

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

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

June 30, 2021

**Carmichael
Brasher Tuvell
& Company**

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

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the Fund'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 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, 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, 2021, 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.

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, 2021 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 Matters

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 4 through 10 and 22, 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.

Other Information

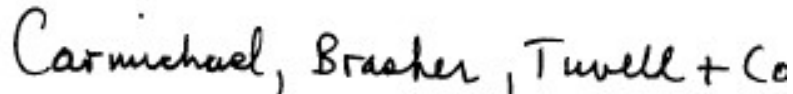
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, and Debt Service Coverage Ratio – Cash Basis are presented for 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022 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

Handwritten signature in cursive script that reads "Carmichael, Brasher, Tuvell + Co".

Atlanta, Georgia
January 20 2022

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2021

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, 2021. 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.

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June 30, 2021

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 13 to 21 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, 2021

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, 2020 and June 30, 2021 is presented below:

Eastside Tax Allocation District Fund
Summary Comparison of Governmental Fund Balance Sheets
As of June 30, 2020 and June 30, 2021

	2020	2021
Assets:		
Cash and cash equivalents	\$ 1,302,194	\$ 1,767,300
Investments	104,905,803	120,937,393
Property taxes receivable	361,748	151,148
Advance to Invest Atlanta	854,802	854,802
Due from Invest Atlanta	67,939	67,939
Restricted assets	4,216	490
Total Assets	\$107,496,702	\$123,779,072
Liabilities and deferred inflows of resources:		
Accounts payable	\$ 568,977	\$ 238,795
Deferred inflow - unavailable revenue	361,748	151,148
Due to the City of Atlanta	335,838	185,687
Due to APS	-	24,808,531
Due to the Fulton County Tax Commissioner	314,722	197,680
Total Liabilities and Deferred Inflows of Resources	1,581,285	25,581,841
Fund Balance:		
Restricted	105,915,417	98,197,231
Total Fund Balance	105,915,417	98,197,231
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$107,496,702	\$123,779,072

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Eastside Tax Allocation District Fund
Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2020 and June 30, 2021

	2020	2021
Expenditures:		
Community development	\$ 3,754,908	\$ 7,466,907
General government	256,386	25,455,324
Debt service-principal	-	-
Debt service- interest	-	-
Debt service- payment to escrow agent from existing resources	-	-
Debt service- fiscal charges	-	-
Total Expenditures	4,011,294	32,922,231
General Revenues:		
Tax increment revenue	21,201,724	24,514,308
Investment earnings	1,002,552	689,737
Total General Revenues	22,204,276	25,204,045
Net change in Fund Balance	18,192,982	(7,718,186)
Fund Balance:		
Beginning of the fiscal year	87,722,435	105,915,417
End of the fiscal year	\$105,915,417	\$ 98,197,231

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 \$465,106 from last fiscal year. Investments increased \$16,031,590 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 \$3,312,584. 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 \$7,466,907 for the fiscal year ended June 30, 2021. The expenditures are for qualified costs per the Redevelopment Powers law.

The Eastside Tax Allocation District reported a net decrease in fund balance of \$7,612,534 during the current fiscal year with revenues of \$25,204,045 less expenditures of \$32,816,579.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

The government wide financial statements for June 30, 2020 and June 30, 2021 are presented below:

Eastside Tax Allocation District Fund
Summary Comparison of Government-wide Statement of Net Position
As of June 30, 2020 and June 30, 2021

	2020	2021
Assets:		
Cash and cash equivalents	\$ 1,302,194	\$ 1,767,300
Investments	104,905,803	120,937,393
Property taxes receivable, net of allowance	361,748	151,148
Advance to Invest Atlanta	854,802	854,802
Due from Invest Atlanta	67,939	67,939
Restricted assets	4,216	490
Capital assets (nondepreciable)	3,094,660	2,970,460
Total Assets	\$110,591,362	\$126,749,532
Liabilities:		
Accounts payable	\$ 568,977	\$ 238,795
Due to the Fulton County Tax Commissioner	314,722	197,680
Due to APS	-	24,808,531
Due to the City of Atlanta	335,838	185,687
Total Liabilities	1,219,537	25,430,693
Total Net Position	\$109,371,825	\$101,318,839

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Eastside Tax Allocation District Fund
Summary Comparison of Government wide Statement of Activities
For the Fiscal Years ended June 30, 2020 and June 30, 2021

	2020	2021
Expenses:		
Community development	\$ 3,879,108	\$ 7,591,107
Amortization expense	-	-
General government	256,386	25,455,324
Loss on defeasance of debt	-	-
Interest expense	-	-
Fiscal charges	-	-
Total Expenses	4,135,494	33,046,431
General Revenues:		
Tax increment revenue	21,011,016	24,303,708
Investment earnings	1,002,552	689,737
Other revenues	-	-
Total General Revenues	22,013,568	24,993,445
Change in net position	17,878,074	(8,052,986)
Net Position		
Beginning of the fiscal year	91,493,751	109,371,825
End of the fiscal year	\$109,371,825	\$101,318,839

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
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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. The Eastside Tax Allocation District provides an Affordable Housing Purchase Program, in which all residential developers receiving funding are required to set aside 20% of units for homeowners earning up to 100% of the area median income (AMI) or renters earning up to 60% of AMI.

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. Since 2016, 15 projects were approved with 4 being completed: Hamilton Howell House, 101 Peachtree, the Hub and Constellation. Three projects are underway – 161 Peachtree Center which is under construction, King Memorial T.O.D, and Sweet Auburn. Twenty-one of the 160 condominium units were sold prior to foreclosure and a change in ownership which occurred on December 17, 2011. The new owner leased a total of 142 units and renamed the project City Walk.

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, 2021

	Eastside Tax Allocation District Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 1,767,300	\$ -	\$ 1,767,300
Investments	120,937,393	-	120,937,393
Property taxes receivable, net of allowance	151,148	-	151,148
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	-	2,970,460	2,970,460
Total assets	<u>123,779,072</u>	<u>2,970,460</u>	<u>126,749,532</u>
Liabilities			
Accounts payable	238,795	-	238,795
Due to the Fulton County Tax Commissioner	197,680	-	197,680
Due to APS	24,808,531	-	24,808,531
Due to the City of Atlanta	185,687	-	185,687
Total liabilities	<u>25,430,693</u>	<u>-</u>	<u>25,430,693</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	151,148	(151,148)	-
Total deferred inflows of resources	<u>151,148</u>	<u>(151,148)</u>	<u>-</u>
Fund Balance/Net Position			
Fund balance:			
Restricted for redevelopment	98,197,231	(98,197,231)	-
Total fund balance	<u>98,197,231</u>	<u>(98,197,231)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 123,779,072</u>		
Net position:			
Investment in capital assets		2,970,460	2,970,460
Restricted for redevelopment		98,348,379	98,348,379
Total net position		<u>\$ 101,318,839</u>	<u>\$ 101,318,839</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, 2021

	Eastside Tax Allocation District Fund	Adjustments (Note 3)	Statement of Net Position
Expenditures/expenses			
General government	\$ 25,455,324	\$ -	\$ 25,455,324
Community development	7,466,907	124,200	7,591,107
Total expenditures/expenses	32,922,231	124,200	33,046,431
 General revenues			
Tax increment revenue	24,514,308	(210,600)	24,303,708
Investment earnings	689,737		689,737
Total general revenues	25,204,045	(210,600)	24,993,445
Excess (deficiency) of revenues over (under) expenditures	(7,718,186)	7,718,186	-
 Net change in fund balance	(7,718,186)	7,718,186	-
 Change in net position	-	(8,052,986)	(8,052,986)
 Fund balance/net position			
Beginning of the fiscal year	105,915,417	3,456,408	109,371,825
End of the fiscal year	\$ 98,197,231	\$ 3,121,608	\$ 101,318,839

See accompanying notes to basic financial statements.

CITY OF ATLANTA, GEORGIA
EASTSIDE TAX ALLOCATION DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

(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, 2021; 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

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NOTES TO FINANCIAL STATEMENTS
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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.

(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

CITY OF ATLANTA, GEORGIA
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NOTES TO FINANCIAL STATEMENTS
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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 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

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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.

(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

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(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.

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Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.. \$2,970,460

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. 151,148

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. \$210,660

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)

(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.

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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, 2021.

(5) Deposits and Investments

Investments, with a carrying value of \$92,052,194, 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, 2021, 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 AA+ by Standard & Poor's and its investment the First American U.S. Treasuries Mutual Fund was rated AA+ by Standard & Poor's.

At June 30, 2021, the Fund had the following investments:

Investment	Maturities/Duration	Fair Value
First American US Treasuries – Mutual Fund	43 days	\$490
US Treasury bills	65 days	28,885,198
Georgia Fund 1	36 days	92,052,195
Total		\$120,937,393

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, 2021, interest rate risk is reported in the above table as "Maturities/Duration" for each of the applicable investment classifications.

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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, 2021:

Investment	Level 1	Level 2	Level 3	Fair Value
First American US Treasuries Mutual Fund	\$ 490	\$ -	\$ -	\$ 490
US Treasury bills	28,885,198		-	28,885,198
Total investments measured at fair value	\$28,885,198	-	\$ -	28,885,198
Investments not subject to level disclosure:				
Georgia Fund 1				92,052,195
Total investments at fair value				\$120,937,393

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, 2021, 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, 2021 consists of the following:

	June 30, 2020	Additions	Deletions	June 30, 2021
Capital assets				
Infrastructure	\$4,347,012	\$ -	\$ -	\$4,347,012
Total capital assets	4,347,012			4,347,012
Less accumulated depreciation		-	-	
Infrastructure	(1,252,352)	(124,200)		(1,376,552)
Total accumulated depreciation	(1,252,352)	(124,200)		(1,376,552)
Net capital assets	\$3,094,660	\$ -	\$ -	\$2,970,460

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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 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, 2021. 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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Tax increment revenue	\$ 21,696,000	\$ 21,696,000	\$ 24,196,000	\$ 2,500,000
Investment earnings	2,000,000	2,000,000	877,000	(1,123,000)
Other	97,303,000	94,219,000	-	(94,219,000)
Total revenues	<u>120,999,000</u>	<u>117,915,000</u>	<u>25,073,000</u>	<u>(92,842,000)</u>
Expenditures				
Current:				
General government	117,895,000	117,895,000	8,209,000	109,686,000
Debt Service:				
Paying Agent fees	20,000	20,000	-	20,000
Interest Payments	11,940,000	-	771,000	(771,000)
Total expenditures	<u>129,855,000</u>	<u>117,915,000</u>	<u>8,980,000</u>	<u>108,935,000</u>
Net change in fund balances	(8,856,000)	-	16,093,000	16,093,000
Fund balance, beginning of fiscal	<u>106,989,000</u>	<u>106,989,000</u>	<u>106,989,000</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 98,133,000</u>	<u>\$ 106,989,000</u>	<u>\$ 123,082,000</u>	<u>\$ 16,093,000</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
ASSETS:																		
Restricted Cash: Tax Increment																		
Restricted Cash Tax Increment Fund	\$ 1,336,045.12	\$ 251.02	\$ -	\$ 1,758,732.40	\$ 11,567,574.98	\$ 18,142,059.12	\$ 24,773,116.36	\$ 38,435,313.91	\$ 44,618,335.13	\$ 51,423,954.65	\$ 57,009,571.05	\$ 64,994,113.72	\$ 77,588,191.09	\$ 7,679,819.00	\$ 7,805,982.00	\$ 811,181.00	\$ 1,302,193.97	\$ 1,767,299.99
Restricted Cash Tax Increment Investment Fund	-	8,781,199.87	8,972,525.00	4,239,645.95	29,567.40	29,974.72	30,054.21	30,107.88	30,144.19	30,191.22	30,227.30	30,273.36	30,355.60	30,528.00	30,937.00	88,325,757.47	104,905,802.85	120,937,392.74
Total Restricted Cash Tax Increment Fund	1,336,045.12	8,781,450.89	8,972,525.00	5,998,378.35	11,597,142.38	18,172,033.84	24,803,170.57	38,465,421.79	44,648,479.32	51,454,145.87	57,039,798.35	65,024,387.08	77,618,546.69	7,710,347.00	7,836,919.00	89,136,938.47	106,207,996.82	122,704,692.73
Restricted Cash: Other Funds																		
Cash- Investment Account	-	-	-	-	-	-	-	-	-	-	-	-	-	79,984,080.00	90,000,000.00	-	-	-
Restricted Cash- Capitalized Interest Fund-GIC	-	4,895,232.78	4,013,607.32	1,604,638.47	0.96	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash- Debt Service Reserve Fund-GIC	-	3,745,885.00	3,821,851.55	3,821,851.94	3,821,851.54	3,821,851.52	3,821,851.52	3,821,851.52	3,745,884.98	3,745,885.00	3,745,885.00	3,745,885.00	58,241.02	3.38	-	-	-	-
Restricted Cash- Project A Fund - GIC	-	6,630,053.45	5,068,307.71	1,739,273.53	733,509.61	718,821.62	718,821.62	718,828.83	718,828.83	718,828.83	441,352.14	76,016.20	5,972.16	5,981.18	6,036.00	3.71	3.74	3.74
Restricted Cash- Project B Fund - GIC	-	21,560,606.15	19,992,835.88	10,021,968.30	6,722,777.56	3,067,583.00	2,734,688.57	2,672,045.31	1,732,267.78	1,542,883.30	1,535,865.71	1,535,865.71	311,723.56	7.50	-	-	-	-
Restricted Cash- Project B Fund- APS	-	1,944,498.00	1,944,498.00	1,944,498.00	1,944,498.00	1,944,498.00	1,971,191.80	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash- Interest Fund	-	-	7,292.71	7,650.11	0.09	1,289,663.40	1,331,584.66	1,296,044.12	1,182,352.45	1,294,348.10	1,403,587.20	1,131,615.93	1,113,567.57	779,777.55	786,891.00	481.20	486.15	486.15
Restricted Cash- Supplemental DSR Fund	-	-	-	3,816,145.30	3,788,682.07	3,748,450.34	3,745,885.00	3,745,885.00	3,745,885.00	3,745,885.00	3,745,885.00	3,745,885.00	-	-	-	-	-	-
Restricted Cash - Tax Increment Fund	-	2,002,765.00	2,036,537.55	24,628.72	1,357,436.61	21,209.10	174,941.92	33.81	8,032.35	64.14	4,004.16	3,644.06	3,623.62	0.70	-	-	-	-
Restricted Cash - 2016 Debt Service Reserve	-	-	-	-	-	-	-	-	-	-	-	-	3,049,410.12	3,065,883.54	3,060,288.00	1,841.14	1,864.54	-
Restricted Cash - 2016 Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-	40,232.70	9,971.92	9,993.00	5.95	6.04	-
Restricted Cash - 2016 Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	916,885.67	877,518.00	494.88	501.15	-
Restricted Cash - 2016 Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	50.72	165.93	0.85	0.85	-
Restricted Cash - 2016 Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	4,002.55	4,009.00	1,336.27	1,353.26	-
Total Restricted Cash: Other Funds	-	40,779,040.38	36,884,930.72	22,980,654.37	18,368,756.44	14,612,076.98	12,724,965.09	12,254,688.59	11,133,251.39	11,047,894.37	10,876,579.21	10,238,911.90	4,582,770.75	84,766,644.71	94,744,900.93	4,164.00	4,215.73	489.89
Accounts Receivable:																		
Interest Receivable	-	-	-	-	-	-	-	-	75,966.54	75,966.55	75,966.55	75,966.55	63,305.48	-	-	-	-	-
Fulton County Tax Commissioner	-	-	-	-	-	-	-	-	66,880.98	4,046.13	13,472.84	1,996.45	-	-	-	-	-	-
Westside TAD	-	-	-	-	-	-	-	-	-	-	1,250.00	-	-	-	-	-	-	-
Invest Atlanta	-	-	-	-	-	-	-	-	-	-	250.00	-	-	-	-	-	-	-
Total Accounts Receivable:	-	-	-	-	-	-	-	-	142,847.52	80,012.68	90,939.39	77,963.00	63,305.48	-	16,665.00	16,665.00	67,938.99	67,938.99
TOTAL ASSETS	\$ 1,336,045.12	\$ 49,560,491.27	\$ 45,857,455.72	\$ 28,979,032.72	\$ 29,965,898.82	\$ 32,784,110.82	\$ 37,528,135.66	\$ 50,720,110.38	\$ 55,924,578.23	\$ 62,582,052.92	\$ 68,007,316.95	\$ 75,341,261.98	\$ 82,264,622.92	\$ 92,476,991.71	\$ 102,598,484.93	\$ 89,157,767.47	\$ 106,280,151.54	\$ 122,773,121.61
LIABILITIES/FUND BALANCE:																		
Other Payable- Governmental Entities	\$ -	\$ 8,944,293.00	\$ 8,854,898.28	\$ 3,498,289.00	\$ 3,502,735.00	\$ 3,501,568.00	\$ 3,501,596.00	\$ 3,501,596.00	\$ 3,501,596.00	\$ 3,501,596.00	\$ 3,502,167.00	\$ 3,502,167.00	\$ 3,502,168.00	\$ -	\$ -	\$ -	\$ -	\$ -
Other Payable- City- Pension Fund- Erroneous Depo	-	-	-	11,382.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables other	-	-	-	-	-	-	-	5,811.25	-	-	-	-	-	-	-	-	-	-
Other Payable- FCTC	-	-	-	-	-	-	-	687,409.25	-	-	-	-	-	162,217.90	-	-	1,652,523.00	314,721.59
Other Payable-Due to City Cash Pool	-	-	-	2,946.50	-	-	-	12,637.00	14,387.28	47,649.00	14,802.75	9,453.75	64,229.25	81,958.00	177,856.00	128,909.00	335,838.38	185,686.79
Total Liabilities	-	8,944,293.00	8,854,898.28	3,512,617.55	3,502,735.00	3,501,568.00	3,501,596.00	4,207,453.50	3,515,983.28	3,549,245.00	3,516,969.75	3,511,620.75	3,728,615.15	81,958.00	177,856.00	1,781,432.00	650,559.97	383,366.50
Fund Balance	-	1,336,045.12	40,616,198.27	37,002,557.44	25,466,415.17	26,463,163.82	29,282,542.82	34,026,539.66	46,512,656.88	52,408,594.95	59,032,807.92	64,490,347.20	71,829,641.23	78,536,007.77	92,395,033.71	102,420,628.93	87,376,335.47	105,629,591.57
Sources (Uses) Balance	1,336,045.12	39,280,153.15	(3,613,640.83)	(11,536,142.27)	996,748.65	2,819,379.00	4,743,996.84	12,486,117.22	5,895,938.07	6,624,212.97	5,457,539.28	7,339,294.03	6,706,366.54	13,859,025.94	10,025,595.22	(15,044,293.46)	18,253,256.10	16,041,082.27
Total Fund Balance	1,336,045.12	40,616,198.27	37,002,557.44	25,466,415.17	26,463,163.82	29,282,542.82	34,026,539.66	46,512,656.88	52,408,594.95	59,032,807.92	64,490,347.20	71,829,641.23	78,536,007.77	92,395,033.71	102,420,628.93	87,376,335.47	105,629,591.57	121,702,940.84
TOTAL LIABILITIES/FUND BALANCE	\$ 1,336,045.12	\$ 49,560,491.27	\$ 45,857,455.72	\$ 28,979,032.72	\$ 29,965,898.82	\$ 32,784,110.82	\$ 37,528,135.66	\$ 50,720,110.38	\$ 55,924,578.23	\$ 62,582,052.92	\$ 68,007,316.95	\$ 75,341,261.98	\$ 82,264,622.92	\$ 92,476,991.71	\$ 102,598,484.93	\$ 89,157,767.47	\$ 106,280,151.54	\$ 122,773,121.61

(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

DEBT SERVICE COVERAGE RATIO - CASH BASIS

June 30, 2021

Calculation Based on Offering Memorandum

Revenue for debt service calculation:

Tax increment collections- 2020 Property Tax Year	\$ 23,986,799
Tax increment collections- 2019 Property Tax Year	496,599
Tax increment collections- 2018 Property Tax Year	21,157
Tax increment collections- 2017 Property Tax Year	1,549
Tax increment collections- 2016 Property Tax Year	1,783
Tax increment collections- 2015 Property Tax Year	680
Tax increment collections- 2014 Property Tax Year	639
Tax increment collections- 2013 Property Tax Year	277
Total Tax Increment Collections	<u>24,509,483</u>

Interest income DSR fund	-
Total revenue for debt service calculation	<u>\$ 24,509,483</u>

Expenditures for debt service calculation:

Debt service paid on defeased debt:	
Interest paid July 1, 2020	\$ 597,000
Interest paid January 1, 2021	597,000
Principal paid January 1, 2021	1,890,000
Total debt service paid	<u>3,084,000</u>

Total expenditures for debt service calculation	<u>3,084,000</u>
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Excess revenue over expenditures	<u>\$ 21,425,483</u>
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DSC Ratio for the Fiscal Year Ending June 30, 2021	6.95
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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

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, 2021, 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 20, 2022. Our report includes a reference that the Fund is not the entire reporting entity of the City of Atlanta, Georgia.

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 have not been identified.

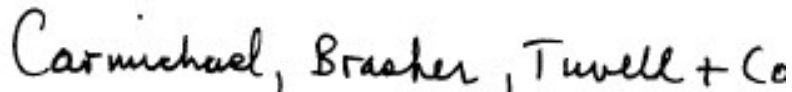
Compliance and Other Matters

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 20, 2022