623)</b>
<b>Net Change in Fund Balances</b>	<b>12,183</b>	<b>1,217</b>	<b>12</b>	<b>29</b>	<b>—</b>	<b>—</b>	<b>(3,167)</b>	<b>10,274</b>
<b>FUND BALANCE:</b>								
Beginning of the period	36,861	(984)	(12)	3,218	—	—	42,635	81,718
<b>FUND BALANCE, END OF PERIOD</b>	<b>\$ 49,044</b>	<b>\$ 233</b>	<b>\$ —</b>	<b>\$ 3,247</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 39,468</b>	<b>\$ 91,992</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2020

(Dollars in Thousands)

	<b>Community Development Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Revenues	10,888	13,068	6,574	(6,494)
<b>Total Revenues</b>	<b>10,888</b>	<b>13,068</b>	<b>6,574</b>	<b>(6,494)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Executive Offices	1,660	3,138	1,019	2,119
Courts and judicial agencies	51	51	51	—
Finance	1,628	1,795	459	1,336
Housing, planning and development	4,286	3,356	1,208	2,148
Nondepartmental	—	—	107	(107)
General government	7,625	8,340	2,844	5,496
Police	1,872	2,077	1,483	594
Fire	—	—	—	—
Total public safety	1,872	2,077	1,483	594
Public Works	140	1,650	1,050	600
Parks, recreation and cultural affairs	1,251	1,251	758	493
<b>Debt Service:</b>				
Principal payment	—	—	220	(220)
Interest payment	—	—	2	(2)
<b>Total Expenditures</b>	<b>10,888</b>	<b>13,318</b>	<b>6,357</b>	<b>6,961</b>
Excess (deficiency) of revenues over (under) expenditures	—	(250)	217	467
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	1,355	1,355	1,355	—
<b>Fund Balance, End of Period</b>	<b>\$ 1,355</b>	<b>\$ 1,105</b>	<b>\$ 1,572</b>	<b>\$ 467</b>

**CITY OF ATLANTA, GEORGIA**

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2020

(Dollars in Thousands)

	<b>Emergency Telephone System Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 42	\$ 42	\$ 157	\$ 115
Charges for current services	20,058	20,058	22,046	1,988
<b>Total Revenues</b>	<b>20,100</b>	<b>20,100</b>	<b>22,203</b>	<b>2,103</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Finance	—	—	(12)	12
Nondepartmental	501	501	546	(45)
General government	501	501	534	(33)
Police	19,600	19,600	16,264	3,336
Total public safety	19,600	19,600	16,264	3,336
<b>Total Expenditures</b>	<b>20,101</b>	<b>20,101</b>	<b>16,798</b>	<b>3,303</b>
Excess (deficiency) of revenues over (under) expenditures	(1)	(1)	5,405	5,406
<b>FUND BALANCE (DEFICIT)</b>				
Fund balance (deficit), beginning of period	3,835	3,835	3,835	—
<b>Fund Balance (Deficit), End of Period</b>	<b>\$ 3,834</b>	<b>\$ 3,834</b>	<b>\$ 9,240</b>	<b>\$ 5,406</b>

**CITY OF ATLANTA, GEORGIA**

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2020

(Dollars in Thousands)

	<b>Inter-governmental Grants Fund</b>			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental Revenues:				
Federal Revenues	\$ 83,274	\$ 120,239	\$ 28,168	\$ (92,071)
State and local governments	15,106	19,368	4,746	(14,622)
Total intergovernmental revenues	98,380	139,607	32,914	(106,693)
Other	—	—	447	447
<b>Total Revenues</b>	<b>98,380</b>	<b>139,607</b>	<b>33,361</b>	<b>(106,246)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Executive offices	36,678	58,676	15,008	43,668
City Council	—	495	—	495
Courts and judicial agencies	—	127	90	37
Finance	1,632	2,395	155	2,240
Housing, planning and development	11,445	18,632	5,965	12,667
Nondepartmental	150	150	(696)	846
General government	49,905	80,475	20,522	59,953
Police	2,333	5,783	2,198	3,585
Fire	113	459	(469)	928
Corrections	—	—	—	—
Total public safety	2,446	6,242	1,729	4,513
Public Works	45,588	51,873	12,026	39,847
Parks, recreation and cultural affairs	441	1,388	525	863
<b>Total Expenditures</b>	<b>98,380</b>	<b>139,978</b>	<b>34,802</b>	<b>105,176</b>
Excess (deficiency) of revenues over (under) expenditures	—	(371)	(1,441)	1,070
<b>Other Financing Sources (Uses):</b>				
Transfers in	—	223	—	(223)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>223</b>	<b>—</b>	<b>(223)</b>
Excess (deficiency) of revenues over (under) expenditures	—	(148)	(1,441)	(1,293)
<b>FUND BALANCE (Deficit):</b>				
Fund balance, beginning of period	(9,439)	(9,439)	(9,439)	—
<b>Fund Balance, End of Period</b>	<b>\$ (9,439)</b>	<b>\$ (9,587)</b>	<b>\$ (10,880)</b>	<b>\$ (1,293)</b>

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>NW Atlanta Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 4,641	\$ 4,641	\$ 5,876	\$ 1,235
Investment Income	150	150	115	(35)
Other	5,454	5,454	—	(5,454)
<b>Total Revenues</b>	<b>10,245</b>	<b>10,245</b>	<b>5,991</b>	<b>(4,254)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	8,616	8,616	91	8,525
General government	8,616	8,616	91	8,525
Principal payments	1,010	1,010	1,011	(1)
Interest payments	619	619	634	(15)
<b>Total Expenditures</b>	<b>10,245</b>	<b>10,245</b>	<b>1,736</b>	<b>8,509</b>
Excess of revenues over expenditures	—	—	4,255	4,255
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	11,838	11,838	11,838	—
<b>Fund Balance, End of Period</b>	<b>\$ 11,838</b>	<b>\$ 11,838</b>	<b>\$ 16,093</b>	<b>\$ 4,255</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Hollowell-Martun Luther King Dr. Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 791	\$ 791	\$ 417	\$ (374)
Investment Income	1	1	13	12
Other	2,018	2,018	—	(2,018)
<b>Total Revenues</b>	<b>2,810</b>	<b>2,810</b>	<b>430</b>	<b>(2,380)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	2,810	2,810	2,200	610
General government	2,810	2,810	2,200	610
<b>Total Expenditures</b>	<b>2,810</b>	<b>2,810</b>	<b>2,200</b>	<b>610</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(1,770)	(1,770)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	3,398	3,398	3,398	—
<b>Fund Balance, End of Period</b>	<b>\$ 3,398</b>	<b>\$ 3,398</b>	<b>\$ 1,628</b>	<b>\$ (1,770)</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Campbelton Road Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 1,746	\$ 1,746	\$ 264	\$ (1,482)
Investment Income	4	4	23	19
Other	2,107	2,107	—	(2,107)
<b>Total Revenues</b>	<b>3,857</b>	<b>3,857</b>	<b>287</b>	<b>(3,570)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	3,857	3,857	394	3,463
General government	3,857	3,857	394	3,463
<b>Total Expenditures</b>	<b>3,857</b>	<b>3,857</b>	<b>394</b>	<b>3,463</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(107)	(107)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	4,678	4,678	4,678	—
<b>Fund Balance, End of Period</b>	<b>\$ 4,678</b>	<b>\$ 4,678</b>	<b>\$ 4,571</b>	<b>\$ (107)</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Metropolitan Parkway Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 457	\$ 457	\$ 393	\$ (64)
Investment Income	2	2	10	8
Other	945	945	—	(945)
<b>Total Revenues</b>	<b>1,404</b>	<b>1,404</b>	<b>403</b>	<b>(1,001)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	1,404	1,404	510	894
General government	1,404	1,404	510	894
<b>Total Expenditures</b>	<b>1,404</b>	<b>1,404</b>	<b>510</b>	<b>894</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(107)	(107)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	1,828	1,828	1,828	—
<b>Fund Balance, End of Period</b>	<b>\$ 1,828</b>	<b>\$ 1,828</b>	<b>\$ 1,721</b>	<b>\$ (107)</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Stadium Neighborhoods -Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Stadium Neighborhoods Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 275	\$ 275	\$ 203	\$ (72)
Other	226	226	2	(224)
<b>Total Revenues</b>	<b>501</b>	<b>501</b>	<b>205</b>	<b>(296)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	502	502	121	381
General government	502	502	121	381
<b>Total Expenditures</b>	<b>502</b>	<b>502</b>	<b>121</b>	<b>381</b>
Excess (deficiency) of revenues over (under) expenditures	(1)	(1)	84	85
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	214	214	214	—
<b>Fund Balance, End of Period</b>	<b>\$ 213</b>	<b>\$ 213</b>	<b>\$ 298</b>	<b>\$ 85</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Empowerment Zone -Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Empowerment Zone Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Other	—	—	(24)	(24)
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>(24)</b>	<b>(24)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>	—	—	—	—
<b>Total Expenditures</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(24)	(24)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	—	—	24	24
<b>Fund Balance, End of Period</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Debt Service Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Atlantic Station Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 21,234	\$ 21,234	\$ 23,412	\$ 2,178
Investment Income	400	400	140	(260)
Other	1,486	1,486	—	(1,486)
<b>Total Revenues</b>	<b>23,120</b>	<b>23,120</b>	<b>23,552</b>	<b>432</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	4,502	4,502	120	4,382
General government	4,502	4,502	120	4,382
<b>Debt Service:</b>				
Paying agent fees	8	8	7	1
Principal payments	11,110	11,110	27,100	(15,990)
Interest payments	7,500	7,500	6,119	1,381
<b>Total Expenditures</b>	<b>23,120</b>	<b>23,120</b>	<b>33,346</b>	<b>(10,226)</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(9,794)	(9,794)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	30,654	30,654	30,654	—
<b>Fund Balance, End of Period</b>	<b>\$ 30,654</b>	<b>\$ 30,654</b>	<b>\$ 20,860</b>	<b>\$ (9,794)</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Debt Service Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Westside Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 20,718	\$ 20,718	\$ 22,883	\$ 2,165
Investment Income	350	350	366	16
Other	27,084	27,084	23	(27,061)
<b>Total Revenues</b>	<b>48,152</b>	<b>48,152</b>	<b>23,272</b>	<b>(24,880)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	38,178	38,178	10,130	28,048
General government	38,178	38,178	10,130	28,048
<b>Debt Service:</b>				
Principal payments	8,355	8,355	8,355	—
Interest payments	1,619	1,619	1,619	—
<b>Total Expenditures</b>	<b>48,152</b>	<b>48,152</b>	<b>20,104</b>	<b>28,048</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	3,168	3,168
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	77,321	77,321	77,321	—
<b>Fund Balance, End of Period</b>	<b>\$ 77,321</b>	<b>\$ 77,321</b>	<b>\$ 80,489</b>	<b>\$ 3,168</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Debt Service Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Princeton Lake Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 2,080	\$ 2,080	\$ 2,110	\$ 30
Investment Income	5	5	30	25
Other	4,198	4,198	—	(4,198)
<b>Total Revenues</b>	<b>6,283</b>	<b>6,283</b>	<b>2,140</b>	<b>(4,143)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	165	165	132	33
General government	165	165	132	33
Fire	4,343	4,343	290	4,053
Total public safety	4,343	4,343	290	4,053
Principal payments	1,580	1,580	1,580	—
Interest payments	195	195	198	(3)
<b>Total Expenditures</b>	<b>6,283</b>	<b>6,283</b>	<b>2,200</b>	<b>4,083</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(60)	(60)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	5,513	5,513	5,513	—
<b>Fund Balance, End of Period</b>	<b>\$ 5,513</b>	<b>\$ 5,513</b>	<b>\$ 5,453</b>	<b>\$ (60)</b>

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Debt Service Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
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	<b>Eastside Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 22,000	\$ 22,000	\$ 21,628	\$ (372)
Investment Income	3,100	3,100	1,986	(1,114)
Other	28,441	28,441	—	(28,441)
<b>Total Revenues</b>	<b>53,541</b>	<b>53,541</b>	<b>23,614</b>	<b>(29,927)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	53,541	53,541	3,735	49,806
General government	53,541	53,541	3,735	49,806
<b>Debt Service:</b>				
Interest payments	—	—	187	(187)
<b>Total Expenditures</b>	<b>53,541</b>	<b>53,541</b>	<b>3,922</b>	<b>49,619</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	19,692	19,692
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	87,297	87,297	87,297	—
<b>Fund Balance, End of Period</b>	<b>\$ 87,297</b>	<b>\$ 87,297</b>	<b>\$ 106,989</b>	<b>\$ 19,692</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Tax Allocation Districts-Debt Service Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Atlanta Beltline Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 46,632	\$ 46,632	\$ 52,315	\$ 5,683
Investment Income	5	5	653	\$ 648
Other	42,864	42,864	—	(42,864)
<b>Total Revenues</b>	<b>89,501</b>	<b>89,501</b>	<b>52,968</b>	<b>(36,533)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	27,173	68,590	23,937	44,653
General government	27,173	68,590	23,937	44,653
<b>Debt Service:</b>				
Paying agent fees	—	—	8	(8)
Principal payments	—	—	11,295	(11,295)
Interest payments	62,328	20,911	5,614	15,297
<b>Total Expenditures</b>	<b>89,501</b>	<b>89,501</b>	<b>40,854</b>	<b>48,647</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	12,114	12,114
<b>FUND BALANCE (DEFICIT):</b>				
Fund balance, beginning of period	77,756	77,756	77,756	—
<b>Fund Balance, End of Period</b>	<b>\$ 77,756</b>	<b>\$ 77,756</b>	<b>\$ 89,870</b>	<b>\$ 12,114</b>

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 TSPLOST-Debt Service Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	TSPLOST			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Local and Municipal Option Sales	\$ —	\$ —	\$ 57,360	\$ 57,360
Investment Income	—	—	1,706	1,706
Other	94,661	139,131	—	(139,131)
<b>Total Revenues</b>	<b>94,661</b>	<b>139,131</b>	<b>59,066</b>	<b>(80,065)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Executive Offices	352	3,465	1,324	2,141
Nondepartmental	—	131	(568)	699
General government	352	3,596	756	2,840
Public Works	94,309	135,535	39,835	95,700
<b>Total Expenditures</b>	<b>94,661</b>	<b>139,131</b>	<b>40,591</b>	<b>98,540</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	18,475	18,475
<b>FUND BALANCE (DEFICIT):</b>				
Fund balance, beginning of period	60,316	60,316	60,316	—
<b>Fund Balance, End of Period</b>	<b>\$ 60,316</b>	<b>\$ 60,316</b>	<b>\$ 78,791</b>	<b>\$ 18,475</b>

See accompanying independent auditors' report

# CITY OF ATLANTA, GEORGIA

## Nonmajor Governmental Funds

### Debt Service Funds

#### Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2020

(Dollars in Thousands)

	<b>Bond Service Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property Taxes	\$ 62,060	\$ 62,060	\$ 69,046	\$ 6,986
Other Taxes	989	989	3,096	2,107
Investment Income	91	91	396	305
Other	—	—	2	2
<b>Total Revenues</b>	<b>63,140</b>	<b>63,140</b>	<b>72,540</b>	<b>9,400</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	51	51	753	(702)
General government	51	51	753	(702)
<b>Debt Service:</b>				
Paying agent fees	21	21	1	20
Principal payment	22,117	22,117	22,105	12
Interest payment	19,245	19,245	12,811	6,434
<b>Total Expenditures</b>	<b>41,434</b>	<b>41,434</b>	<b>35,670</b>	<b>5,764</b>
Excess of revenues over expenditures	21,706	21,706	36,870	15,164
<b>Other Financing Sources (Uses):</b>				
Transfers In	—	—	755	755
Transfers Out	—	—	(6,480)	(6,480)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>(5,725)</b>	<b>(5,725)</b>
Excess of revenues over expenditures and other uses	21,706	21,706	31,145	9,439
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	56,992	56,992	56,992	—
<b>Fund Balance, End of Period</b>	<b>\$ 78,698</b>	<b>\$ 78,698</b>	<b>\$ 88,137</b>	<b>\$ 9,439</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Other Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	Expendable Trust Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Other Taxes	\$ 717	\$ 717	\$ —
License & Permits	1,046	1,046	—
Charges for Recurring Services	4,119	4,390	271
Fines, Forfeitures and Penalties	1,198	1,198	—
Investment Income	867	840	(27)
Intergovernmental Revenues:			
State and local governments	3,736	4,091	355
Building Rentals and Concessions	1,183	1,183	—
Other	6,290	6,300	10
<b>Total Revenues</b>	<b>19,156</b>	<b>19,765</b>	<b>609</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Executive Offices	494	(2,033)	2,527
Personnel and human services	4,552	2,354	2,198
City Council	72	13	59
Courts and judicial agencies	444	15	429
Finance	10,418	(85)	10,503
Housing, planning, and development	18,679	2,241	16,438
Nondepartmental	6,925	4,383	2,542
Total general government	41,584	6,888	34,696
Police	8,390	3,685	4,705
Fire	243	(28)	271
Corrections	2,773	904	1,869
Total public safety	11,406	4,561	6,845
Public Works	5,128	(1,943)	7,071
Parks, recreation and cultural affairs	16,550	3,810	12,740
<b>Total Expenditures</b>	<b>74,668</b>	<b>13,316</b>	<b>61,352</b>
Excess (deficiency) of revenues over (under) expenditures	(55,512)	6,449	61,961
<b>Other Financing Sources (Uses):</b>			
Transfers in	5,787	5,734	(53)
<b>Total Other Financing Sources (Uses)</b>	<b>5,787</b>	<b>5,734</b>	<b>(53)</b>
Excess (deficiency) of revenues over (under) expenditures and other uses	(49,725)	12,183	61,908
<b>FUND BALANCE (DEFICIT):</b>			
Fund balance, beginning of period	36,861	36,861	—
<b>Fund Balance, End of Period</b>	<b>\$ (12,864)</b>	<b>\$ 49,044</b>	<b>\$ 61,908</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Other Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Home Investment Partnership Trust Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Intergovernmental Revenues				
Federal Revenues	\$ 5,545	\$ 5,545	\$ 2	\$ (5,543)
Total intergovernmental revenues	5,545	5,545	2	(5,543)
<b>Total Revenues</b>	<b>5,545</b>	<b>5,545</b>	<b>2</b>	<b>(5,543)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Executive Offices	184	184	(4)	188
Housing, planning and development	5,361	5,361	(1,211)	6,572
General government	5,545	5,545	(1,215)	6,760
<b>Total Expenditures</b>	<b>5,545</b>	<b>5,545</b>	<b>(1,215)</b>	<b>6,760</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	1,217	1,217
<b>FUND BALANCE (DEFICIT):</b>				
Fund balance, beginning of period	(984)	(984)	(984)	—
<b>Fund Balance, End of Period</b>	<b>\$ (984)</b>	<b>\$ (984)</b>	<b>\$ 233</b>	<b>\$ 1,217</b>

**CITY OF ATLANTA, GEORGIA**

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2020

(Dollars in Thousands)

	<b>Section 108 Loan Trust Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Investment Income	\$ —	\$ —	\$ 29	\$ 29
Intergovernmental Revenues				
Federal Revenues	—	(37)	—	37
Total intergovernmental revenues	—	(37)	—	37
<b>Total Revenues</b>	<b>—</b>	<b>(37)</b>	<b>29</b>	<b>66</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Parks, recreation and cultural affairs	—	(37)	—	(37)
<b>Total Expenditures</b>	<b>—</b>	<b>(37)</b>	<b>—</b>	<b>(37)</b>
Excess of revenues over expenditures	—	—	29	29
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	3,218	3,218	3,218	—
<b>Fund Balance, End of Period</b>	<b>\$ 3,218</b>	<b>\$ 3,218</b>	<b>\$ 3,247</b>	<b>\$ 29</b>

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Other Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Car Rental Excise Tax Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Other Taxes	\$ 1,381	\$ 1,381	\$ 953	\$ (428)
<b>Total Revenues</b>	<b>1,381</b>	<b>1,381</b>	<b>953</b>	<b>(428)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	1,381	1,381	953	428
General government	1,381	1,381	953	428
<b>Total Expenditures</b>	<b>1,381</b>	<b>1,381</b>	<b>953</b>	<b>428</b>
Excess of revenues over expenditures	—	—	—	—
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	—	—	—	—
<b>Fund Balance, End of Period</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Other Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Hotel/Motel Excise Tax Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Other Taxes	\$ 76,712	\$ 76,712	\$ 54,401	\$ (22,311)
<b>Total Revenues</b>	<b>76,712</b>	<b>76,712</b>	<b>54,401</b>	<b>(22,311)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	57,542	57,542	40,804	16,738
General government	57,542	57,542	40,804	16,738
<b>Total Expenditures</b>	<b>57,542</b>	<b>57,542</b>	<b>40,804</b>	<b>16,738</b>
Excess of revenues over expenditures	19,170	19,170	13,597	(5,573)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(19,170)	(19,170)	(13,597)	5,573
<b>Total Other Financing Sources (Uses)</b>	<b>(19,170)</b>	<b>(19,170)</b>	<b>(13,597)</b>	<b>5,573</b>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	—	—	—	—
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	—	—	—	—
<b>Fund Balance, End of Period</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Other Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>Atlanta Housing Opportunity, Inc. Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Other Taxes	\$ —	\$ —	399	\$ 399
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>399</b>	<b>399</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Nondepartmental	—	—	8,806	(8,806)
General government	—	—	8,806	(8,806)
<b>Total Expenditures</b>	<b>—</b>	<b>—</b>	<b>8,806</b>	<b>(8,806)</b>
Excess (deficiency) of revenues over (under) expenditures	—	—	(8,407)	(8,407)
<b>Other Financing Sources (Uses):</b>				
Transfers In	—	—	5,240	5,240
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>5,240</b>	<b>5,240</b>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	—	—	(3,167)	(3,167)
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	42,635	42,635	42,635	—
<b>Fund Balance, End of Period</b>	<b>\$ 42,635</b>	<b>\$ 42,635</b>	<b>\$ 39,468</b>	<b>\$ (3,167)</b>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
 Nonmajor Governmental Funds  
 Other Special Revenue Funds  
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<b>312 Trust Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
<b>Total Revenues</b>	—	—	—	—
<b>EXPENDITURES</b>				
<b>Current:</b>				
Housing, planning and development	—	—	(12)	12
General government	—	—	(12)	12
<b>Total Expenditures</b>	—	—	(12)	12
Excess of revenues over expenditures	—	—	12	12
<b>Total Other Financing Sources (Uses)</b>	—	—	—	—
Excess (deficiency) of revenues over (under) expenditures and other financing uses	—	—	12	12
<b>FUND BALANCE (DEFICIT):</b>				
Fund balance, beginning of period	(12)	(12)	(12)	—
<b>Fund Balance, End of Period</b>	<b>\$ (12)</b>	<b>\$ (12)</b>	<b>\$ —</b>	<b>\$ 12</b>

See accompanying independent auditors' report

# CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ending June 30, 2020

(Dollars in Thousands)

## Cares Act 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Federal Revenues	—	—	11,446	11,446
State and local governments	—	88,435	—	(88,435)
Total intergovernmental revenues	—	88,435	11,446	76,989
<b>Total Revenues</b>	—	<b>88,435</b>	<b>11,446</b>	<b>76,989</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Executive Offices	—	63,300	1,500	61,800
Personnel and human services	—	13,185	8,579	4,606
Housing, planning and development	—	—	10	(10)
City Council	—	6,935	—	6,935
Nondepartmental	—	4,950	1,064	3,886
General government	—	88,370	11,153	77,217
<b>Total Expenditures</b>	—	<b>88,435</b>	<b>11,446</b>	<b>76,989</b>
Excess of revenues over expenditures	—	—	—	—
<b>FUND BALANCE:</b>				
Fund balance, beginning of period	—	—	—	—
<b>Fund Balance, End of Period</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>	<b>\$ —</b>

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, Parking Deck and City Plaza are accounted for as enterprise funds. The latter four 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.

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.

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

Internal Services - Established to accumulate and allocate costs internally among the City's various functions.

# CITY OF ATLANTA, GEORGIA

## Nonmajor Proprietary Funds Combining Statement of Net Position For the Year Ending June 30, 2020 (Dollars in Thousands)

	Sanitation Services	Parking Deck	City Plaza	Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents, restricted	\$ 245	\$ —	\$ —	\$ 245
Equity in cash management pool	—	1,406	1,912	3,318
Receivables:				
Accounts	53,157	26	500	53,683
Less allowance for doubtful accounts	(10,472)	—	—	(10,472)
Total receivables	42,685	26	500	43,211
Due from Other Funds	—	—	—	—
Total current assets	42,930	1,432	2,412	46,774
Noncurrent assets:				
Capital assets:				
Land	582	—	3,280	3,862
Land improvements	1,327	—	474	1,801
Buildings and other structures	2,443	23,480	19,117	45,040
Machinery and other	39,166	—	—	39,166
Less accumulated depreciation	(24,318)	(5,792)	(2,083)	(32,193)
Capital assets, net	19,200	17,688	20,788	57,676
Total assets	\$ 62,130	\$ 19,120	\$ 23,200	\$ 104,450
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related deferred outflows	3,775	—	—	3,775
OPEB related deferred outflow	4,048	—	—	4,048
Total assets and deferred outflows of resources	\$ 69,953	\$ 19,120	\$ 23,200	\$ 112,273
<b>LIABILITIES AND NET POSITION</b>				
Current Liabilities				
Accounts payable	\$ 2,369	\$ —	\$ —	\$ 2,369
Accrued expenses	410	—	—	410
Due to other funds	35,293	—	—	35,293
Current portion of Claims payable	55	—	—	55
Current maturities of capital leases	2,118	—	—	2,118
Current portion of Net OPEB	1,290	—	—	1,290
Accrued workers' compensation	1,645	—	—	1,645
Current liabilities	43,180	—	—	43,180
Liabilities payable from restricted assets:				
Accrued interest payable	29	—	—	29
Current maturities of long-term debt	—	855	360	1,215
Total liabilities payable from restricted assets	29	855	360	1,244
Total current liabilities	43,209	855	360	44,424
Long-term liabilities:				
Long-term debt, excluding current maturities	—	13,784	8,681	22,465
Capital lease obligation, excluding current maturities	8,408	—	—	8,408
Net pension liability	39,288	—	—	39,288
Net OPEB liability	49,592	—	—	49,592
Claims payable	213	—	—	213
Accrued workers' compensation	7,250	—	—	7,250
Landfill postclosure costs	16,763	—	—	16,763
Total long-term liabilities	121,514	13,784	8,681	143,979
Total liabilities	164,723	14,639	9,041	188,403
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows	6,940	—	—	6,940
OPEB related deferred inflows	19,805	—	—	19,805
Total liabilities and deferred inflows of resources	\$ 191,468	\$ 14,639	\$ 9,041	\$ 215,148
Net Position:				
Net Investment in capital assets, net of related debt	19,200	3,049	11,747	33,996
Unrestricted (deficit)	(140,715)	1,432	2,412	(136,871)
Total net position	\$ (121,515)	\$ 4,481	\$ 14,159	\$ (102,875)

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
Nonmajor Proprietary Funds  
Combining Statement of Revenue, Expenditures and Changes in Net Position  
For the Year Ending June 30, 2020  
(Dollars in Thousands)

	Sanitation Services	Parking Deck	City Plaza	Totals
Operating revenues:				
Charges for services	\$ 73,225	\$ —	\$ —	\$ 73,225
Rentals, admissions, and concessions	—	525	1,460	1,985
Other	1,359	507	—	1,866
Total operating revenues	<u>74,584</u>	<u>1,032</u>	<u>1,460</u>	<u>77,076</u>
Operating expenses:				
Salaries and employee benefits	21,732	—	—	21,732
Utilities	393	—	—	393
Materials and supplies	1,218	—	—	1,218
Repairs, maintenance, and other contractual services	186	—	—	186
Motor equipment service	7,425	—	—	7,425
Engineering and consultant fees	11,491	—	—	11,491
General services and other costs	18,405	—	190	18,595
Depreciation and amortization	2,298	470	509	3,277
Total operating expenses	<u>63,148</u>	<u>470</u>	<u>699</u>	<u>64,317</u>
Operating income (loss)	<u>11,436</u>	<u>562</u>	<u>761</u>	<u>12,759</u>
Nonoperating revenues (expenses):				
Interest expense	(691)	(36)	(267)	(994)
Other revenues (expenses)	(763)	—	(2)	(765)
Investment income (loss)	(7)	—	45	38
Total nonoperating revenues (expenses)	<u>(1,461)</u>	<u>(36)</u>	<u>(224)</u>	<u>(1,721)</u>
Income (loss) before contributions and transfers	9,975	526	537	11,038
Transfers in	3,163	710	—	3,873
Transfers out	(5,170)	—	—	(5,170)
Net income (loss)	<u>7,968</u>	<u>1,236</u>	<u>537</u>	<u>9,741</u>
Net Position (deficit), beginning of period	<u>(129,483)</u>	<u>3,245</u>	<u>13,622</u>	<u>(112,616)</u>
Net Position (deficit), end of period	<u>\$ (121,515)</u>	<u>\$ 4,481</u>	<u>\$ 14,159</u>	<u>\$ (102,875)</u>

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ending June 30, 2020**  
**(Dollars in Thousands)**

	Sanitation Services	Parks and Recreational Facilities	Parking Deck	City Plaza	Total
<b>Cash flow from operating activities</b>					
Cash received from user charges	\$ 76,518	\$ —	\$ 1,032	\$ 960	\$ 78,510
Cash paid to employees for services	(28,805)	—	—	—	(28,805)
Cash paid to suppliers for goods and services	(43,074)	—	—	(190)	(43,264)
Net cash provided by (used in) operating activities	4,639	—	1,032	770	6,441
<b>Cash flows from noncapital financing activities</b>					
Transfers in	3,163	—	710	—	3,873
Transfers out	(5,170)	—	—	—	(5,170)
Net cash provided by (used in) noncapital financing activities	(2,007)	—	710	—	(1,297)
<b>Cash flows from capital and related financing activities</b>					
Capital grants and donations	—	—	—	—	—
Principal repayments of long term debt	(1,748)	—	(1,342)	(436)	(3,526)
Interest paid	(1,454)	—	(87)	(267)	(1,808)
Acquisition of capital assets	(93)	—	—	(2)	(95)
Net cash provided by (used in) capital and related financing activities	(3,295)	—	(1,429)	(705)	(5,429)
<b>Cash flows from investing activities</b>					
Change in equity in cash management pool	—	—	(525)	(110)	(635)
Interest on investments	(7)	—	—	45	38
Net cash provided by (used in) investing activities	(7)	—	(525)	(65)	(597)
Decrease in cash and cash equivalents	(670)	—	(212)	—	(882)
Cash and cash equivalents, beginning of period	915	—	212	—	1,127
Cash and cash equivalents, end of period	\$ 245	\$ —	\$ —	\$ —	\$ 245
<b>Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:</b>					
Operating income (loss)	\$ 11,436	\$ —	\$ 562	\$ 761	\$ 12,759
Adjustments to reconcile operating income (loss) to net cash provided (used in) by operating activities:					
Depreciation and amortization	2,298	—	470	509	3,277
Accounts receivables - net of allowance	1,935	—	—	(500)	1,435
Prepaid expenses	(622)	—	—	—	(622)
Accounts payable and accrued expenses	(486)	—	—	—	(486)
Other liabilities	(6,452)	—	—	—	(6,452)
Due to other funds	(3,470)	—	—	—	(3,470)
Net cash provided by (used in) operating activities	\$ 4,639	\$ —	\$ 1,032	\$ 770	\$ 6,441

**CITY OF ATLANTA, GEORGIA**

Internal Service Funds  
 Combining Statement of Net Position  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	<u>Fleet Services</u>	<u>Group Insurance</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Equity in cash management pool	\$ 5,520	\$ —	\$ 5,520
Receivables			
Accounts	6	683	689
Total Receivables, Net	<u>6</u>	<u>683</u>	<u>689</u>
Inventories	438	—	438
Prepaid Expenses	—	—	—
Total Current Assets	<u>5,964</u>	<u>683</u>	<u>6,647</u>
Non Current Assets:			
Capital Assets:			
Land	136	—	136
Land Improvements	29	—	29
Buildings and other structures	5,507	—	5,507
Other Property and Equipment	3,805	—	3,805
Less Accumulated Depreciation	<u>(9,084)</u>	<u>—</u>	<u>(9,084)</u>
Capital assets, nets	<u>393</u>	<u>—</u>	<u>393</u>
Total Assets	<u>6,357</u>	<u>683</u>	<u>7,040</u>
<b>LIABILITIES</b>			
Liabilities:			
Current Liabilities			
Account payable	2,080	7,325	9,405
Accrued expenses	892	98	990
Due To Other Funds	—	29,840	29,840
Current Liabilities	<u>2,972</u>	<u>37,263</u>	<u>40,235</u>
Total liabilities	<u>2,972</u>	<u>37,263</u>	<u>40,235</u>
NET POSITION			
Net investment in capital assets	393	—	393
Unrestricted (deficit)	2,992	(36,580)	(33,588)
Total Net Position	<u>\$ 3,385</u>	<u>\$ (36,580)</u>	<u>\$ (33,195)</u>

See accompanying independent auditors' report

## CITY OF ATLANTA, GEORGIA

### Internal Service Funds

#### Combining Statement of Revenue, Expenditures and Changes in Net Position

For the Year Ending June 30, 2020

(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Operating Revenue:			
Charges for Services	\$ 36,530	\$ 152,776	\$ 189,306
Other	88	—	88
Total Operating Revenue	36,618	152,776	189,394
Operating Expenses:			
Salaries and Employee Benefits	11,112	113,553	124,665
Utilities	547	—	547
Supplies and Materials	10,867	2	10,869
Repairs, maintenance, and other contractual services	5,456	1	5,457
Motor Equipment Services	468	—	468
Engineering and Consultant Fees	962	—	962
General Services and Other Costs	7,503	51,035	58,538
Depreciation and Amortization	53	—	53
Total operating expenses	36,968	164,591	201,559
Operating Income (loss)	(350)	(11,815)	(12,165)
Non operating revenues (expenses):			
Investment income (loss)	130	—	130
Interest expense	—	(462)	(462)
Other revenue (expenses)	—	4	4
Total non operating revenues (expenses), net	130	(458)	(328)
Change in net position	(220)	(12,273)	(12,493)
Net position (deficit), beginning of period	3,605	(24,307)	(20,702)
Net position, (deficit) end of period	\$ 3,385	\$ (36,580)	\$ (33,195)

See accompanying independent auditors' report

**CITY OF ATLANTA, GEORGIA**

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Year Ending June 30, 2020  
 (Dollars in Thousands)

	Fleet Services	Group Insurance	Total
<b>Cash flow from operating activities</b>			
Cash received from user charges	\$ 36,618	\$ 152,749	\$ 189,367
Cash payments to employees for services	(10,716)	(113,533)	(124,249)
Cash payments to suppliers for goods and services	(25,247)	(38,758)	(64,005)
Net cash provided by (used in) operating activities	655	458	1,113
<b>Cash flows from noncapital financing activities</b>			
Net cash provided by (used in) noncapital financing activities	—	—	—
<b>Cash flows from capital and related financing activities</b>			
Interest paid	—	(462)	(462)
Acquisition of capital assets	(78)	4	(74)
Net cash provided by (used in) capital and related financing activities	(78)	(458)	(536)
<b>Cash flows from investing activities</b>			
Change in equity in cash management pool	(707)	—	(707)
Interest on investments	130	—	130
Net cash used in investing activities	(577)	—	(577)
Increase in cash and cash equivalents	—	—	—
Cash and cash equivalents, beginning of period	—	—	—
Cash and cash equivalents, end of period	\$ —	\$ —	\$ —
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (350)	\$ (11,815)	(12,165)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	53	—	53
Accounts receivables - net of allowance	—	(27)	(27)
Prepaid Expenses	—	1,089	1,089
Inventory	219	—	219
Accounts payable and accrued expenses	337	2,981	3,318
Other Liabilities	396	20	416
Due to other funds	—	8,210	8,210
Net cash provided by (used in) operating activities	\$ 655	\$ 458	\$ 1,113

See accompanying independent auditors' report

# Fiduciary Funds



Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

## **PENSION TRUST FUNDS**

General Employees' Defined Benefit Pension Fund - To account for the operations of the defined benefit pension plan covering general officers and employees of the City.

General Employees' Defined Contribution Pension Fund - To account for the operation of the defined contribution pension plan covering general officers and employees of the City.

Firefighters' Pension Fund - To account for the operations of the defined benefit pension plan covering fire fighting employees of the City.

Police Officers' Pension Fund - To account for the operations of the defined benefit pension plan covering sworn police employees of the City.

## **AGENCY FUND**

Agency Fund - To account for various taxes, bond deposits and other receipts held in escrow for individuals, outside organizations or other governments.



**CITY OF ATLANTA, GEORGIA**  
Combining Statement of Net Position-Pension Trust Funds  
Fiduciary Funds  
For the Year Ending June 30, 2020  
(Dollars in Thousands)

	<b>Pension Trust Funds</b>				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	<b>Total</b>
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 45,326	\$ —	\$ 14,753	\$ 12,006	\$ 72,085
Receivables					
Employee Contribution	1,512	516	478	944	3,450
Employer Contribution	5,271	516	3	17	5,807
Due from brokers	1,038	—	646	1,102	2,786
Accrued interest receivable	1,495	—	1,036	1,316	3,847
Other receivables	1,939	13,522	36	129	15,626
Total receivables	11,255	14,554	2,199	3,508	31,516
Investments:					
Cash and cash equivalents	82,983	—	27,125	49,505	159,613
Domestic fixed income securities	282,431	39,647	184,115	276,521	782,714
Domestic equities	910,331	32,235	444,790	728,449	2,115,805
International fixed income securities	2,577	—	1,004	1,673	5,254
International equities	113,400	—	28,417	66,204	208,021
Alternative Investments:					
Real Estate	42,963	—	5,688	5,688	54,339
Limited partnerships	21,107	—	15,907	20,586	57,600
Commingled Funds	—	107,493	—	—	107,493
Total Investments	1,455,792	179,375	707,046	1,148,626	3,490,839
Total Assets	1,512,373	193,929	723,998	1,164,140	3,594,440
<b>LIABILITIES AND NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>					
Current liabilities:					
Accounts payable	\$ 3,765	\$ 56	\$ 881	\$ 1,687	\$ 6,389
Due to brokers for investments purchased	9,005	139	6,699	11,972	27,815
Total liabilities	12,770	195	7,580	13,659	34,204
Net Position Restricted for Pension	\$ 1,499,603	\$ 193,734	\$ 716,418	\$ 1,150,481	\$ 3,560,236

**CITY OF ATLANTA, GEORGIA**  
Pension Trust Funds  
Combining Statement of Changes in Plan Net Position  
For the Year Ending June 30, 2020  
(Dollars in Thousands)

	<b>Pension Trust Funds</b>				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	<b>Total</b>
Additions:					
Contributions:					
Employer contributions	\$ 104,919	\$ 13,525	\$ 15,626	\$ 21,571	\$ <b>155,641</b>
Employee contributions	21,140	13,073	6,130	12,141	<b>52,484</b>
Refunds and other	267	7	48	40	<b>362</b>
Total contributions	<u>126,326</u>	<u>26,605</u>	<u>21,804</u>	<u>33,752</u>	<u><b>208,487</b></u>
Investment Income:					
Net change in fair value of investments	41,779	4,507	15,013	19,631	<b>80,930</b>
Investment income	14,922	832	5,921	11,270	<b>32,945</b>
Securities lending income	36	—	—	—	<b>36</b>
Less: Investment expenses	(4,164)	(108)	(1,445)	(3,187)	<b>(8,904)</b>
Net investment income	<u>52,573</u>	<u>5,231</u>	<u>19,489</u>	<u>27,714</u>	<u><b>105,007</b></u>
Total additions	<u>178,899</u>	<u>31,836</u>	<u>41,293</u>	<u>61,466</u>	<u><b>313,494</b></u>
Deductions:					
Benefit payments	180,698	12,769	51,680	73,313	<b>318,460</b>
Administrative expenses	1,456	431	539	815	<b>3,241</b>
Total deductions	<u>182,154</u>	<u>13,200</u>	<u>52,219</u>	<u>74,128</u>	<u><b>321,701</b></u>
Change in net position	(3,255)	18,636	(10,926)	(12,662)	<b>(8,207)</b>
Net position held in trust for pension benefits:					
Beginning of period	1,502,858	175,098	727,344	1,163,143	<b>3,568,443</b>
End of period	<u>\$ 1,499,603</u>	<u>\$ 193,734</u>	<u>\$ 716,418</u>	<u>\$ 1,150,481</u>	<u><b>\$ 3,560,236</b></u>

**CITY OF ATLANTA, GEORGIA**  
Agency Fund  
Statement of Changes in Assets and Liabilities  
For the Year Ending June 30, 2020  
(Dollars in Thousands)

ASSETS

	June 30, 2019	Additions	Deductions	June 30, 2020
Assets:				
Cash and cash equivalents	\$ 152	\$ —	\$ —	\$ 152
Equity in cash management pool	26,638	—	(1,903)	24,735
Other receivables	715	267	—	982
	<u>715</u>	<u>267</u>	<u>—</u>	<u>982</u>
Total assets	<u>\$ 27,505</u>	<u>\$ 267</u>	<u>\$ (1,903)</u>	<u>\$ 25,869</u>

LIABILITIES

Liabilities:				
Accounts payable	\$ 27,505	\$ 849	\$ (2,485)	\$ 25,869
	<u>27,505</u>	<u>849</u>	<u>(2,485)</u>	<u>25,869</u>
Total Liabilities	<u>\$ 27,505</u>	<u>\$ 849</u>	<u>\$ (2,485)</u>	<u>\$ 25,869</u>



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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.



# City of Atlanta

## 2020 Comprehensive Annual Financial Report

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

	Fiscal Period									
	2011	2012	2013	2014	2015	2016 *	2017	2018 **	2019	2020
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 58,841	\$ 7,228	\$ 95,513	\$ 53,144	\$ (292,446)	\$ 6,564	\$ 86,340	\$ 156,421	\$ 59,923	\$ 253,197
Restricted for										
Debt service	265,371	284,933	\$ 287,948	259,422	232,789	229,522	336,669	318,538	335,533	391,800
Programs	76,517	69,776	\$ 72,591	65,332	64,806	62,807	109,282	127,924	170,200	205,674
Capital projects	49,827	47,943	\$ 47,962	87,398	369,276	345,993	298,923	339,057	269,780	254,705
Unrestricted	(118,112)	(128,199)	(131,646)	(132,877)	(898,791)	(1,146,682)	(1,370,094)	(2,025,541)	(1,729,573)	(1,727,110)
<b>Total Governmental Activities Net Position</b>	<b>\$ 332,444</b>	<b>\$ 281,681</b>	<b>\$ 372,368</b>	<b>\$ 332,419</b>	<b>\$ (524,366)</b>	<b>\$ (501,796)</b>	<b>\$ (538,880)</b>	<b>\$ (1,083,601)</b>	<b>\$ (894,137)</b>	<b>\$ (621,734)</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 4,879,760	\$ 4,721,909	\$ 5,015,922	\$ 5,032,865	\$ 5,174,578	\$ 5,380,368	\$ 5,687,008	\$ 5,921,310	\$ 5,958,423	\$ 6,457,144
Restricted										
Debt service	349,001	869,781	534,521	382,414	406,162	413,288	417,463	418,808	429,034	458,750
Capital projects	418,473	—	355,001	554,081	607,322	629,667	652,115	675,680	758,005	665,704
Unrestricted	1,004,136	1,240,649	1,281,856	1,406,617	1,005,755	1,052,124	888,396	652,638	1,047,348	916,331
<b>Total Business-type Activities Net Position</b>	<b>\$ 6,651,370</b>	<b>\$ 6,832,339</b>	<b>\$ 7,187,300</b>	<b>\$ 7,375,977</b>	<b>\$ 7,193,817</b>	<b>\$ 7,475,447</b>	<b>\$ 7,644,982</b>	<b>\$ 7,668,436</b>	<b>\$ 8,192,810</b>	<b>\$ 8,497,929</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 4,938,602	\$ 4,729,137	\$ 5,111,435	\$ 5,086,009	\$ 4,882,132	\$ 5,386,932	\$ 5,773,348	\$ 6,077,731	\$ 6,018,346	\$ 6,710,341
Restricted										
Debt service	614,372	1,154,714	822,469	641,836	638,951	642,810	754,132	737,346	764,567	850,550
Programs	76,517	69,776	72,591	65,332	64,806	62,807	109,282	127,924	170,200	205,674
Capital projects	468,300	47,943	402,963	641,479	976,598	975,660	951,038	1,014,737	1,027,785	920,409
Unrestricted	886,024	1,112,450	1,150,210	1,273,740	106,964	(94,558)	(481,698)	(1,372,903)	(682,225)	(810,779)
<b>Total Primary Government Activities Net Position</b>	<b>\$ 6,983,815</b>	<b>\$ 7,114,020</b>	<b>\$ 7,559,668</b>	<b>\$ 7,708,396</b>	<b>\$ 4,883,919</b>	<b>\$ 6,973,651</b>	<b>\$ 7,106,102</b>	<b>\$ 6,584,835</b>	<b>\$ 7,298,673</b>	<b>\$ 7,876,195</b>

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

\*\* City implemented GASB 75 in 2018. Prior years were not restated.

	Fiscal Period									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 239,306	\$ 215,030	\$ 148,288	\$ 346,897	\$ 472,818	\$ 308,606	\$ 464,517	\$ 392,479	\$ 344,274	\$ 259,946
Police	197,598	217,777	210,751	210,418	197,267	213,198	226,881	200,849	195,031	205,209
Fire	83,596	89,016	92,018	87,587	86,906	86,768	85,527	80,377	86,236	83,403
Corrections	25,520	35,001	31,128	32,324	33,990	34,181	36,169	33,161	25,614	17,339
Public works	54,442	47,397	64,467	72,476	73,280	93,719	130,715	155,416	121,525	124,193
Parks, recreation and cultural affairs	41,939	46,280	59,732	56,124	60,246	58,589	64,952	81,545	79,454	66,907
Interest on long-term debt	47,629	47,080	42,731	36,508	29,788	40,686	38,173	59,594	75,241	37,555
<b>Total Governmental Activities Expenses</b>	<b>690,030</b>	<b>697,581</b>	<b>649,115</b>	<b>842,334</b>	<b>954,295</b>	<b>835,747</b>	<b>1,046,934</b>	<b>1,003,421</b>	<b>927,275</b>	<b>794,552</b>
<b>Business-type Activities</b>										
Watershed Management	\$ 444,133	\$ 441,092	\$ 445,647	\$ 454,742	\$ 443,300	\$ 450,896	\$ 471,536	\$ 479,911	\$ 483,199	\$ 465,908
Aviation	437,659	504,918	585,148	638,452	628,824	640,793	673,027	667,442	688,909	716,194
Other	47,694	56,342	64,050	85,827	87,264	88,475	46,983	58,158	57,502	66,072
<b>Total Business-type Activities Expenses</b>	<b>929,486</b>	<b>1,002,352</b>	<b>1,094,845</b>	<b>1,179,021</b>	<b>1,159,388</b>	<b>1,180,164</b>	<b>1,191,546</b>	<b>1,205,511</b>	<b>1,229,610</b>	<b>1,248,174</b>
<b>Total Primary Government Expenses</b>	<b>\$ 1,619,516</b>	<b>\$ 1,699,933</b>	<b>\$ 1,743,960</b>	<b>\$ 2,021,355</b>	<b>\$ 2,113,683</b>	<b>\$ 2,015,911</b>	<b>\$ 2,238,480</b>	<b>\$ 2,208,932</b>	<b>\$ 2,156,985</b>	<b>\$ 2,042,726</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798	\$ 113,637	\$ 166,954	\$ 155,662	\$ 162,685	\$ 141,974
Public safety	21,727	19,669	21,633	29,742	33,182	32,469	31,311	35,599	30,374	26,507
Public works	2,383	2,421	3,731	4,152	5,002	5,560	7,970	7,263	8,659	7,557
Parks recreation and cultural affairs	2,267	2,556	3,581	3,405	3,519	5,454	4,698	16,284	29,137	25,428
Operating grants and contributions	100,943	56,663	75,657	63,249	51,070	61,369	73,217	65,388	54,924	55,389
Capital grants and contributions	—	—	—	4,540	77,707	253	—	—	—	—
<b>Total Governmental Activities Program Revenue</b>	<b>221,627</b>	<b>172,317</b>	<b>197,112</b>	<b>213,252</b>	<b>286,278</b>	<b>218,742</b>	<b>284,150</b>	<b>280,196</b>	<b>285,779</b>	<b>256,855</b>
<b>Business-type Activities</b>										
Charges for services										
Watershed Management	433,183	466,052	448,167	436,644	459,673	466,929	486,285	478,132	488,089	478,397
Aviation	411,213	394,132	490,386	496,252	483,022	486,812	497,955	525,477	568,507	442,318
Other	56,754	69,245	76,718	82,293	86,875	78,147	58,603	56,323	65,110	77,076
Capital grants and contributions	241,456	238,639	260,944	235,883	259,682	271,863	266,459	263,784	280,759	258,186
<b>Total Business-type Activities Revenues</b>	<b>1,142,606</b>	<b>1,168,068</b>	<b>1,276,215</b>	<b>1,251,072</b>	<b>1,289,252</b>	<b>1,303,751</b>	<b>1,309,302</b>	<b>1,323,716</b>	<b>1,402,465</b>	<b>1,255,977</b>
<b>Total primary Government Revenues</b>	<b>\$ 1,364,233</b>	<b>\$ 1,340,385</b>	<b>\$ 1,473,327</b>	<b>\$ 1,464,324</b>	<b>\$ 1,575,530</b>	<b>\$ 1,522,493</b>	<b>\$ 1,593,452</b>	<b>\$ 1,603,912</b>	<b>\$ 1,688,244</b>	<b>\$ 1,512,832</b>
<b>Net (expense) revenue</b>										
Governmental activities	(468,403)	(525,264)	(452,003)	(629,082)	(668,017)	(617,005)	(762,784)	(723,225)	(641,596)	(537,697)
Business-type activities	213,120	165,716	181,370	72,051	129,864	123,587	117,756	118,205	172,855	7,803
<b>Total Primary Government Net Expense</b>	<b>\$ (255,283)</b>	<b>\$ (359,548)</b>	<b>\$ (270,633)</b>	<b>\$ (557,031)</b>	<b>\$ (538,153)</b>	<b>\$ (493,418)</b>	<b>\$ (645,028)</b>	<b>\$ (605,020)</b>	<b>\$ (468,741)</b>	<b>\$ (529,894)</b>
<b>GENERAL REVENUES and OTHER CHANGES in NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes										
Property taxes levied for general purposes	\$ 190,406	\$ 184,021	\$ 188,099	\$ 183,109	\$ 189,613	\$ 189,714	\$ 197,921	\$ 206,718	\$ 217,256	\$ 222,468
Property taxes levied for debt service	129,965	103,258	97,690	96,933	107,108	132,277	133,284	147,093	192,655	213,215
Local and municipal option sales tax	203,887	212,536	218,623	223,976	233,803	236,168	247,175	167,852	176,909	168,130
Public utilities franchise taxes	72,450	63,327	60,825	40,125	43,193	46,758	42,176	42,176	42,176	43,323
Business taxes	100,177	105,567	95,402	125,010	132,738	142,236	138,352	147,272	155,530	122,529
Federal and state aid not restricted for specific purposes	—	299	—	2	—	—	—	704	1,895	362
Investment income	3,825	2,728	679	4,228	3,864	8,445	1,288	9,803	23,073	17,786
Gain on Sale of Assets	6,391	8,185	(4,197)	—	—	—	—	—	—	—
Transfers	(120,880)	(123,580)	(114,431)	(84,250)	(118,897)	(116,023)	(34,496)	60,784	21,566	22,287
<b>Total Governmental Activities</b>	<b>\$ 586,221</b>	<b>\$ 556,341</b>	<b>\$ 542,690</b>	<b>\$ 589,133</b>	<b>\$ 591,422</b>	<b>\$ 639,575</b>	<b>\$ 725,700</b>	<b>\$ 782,402</b>	<b>\$ 831,060</b>	<b>\$ 810,100</b>
<b>Business-Type Activities</b>										
Local option sales tax	—	—	—	—	—	—	—	145,244	154,634	146,696
Investment income	(68,499)	(31,724)	58,710	35,429	32,985	41,775	5,971	23,710	202,915	96,867
Non-capital grants	—	—	—	—	—	—	—	—	—	80,881
Other	—	(12)	450	(3,053)	3	245	11,312	29,278	15,536	(4,841)
Transfers	120,880	123,580	114,431	84,250	118,897	116,023	34,496	(60,784)	(21,566)	(22,287)
<b>Total Business-type Activities</b>	<b>52,381</b>	<b>91,844</b>	<b>173,591</b>	<b>116,626</b>	<b>151,885</b>	<b>158,043</b>	<b>51,779</b>	<b>137,448</b>	<b>351,519</b>	<b>297,316</b>
<b>Total Primary Government</b>	<b>\$ 638,602</b>	<b>\$ 648,185</b>	<b>\$ 716,281</b>	<b>\$ 705,759</b>	<b>\$ 743,307</b>	<b>\$ 797,618</b>	<b>\$ 777,479</b>	<b>\$ 919,850</b>	<b>\$ 1,182,579</b>	<b>\$ 1,107,416</b>
<b>Change in Net Position</b>										
Governmental activities	117,818	31,077	90,687	(39,949)	(76,595)	22,570	(37,084)	59,177	189,464	272,403
Business-type activities	265,501	257,560	354,961	188,677	281,749	281,630	169,535	255,653	524,374	305,119
<b>Total Primary Government</b>	<b>\$ 383,319</b>	<b>\$ 288,637</b>	<b>\$ 445,648</b>	<b>\$ 148,728</b>	<b>\$ 205,154</b>	<b>\$ 304,200</b>	<b>\$ 132,451</b>	<b>\$ 314,830</b>	<b>\$ 713,838</b>	<b>\$ 577,522</b>

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

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

**Schedule 3**  
**City of Atlanta, Georgia**  
**Program Revenues by Function/Program (unaudited)**  
**Last Ten Fiscal Periods**  
**(accrual basis of accounting)**  
**(Dollars in thousands)**

Function/Program	Fiscal Period									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Primary Government</b>										
<b>Governmental activities:</b>										
Charges for Services										
General government	\$ 94,307	\$ 91,008	\$ 92,510	\$ 108,164	\$ 115,798	\$ 113,637	\$ 166,954	\$ 155,662	\$ 162,685	\$ 141,974
Police	19,228	16,729	17,506	22,351	27,149	28,598	21,066	25,624	27,460	23,964
Fire	496	640	808	998	906	906	1,341	815	826	721
Corrections	2,003	2,300	3,319	6,393	5,127	2,965	8,904	9,160	2,088	1,822
Public works	2,383	2,421	3,731	4,152	5,002	5,560	7,970	7,263	8,659	7,557
Parks, Recreation, and Cultural Affairs	2,267	2,556	3,581	3,405	3,519	5,454	4,698	16,284	29,137	25,428
<b>Total Governmental activities</b>	<b>\$ 120,684</b>	<b>\$ 115,654</b>	<b>\$ 121,455</b>	<b>\$ 145,463</b>	<b>\$ 157,501</b>	<b>\$ 157,120</b>	<b>\$ 210,933</b>	<b>\$ 214,808</b>	<b>\$ 230,855</b>	<b>\$ 201,466</b>
<b>Operating Grants</b>	<b>\$ 60,013</b>	<b>\$ 56,663</b>	<b>\$ 75,657</b>	<b>\$ 63,249</b>	<b>\$ 51,070</b>	<b>\$ 61,369</b>	<b>\$ 73,217</b>	<b>\$ 65,388</b>	<b>\$ 54,924</b>	<b>\$ 55,389</b>
<b>Capital Grants and Contributions</b>	<b>\$ 40,930</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4,540</b>	<b>\$ 77,707</b>	<b>\$ 253</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Business-type activities:</b>										
Charges for Services										
Watershed Management	\$ 433,183	\$ 466,052	\$ 448,167	\$ 436,644	\$ 459,673	\$ 466,929	\$ 486,285	\$ 478,132	\$ 488,089	\$ 478,397
Aviation	411,213	394,132	490,386	496,252	483,022	486,812	497,955	525,477	568,507	442,318
Sanitation	51,985	53,993	54,071	55,565	54,593	46,527	54,698	54,324	62,648	74,584
Parks and Recreational Facilities	487	512	475	513	482	15	—	—	—	—
Underground Atlanta	1,941	1,898	1,707	2,309	4,229	1,695	1,281	—	—	—
Parking Deck	740	698	805	805	870	857	1,019	776	1,002	1,032
Permit Fund	—	10,716	18,464	21,541	25,977	28,155	—	—	—	—
City Plaza	—	—	—	—	—	500	1,261	960	1,460	1,460
Civic Center	1,601	1,428	1,196	1,560	724	398	344	263	—	—
Capital Grants & Contributions	241,456	238,639	260,944	235,883	259,682	271,863	266,459	263,784	280,759	258,186
<b>Total Business-type activities</b>	<b>\$ 1,142,606</b>	<b>\$ 1,168,068</b>	<b>\$ 1,276,215</b>	<b>\$ 1,251,072</b>	<b>\$ 1,289,252</b>	<b>\$ 1,303,751</b>	<b>\$ 1,309,302</b>	<b>\$ 1,323,716</b>	<b>\$ 1,402,465</b>	<b>\$ 1,255,977</b>
<b>Total Primary Government</b>	<b>\$ 1,364,233</b>	<b>\$ 1,340,385</b>	<b>\$ 1,473,327</b>	<b>\$ 1,464,324</b>	<b>\$ 1,575,530</b>	<b>\$ 1,522,493</b>	<b>\$ 1,593,452</b>	<b>\$ 1,603,912</b>	<b>\$ 1,688,244</b>	<b>\$ 1,512,832</b>

See accompanying independent auditors' report

**City of Atlanta**  
**2020 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	7,834	4,377	4,972	11,101	1,946	15,726	5,941	5,247	21,219	29,094
Restricted	6,388	15,231	14,159	—	—	—	—	—	—	—
Committed	—	—	—	—	—	—	47,208	30,944	29,944	29,395
Assigned	6,912	26,877	20,516	12,287	7,814	7,254	8,537	10,624	14,891	19,800
Unassigned	73,216	80,235	98,517	118,597	141,254	130,169	138,396	132,065	128,158	108,137
<b>Total General Fund</b>	<b>\$ 94,350</b>	<b>\$ 126,720</b>	<b>\$ 138,164</b>	<b>\$ 141,985</b>	<b>\$ 151,014</b>	<b>\$ 153,149</b>	<b>\$ 200,082</b>	<b>\$ 178,880</b>	<b>\$ 194,212</b>	<b>\$ 186,426</b>
<b>Capital Project</b>										
Restricted	\$ —	\$ —	\$ —	\$ —	\$ 327,865	\$ 298,438	\$ 247,278	\$ 291,580	\$ 216,677	\$ 188,881
<b>Total Capital Project</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 327,865</b>	<b>\$ 298,438</b>	<b>\$ 247,278</b>	<b>\$ 291,580</b>	<b>\$ 216,677</b>	<b>\$ 188,881</b>
<b>All Other Governmental Funds</b>										
Unreserved, reported in										
Capital projects funds	—	48,909	—	—	—	—	—	—	—	—
Debt service funds	—	1,433	—	—	—	—	—	—	—	—
Restricted	579,842	406,854	408,501	412,152	339,006	339,884	497,596	493,938	558,836	663,527
Unassigned (deficit)	(28,661)	(23,388)	(14,490)	(12,815)	(2,510)	(12,035)	(19,274)	(10,960)	(10,435)	(10,880)
<b>Total all other Governmental Funds</b>	<b>\$ 551,181</b>	<b>\$ 433,808</b>	<b>\$ 394,011</b>	<b>\$ 399,337</b>	<b>\$ 336,496</b>	<b>\$ 327,849</b>	<b>\$ 478,322</b>	<b>\$ 482,978</b>	<b>\$ 548,401</b>	<b>\$ 652,647</b>

See accompanying independent auditors' report

# City of Atlanta 2020 Comprehensive Annual Financial Report

## Schedule 5

City of Atlanta, Georgia

Changes in Fund Balance, Governmental Funds (unaudited)

Last Ten Fiscal Periods

(Modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Period									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Property taxes	\$ 321,425	\$ 288,771	\$ 277,919	\$ 281,369	\$ 298,123	\$ 325,494	\$ 331,389	\$ 353,616	\$ 411,591	\$ 440,064
Local and municipal option sales taxes	203,887	212,536	218,623	223,976	233,803	236,168	247,175	167,852	176,909	168,130
Public utility, alcoholic beverages and other taxes	172,597	168,894	156,227	165,135	175,931	188,994	180,528	189,448	197,706	165,852
Licenses and permits	63,889	59,922	56,473	67,994	70,703	79,523	118,063	118,350	124,533	120,283
Charges for current services	17,312	16,745	23,904	30,023	34,286	37,556	36,477	40,121	41,550	42,684
Fines, forfeitures and penalties	22,368	24,550	24,293	26,119	28,827	26,333	24,352	20,594	25,610	20,610
Investment income	3,819	2,698	699	4,115	3,779	8,289	1,308	9,803	23,073	17,656
Intergovernmental revenues and contributions										
Federal revenues	43,437	40,671	53,278	40,839	34,675	46,723	54,655	52,402	42,421	46,552
State and local grants and contributions	16,576	16,291	22,379	22,412	16,395	14,646	18,562	13,689	12,503	8,837
Building rentals and contributions	7,153	7,583	7,400	8,178	8,845	8,267	12,450	15,078	6,636	5,725
Other	9,995	6,854	9,385	13,149	14,840	5,441	19,591	20,665	32,526	11,292
<b>TOTAL REVENUES</b>	<b>\$ 882,458</b>	<b>\$ 845,515</b>	<b>\$ 850,580</b>	<b>\$ 883,309</b>	<b>\$ 920,207</b>	<b>\$ 977,434</b>	<b>\$ 1,044,550</b>	<b>\$ 1,001,618</b>	<b>\$ 1,095,058</b>	<b>\$ 1,047,685</b>
<b>EXPENDITURES</b>										
Current										
General government	\$ 215,655	\$ 217,879	\$ 224,452	\$ 304,137	\$ 252,123	\$ 304,634	\$ 387,514	\$ 361,235	\$ 376,955	\$ 355,634
Police	189,309	190,917	195,017	204,830	208,128	226,517	231,513	222,083	226,926	237,150
Fire	74,608	78,018	82,478	82,418	87,805	87,938	84,134	89,087	100,853	96,429
Corrections	23,929	30,675	29,203	32,108	36,243	36,662	37,444	37,811	30,519	20,442
Public works	51,622	41,547	39,516	52,132	55,846	79,667	114,303	154,518	121,913	124,812
Parks, recreation and cultural affairs	43,799	40,565	49,181	47,484	48,635	51,008	55,845	81,672	83,167	67,605
Debt service										
Principal	49,155	52,648	59,949	47,006	89,650	82,310	44,508	71,688	103,372	88,466
Interest	48,909	46,460	44,411	36,337	33,002	44,413	37,011	58,956	68,492	33,894
Bond issuance costs	1,433	311	33	1,647	1,050	375	1,162	638	66	60
<b>TOTAL EXPENDITURES</b>	<b>\$ 698,419</b>	<b>\$ 699,020</b>	<b>\$ 724,240</b>	<b>\$ 808,099</b>	<b>\$ 812,482</b>	<b>\$ 913,524</b>	<b>\$ 993,434</b>	<b>\$ 1,077,688</b>	<b>\$ 1,112,263</b>	<b>\$ 1,024,492</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>184,039</b>	<b>146,495</b>	<b>126,340</b>	<b>75,210</b>	<b>107,725</b>	<b>63,910</b>	<b>51,116</b>	<b>(76,070)</b>	<b>(17,205)</b>	<b>23,193</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	\$ —	\$ —	\$ 6	\$ 21,000	\$ 307,390	\$ 84,844	\$ 235,690	\$ 43,335	\$ 1,000	\$ 373
Capital leases	—	—	2,198	363	—	—	8,735	20,110	—	—
Insurance Proceeds	—	—	—	—	—	—	—	—	—	—
Premium on bonds sold	—	—	—	277	39,325	10,903	16,077	15,732	—	1,479
Issuance of refunding bonds	—	—	—	—	—	—	—	85,380	—	(23,308)
Refunding bonds issued	—	—	—	—	—	—	—	—	—	—
Issuance of long term debt	—	—	—	—	—	—	—	—	—	44,640
Payment to refunded bond escrow agent	—	—	—	—	(58,866)	(77,443)	(128,993)	(125,392)	—	—
Sales of assets	7,089	14,623	123	2,547	3,376	1,287	380	1,275	491	—
Extraordinary Loss	—	—	—	—	—	—	—	—	—	—
Transfers in (out)	(120,880)	(123,580)	(114,431)	(90,250)	(124,897)	(119,440)	(36,759)	63,386	21,566	22,287
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (113,791)</b>	<b>\$ (108,957)</b>	<b>\$ (112,104)</b>	<b>\$ (66,063)</b>	<b>\$ 166,328</b>	<b>\$ (99,849)</b>	<b>\$ 95,130</b>	<b>\$ 103,826</b>	<b>\$ 23,057</b>	<b>\$ 45,471</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 70,248</b>	<b>\$ 37,538</b>	<b>\$ 14,236</b>	<b>\$ 9,147</b>	<b>\$ 274,053</b>	<b>\$ (35,939)</b>	<b>\$ 146,246</b>	<b>\$ 27,756</b>	<b>\$ 5,852</b>	<b>\$ 68,664</b>
Debt service as a percentage of noncapital expenditures	15.1 %	15.1 %	15.0 %	11.8 %	15.6 %	14.8 %	8.7 %	13.4 %	17.1 %	13.4 %

See accompanying independent auditors' report

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

**Schedule 6**

**City of Atlanta, Georgia**

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

**Last Ten Fiscal Periods**

<b>Fiscal Period Ended</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property(1)</b>	<b>Less: Tax-exempt Property(2)</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
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%
June 30, 2018	13,493,027,408	14,154,056,870	843,130,074	1,210,968,574	2,985,921,567	26,715,261,359	32.56%
June 30, 2019	17,863,794,272	15,356,502,641	820,071,202	1,052,958,644	2,665,173,788	32,428,152,971	30.97%
June 30, 2020	19,945,206,363	17,205,214,920	850,290,917	1,179,949,809	5,698,451,725	33,482,210,284	30.97%

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

(2) Tax Exempt Property consists of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.

**Source:** Assessed values are established by the Fulton & DeKalb Counties Board of Tax Assessors on January 1 of each year at 40% of the market value as required by State Law.

See accompanying independent auditors' report

**City of Atlanta**  
**2020 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			
	General Operating Levy	Hospital Levy	Bond Levy	Library Levy	State of Georgia Levy	Total Levy	County Levy	County Bond Levy	Georgia State Levy	Total
June 30, 2011	8.00	0.96	0.57	0.88	0.25	10.66	10.28	—	0.25	10.53
June 30, 2012	9.43	0.88	0.87	1.02	0.25	12.45	10.28	0.27	0.25	10.80
June 30, 2013	10.43	0.94	0.70	1.22	0.20	13.49	10.28	0.27	0.20	10.75
June 30, 2014	10.71	0.80	—	1.16	0.15	12.82	10.21	0.27	0.15	10.63
June 30, 2015	8.22	0.80	0.01	1.06	0.10	10.19	11.78	0.27	0.10	12.15
June 30, 2016	10.39	0.89	0.01	1.11	0.05	12.45	10.50	0.25	0.05	10.80
June 30, 2017	8.76	0.74	0.48	0.97	—	10.95	10.45	0.25	—	10.70
June 30, 2018	8.69	0.74	0.43	1.18	—	11.04	10.38	0.25	—	10.63
June 30, 2019	9.64	0.73	0.33	1.17	—	11.87	10.20	0.23	—	10.43
June 30, 2020	9.30	0.65	0.36	1.37	—	11.68	9.90	0.22	—	10.12

Fiscal Period Ended	City Atlanta			Board of Education School		
	General Levy	Bond Levy	Parks Levy	Operating Levy	Bond Levy	Total
June 30, 2011	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2012	10.24	1.20	0.50	21.64	0.05	33.63
June 30, 2013	10.24	1.20	0.50	21.64	0.1	33.68
June 30, 2014	10.05	1.20	0.50	21.64	0.10	33.49
June 30, 2015	9.75	1.20	0.50	21.64	0.10	33.19
June 30, 2016	8.89	1.48	0.50	21.64	0.10	32.61
June 30, 2017	8.88	1.48	0.50	21.72	0.03	32.61
June 30, 2018	8.84	1.48	0.50	21.74	—	32.56
June 30, 2019	7.85	1.88	0.50	20.74	—	30.97
June 30, 2020	7.85	1.88	0.50	20.74	—	30.97

Sources: Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor.  
 Debt outstanding data provided by each governmental unit.

See accompanying independent auditors' report

# City of Atlanta 2020 Comprehensive Annual Financial Report

## Schedule 8 City of Atlanta, Georgia Principal Property Tax Payers (unaudited) Last Ten Fiscal Periods

Taxpayer	Type of Business	Fiscal Periods																						
		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019				
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	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	288,336,703	3	1.37 %	—	—	—	—	—	144,069,022	5	0.70 %	170,914,613	4	0.80 %	—	—	—	—	—	—	—		
BF ATL, LLC	Commercial Real Estate	135,349,360	7	0.64 %	135,349,360	4	0.64 %	154,833,309	8	0.76 %	—	—	—	—	—	—	—	—	—	—	—	—		
Coca-Cola Company	Marketing and Manufacturing	239,494,269	4	1.13 %	160,539,113	3	0.76 %	158,398,076	3	0.77 %	154,658,325	4	0.75 %	154,851,783	5	0.72 %	—	—	—	—	—	—	—	
Corporate Property Corporation	Commercial Real Estate	—	—	—	87,232,239	9	0.41 %	72,222,920	6	0.35 %	87,232,240	8	0.42 %	107,531,880	6	0.50 %	—	—	—	—	—	—	—	
Delta Airlines	Transportation	144,071,482	6	0.68 %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Development Authority of Fulton	Government	864,964,916	1	4.10 %	652,260,501	1	3.09 %	643,688,110	1	3.15 %	708,697,642	1	3.42 %	914,748,466	1	4.27 %	—	—	—	—	—	—	—	
GA-Met	—	—	—	—	—	—	—	—	—	—	—	—	72,000,000	10	0.34 %	—	—	—	—	—	—	—	—	
GA Promenade LLC	Residential Real Estate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Georgia Pacific Company	Pulp and Paper Manufacturing	—	—	—	84,328,320	8	0.40 %	76,031,870	7	0.37 %	—	—	—	—	—	—	—	—	—	—	—	—	—	
Georgia Power Company	Utility Service	355,267,690	2	1.68 %	258,789,449	2	1.23 %	278,823,406	2	1.36 %	287,889,088	2	1.39 %	281,251,853	2	1.31 %	—	—	—	—	—	—	—	
Google Inc	Technology	—	—	—	—	—	—	—	—	—	99,021,890	6	0.48 %	—	—	—	—	—	—	—	—	—	—	
Hines One Atlantic Center LP	Commercial Real Estate	—	—	—	74,287,820	10	0.35 %	72,158,940	10	0.35 %	—	—	—	80,341,160	8	0.38 %	—	—	—	—	—	—	—	
IEP Peachtree LLC	Commercial Real Estate	93,279,610	10	0.44 %	91,879,110	7	0.44 %	78,922,880	9	0.39 %	72,222,920	10	0.35 %	74,371,960	9	0.35 %	—	—	—	—	—	—	—	
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services	—	—	—	—	—	—	—	—	—	80,772,360	9	0.39 %	—	—	—	—	—	—	—	—	—	—	
Post Apartment Homes	Residential Real Estate	129,959,779	8	0.62 %	128,772,451	5	0.61 %	96,136,850	4	0.47 %	164,277,960	—	0.79 %	176,237,783	3	0.82 %	—	—	—	—	—	—	—	
SunTrust Plaza Association	Commercial Real Estate	103,532,500	9	0.49 %	96,150,900	6	0.46 %	87,837,149	5	0.43 %	96,130,950	7	0.46 %	94,698,251	7	0.44 %	—	—	—	—	—	—	—	
<b>Total</b>		<b>\$2,587,317,692</b>		<b>12.25 %</b>	<b>\$ 1,769,589,263</b>		<b>8.39 %</b>	<b>\$1,719,053,510</b>		<b>8.40 %</b>	<b>\$ 1,894,972,397</b>		<b>9.15 %</b>	<b>\$2,126,947,749</b>		<b>9.93 %</b>								
Fiscal Periods																								
Taxpayer	Type of Business	2015		2016		2017		2018		2019		2020		2021		2022		2023		2024				
		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		
		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		
AC Property Owner LP	Commercial Real Estate	—	—	—	—	—	—	101,269,000	9	0.38 %	124,000,000	8	0.38 %	124,000,000	9	0.37 %	—	—	—	—	—	—	—	
Atlanta Development Authority	Government	—	—	—	—	—	—	—	—	—	—	—	268,760,770	3	0.8 %	—	—	—	—	—	—	—	—	
Bell South/AT&T	Communication Service	155,862,813	4	0.66 %	179,628,391	3	0.74 %	140,954,632	5	0.53 %	153,700,841	4	0.47 %	162,147,421	5	0.48 %	—	—	—	—	—	—	—	
BF ATL, LLC	Commercial Real Estate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Coca-Cola Company	Marketing and Manufacturing	146,645,787	5	0.62 %	145,352,469	5	0.6 %	144,804,388	4	0.54 %	139,558,319	5	0.43 %	169,597,993	4	0.51 %	—	—	—	—	—	—	—	
Corporate Property Corporation	Commercial Real Estate	136,742,310	6	0.58 %	110,808,080	7	0.46 %	110,808,080	8	0.41 %	110,808,080	10	0.34 %	110,808,080	10	0.33 %	—	—	—	—	—	—	—	
Development Authority of Fulton	Government	979,728,452	1	4.12 %	1,146,589,582	1	4.74 %	1,219,165,494	1	4.56 %	1,499,129,649	1	4.62 %	1,609,795,144	1	4.81 %	—	—	—	—	—	—	—	
Delta Airlines	Transportation	—	—	—	—	—	—	119,682,509	7	0.45 %	119,838,960	9	0.37 %	—	—	—	—	—	—	—	—	—	—	
GA-Met	—	82,628,961	10	0.35 %	82,628,961	10	0.34 %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Georgia Pacific Company	Pulp and Paper Manufacturing	—	—	—	—	—	—	—	—	—	—	—	\$ —	—	—	—	—	—	—	—	—	\$ —	—	
Georgia Power Company	Utility Service	296,597,925	2	1.25 %	282,000,331	2	1.17 %	283,491,164	2	1.06 %	296,507,118	2	0.91 %	357,551,450	2	1.07 %	—	—	—	—	—	—	—	
Google Inc	Technology	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Hines One Atlantic Center LP	Commercial Real Estate	96,895,409	8	0.41 %	96,894,280	8	0.4 %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
IEP Peachtree LLC	Commercial Real Estate	96,592,350	9	0.41 %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Post Apartment Homes	Residential Real Estate	172,256,249	3	0.72 %	172,644,191	4	0.71 %	130,285,628	6	0.49 %	134,827,371	6	0.42 %	158,637,060	6	0.47 %	—	—	—	—	—	—	—	—
Norfolk Southern Corp	Transportation	—	—	—	—	—	—	96,767,666	10	0.36 %	—	—	—	—	—	—	—	—	—	—	—	—	—	
SunTrust Plaza Association	Commercial Real Estate	110,808,080	7	0.47 %	135,009,840	6	0.56 %	150,955,860	3	0.56 %	132,696,882	7	0.41 %	126,982,465	8	0.38 %	—	—	—	—	—	—	—	
HRLP Monarch LLC	—	—	—	—	96,479,600	9	0.4 %	—	—	—	155,526,240	3	0.48 %	155,570,750	7	0.46 %	—	—	—	—	—	—	—	
<b>Total</b>		<b>\$2,274,758,336</b>		<b>9.59 %</b>	<b>\$ 2,448,035,725</b>		<b>10.12 %</b>	<b>\$2,498,184,421</b>		<b>9.34 %</b>	<b>\$ 2,866,593,460</b>		<b>8.83 %</b>	<b>\$3,243,851,133</b>		<b>9.68 %</b>								

\*\* 2019 Based on Net Assessed Value of \$33,482,210,284  
Source: Fulton County Tax Commission office

See accompanying independent auditors' report

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

**Schedule 9**  
**City of Atlanta, Georgia**  
**Property Tax Levies and Collections (unaudited)**  
**Last Ten Fiscal Periods**  
**(amounts expressed in thousands)**

Fiscal Period Ended	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
		Amount(1)	Percentage of Levy	Collections, net of adjustments in Subsequent Years	Amount	Percentage of Levy
June 30, 2011	240,586	234,895	97.63%	4,366	239,261	99.45%
June 30, 2012	222,633	218,472	98.13%	3,460	221,932	99.69%
June 30, 2013	219,177	214,494	97.86%	3,940	218,434	99.66%
June 30, 2014	222,103	218,184	98.24%	3,145	221,329	99.65%
June 30, 2015	227,842	224,808	98.67%	2,427	227,235	99.73%
June 30, 2016	239,875	237,840	99.15%	1,287	239,127	99.69%
June 30, 2017	247,078	243,948	98.73%	2,086	246,034	99.58%
June 30, 2018	255,610	250,068	97.83%	3,850	253,918	99.34%
June 30, 2019	288,539	284,140	98.48%	—	284,140	98.48%
June 30, 2020	299,597	297,027	99.14%	—	297,027	99.14%

(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

## 2020 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										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Food	\$ 18,665,973	\$ 19,260,191	\$ 20,170,413	\$ 20,421,886	\$ 21,981,932	\$ 23,194,803	\$ 23,803,463	\$ 23,941,493	\$ 24,586,292	\$ 23,301,105	
Apparel	7,607,374	8,735,985	9,191,131	9,916,645	9,692,190	8,803,428	8,736,540	9,131,013	9,860,341	9,744,378	
General	11,459,576	11,480,986	12,082,498	12,062,397	12,630,008	12,799,010	12,398,959	12,381,060	12,912,334	12,481,726	
Automotive	6,781,055	7,620,570	6,842,220	2,350,901	2,250,224	2,403,091	2,498,320	2,233,973	2,161,219	1,841,357	
Home	7,721,742	8,237,476	8,006,529	8,180,418	8,660,495	9,006,150	8,815,470	9,092,674	9,096,797	8,930,136	
Lumber	587,895	484,572	645,845	896,719	1,030,259	1,121,857	1,149,400	1,286,249	1,472,462	1,448,243	
Miscellaneous Services	10,259,330	11,682,787	12,799,653	14,187,954	13,322,206	13,045,306	13,615,484	16,045,853	16,981,506	14,059,540	
Manufacturers	5,253,551	5,043,131	5,023,612	5,910,241	6,459,079	5,702,950	5,414,370	5,967,053	6,220,602	6,451,403	
Utilities	6,556,758	5,653,587	6,423,578	6,283,211	6,389,567	6,452,505	6,157,788	5,857,190	6,405,020	6,504,641	
Miscellaneous	18,365,457	20,689,057	19,160,653	19,497,898	19,808,260	20,986,349	20,764,655	24,247,218	27,023,556	26,007,262	
<b>Total</b>	<b>\$ 93,258,711</b>	<b>\$ 98,888,342</b>	<b>\$ 100,346,132</b>	<b>\$ 99,708,270</b>	<b>\$ 102,224,220</b>	<b>\$ 103,515,449</b>	<b>\$ 103,354,449</b>	<b>\$ 110,183,776</b>	<b>\$ 116,720,129</b>	<b>\$ 110,769,791</b>	
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Municipal Option Sales Tax (1)	Fiscal Period										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Food	\$ 24,249,636	\$ 24,474,659	\$ 25,875,374	\$ 27,193,787	\$ 29,072,255	\$ 31,087,468	\$ 32,390,909	\$ 18,132,972	\$ 17,821,366	\$ 17,052,504	
Apparel	7,411,259	7,844,861	8,659,305	9,081,924	8,575,055	8,085,793	7,676,618	8,036,125	8,599,037	8,572,651	
General	14,539,307	15,198,078	15,821,702	16,527,598	17,425,387	17,544,873	17,354,996	10,500,771	10,271,970	9,134,011	
Automotive	1,021,811	1,006,061	1,088,903	862,640	893,948	887,289	905,611	1,006,166	1,101,906	1,015,990	
Home	10,528,843	11,254,508	10,342,273	10,625,539	11,079,218	11,758,120	11,228,626	11,783,938	10,197,343	10,186,544	
Lumber	858,527	811,933	937,818	1,257,158	1,361,648	1,638,714	1,611,894	1,665,362	1,913,617	2,071,562	
Miscellaneous Services	14,608,176	12,914,807	17,624,898	17,423,469	17,955,003	16,713,310	17,445,223	22,418,492	32,399,300	29,053,357	
Manufacturers	7,374,252	6,797,657	6,283,568	7,090,205	7,258,328	6,818,479	6,869,995	7,849,422	7,313,239	7,788,592	
Utilities	8,488,688	12,243,140	7,232,826	7,386,966	7,825,616	7,674,084	7,516,300	7,608,192	8,108,857	8,305,932	
Miscellaneous	24,720,146	26,593,552	25,199,982	26,787,112	29,237,076	30,911,020	28,709,431	56,242,103	56,907,475	53,514,897	
<b>Total</b>	<b>\$ 113,800,645</b>	<b>\$ 119,139,256</b>	<b>\$ 119,066,649</b>	<b>\$ 124,236,398</b>	<b>\$ 130,683,534</b>	<b>\$ 133,119,150</b>	<b>\$ 131,709,603</b>	<b>\$ 145,243,543</b>	<b>\$ 154,634,110</b>	<b>\$ 146,696,040</b>	
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**  
*2020 Comprehensive Annual Financial Report*

**Schedule 11**  
**City of Atlanta, Georgia**  
**Direct and Overlapping Sales Tax Rates (unaudited)**  
**Last Ten Fiscal Periods**

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<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Fulton County</b>
2011	1.00 %	7.00 %
2012	1.00 %	7.00 %
2013	1.00 %	7.00 %
2014	1.00 %	7.00 %
2015	1.00 %	7.00 %
2016	1.00 %	7.00 %
2017	1.00 %	7.00 %
2018	1.00 %	7.00 %
2019	1.90 %	7.00 %
2020	1.90 %	7.00 %

Source: Sales Tax Rates, Georgia Department of Revenue

See accompanying independent auditors' report

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

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

Tax Remitters	2011		2012		2013		2014		2015	
	Tax Liability	Percentage of Total								
Food	\$ 24,249,636	21.31 %	\$ 24,474,659	20.54 %	\$ 25,875,374	21.73 %	\$ 27,193,787	21.88 %	\$ 29,072,255	22.25 %
Apparel	7,411,259	6.51 %	7,844,861	6.58 %	8,659,305	7.27 %	9,081,924	7.31 %	8,575,055	6.56 %
General	14,539,307	12.78 %	15,198,078	12.76 %	15,821,702	13.29 %	16,527,598	13.30 %	17,425,387	13.33 %
Automotive	1,021,811	0.90 %	1,006,061	0.84 %	1,088,903	0.91 %	862,640	0.69 %	893,948	0.68 %
Home	10,528,843	9.25 %	11,254,508	9.45 %	10,342,273	8.69 %	10,625,539	8.55 %	11,079,218	8.48 %
Lumber	858,527	0.75 %	811,933	0.68 %	937,818	0.79 %	1,257,158	1.01 %	1,361,648	1.04 %
Miscellaneous Services	14,608,176	12.84 %	12,914,807	10.84 %	17,624,898	14.80 %	17,423,469	14.05 %	17,955,003	13.74 %
Manufacturers	7,374,252	6.48 %	6,797,657	5.71 %	6,283,568	5.28 %	7,090,205	5.71 %	7,258,328	5.55 %
Utilities	8,488,688	7.46 %	12,243,140	10.28 %	7,232,826	6.07 %	7,386,966	5.94 %	7,825,616	5.99 %
Miscellaneous	24,720,146	21.72 %	26,593,552	22.32 %	25,199,982	21.16 %	26,787,112	21.56 %	29,237,076	22.37 %
<b>Total</b>	<b>\$ 113,800,645</b>	<b>100 %</b>	<b>\$ 119,139,256</b>	<b>100 %</b>	<b>\$ 119,066,649</b>	<b>100 %</b>	<b>\$ 124,236,398</b>	<b>100 %</b>	<b>\$ 130,683,534</b>	<b>100 %</b>
Tax Remitters	2016		2017		2018		2019		2020	
	Tax Liability	Percentage of Total								
Food	\$ 31,087,468	23.35 %	\$ 32,390,909	24.59 %	\$ 18,132,972	12.48 %	\$ 17,821,366	11.52 %	\$ 17,052,504	11.62 %
Apparel	8,085,793	6.07 %	7,676,618	5.83 %	8,036,125	5.53 %	8,599,037	5.56 %	8,572,651	5.84 %
General	17,544,873	13.18 %	17,354,996	13.18 %	10,500,771	7.23 %	10,271,970	6.64 %	9,134,011	6.23 %
Automotive	887,289	0.67 %	905,611	0.69 %	1,006,166	0.69 %	1,101,906	0.71 %	1,015,990	0.69 %
Home	11,758,120	8.83 %	11,228,626	8.53 %	11,783,938	8.11 %	10,197,343	6.59 %	10,186,544	6.94 %
Lumber	1,638,714	1.23 %	1,611,894	1.22 %	1,665,362	1.15 %	1,913,617	1.24 %	2,071,562	1.41 %
Miscellaneous Services	16,713,310	12.56 %	17,445,223	13.25 %	22,418,492	15.44 %	32,399,300	20.95 %	29,053,357	19.81 %
Manufacturers	6,818,479	5.12 %	6,869,995	5.22 %	7,849,422	5.40 %	7,313,239	4.73 %	7,788,592	5.31 %
Utilities	7,674,084	5.76 %	7,516,300	5.71 %	7,608,192	5.24 %	8,108,857	5.24 %	8,305,932	5.66 %
Miscellaneous	30,911,020	23.22 %	28,709,431	21.80 %	56,242,103	38.72 %	56,907,475	36.80 %	53,514,897	36.48 %
<b>Total</b>	<b>\$ 133,119,150</b>	<b>100 %</b>	<b>\$ 131,709,603</b>	<b>100 %</b>	<b>\$ 145,243,543</b>	<b>100 %</b>	<b>\$ 154,634,110</b>	<b>100 %</b>	<b>\$ 146,696,040</b>	<b>100 %</b>

Source: Georgia Department of Revenue, Local Government Division

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

See accompanying independent auditors' report

**City of Atlanta**  
**2020 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)	Certificate of participation	APSJFA Revenue Bonds (b)	SWMA Revenue Refunding Bonds	Limited Obligation Bonds (a)	Loans Payable	Capital Leases	1998 GMA Lease Pool	Installment Sale Program	Inter-Govt Agreements	Notes Payable			
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	—	—	16,745	603,862	2,890	69,349	32,444	40,660	13,432	11,026	1,029,718	4.63 %	2,507
June 30, 2013	222,562	—	—	15,410	591,587	2,180	64,121	32,444	34,135	40,841	9,394	1,012,674	4.44 %	2,318
June 30, 2014	205,176	—	—	14,005	519,521	1,175	57,129	32,444	29,780	133,358	7,683	1,000,271	4.38 %	2,258
June 30, 2015	437,112	—	36,027	12,530	464,734	1,175	50,620	32,444	25,195	350,468	5,892	1,416,197	6.21 %	2,194
June 30, 2016	395,623	36,889	33,681	10,980	444,681	930	19,261	32,444	20,385	353,455	4,016	1,352,345	5.88 %	3,106
June 30, 2017	384,058	33,704	31,280	9,360	515,522	660	23,544	32,444	15,330	376,552	2,054	1,424,508	5.53 %	3,159
June 30, 2018	355,482	80,038	28,232	7,665	453,900	440	37,406	32,444	10,025	452,845	—	1,458,477	5.32 %	3,080
June 30, 2019	325,615	75,544	25,196	5,885	387,565	1,202	30,050	32,444	9,200	424,503	—	1,317,204	4.51 %	2,653
June 30, 2020	297,822	70,436	22,160	4,015	335,176	926	22,390	32,444	8,330	415,796	—	1,209,495	3.87 %	2,305

Fiscal Period Ended	Business-Type Activities											Total Business-Type Activities	Total Primary Government	% Personal Income (c)	Per Capita (c)
	Department of Aviation		Department of Watershed Management				Nonmajor Proprietary								
	Facilities Revenue Bonds and Bond Anticipation Notes	Capital Lease/Other Obligations	System Revenue Bonds	Issuance Premiums and Discounts	GEFA Notes Payable	Capital Lease/Other Obligations	Sanitation Capital Lease	Parking Deck Capital Lease	Underground Atlanta Capital Lease	City Plaza	Parking Deck				
June 30, 2011	2,857,133	—	3,163,655	24,675	141,823	20,563	—	21,685	35,895	—	—	6,265,429	7,348,626	34.34 %	17,005
June 30, 2012	3,202,610	—	3,117,570	23,526	147,940	—	—	21,040	29,415	—	—	6,542,101	7,571,819	34.07 %	17,052
June 30, 2013	3,167,584	—	3,069,145	22,390	168,829	5,456	—	20,365	22,605	—	—	6,476,374	7,489,048	32.83 %	16,701
June 30, 2014	3,102,242	—	3,006,165	37,783	172,445	3,930	—	19,660	15,445	—	—	6,357,670	7,357,941	32.25 %	16,136
June 30, 2015	2,978,917	—	2,870,765	207,886	168,843	2,724	—	18,930	7,915	—	—	6,255,980	7,672,177	33.64 %	16,829
June 30, 2016	3,145,561	—	2,814,455	209,685	168,222	1,304	—	18,165	—	10,680	—	6,368,072	7,720,417	33.81 %	16,621
June 30, 2017	3,007,984	—	2,740,300	234,491	176,874	7,143	—	—	—	10,316	—	6,177,108	7,601,616	29.59 %	16,897
June 30, 2018	2,865,383	9,300	2,727,860	227,331	201,680	130,691	—	—	—	9,903	—	6,172,148	7,630,625	27.90 %	16,155
June 30, 2019	2,417,047	8,498	2,821,475	280,157	193,165	143,924	12,570	—	—	9,478	15,980	5,902,294	7,219,498	25.73 %	15,142
June 30, 2020	3,060,046	8,069	2,720,285	278,642	185,690	138,691	10,525	—	—	9,042	14,639	6,425,629	7,635,124	23.89 %	14,214 (d)

(a) Net of any discount or premium  
(b) APSJFA revenue bonds reported as Limited Obligation Bonds prior to Fiscal Period 2015.  
(c) See schedule for personal income and population data  
(d) Personal income and per capita data not available for 2020, % based on 2019 data  
**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**City of Atlanta**  
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**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	Issuance Premiums and Discounts	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, 2011	255,077	(55,198)	199,879	—	17,658	43,125	14,329	12,590	93,678	76,567	457,826	1.94 %	1,036
June 30, 2012	239,310	(59,150)	180,160	—	16,745	41,230	13,433	11,026	86,537	69,349	418,480	1.86 %	923
June 30, 2013	222,562	(62,496)	160,066	—	15,410	39,265	40,841	9,394	79,070	64,120	408,166	1.88 %	894
June 30, 2014	205,176	(66,646)	138,530	—	14,005	37,230	133,358	7,683	62,224	57,129	450,159	2.05 %	974
June 30, 2015	437,112	(33,756)	403,356	—	12,530	36,027	350,468	5,892	57,639	50,620	916,532	3.89 %	1,918
June 30, 2016	395,623	(15,145)	380,478	32,160	10,980	33,681	343,455	4,016	53,759	19,261	877,790	3.36 %	1,809
June 30, 2017	384,058	(33,773)	350,285	29,780	9,360	31,280	376,552	2,054	48,434	23,544	871,289	3.52 %	1,907
June 30, 2018	355,482	(30,052)	325,430	80,038	7,665	28,232	452,845	—	42,909	37,406	974,525	3.71 %	2,040
June 30, 2019	325,615	(26,520)	299,095	75,544	5,885	25,196	424,503	—	42,846	30,050	903,119	2.78 %	1,813
June 30, 2020	(d) 297,822	(23,922)	273,900	70,436	4,015	22,160	415,796	—	41,700	22,390	850,397	2.54 %	1,678

(a) Inclusive of GMA Lease Pool, 1998 Installment Sales Program and Section 108 loans.

(b) See Schedule 6 for assessed property value

(c) See Schedule 18 for population value

(d) Population data not available for 2020, percentage based on 2019 data

See accompanying independent auditors' report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt (unaudited)

(Dollars in thousands)

	Net Debt Outstanding	Percentage Applicable to City of Atlanta (a)	Amount Applicable to City of Atlanta
City of Atlanta General Obligation Debt	\$ 297,822	100.00 %	\$ 297,822
Certificate of Participation	70,436	100.00 %	70,436
APSJFA revenue bonds	22,160	100.00 %	22,160
SWMA revenue refunding bonds	4,015	100.00 %	4,015
Limited Obligation bonds	335,176	100.00 %	335,176
Capital Leases	22,390	100.00 %	22,390
<b>Net Direct Debt</b>			<b>751,999</b>
<b>Overlapping Debt:</b>			
Fulton County (1)	339,932	47.00 %	159,768
DeKalb County (2)	240,628	4.60 %	11,069
<b>Contractual General Obligation Debt:</b>			
Atlanta and Fulton Recreation Authority (AFCRA):			
Series 2014A/B Park Improvement Bonds (5)	53,200	100.00 %	53,200
AFCRA Revenue Zoo Series 2007 (5)	5,870	75.00 %	4,403
Series 2017 Zoo Parking Deck Bonds (5)	28,315	100.00 %	28,315
Series 2017A Philips Arena Downtown Project Refunding (CRT) (5)	101,930	100.00 %	101,930
Series 2017B Philips Arena Downtown Project (CRT) (5)	41,510	100.00 %	41,510
Series 2018 Downtown Arena Project (5)	152,000	100.00 %	152,000
Atlanta Urban Redevelopment Agency (AURA):			
AURA Bonds Series 2010 (ADA) - COA (3)	12,175	100.00 %	12,175
AURA Downtown Parking Deck Series 2017 (ADA) - COA (3)	13,195	100.00 %	13,195
Urban Residential Finance Authority (URFA) - COA (4)	53,130	100.00 %	53,130
<b>Overlapping Contractual Obligations:</b>			
Fulton-DeKalb Hospital Authority (1)	52,735	47 %	24,785
<b>Total Overlapping Debt</b>			<b>655,480</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 1,407,479</b>

(1) Fulton County CAFR - Year Ended December 31, 2019

(2) DeKalb County CAFR - Year Ended December 31, 2019

(3) DDA - Financial Statements as of June 30, 2019

(4) URFA Financial Statements as of June 30, 2019

(5) AFCRA Financial Statement Year Ended December 31 2019 & 2018

See accompanying independent auditors' report

Schedule 15

City of Atlanta, Georgia

**Direct and Overlapping Governmental Activities Debt (unaudited)**

(continued)

**(a) Method used to calculate overlapping debt:**

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used by the City's capital leases and other debt.

**Sources:** Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor. Debt outstanding data provided by each governmental unit.

See accompanying independent auditors' report

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

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

	Fiscal Period									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$2,434,184,113	\$2,354,198,460	\$2,201,603,385	\$2,166,763,057	\$2,247,694,484	\$2,615,707,678	\$2,680,586,893	\$2,874,146,148	\$3,850,491,690	\$3,348,221,028
Total net debt applicable to limit	244,965,000	230,680,000	215,320,000	199,215,000	395,890,000	357,955,000	350,285,000	325,430,000	299,095,000	273,900,000
Legal debt margin	<u>\$2,189,219,113</u>	<u>\$2,123,518,460</u>	<u>\$1,986,283,385</u>	<u>\$1,967,548,057</u>	<u>\$1,851,804,484</u>	<u>\$2,257,752,678</u>	<u>\$2,330,301,893</u>	<u>\$2,548,716,148</u>	<u>\$3,551,396,690</u>	<u>\$3,074,321,028</u>
Total net debt applicable to the limit as a percentage of debt limit	10.06 %	9.8 %	9.78 %	9.19 %	17.61 %	13.68 %	13.07 %	11.32 %	7.77 %	8.18 %

See accompanying independent auditors' report

**City of Atlanta**  
**2020 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 CARES Grant Funds	Debt Paid From Net Revenue	Coverage Percentage
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
2018	549,120	248,854	300,266	167,964	25,310	—	142,654	2.10
2019	619,459	316,419	303,040	168,449	26,480	—	141,969	2.13
2020	427,872	273,871	154,001	171,957	25,582	46,045	100,330	1.53

(1) Represents total operating revenues on a cash basis.

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

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

See accompanying independent auditors' report

**City of Atlanta**  
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**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			Coverage Percentage
				Principal	Interest	Total (4)	
2011	561,485	191,816	369,669	38,370	182,157	220,527	1.68
2012	596,680	192,177	404,503	46,085	180,893	226,978	1.78
2013	576,474	205,520	370,954	48,425	178,763	227,188	1.63
2014	575,656	210,265	365,391	51,370	158,893	210,263	1.74
2015	601,210	202,633	398,577	53,710	124,383	178,093	2.24
2016	614,633	224,954	389,679	56,310	155,241	211,551	1.84
2017	621,905	228,027	393,878	60,120	143,824	203,944	1.93
2018	640,537	239,020	401,517	63,650	138,913	202,563	1.98
2019	687,278	217,392	469,886	66,230	140,114	206,344	2.28
2020	654,505	217,818	436,687	74,985	135,610	210,595	2.07

- (1) The Department's revenue is pledged to the extent of the annual debt service of the Revenue Bonds.  
(2) Total operating revenue plus investment income and Municipal Optional Sales Tax (MOST) included in operating transfer prior to 2018 and in nonoperating revenue in subsequent to 2018.  
(3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation, amortization and legal fees.  
(4) Annual debt service includes sinking fund requirements of the Water and Wastewater revenue fund, net of capitalized interest.

See accompanying independent auditors' report

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

**Schedule 18**  
**City of Atlanta, Georgia**  
**Demographic and Economic Statistics (unaudited)**  
**Last Ten Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income (millions of dollars)</b>	<b>Per Capita Personal income</b>	<b>Median Age</b>	<b>Educational Attainment</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>	
2010	422,806	198,872	37,493	35.0	87.3	48,696	10.3%	
2011	432,135	214,002	39,826	34.0	85.5	49,874	9.9%	
2012	444,032	222,204	40,738	32.9	86.8	49,474	8.8%	
2013	448,409	228,134	41,307	33.2	88.0	48,831	7.8%	
2014	456,002	228,134	41,307	33.2	88.0	49,842	6.8%	
2015	463,878	244,065	43,472	33.3	88.4	50,708	5.3%	
2016	472,522	257,510	45,092	33.0	89.0	51,296	4.6%	
2017	486,290	274,129	47,348	36.4	90.5	51,662	3.8%	
2018	498,044	292,221	49,657	33.5	89.9	51,983	3.5%	
2019	506,811	(1) 312,213	(2) 52,473	(3) 33.2	(4) 90.3	(5) 52,039	(6) 8.5%	(7)

- (1) U.S. Census Bureau, QuickFacts Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019; as of September 29, 2020.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2018 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta as of September 29, 2020.
- (3) U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2018 for Atlanta MSA as of September 29, 2020.
- (4) <http://censusreporter.org/profiles/16000US1304000-atlanta-ga/>
- (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 2005 through 2018 as of September 29, 2020.
- (6) Georgia Department of Education - Enrollment as of March 5, 2020.
- (7) U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for July 2020 (Preliminary) is not seasonally adjusted and is inclusive of Atlanta-Sandy Springs-Marietta.

See accompanying independent auditors' report



**City of Atlanta**  
**2020 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
Mayors Office	4	5	5	5	5	5	5	5	5	5
City Council	40	46	46	47	48	49	48	46	46	48
Finance	159	153	145	141	165	138	146	145	150	149
Planning	167	193	153	164	166	161	213	214	215	233
Procurement	34	34	40	46	41	41	82	81	82	77
Human Resources	56	57	148	143	147	134	136	134	141	153
<b>Police</b>										
Officers	1,772	1,959	2,001	1,973	2,009	2,007	2,368	2,420	2,402	2,205
Civilian	452	475	490	444	525	520	169	169	169	168
<b>Fire</b>										
Officers	975	985	1,060	1,060	1,062	1,064	1,069	1,086	1,086	1,089
Civilian	46	49	49	49	65	65	65	65	65	64
<b>Corrections</b>										
Officers	313	309	313	313	326	346	359	359	360	225
<b>Public Works</b>										
Streets	396	390	383	371	371	374	461	369	389	465
Refuse Collection	336	348	346	346	346	348	176	326	503	496
<b>Parks, Recreation and Cultural Affairs</b>	352	358	362	347	370	365	393	430	444	428
<b>Water/Wastewater</b>	1,545	1,535	1,475	1,515	1,486	1,567	1,162	1,096	1,243	1,382
<b>Aviation</b>	575	594	583	600	616	596	595	657	647	734
<b>Total full-time equivalent employees</b>	<b><u>7,222</u></b>	<b><u>7,490</u></b>	<b><u>7,599</u></b>	<b><u>7,564</u></b>	<b><u>7,748</u></b>	<b><u>7,780</u></b>	<b><u>7,447</u></b>	<b><u>7,602</u></b>	<b><u>7,947</u></b>	<b><u>7,921</u></b>

Source: City of Atlanta Fiscal Year 2020 Adopted Budget Book

See accompanying independent auditors' report

**City of Atlanta**  
**2020 Comprehensive Annual Financial Report**

**Schedule 21**

**City of Atlanta, Georgia**

**Operating Indicators by Function/Program (unaudited)**

**Last Ten Fiscal Periods**

	Fiscal Period									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function/Program</b>										
<b>Police</b>										
Arrests	37,276	38,773	46,974	44,428	42,439	35,886	35,634	32,562	31,197	28,919
Parking violations	17,599	17,105	13,613	14,818	12,430	10,621	12,335	8,393	8,446	3,219
Traffic violations	138,244	167,848	168,699	167,421	203,761	188,450	157,399	125,546	149,544	115,201
<b>Fire</b>										
Emergency responses	58,943	67,420	83,662	91,379	93,725	97,106	92,380	93,015	91,602	84,581
Fires extinguished	2,252	1,892	1,756	1,701	1,731	1,763	1,940	1,920	1,819	1,964
Inspections	9,987	1,155	12,112	17,843	15,710	14,234	13,226	14,026	28,422	25,976
<b>Refuse collection</b>										
Refuse collected (tons per day)	111,312	99,236	457	467	511	427	514	447	468	467
<b>Other public works</b>										
Miles of streets resurfaced	17	5	21	12	33	24	69	51	25	19
Potholes repaired	6,367	3,255	1,784	5,006	2,561	3,919	3,771	6,402	15,173	3,131
<b>Parks and recreation</b>										
Athletic field permits issued	180	109	249	326	449	553	469	572	588	274
Community center admissions	522,440	478,535	758,000	600,000	455,388	503,421	465,504	492,308	526,440	260,989
<b>Water</b>										
New connections	947	820	1,104	1,041	1,115	1,541	1,694	1,760	1,753	1,593
Water main breaks	431	401	432	514	372	401	588	471	358	366
Average daily consumption (thousands of gallons)	94,130,000	95,030,000	91,700,000	90,880,000	92,930,000	96,930,000	97,570,000	96,840,000	96,880,000	98,350,000
Peak daily consumption (thousands of gallons)	118,820,000	119,230,000	117,570,000	129,510,000	113,210,000	124,500,000	131,870,000	116,890,000	105,810,000	140,680,000
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	121,950,000	111,000,000	119,394,000	127,900,000	132,738,000	132,340,000	120,940,000	129,850,000	140,100,000	133,462,000
<b>Aviation</b>										
Number of passengers served	90,852,787	94,393,355	95,155,163	94,778,483	98,267,049	103,689,041	104,258,612	105,208,100	109,128,294	79,743,513

See accompanying independent auditors' report

**City of Atlanta**  
**2020 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Stations	10	15	14	16	17	15	15	11	11	12
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	376	355	357	337	377	396	359	365	420	403
<b>Fire Stations</b>	35	35	35	35	35	36	36	36	36	36
<b>Refuse collection</b>										
Collection trucks	78	84	85	95	94	88	88	87	93	95
<b>Parks and recreation</b>										
Acreage	3,818	3,904	3,922	4,395	4,781	4,810	4,816	4,970	4,798	4,847
Playgrounds	109	109	109	111	111	113	115	135	134	135
Baseball/softball diamonds	84	85	86	86	58	58	58	76	54	70
Soccer/football fields	26	31	32	32	36	36	36	21	16	16
Community centers	42	42	42	42	44	42	43	43	32	32
<b>Water</b>										
Water mains (miles)	2,766	2,766	2,766	2,766	2,766	2,766	2,818	2,828	2,861	2,869
Storage capacity (thousands of gallons)	246	246	246	247	247	247	247	247	247	247
<b>Wastewater</b>										
Sanitary sewers (miles)	2,259	2,259	2,259	2,259	2,259	2,259	1,871	1,865	1,839	1,840
Treatment capacity (thousands of gallons)	181.7MGD	155.3MGD	181.7MGD	188.0MGD	202.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD
<b>Aviation</b>										
Number of Runways	5	5	5	5	5	5	5	5	5	5
Number of Feet for each Runway:										
9R 27L 9,000 feet or 2,743 meters										
9L 27R 12,390 feet or 3,777 meters										
8R 27L 10,000 feet or 3,048 meters										
8L 26R 9,000 feet or 2,743 meters										
10-28 9,000 feet or 2,743 meters										

Sources: Various city departments

See accompanying independent auditors' report