

**CITY OF ATLANTA, GEORGIA
EASTSIDE
TAX ALLOCATION DISTRICT FUND**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

June 30, 2022

**Carmichael
Brasher Tuvell
& Company**

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**CITY OF ATLANTA, GEORGIA
EASTSIDE
TAX ALLOCATION DISTRICT FUND**

June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	12
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	13
Notes to Basic Financial Statements	14
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	23
Supplementary Information:	
Schedule 1: Fund Balance Sheet Comparison – Cash Basis	24
Schedule 2: Flow of Funds Comparison – Cash Basis	25
Schedule 3: Debt Service Coverage Ratio – Cash Basis	26
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	27

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

**The Atlanta Development Authority, d/b/a Invest Atlanta
Atlanta, Georgia**

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the **City of Atlanta, Georgia Eastside Tax Allocation District Fund** (the "Fund") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fund, as of June 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Eastside Tax Allocation District Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison information on pages 5 through 11 and 23, respectively, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, and Debt Service Coverage Ratio – Cash Basis are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, and Debt Service Coverage Ratio – Cash Basis 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 Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, and Debt Service Coverage Ratio – Cash Basis are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Eastside Tax Allocation District Fund and do not purport to, and do not, present fairly the financial position of the City of Atlanta, Georgia, as of June 30, 2022 and the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Information

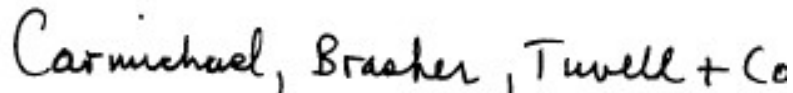
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023 on our consideration of the Fund'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 Eastside Tax Allocation District Fund'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 Fund's internal control over financial reporting and compliance.

CARMICHAEL, BRASHER, TUVELL & CO, PC

A handwritten signature in cursive script that reads "Carmichael, Brasher, Tuwell + Co".

Atlanta, Georgia
January 27, 2023

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

This section of the annual financial report of the Eastside Tax Allocation District Fund (“Fund” or “District”) presents the analysis of the Fund’s financial performance during the fiscal year ended on June 30, 2022. Please read it in conjunction with the financial statements and their accompanying notes, which follow this section. The financial statements include only the financial activities of the Eastside Tax Allocation District. The Fund is an integral part of the City of Atlanta’s (“City”) government reporting entity and its results are included in the Annual Comprehensive Financial Report (ACFR) of the City as a Non major Governmental Fund.

The Atlanta Development Authority, d/b/a Invest Atlanta (“ADA”) is the redevelopment agent for the Eastside Tax Allocation District and is responsible for all the financial reporting and compliance required by the 2005 and 2016 Bond documents.

As mentioned above, while the tax allocation districts are shown on the City’s ACFR, both the City and ADA jointly decide which district should have separate financial statements. Separate financial statements provide the reader with more financial information pertaining to each individual tax allocation district.

The Eastside Tax Allocation District

On December 1, 2003, the Atlanta City Council adopted Ordinance 03-O-1840 which adopted the Eastside Redevelopment Plan; created the Tax Allocation District Number Five-Eastside and authorized the pledge of positive ad valorem tax allocation increments for the payment of or security for the payment of tax allocation bonds. The Initial Ordinance was amended by the City Council by Ordinance 04-O-0231 adopted on February 16, 2004 and signed by the Mayor on February 24, 2004. The City was authorized to finance certain Redevelopment Costs as defined by the Redevelopment Powers Law the following costs: clearing, grading and preparing the property for redevelopment; environmental remediation of the property; design, construction and installation of utilities; design, construction and installation of streets, sidewalks and other public works; design and construction of parking facilities; acquisition and development of parks and greenspace; and any other facilities and improvements located in the Eastside Tax Allocation District that are eligible to be financed as Redevelopment Costs under the Act.

ADA was designated as the redevelopment agent to implement the Eastside Redevelopment Plan. The City financed a portion of the Redevelopment Costs related to the Series 2005 Bonds through the issuance of its tax allocation bonds according to Ordinance 05-O-0263 adopted March 7, 2005.

In August 2005, the Eastside Tax Allocation Bonds were issued: the Series 2005A Bonds for \$9,480,000 and Series 2005B Bonds for \$38,000,000 for a total of \$47,480,000. On March 21, 2016, the City of Atlanta issued the Eastside 2016 Refunding TAD Bonds for a par value of \$30,555,000. The proceeds from the sale of the Series 2016 Bonds were applied by the City (i) to refund the Series 2005 A&B Bonds currently outstanding in the aggregate principal amount of \$38,000,000, (ii) to establish a debt service reserve fund for the Series 2016 Bonds, and (iii) to pay costs incident to issuing the Series 2016 Bonds and refunding the Series 2005 Bonds. The City Council of the City adopted Resolution 16-O-1105 and was approved by the Mayor on March 21, 2016. A supplemental Resolution 04-O-0231 was adopted by the City Council of the City and approved by the Mayor on May 11, 2016.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

The Board of Commissioners of Fulton County, Georgia by resolution on December 17, 2003 and the Board of Education of the Atlanta Independent School System by resolution on December 8, 2003 consented to the inclusion of their respective shares of positive ad valorem tax increments derived for the Eastside Tax Allocation District as security for the Series 2005 and 2016 bonds.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Fund’s financial statements. The Fund’s financial statements consist of five (5) components: 1) governmental fund financial statements, 2) government-wide financial statements, 3) notes to the financial statements, 4) required supplemental schedule, and 5) other supplemental schedules. Because the Fund’s activities are single purpose in nature, the governmental fund and government-wide financial statements are presented together in the statements with an adjustment column reconciling the differences.

Governmental Fund Financial Statements

The governmental fund financial statements focus only on the Fund’s balances of spendable resources available at the end of the fiscal year and are presented on a modified accrual basis. Only current assets, current liabilities, and deferred inflows of resources for unavailable property taxes are presented in the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance focus only on the Fund’s near-term inflows and outflows of spendable resources for the fiscal year. Revenues are considered available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, the Fund considers revenues to be available if they are collected within 60 days after the end of the fiscal year.

Government-wide Financial Statements

The government-wide financial statements are reported using the full accrual basis of accounting, similar to that used by private sector companies. The Statement of Net Position column reports information about all assets, deferred outflows of resources, and liabilities of the Fund – both current and long-term. The Statement of Activities measures the success of the Fund’s operations over the past fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to gain a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 14 to 22 of this report.

Required Supplemental Schedule

Included in these financial statements is the schedule of revenues, expenditures, and changes in fund balances – budget to actual for the Eastside Tax Allocation District governmental fund. This schedule can be found on page 22.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

Supplemental Schedules

ADA, as Redevelopment Agent, is responsible for the compliance reporting to the Atlanta City Council, City of Atlanta, ADA Board of Directors, the Board of Commissioners of Fulton County, and the Board of Education of the Atlanta Independent School System. Quarterly reporting consists of cash basis financials for the tax allocation district and meets the compliance requirement. The cash basis financials consist of two schedules: the Fund Balance Sheet Comparison and the Flow of Funds Comparison. These schedules are presented as Schedules 1 and 2 in the supplementary information section of this report. Schedule 3 presents the Fund’s debt service coverage ratio.

A summary comparison of the Governmental Fund Financial Statements for June 30, 2021 and June 30, 2022 is presented below:

Eastside Tax Allocation District Fund
Summary Comparison of Governmental Fund Balance Sheets
As of June 30, 2021 and June 30, 2022

	2021	2022
Assets:		
Cash and cash equivalents	\$ 1,767,300	\$ 6,508,735
Investments	120,937,393	133,331,288
Property taxes receivable	151,148	79,943
Advance to Invest Atlanta	854,802	854,802
Due from Invest Atlanta	67,939	67,939
Restricted assets	490	490
Total Assets	\$107,496,702	\$140,843,197
Liabilities and deferred inflows of resources:		
Accounts payable	\$ 238,795	1,157,029
Deferred inflow - unavailable revenue	151,148	79,943
Due to the City of Atlanta	185,687	39,006,264
Due to APS	24,808,531	330,906
Due to the Fulton County Tax Commissioner	197,680	21,852
Total Liabilities and Deferred Inflows of Resources	25,581,841	40,595,994
Fund Balance:		
Restricted	98,197,231	100,247,203
Total Fund Balance	98,197,231	100,247,203
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$123,779,072	\$140,843,197

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Eastside Tax Allocation District Fund
Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2021 and June 30, 2022

	2021	2022
Expenditures:		
Community development	\$ 7,466,907	\$ 9,799,379
General government	25,455,324	14,949,340
Debt service-principal	-	-
Debt service- interest	-	-
Debt service- payment to escrow agent from existing resources	-	-
Debt service- fiscal charges	-	-
Total Expenditures	32,922,231	24,748,719
General Revenues:		
Tax increment revenue	24,514,308	26,241,415
Investment earnings	689,737	390,023
Other revenues	-	167,253
Total General Revenues	25,204,045	26,798,691
Net change in Fund Balance	(7,718,186)	2,049,972
Fund Balance:		
Beginning of the fiscal year	105,915,417	98,197,231
End of the fiscal year	\$ 98,197,231	\$100,247,203

Assets include predominately cash and cash equivalents plus investments. These assets are held for future investment in the District. Cash and cash equivalents have increased \$4,741,435 from last fiscal year. Investments increased \$12,393,895 as assets were reallocated to take advantage of favorable interest rates.

The Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance show an increase of tax increment revenue of \$1,727,107. This net increase is mainly due to the increase in tax collections and assessed value of the property in the District.

Expenditures for community development were \$9,799,379 for the fiscal year ended June 30, 2022. The expenditures are for qualified costs per the Redevelopment Powers law.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

The Eastside Tax Allocation District reported a net increase in fund balance of \$2,049,972 during the current fiscal year with revenues of \$26,798,691 less expenditures of \$24,748,719.

The government wide financial statements for June 30, 2021 and June 30, 2022 are presented below:

Eastside Tax Allocation District Fund
Summary Comparison of Government-wide Statement of Net Position
As of June 30, 2021 and June 30, 2022

	2021	2022
Assets:		
Cash and cash equivalents	\$ 1,767,300	\$ 6,508,735
Investments	120,937,393	133,331,288
Property taxes receivable, net of allowance	151,148	79,843
Advance to Invest Atlanta	854,802	854,802
Due from Invest Atlanta	67,939	67,939
Restricted assets	490	490
Capital assets (nondepreciable)	2,970,460	2,846,260
Total Assets	\$ 126,749,532	\$ 143,689,457
Liabilities:		
Accounts payable	\$ 238,795	\$ 1,157,029
Due to the Fulton County Tax Commissioner	197,680	21,852
Due to APS	24,808,531	39,006,264
Due to the City of Atlanta	185,687	330,906
Total Liabilities	25,430,693	40,516,051
Total Net Position	\$ 101,318,839	\$ 103,173,406

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Eastside Tax Allocation District Fund
Summary Comparison of Government wide Statement of Activities
For the Fiscal Years ended June 30, 2021 and June 30, 2022

	2021	2022
Expenses:		
Community development	\$ 7,591,107	\$ 9,923,579
Amortization expense	-	-
General government	25,455,324	14,949,340
Loss on defeasance of debt	-	-
Interest expense	-	-
Fiscal charges	-	-
Total Expenses	33,046,431	24,872,919
General Revenues:		
Tax increment revenue	24,303,708	26,170,210
Investment earnings	689,737	390,023
Other revenues	-	167,253
Total General Revenues	24,993,445	26,727,486
Change in net position	(8,052,986)	1,854,567
Net Position		
Beginning of the fiscal year	109,371,825	101,318,839
End of the fiscal year	\$101,318,839	\$103,173,406

As noted above in the discussion, the difference between governmental fund and government wide financials is that the government wide financial statements present the information on an accrual basis.

Long-Term Debt

In August 2005, the City issued \$47,480,000 in limited obligation bonds for the Eastside Tax Allocation District. In May 2016, the City issued \$38,000,000 in bonds to refund all outstanding Series 2005 Bonds for the TAD. In February 2019, the City used existing TAD resources to defease all remaining outstanding bonds of the TAD. See note 7 to the financial statements for more detailed information on this debt.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

Economic Factors and Outlook

The Eastside Tax Allocation District bonds were issued on August 2, 2005. The Tax Allocation District provided funding for seven projects and \$5 million for parks and greenspace acquisition and development. .

Projects funded with the Eastside Tax Allocation District bond proceeds include 1,746 multi-family units, 106 hotel rooms, 127,300 square feet of retail space and 265,000 square feet of office space.

Requests for Information

This financial report is designed to provide a general overview of the Fund’s finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Atlanta Development Authority, 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2022

	Eastside Tax Allocation District Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 6,508,735	\$ -	\$ 6,508,735
Investments	133,331,288	-	133,331,288
Property taxes receivable, net of allowance	79,943	-	79,943
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	490	-	490
Advance to Invest Atlanta	854,802	-	854,802
Due from Invest Atlanta	67,939	-	67,939
Capital assets, net of accumulated depreciation	-	2,846,260	2,846,260
Total assets	<u>140,843,197</u>	<u>2,846,260</u>	<u>143,689,457</u>
Liabilities			
Accounts payable	1,157,029	-	1,157,029
Due to the Fulton County Tax Commissioner	21,852	-	21,852
Due to APS	39,006,264	-	39,006,264
Due to the City of Atlanta	330,906	-	330,906
Total liabilities	<u>40,516,051</u>	<u>-</u>	<u>40,516,051</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	79,943	(79,943)	-
Total deferred inflows of resources	<u>79,943</u>	<u>(79,943)</u>	<u>-</u>
Fund Balance/Net Position			
Fund balance:			
Restricted for redevelopment	100,247,203	(100,247,203)	-
Total fund balance	<u>100,247,203</u>	<u>(100,247,203)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance			
	<u>\$ 140,843,197</u>		
Net position:			
Investment in capital assets		2,846,260	2,846,260
Restricted for redevelopment		100,327,146	100,327,146
Total net position		<u>\$ 103,173,406</u>	<u>\$ 103,173,406</u>

See accompanying notes to basic financial statements.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND

Statement of Activities and Governmental Fund
Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2022

	Eastside Tax Allocation District Fund	Adjustments (Note 3)	Statement of Net Position
Expenditures/expenses			
General government	\$ 14,949,340	\$ -	\$ 14,949,340
Community development	9,799,379	124,200	9,923,579
Total expenditures/expenses	<u>24,748,719</u>	<u>124,200</u>	<u>24,872,919</u>
General revenues			
Tax increment revenue	26,241,415	(71,205)	26,170,210
Investment earnings	390,023		390,023
Other revenues	167,253		167,253
Total general revenues	<u>26,798,691</u>	<u>(71,205)</u>	<u>26,727,486</u>
Excess (deficiency) of revenues over (under) expenditures	2,049,972	(2,049,972)	-
Net change in fund balance	2,049,972	(2,049,972)	-
Change in net position	-	1,854,567	1,854,567
Fund balance/net position			
Beginning of the fiscal year	98,197,231	3,121,608	101,318,839
End of the fiscal year	<u>\$ 100,247,203</u>	<u>\$ 2,926,203</u>	<u>\$ 103,173,406</u>

See accompanying notes to basic financial statements.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(1) Reporting Entity

The Eastside Tax Allocation District (the “Fund”) of the City of Atlanta, Georgia (the “City”) was created in 1993 in order to finance permitted redevelopment costs within the Eastside Tax Allocation District. These redevelopment costs, primarily infrastructure related, were provided to the area incorporated within the Eastside Tax Allocation District in order to facilitate overall development of the area by a private developer. The financing of these redevelopment costs is able to be provided by bonds, notes or other obligations of the City which are payable from ad valorem property taxes levied on assessed value of the property within the Eastside Tax Allocation District after development, less the amount of ad valorem property taxes assessed before redevelopment. These ad valorem property taxes assessed include those assessed on behalf of the City, Fulton County, and the Atlanta Independent School System. On February 11, 2008, the Supreme Court of Georgia ruled that School tax funds shall be expended only for the support and maintenance of public schools and cannot be utilized or diverted for any other purpose. The City of Atlanta petitioned in the Superior Court of Fulton County, State of Georgia on March 4, 2008 for a Writ of Mandamus, requesting preliminary and permanent injunctive relief for Atlanta Independent School System’s tax funds on previously validated bonds. The Superior Court concluded that the Supreme Court decision did not have any effect on any bonds which have already been validated. The Fulton County Tax Commissioner was ordered to continue to forward the School tax funds to the Tax Allocation Districts with validated bonds.

The City has designated the Atlanta Development Authority, d/b/a Invest Atlanta as the redevelopment agent for the Eastside Tax Allocation District. The accompanying financial statements include only the financial activities of the Fund. The Fund is an integral part of the City’s government reporting entity and its results are included in the Annual Comprehensive Financial Report (ACFR) of the City as a governmental fund. The latest available ACFR is as of and for the fiscal year ended June 30, 2022; that ACFR should be read in conjunction with these financial statements.

(2) Summary of Significant Accounting Policies

(a) General

In its accounting and financial reporting in conformity with accounting principles generally accepted in the United States of America, the Fund follows the pronouncements of the Governmental Accounting Standards Board (GASB).

(b) Government-wide and Fund Financial Statements

The Fund presents government-wide financial statements which are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements (i.e. the statement of net position and the statement of activities) do not provide information by fund, but present the governmental activities using a different basis of accounting. Significantly, the statement of net position includes noncurrent assets and liabilities and the government-wide statement of activities reflects changes in long-term assets, liabilities, and deferred outflows of resources and the government-wide statement of activities reflects changes in long-term assets and

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

liabilities. Net position in the statement of net position is distinguished between amounts that are invested in capital assets, restricted for use by third parties or outside requirements, and amounts that are unrestricted.

The statement of activities demonstrates the degree to which 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 customers who purchase, use, or benefit from the services 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. Unrestricted interest income and other items not properly included among program revenues are reported as general revenues.

In addition to the government-wide financial statements, the Fund has prepared separate fund financial statements. The fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. Due to the single purpose nature of the activities of the Fund, the government-wide and fund financial statements have been presented together with an adjustments column reconciling the differences.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide 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.

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 considered measurable and available. Revenues are considered available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, the Fund considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Property taxes and investment income associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year if available. Expenditures generally are recorded when a liability is incurred, with an exception for principal and interest on long-term debt, which is recognized when due.

The Fund has only one governmental fund – the Eastside Tax Allocation District Fund – which records all of its activity and is used to account for all financial resources of the Fund.

(d) Cash and Cash Equivalents

Cash includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date acquired by the Fund.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(e) Investments

Investments are recorded on the statement of net position and the balance sheet at fair value. All investment income, including changes in the fair value of investments, is reported as revenue in the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

(f) Taxes Receivable

Although the Eastside Tax Allocation District (“TAD”) is not a taxing authority, it is the direct recipient of positive ad valorem tax allocation increments derived from the Eastside Tax Allocation District each fiscal year. The TAD’s revenue stream from the incremental ad valorem taxes is based upon the annual assessed value of property and the property tax billings in excess of the District’s 2003 base year.

(g) Capital Assets

The Fund reports capital assets for only those projects in which ownership has been transferred from the Developer. During the construction phase, in which the Fund will provide financing for, the Developer enjoys full rights and ownership of the property. Only upon completion and subsequent transfer of ownership to the Fund, will the Fund report it as a capital asset. Capital assets which are owned by the Fund are stated at cost as paid by the Developer. Depreciation on capital assets is calculated on the straight-line method over the estimated useful lives as follows:

Infrastructure	35 years
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(h) Fund Equity and Net Position

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the TAD is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:-

Non spendable – Fund balances are reported as non spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Council. Only the City Council may modify or rescind the commitment by passage of a subsequent ordinance.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The Chief Financial Officer of the City may recommend assignment of fund balances subject to approval of the City Council.

Unassigned – Fund balances are reported as unassigned for the residual amount when the balances do not meet any of the above criterion.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Fund’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Fund’s policy, by default, to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Amounts shown as net investment in capital assets are made up of capital asset costs, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the TAD has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. The TAD applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

(i) Budget

The Fund legally adopts an annual operating budget. A schedule of revenues, expenditures, and changes in fund balances – budget to actual is presented in the required supplementary information section of this financial report.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(j) 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, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Fund has one type of deferred inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

(3) Reconciliation of Government-wide and Fund Financial Statements

(a) Explanation of adjustments between the governmental fund balance sheet and the government wide statement of net position

The Governmental fund balance sheet is adjusted for the following items to report the statement of net position.

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds..	\$2,846,260
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Amounts of property taxes receivable not available as of fiscal year end are deferred inflows in governmental funds, but are recognized as revenue when earned in the government-wide statements.	79,943
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CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

The Governmental fund statement of revenues, expenditures, and changes in fund balance is adjusted for the following items to report the statement of activities.

Tax revenue and other revenue in the statement of activities differ from the amount reported in the governmental funds due to the change in deferred inflow for unavailable revenue between fiscal year ends.	\$71,205
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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 of depreciation expense in the current period:

Depreciation expense	(124,200)
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(4) Legal Compliance – Budgets

The City of Atlanta, Georgia is required to adopt a balanced budget each fiscal year and maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. Annual budgets are adopted for the Tax Allocation District with the level of legal budgetary control established by the City Council at the department level.

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 fiscal year an amount in excess of 99% of the normal revenues the City actually collected during the previous fiscal year (unless tax rates are increased) plus any accumulated cash surplus carried forward from the previous fiscal year.

After the initial annual budget is adopted, it may be amended for interdepartmental transfers of appropriations with the approval of City Council. Intradepartmental transfers of appropriations among individual budgetary accounts may be initiated by a department head with 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 fiscal 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 fiscal year ended June 30, 2022.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(5) Deposits and Investments

Investments, with a carrying value of \$123,325,331, consist of investment in the Georgia Fund 1, a local government investment pool administered by the State of Georgia Office of the State Treasurer. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the Fund's investment in the Georgia Fund 1 is reported at fair value. As the investments represent ownership of a portion of a large pool of investments, these amounts are not categorizable for custodial risk disclosure.

Credit risk. State statutes authorize the Fund to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2022, the Fund's investment in Augusta, Georgia bonds was rated Aa2 by Standard & Poor's, its investment in State of Georgia bonds was rated AAA by Standard & Poor's, its investment in State of Ohio bonds was rated AA by Standard & Poor's, its investments in United States Treasury bills was rated A-1+ by Standard & Poor's, the Georgia Fund 1 was rated AAAf by Standard & Poor's and its investment the First American U.S. Treasuries Mutual Fund was rated AAAM by Standard & Poor's.

At June 30, 2022, the Fund had the following investments:

Investment	Maturities/Duration	Fair Value
First American US Treasuries Mutual Fund	32 days	\$ 490
US Treasury bills	65 days	10,005,467
Georgia Fund 1	43 days	123,325,331
Total		\$133,331,288

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of the bonds in a portfolio will decline if market interest rates rise. At June 30, 2022, interest rate risk is reported in the above table as "Maturities/Duration" for each of the applicable investment classifications.

Fair Value Measurements. The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Fund has the following recurring fair value measurements as of June 30, 2022:

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Investment	Level 1	Level 2	Level 3	Fair Value
First American US Treasuries Mutual Fund	-\$ 490	\$ -	\$ -	-\$ 490
US Treasury bills	- 10,005,467	-	-	- 10,005,467
Total investments measured at fair value	\$10,005,957	\$ -	\$ -	\$ 10,005,957
Investments not subject to level disclosure:				
Georgia Fund 1				123,325,331
Total investments at fair value				\$133,331,288

The mutual funds and Treasury bills classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The Augusta, Georgia bonds classified as Level 2 are valued using a present value of expected future cash flow model. The State of Georgia and State of Ohio bonds classified as Level 2 are valued using documented trades in these exact securities. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Fund does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk-Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities or for the financial institution to participate in a pooled collateral program for public funds administered by the State of Georgia. As of June 30, 2022, the Fund had no bank balances that were exposed to custodial credit risk.

(6) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2022 consists of the following:

	June 30, 2021	Additions	Deletions	June 30, 2022
Capital assets				
Infrastructure	\$ 4,347,012	\$ -	\$ -	\$ 4,347,012
Total capital assets	4,347,012	-	-	4,347,012
Less accumulated depreciation				
Infrastructure	(1,376,552)	(124,200)	-	(1,500,752)
Total accumulated depreciation	(1,376,552)	(124,200)	-	(1,500,752)
Net capital assets	\$ 2,970,460	\$ (124,200)	\$ -	\$ 2,846,260

Depreciation expense is entirely charged to community development.

(7) Bonds Payable

During 2005, the City issued \$47,480,000 in limited obligation bonds for the Eastside Tax Allocation District. During 2016, the City issued \$38,000,000 in refunding bonds for the

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Eastside Tax Allocation District to refund all outstanding 2005 Bonds. The 2005 Bonds were redeemed in prior years.

In February 2019, the City used existing resources of the Fund to purchase \$29,552,628 of investments in U.S. Treasury Securities - State and Local Government Series. These securities were deposited in a trust account with an escrow agent to provide for all future debt service payments on the outstanding Series 2016 Bonds. As a result, the Series 2016 Bonds are considered defeased and the asset in escrow and the bonds have been removed from the statement of net position of the Fund.

(8) Transfer of Assets to the City of Atlanta

The Atlanta Development Authority is the Redevelopment Agent for the City of Atlanta. As certain developer capital improvements are completed, the ownership of those assets are transferred to the City of Atlanta to be included as capital assets and depreciated according to the City of Atlanta's policy and procedures. At fiscal year-end, the balance of those assets which are currently completed and reported by the Fund have a historical cost of \$4,347,012.

(9) Advance to Invest Atlanta

During the fiscal year ended June 30, 2018, the Fund advanced \$854,802 of TAD funds to Invest Atlanta for the purchase of real property which is being held by Invest Atlanta for redevelopment. There have been no changes in this balance through June 30, 2022. It is anticipated that Invest Atlanta will find a developer for this property and the recoupment of funds from this development will go to repay the Fund for this advance.

**CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND**

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget
Revenues				
Tax increment revenue	\$ 29,340,000	\$ 24,694,000	\$ 26,241,000	\$ 1,547,000
Investment earnings	2,000,000	2,000,000	390,000	(1,610,000)
Other	-	-	167,000	167,000
Total revenues	<u>31,340,000</u>	<u>26,694,000</u>	<u>26,798,000</u>	<u>104,000</u>
Expenditures				
Current:				
General government	21,822,000	21,822,000	14,948,000	6,874,000
Community development	145,123,000	145,123,000	9,799,000	
Debt Service:				
Paying Agent fees	20,000	20,000	1,000	19,000
Interest Payments	-	-	-	-
Total expenditures	<u>166,965,000</u>	<u>166,965,000</u>	<u>24,748,000</u>	<u>6,893,000</u>
Net change in fund balances	(135,625,000)	(140,271,000)	2,050,000	142,321,000
Fund balance, beginning of fiscal	<u>98,197,000</u>	<u>98,197,000</u>	<u>98,197,000</u>	<u>-</u>
Fund balance, end of fiscal year	<u><u>\$ (37,428,000)</u></u>	<u><u>\$ (42,074,000)</u></u>	<u><u>\$ 100,247,000</u></u>	<u><u>\$ 142,321,000</u></u>

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND

SUPPLEMENTARY INFORMATION

Fund Balance Sheet Comparison - Cash Basis (1)
As of the Period Ended

	December 31, 2004	December 31, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
ASSETS:																			
Restricted Cash: Tax Increment																			
Restricted Cash Tax Increment Fund	\$ 1,336,045	\$ 251	\$ -	\$ 1,758,732	\$ 11,567,575	\$ 18,142,059	\$ 24,773,116	\$ 38,435,314	\$ 44,618,335	\$ 51,423,955	\$ 57,009,571	\$ 64,994,114	\$ 77,588,191	\$ 7,679,819	\$ 7,805,982	\$ 811,181	\$ 1,302,194	\$ 1,767,300	\$ 6,508,735
Restricted Cash Tax Increment Investment Fund	-	8,781,200	8,972,525	4,239,646	29,567	29,975	30,054	30,108	30,144	30,191	30,227	30,273	30,356	30,528	30,937	88,325,757	104,905,803	120,937,393	133,331,288
Total Restricted Cash Tax Increment Fund	1,336,045	8,781,451	8,972,525	5,998,378	11,597,142	18,172,034	24,803,170	38,465,422	44,648,479	51,454,146	57,039,798	65,024,387	77,618,547	7,710,347	7,836,919	89,136,938	106,207,997	122,704,693	139,840,023
Restricted Cash: Other Funds																			
Cash- Investment Account	-	-	-	-	-	-	-	-	-	-	-	-	-	79,984,080	90,000,000	-	-	-	-
Restricted Cash- Capitalized Interest Fund-GIC	-	4,895,233	4,013,607	1,604,638	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash- Debt Service Reserve Fund-GIC	-	3,745,885	3,821,852	3,821,852	3,821,852	3,821,852	3,821,852	3,821,852	3,745,885	3,745,885	3,745,885	3,745,885	58,241	3	-	-	-	-	-
Restricted Cash- Project A Fund - GIC	-	6,630,053	5,068,308	1,739,274	733,510	718,822	718,822	718,829	718,829	718,829	441,352	76,016	5,972	5,981	6,036	4	4	4	4
Restricted Cash- Project B Fund - GIC	-	21,560,606	19,992,836	10,021,968	6,722,778	3,067,583	2,734,689	2,672,045	1,732,268	1,542,883	1,535,866	1,535,866	311,724	8	-	-	-	-	-
Restricted Cash- Project B Fund- APS	-	1,944,498	1,944,498	1,944,498	1,944,498	1,944,498	197,192	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash- Interest Fund	-	-	7,293	7,650	-	1,289,663	1,331,585	1,296,044	1,182,352	1,294,348	1,403,587	1,131,616	1,113,568	779,778	786,891	481	486	486	486
Restricted Cash- Supplemental DSR Fund	-	-	-	3,816,145	3,788,682	3,748,450	3,745,885	3,745,885	3,745,885	3,745,885	3,745,885	3,745,885	-	-	-	-	-	-	-
Restricted Cash - Tax Increment Fund	-	2,002,765	2,036,538	24,629	1,357,437	21,209	174,942	34	8,032	64	4,004	3,644	3,624	1	-	-	-	-	-
Restricted Cash - 2016 Debt Service Reserve	-	-	-	-	-	-	-	-	-	-	-	-	3,049,410	3,065,884	3,060,288	1,841	1,865	-	-
Restricted Cash - 2016 Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-	40,233	9,972	9,993	6	6	-	-
Restricted Cash - 2016 Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	916,886	877,518	495	501	-	-
Restricted Cash - 2016 Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	51	166	1	1	-	-
Restricted Cash - 2016 Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	4,003	4,009	1,336	1,353	-	-
Total Restricted Cash: Other Funds	-	40,779,040	36,884,932	22,980,654	18,368,758	14,612,077	12,724,967	12,254,689	11,133,251	11,047,894	10,876,579	10,238,912	4,582,772	84,766,647	94,744,901	4,164	4,216	490	490
Accounts Receivable:																			
Interest Receivable	-	-	-	-	-	-	-	-	75,967	75,967	75,967	75,967	63,305	-	-	-	-	-	-
Fulton County Tax Commissioner	-	-	-	-	-	-	-	-	66,881	4,046	13,473	1,996	-	-	-	-	-	-	-
Westside TAD	-	-	-	-	-	-	-	-	-	-	1,250	-	-	-	-	-	-	-	-
Invest Atlanta	-	-	-	-	-	-	-	-	-	-	250	-	-	-	16,665	16,665	67,939	67,939	67,939
Total Accounts Receivable:	-	-	-	-	-	-	-	-	142,848	80,013	90,940	77,963	63,305	-	16,665	16,665	67,939	67,939	67,939
TOTAL ASSETS	\$ 1,336,045	\$ 49,560,491	\$ 45,857,457	\$ 28,979,032	\$ 29,965,900	\$ 32,784,111	\$ 37,528,137	\$ 50,720,111	\$ 55,924,578	\$ 62,582,053	\$ 68,007,317	\$ 75,341,262	\$ 82,264,624	\$ 92,476,994	\$ 102,598,485	\$ 89,157,767	\$ 106,280,152	\$ 122,773,122	\$ 139,908,452
LIABILITIES/FUND BALANCE:																			
Other Payable- Governmental Entities	\$ -	\$ 8,944,293	\$ 8,854,898	\$ 3,498,289	\$ 3,502,735	\$ 3,501,568	\$ 3,501,596	\$ 3,501,596	\$ 3,501,596	\$ 3,501,596	\$ 3,502,167	\$ 3,502,167	\$ 3,502,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Payable- City- Pension Fund- Erroneous Depos	-	-	-	11,382	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables other	-	-	-	-	-	-	-	5,811	-	-	-	-	-	-	-	-	-	-	-
Other Payable- FCTC	-	-	-	-	-	-	-	687,409	-	-	-	-	162,218	-	1,652,523	314,722	197,680	21,852	-
Other Payable-Due to City Cash Pool	-	-	-	2,947	-	-	-	12,637	14,387	47,649	14,803	9,454	64,229	81,958	177,856	128,909	335,838	185,687	330,906
Total Liabilities	-	8,944,293	8,854,898	3,512,618	3,502,735	3,501,568	3,501,596	4,207,453	3,515,983	3,549,245	3,516,970	3,511,621	3,728,615	81,958	177,856	1,781,432	650,560	383,367	352,758
Fund Balance	-	1,336,045	40,616,198	37,002,559	25,466,414	26,463,165	29,282,543	34,026,541	46,512,658	52,408,595	59,032,808	64,490,347	71,829,641	78,536,009	92,395,036	102,420,629	87,376,335	105,629,592	122,389,755
Sources (Uses) Balance	1,336,045	39,280,153	(3,613,639)	(11,536,145)	996,751	2,819,378	4,743,998	12,486,117	5,895,937	6,624,213	5,457,539	7,339,294	6,706,368	13,859,027	10,025,593	(15,044,294)	18,253,257	16,760,163	17,165,939
Total Fund Balance	1,336,045	40,616,198	37,002,559	25,466,414	26,463,165	29,282,543	34,026,541	46,512,658	52,408,595	59,032,808	64,490,347	71,829,641	78,536,009	92,395,036	102,420,629	87,376,335	105,629,592	122,389,755	139,555,694
TOTAL LIABILITIES/FUND BALANCE	\$ 1,336,045	\$ 49,560,491	\$ 45,857,457	\$ 28,979,032	\$ 29,965,900	\$ 32,784,111	\$ 37,528,137	\$ 50,720,111	\$ 55,924,578	\$ 62,582,053	\$ 68,007,317	\$ 75,341,262	\$ 82,264,624	\$ 92,476,994	\$ 102,598,485	\$ 89,157,767	\$ 106,280,152	\$ 122,773,122	\$ 139,908,452

(1) The Fund Balance Sheet Comparison lists the bank balances as of fiscal year-end and is reported on the cash basis of accounting.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND

SUPPLEMENTARY INFORMATION

Flow of Funds Comparison - Cash Basis (1)
For the Period Ended

	December 31, 2004	December 31, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Total	
SOURCES OF FUNDS:																					
Tax Increments	\$ 1,336,062	\$ 1,841,881	\$ 89,395	\$ 3,770,968	\$ 7,342,112	\$ 9,992,106	\$ 10,550,204	\$ 16,420,123	\$ 10,537,112	\$ 10,646,019	\$ 9,838,785	\$ 11,680,421	\$ 13,201,777	\$ 13,654,548	\$ 15,163,736	\$ 18,874,818	\$ 21,201,724	\$ 24,546,575	\$ 26,241,415	\$ 226,929,781	
Bond Proceeds-Series A	-	9,480,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,480,000	
Bond Proceeds-Series B	-	38,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,000,000	
Bond Proceeds - Series 2016	-	-	-	-	-	-	-	-	-	-	-	-	36,308,775	-	-	-	-	-	-	36,308,775	
Developer Reimbursement for Interest - Bondholders	-	-	7,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,130	
Developer Reimbursement for Cost of Issuance	-	135,982	(135,982)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,254	
Unrealized Gain/ Loss on Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	233,341	-	(1,091,721)	(763,312)	(868,384)	-	167,254	
Technical Assistance Fees	-	-	-	-	-	-	-	-	-	-	-	2,900	5,000	5,000	-	-	-	-	-	12,900	
Application Fees	-	-	-	-	-	-	-	-	-	7,000	-	-	-	-	-	-	-	-	-	7,000	
Interest Income	-	14,062	1,613,148	1,448,125	1,000,838	370,737	272,870	236,562	231,173	230,928	208,107	168,488	223,353	3,695,189	564,225	3,636,788	1,765,864	1,558,121	278,389	17,516,967	
TOTAL SOURCES OF FUNDS	1,336,062	49,471,925	1,573,691	5,219,093	8,342,950	10,362,843	10,823,074	16,656,685	10,768,285	10,876,947	10,056,792	11,853,909	49,738,905	17,583,078	15,727,961	21,419,885	22,204,276	25,236,312	26,798,692	326,951,265	
USES OF FUNDS:																					
Developers	-	2,310,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,310,000	
30 Allen Plaza	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
The Revnolds	-	2,785,970	1,253,880	260,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,300,000	
Oakland Park	-	-	318,462	1,159,697	321,841	-	-	-	-	-	-	-	-	-	-	-	-	-	64,727	464,998	
12 Centennial	-	1,633,708	1,439,451	6,403,533	1,523,308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000,000	
Tribute Lofts	-	-	505,779	2,109,448	584,773	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,200,000	
Sweet Auburn	-	581,722	427,944	2,024,227	920,081	46,026	-	-	-	-	-	-	-	-	-	-	-	-	-	122,087	
Grady Jessie Hill Market	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000	
Canitol Gateway	-	1,539,365	127,752	7,234	(7,234)	2,359,994	319,901	51,028	702,999	189,384	7,018	-	-	-	-	-	-	-	-	5,297,441	
APS	-	-	-	-	-	-	1,747,306	197,192	-	-	-	-	-	-	-	-	-	-	-	1,944,498	
Total Developers	-	8,850,765	4,073,268	11,964,289	3,342,769	2,406,020	2,067,207	248,220	702,999	189,384	7,018	-	-	-	-	-	-	-	686,814	597,731	
Parks and Greenspace	-	-	5,075	2,088,011	1,330,815	1,310,027	12,944	11,645	236,779	-	-	-	-	-	-	-	-	-	-	4,995,296	
Atlanta Streetcar Enhancements	-	-	-	-	-	-	-	-	-	277,477	-	-	-	-	-	-	-	-	-	277,477	
Atlanta Streetcar Extension	-	-	-	-	-	-	-	-	-	274,999	189,821	29,265	37,470	-	-	-	-	-	-	531,555	
Atlanta Public Schools	-	-	-	-	-	-	-	-	-	593,155	-	-	-	-	-	-	-	-	-	593,155	
Development Costs - Cascade Improvement Program	-	-	-	-	-	-	-	-	-	57,524	307,527	328,808	1,192	-	-	-	-	-	-	695,051	
Development Costs - Cascade Improvement Program-Dev Costs-Fascade Improv-General-EAST	-	-	-	-	-	-	-	-	-	54,165	8,893	6,773	298	-	-	3	600	-	-	70,732	
Redevelopment exp-Sweet Auburn Ballroom -EAST-	-	-	-	-	-	-	-	-	-	-	-	-	12,493	-	-	-	-	-	-	12,493	
Sweet Auburn Technical Assistance Pre-Dev Fnd EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374,469	125,531	-	-	500,000	
EARNEST MONEY-EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	1,000	
Dev Cost - The HUB - EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	496,335	51,230	-	-	-	547,565	
Redevelopment expense - 101 Peachtree St -EAST-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130,466	63,121	62,311	40,136	-	296,034	
EARNEST MONEY-EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	850,931	-	-	-	-	850,931	
Redevelopment Exp - 135 Auburn Ave-Office space -EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	900	-	-	-	200,900	
Redevelopment Exp - Hamilton Howell House -EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,150	10,849	-	-	-	99,999	
Red - 161 Peachtree Ctr Ave Arts EAST	-	-	-	-	-	-	-	-	-	1,095,246	2,222,791	3,942,164	1,681,590	8,941,791	-	-	-	-	-	15,941,781	
Construction Maint & Other Project Costs -EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	-	-	-	-	1,500	
Land Acquisition - EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,300	1,759,951	232,708	4,250,631	-	4,997,589	
Redevelopment exp-King Memorial TOD LLC -EAST-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	492,966	1,455,332	3,042,158	-	-	4,990,456	
Redev exp-South Downtown Redevelopment -EAST-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	423,990	-	-	-	-	423,990	
Front Porch Auburn Ave-EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	
458 & 460 Edgewood - EAST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	320,000	
302 Auburn Ave Façade Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140,236	
Downtown Façade Improvement Grant (DFIG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	
Trustee Fees	-	-	-	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	10,450	8,800	8,400	8,400	3,000	-	250	500	103,800	
Economic Study (Garner and Buxton)	-	-	-	-	-	-	-	-	7,705	2,000	-	-	-	-	-	-	-	-	-	9,705	
Cost of Issuance Fees	-	1,340,855	-	-	-	-	-	-	-	-	-	-	-	443,667	24,767	(23,500)	-	-	-	1,785,789	
Accounting and Auditing Fees	-	-	4,000	40,200	15,200	19,200	20,000	20,900	18,800	19,300	19,700	19,800	19,800	14,900	14,900	11,000	18,476	21,280	14,265	311,721	
Consulting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62,679	5,485	4,406	12,190	-	84,760	
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200	1,200	690	-	-	3,090	
Continuing Disclosure- Municap and Public Resource	-	-	10,953	4,633	6,071	8,521	10,043	20,354	6,068	15,098	9,816	9,403	18,668	10,178	1,856	-	-	-	-	131,662	
Holland & Knight - Lobbying	-	-	-	-	-	-	-	-	-	5,644	-	-	-	-	956	-	-	-	-	6,600	
Credit Rating - Municap	-	-	-	-	-	-	22,125	-	-	-	-	-	-	-	-	-	-	-	-	22,125	
Credit Rating - Municap	-	-	-	-	-	-	23,000	-	-	-	-	-	-	-	-	-	-	-	-	23,000	
Legal	-	-	-	5,578	-	6,281	17,588	-	2,362	1,200	1,200	23,068	26,334	70,795	339,626	7,575	53,366	18,803	52,764	624,140	
Arbitrage Report	-	-	-	-	-	7,000	3,500	1,200	1,200	1,200	890	909	-	-	-	-	-	-	-	17,099	
La Madeleine	-	-	-	-	-	-	-	-	29	-	-	-	-	-	-	-	-	-	-	29	
HRAA Consulting	-	-	-	-	-	-	-	-	2,000	12,580	-	-	-	-	863	-	-	-	-	15,443	
Backstrom - Consulting	-	-	-	-	-	-	-	-	-	65,832	5,769	-	-	-	-	-	-	-	-	71,601	
First Southwest Asset Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,303	-	-	-	-	1,303	
BCG-GP Upgrade	-	-	-	-	-	-	-	-	-	2,000	354	-	-	-	-	-	-	-	-	2,354	
The Riddle Company	-	-	-	-	-	-	-	-	-	-	-	-	26,267	-	-	-	-	-	-	26,267	
Miscellaneous	-	-	-	-	-	-	-	114,961	74,523	74,882	166,005	266,039	140,717	128,022	684,221	336,193	169,713	171,332	313,539	162,137	
ADA Program Cost Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,655	16,665	-	-	-	25,320	
ADA Program Cost Recovery-Indirect	-	-	-	-	-	-	-	-	35,319	42,357	71,308	33,455	37,001	13,377	107,971	94,486	59,09				

**CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND**

SUPPLEMENTARY INFORMATION

DEBT SERVICE COVERAGE RATIO - CASH BASIS

June 30, 2022

Calculation Based on Offering Memorandum

Revenue for debt service calculation:

Tax increment collections- 2021 Property Tax Year	\$ 26,504,982
Tax increment collections- 2020 Property Tax Year	195,055
Tax increment collections- 2019 Property Tax Year	(19,852)
Tax increment collections- 2018 Property Tax Year	(6,542)
Tax increment collections- 2017 Property Tax Year	1
Tax increment collections- 2016 Property Tax Year	1
Tax increment collections- 2015 Property Tax Year	1
Tax increment collections- 2014 Property Tax Year	1
Total Tax Increment Collections	<u>26,673,647</u>

Interest income DSR fund	-
Total revenue for debt service calculation	<u>\$ 26,673,647</u>

Expenditures for debt service calculation:

Debt service paid on defeased debt:	
Interest paid July 1, 2021	\$ 549,750
Interest paid January 1, 2022	549,750
Principal paid January 1, 2022	1,980,000
Total debt service paid	<u>3,079,500</u>

Total expenditures for debt service calculation	<u>3,079,500</u>
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Excess revenue over expenditures	<u>\$ 23,594,147</u>
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DSC Ratio for the Fiscal Year Ending June 30, 2022	7.66
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

The Board of Directors

**The Atlanta Development Authority, d/b/a Invest Atlanta
Atlanta, Georgia**

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the City of Atlanta, Georgia Eastside Tax Allocation District Fund (the “Fund”), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Fund’s basic financial statements, and have issued our report thereon dated January 27, 2023. Our report includes a reference that the Fund is not the entire reporting entity of the City of Atlanta, Georgia.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control. Accordingly, we do not express an opinion of the effectiveness of the Fund’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

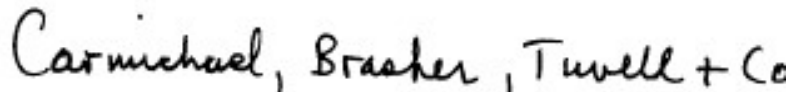
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CARMICHAEL, BRASHER, TUVELL & CO, PC



Atlanta, Georgia
January 27, 2023