

**THE ATLANTA DEVELOPMENT AUTHORITY,
D/B/A INVEST ATLANTA**
(A Component Unit of the City of Atlanta, Georgia)

Financial Statements

June 30, 2015

(With Independent Auditors' Report Thereon)

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)

June 30, 2015

Table of Contents

	Page
Independent Auditors' Report	1-3
Management's Discussion and Analysis (Unaudited)	4-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	12
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14 and 15
Component Unit Financial Statements:	
Combining Statement of Net Position – Component Units	16
Combining Statement of Activities – Component Units	17
Notes to Financial Statements	18-40



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and each major fund of **The Atlanta Development Authority, d/b/a Invest Atlanta** ("Invest Atlanta"), a component unit of the City of Atlanta, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Invest Atlanta'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 did not audit the financial statements of ADA/CAU Partners, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Atlanta Emerging Markets, Inc. which together represent 32%, 44% and 18%, respectively, of the assets, net position (deficit), and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for ADA/CAU Partners, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Atlanta Emerging Markets, Inc. is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Invest Atlanta's discretely presented component units, ADA/CAU Partners, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Atlanta Emerging Markets, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and each major fund of The Atlanta Development Authority, d/b/a Invest Atlanta as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Based on the report of other auditors, the accompanying financial statements of ADA/CAU Partners, Inc., which represents 26%, 36% and 15%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units, have been prepared assuming that ADA/CAU Partners, Inc. will continue as a going concern. As discussed in Note 12 to the financial statements, ADA/CAU Partners, Inc. has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 12. The financial statements of ADA/CAU Partners, Inc. do not include any adjustments that might result from the outcome of this uncertainty. Also noted in Note 12, Invest Atlanta has no responsibility to fund or contribute any monies to ADA/CAU Partners, Inc. 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 on pages 4 through 9 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of Invest Atlanta'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 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 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 Invest Atlanta's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2015

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Management's Discussion and Analysis (Unaudited)
June 30, 2015

This section of The Atlanta Development Authority d/b/a Invest Atlanta's ("Invest Atlanta") annual financial report presents our discussion and analysis of Invest Atlanta's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2015 Selected Financial Highlights (Proprietary Funds)

- Invest Atlanta's current assets increased approximately \$218.2 million. This increase results from \$219.7 million in restricted bond proceeds from the issuance of the 2015 Stadium Bonds (issued to provide funds to finance the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium).
- Total non-current assets increased approximately \$223.5 million. This is due to a \$225.6 million receivable from the City of Atlanta (the "City") related to its agreement to fund the debt service of the 2015 Stadium Bonds through a Funding Agreement which requires the City to remit 39.3% of the net amounts received by the City from hotel motel taxes to Invest Atlanta.
- Long-term obligations increased approximately \$249.9 million primarily due to the issuance, including an issuance premium, of the 2015 Stadium Bonds in the amount of \$247.7 million.
- Invest Atlanta's assets related to business-type activities exceeded its liabilities at the close of the fiscal year ended June 30, 2015 by approximately \$272.5 million (*net position*). Of this amount, approximately \$42.2 million represents a deficit balance in unrestricted net position which cannot be used to meet the Authority's ongoing obligations to citizens and creditors. Invest Atlanta's net position also has approximately \$70.1 million invested in capital assets (net of related debt), approximately \$51.1 million restricted for debt services, approximately \$175.8 restricted for the stadium project, and approximately \$17.6 million restricted for grant programs.
- The Administrative Fund is used primarily to account for the operating activities of Invest Atlanta. This Fund shows operating income for the fiscal year of approximately \$191.5 million compared to \$2.5 million for the fiscal year ended June 30, 2014. The improvement relates predominately to \$224.7 million related to the Funding Agreement for the 2015 Stadium Bonds less \$24.3 million in expenses related to the stadium project as the bond proceeds are spent.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Invest Atlanta's basic financial statements. Invest Atlanta's basic financial statements consist of four components: management's discussion and analysis (this section), government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Invest Atlanta's finances, including information related to its component units.

The *statement of net position* presents information on all of Invest Atlanta's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Invest Atlanta is improving or deteriorating.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Management's Discussion and Analysis (Unaudited)
June 30, 2015

The *statement of activities* presents information showing how Invest Atlanta's net position changed during the most recent 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include Invest Atlanta itself (known as the *primary government*) as well as legally separate entities that are so intertwined with Invest Atlanta that they are treated as part of the primary government. These include URFA and DDA. In addition, the government-wide financial statements also include legally separate entities for which the Authority is financially accountable: Atlanta BeltLine, Inc. ("ABI"); Inner City Development Corporation; ADA/CAU Partners, Inc.; the Atlanta Economic Renaissance Corporation; Pryor Road/Lakewood, LLC; Imagine Downtown, Inc., d/b/a Atlanta Emerging Markets, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Lakewood Senior (collectively known as *component units*). Financial information for these component units is reported separately from the financial information presented for the primary government itself. As required by the Governmental Accounting Standards Board, the presentation of the activities of URFA in these statements includes the activity and balances of its component units without distinguishing between them. The breakout of that activity can be found in separately prepared financial statements of URFA.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The accompanying statements include four funds, one for each of the three intertwined entities, including Invest Atlanta, URFA, and DDA and one for Invest Atlanta's grants and restricted programs. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but show the activity in greater detail, presenting the activity of each of the four funds and also presenting cash flow information.

The basic proprietary fund financial statements can be found on pages 12-15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-40 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of Invest Atlanta as the primary government, assets exceeded liabilities by approximately \$272.5 million at the close of fiscal year 2015.

A significant portion of Invest Atlanta's net position represents the net investments in capital assets (net of related debt). Restricted net position primarily relates to the net position created by the bond proceeds from the Stadium Bonds issued in 2015 which are restricted for the new downtown stadium project, amounts restricted for debt service on the Stadium Bonds, Invest Atlanta and URFA's participation in various loan programs as well as DDA's net position related to its debt service for the 2006 Revenue Bonds (Parking Deck) and 2009 Refunding Revenue Bonds (Underground Atlanta Project) and net position restricted for redevelopment.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Management's Discussion and Analysis (Unaudited)
June 30, 2015

Summary of Invest Atlanta's Net Position
June 30, 2015 and June 30, 2014
Proprietary Funds

	2015	2014
Assets:		
Current assets	\$ 250,491,732	\$ 32,286,944
Capital assets	71,103,158	71,482,644
Other non-current assets	325,619,337	101,700,961
	647,214,227	205,470,549
Liabilities:		
Current liabilities	18,979,275	16,058,389
Long-term liabilities	355,750,905	105,826,633
	374,730,180	121,885,022
Net position:		
Net investment in capital assets	70,145,985	68,782,838
Restricted	244,492,585	27,278,566
Unrestricted (deficit)	(42,154,523)	(12,475,877)
	\$ 272,484,047	\$ 83,585,527

Invest Atlanta's total assets increased approximately \$441.7 million. The increase is primarily made up of \$219.7 million in restricted bond proceeds from the issuance of the Stadium Bonds (issued to provide funds to finance the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium) and a \$225.6 million receivable from the City of Atlanta (the "City") related to its agreement to fund the debt service of the Stadium Bonds through a Funding Agreement which requires the City to remit 39.3% of the net amounts received by the City from hotel/motel taxes to Invest Atlanta. These increases were offset by a \$7.9 million decrease in DDA's investments in direct financing leases with the City of Atlanta for the Government Center Parking Deck and Underground Atlanta Project.

Invest Atlanta's total liabilities increased approximately \$252.8 million for the fiscal year ended June 30, 2015. The increase is primarily due to the issuance, including an issuance premium, of the Stadium Bonds in the amount of \$247.7 million. Additionally, the AERC was dissolved in fiscal year 2015 with Invest Atlanta taking on the liabilities of the former component unit in the amount of \$5.3 million.

Invest Atlanta's total net position related to business type activities increased approximately \$188.9 million during the fiscal year ended June 30, 2015. Total net position reflects the Administrative Fund, Grants and Restricted Program Fund, and the blended component units of URFA and DDA. Each of these funds or component units is different in purpose.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Management's Discussion and Analysis (Unaudited)
June 30, 2015

Summary of Changes in Invest Atlanta's Net Position
Fiscal Years Ended June 30, 2015 and June 30, 2014
Proprietary Funds

	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 13,247,842	\$ 12,586,579
Operating grants	231,408,029	8,585,763
General revenues:		
Interest income	4,201	1,354
Other	86,002	59,769
Total revenues	244,746,074	21,233,465
Expenses:		
Economic development	55,847,554	34,031,729
Total expenses	55,847,554	34,031,729
Change in net position	188,898,520	(12,798,264)
Net position, beginning of fiscal year	83,585,527	96,383,791
Net position, end of fiscal year	\$ 272,484,047	\$ 83,585,527

Charges for services and operating grants accounted for 99.9% of the total revenues of Invest Atlanta for the year ended June 30, 2015. This revenue includes the amount recognized to record the receivable from the City of Atlanta related to the Funding Agreement for the Stadium Bonds, income from development properties held, service fees, loan fees related primarily to loan programs administered by URFA, and funding received from various sources to provide loans/grants for those programs Invest Atlanta administers (as reported in the Grants and Restricted Program Fund).

The amount received from the City of Atlanta includes approximately \$224.7 million related to the Funding Agreement for the Stadium Bonds, \$3.9 million relates to the City's support for the debt service related to the 2006, 2009, and 2010 revenue bonds issued by DDA, 2005 Series Opportunity Program issued by Invest Atlanta, and the 2007A revenue bonds issued by URFA.

For fiscal 2015, Invest Atlanta also received \$2.5 million in operating subsidy from the City of Atlanta for economic development activities.

Invest Atlanta's total expenses are related to its mission of economic development for the City of Atlanta and primarily include: approximately \$24.3 million of expenses for the Stadium project, \$8.8 million of expenses for economic development and programs, interest on long-term financing of approximately \$5.9 million, bond issuance costs of \$4.1 million, a subsidy to the AERC of \$4.3 million, and general and administrative expenses of approximately \$8.2 million. Total expenses for the current fiscal year of approximately \$55.8 million represent a 64% increase over the prior fiscal year.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Management's Discussion and Analysis (Unaudited)
June 30, 2015

Capital Asset and Debt Administration (Primary Government)

Capital assets. The investment in capital assets includes land, buildings and improvements, furniture and equipment, and leasehold improvements.

Capital asset balances of Invest Atlanta at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Land	\$ 67,703,024	\$ 67,703,024
Buildings and improvements	745,971	745,971
Leasehold improvements	4,416,377	4,417,764
Furniture and equipment	979,719	979,719
Gross capital assets	<u>73,845,091</u>	<u>73,846,478</u>
Less: accumulated depreciation	(2,741,933)	(2,363,834)
Net capital assets	<u>\$ 71,103,158</u>	<u>\$ 71,482,644</u>

For more information on capital assets, see Note 5 to the financial statements.

Debt administration. Long term obligations of Invest Atlanta are reported in the Statement of Net Position. For the fiscal year ended June 30, 2015, activity is summarized as follows:

Primary government:	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>
Bonds payable, 2015 Stadium Bonds	\$ -	\$ 224,655,000	\$ -	\$ 224,655,000
Premium, 2015 Stadium Bonds	-	23,068,921	(141,039)	22,927,882
Bonds payable, 2005 Opportunity Bonds	16,025,000	-	(915,000)	15,110,000
Bonds payable, 2007A HOP	27,615,000	-	(1,345,000)	26,270,000
Bonds payable, 2006 DDA Revenue Bonds	19,660,000	-	(730,000)	18,930,000
Bonds payable, 2009 DDA Revenue Bonds	22,605,000	-	(7,160,000)	15,445,000
Bonds payable, 2010 DDA Revenue Bonds	19,625,000	-	(1,155,000)	18,470,000
Discount, 2006 DDA Revenue Bonds	(139,022)	-	7,723	(131,299)
Premium, 2009 DDA Revenue Bonds	339,779	-	(224,653)	115,126
Construction Loan Payable	1,322,597	-	(1,322,597)	-
Promissory Note Payable	386,943	-	(148,788)	238,155
Loans payable to the City of Atlanta	-	3,666,252	-	3,666,252
Capital Lease Payable	41,703	-	(33,093)	8,610
Line of Credit Payable	-	200,000	-	200,000
Pollution Remediation Obligation	617,332	-	(63,904)	553,428
Total primary government	<u>\$ 108,099,332</u>	<u>\$ 251,590,173</u>	<u>\$ (13,231,351)</u>	<u>\$ 346,458,154</u>

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Management's Discussion and Analysis (Unaudited)
June 30, 2015

Invest Atlanta (including URFA and DDA) issues a significant amount of conduit debt. In accordance with GASB standards, conduit debt is not included in Invest Atlanta's Statement of Net Position, but is disclosed in Note 7 to the financial statements. These liabilities are not included in the financial statements as they are limited obligations of Invest Atlanta (including URFA and DDA) issued on behalf of a third party developer who is responsible for their repayment.

See Note 6 to the financial statements for more information of long-term liabilities of Invest Atlanta.

Requests for Information

This financial report is designed to provide a general overview of Invest Atlanta's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Chief Financial Officer, 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303.

**ATLANTA DEVELOPMENT AUTHORITY,
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Statement of Net Position
June 30, 2015**

Assets	Business-type Activities	Component Units
Current assets:		
Cash and cash equivalents	\$ 11,875,435	\$ 3,850,791
Restricted cash and cash equivalents	232,363,429	3,063,570
Investment in direct financing lease with the City of Atlanta, current portion	730,573	-
Other receivables	1,423,749	1,400,824
Prepaid items	178,567	201,881
Due from other governments	-	348,122
Due from the BeltLine Tax Allocation District	-	1,025,671
Due from the Eastside Tax Allocation District	-	70,979
Due from the Westside Tax Allocation District	-	125,777
Due from the Atlanta BeltLine Partnership	-	634,593
Due from the City of Atlanta	-	1,581,410
Due from the City of Atlanta, current portion of long term debt	2,380,900	-
Due from Atlanta Housing Opportunity, Inc., current portion of long term debt	1,539,079	-
Total current assets	<u>250,491,732</u>	<u>12,303,618</u>
Noncurrent assets:		
Investment in direct financing leases with the City of Atlanta	25,262,519	-
Due from the City of Atlanta	256,095,000	-
Due from Atlanta Housing Opportunity, Inc.	24,363,947	-
Loans receivable, net of allowance	3,708,199	-
Other receivable, net of allowance	2,372,357	-
Investment in real estate	-	200,869
Investment in development projects	13,280,687	28,526
Capital assets, nondepreciable	67,703,024	76,468,558
Capital assets, net of depreciation	3,400,134	26,269,051
Prepaid items, noncurrent	535,103	-
Bond issuance costs, net of amortization	-	4,929,904
Advances to component units	-	4,437,401
Other assets	1,525	2,015,694
Total noncurrent assets	<u>396,722,495</u>	<u>114,350,003</u>
Total assets	<u>647,214,227</u>	<u>126,653,621</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	2,019,038	7,595,295
Bonds, notes, and loans payable, current portion	12,006,150	3,121,479
Capital leases payable, current portion	5,457	-
Accrued interest payable	3,907,135	1,964,699
Pollution remediation liability	553,428	-
Unearned revenue	202,210	799,478
Funds held in escrow	56,548	-
Line of credit payable	200,000	-
Due to Atlanta Housing Opportunity, Inc.	29,309	-
Due to the BeltLine Tax Allocation District	-	858,825
Total current liabilities	<u>18,979,275</u>	<u>14,339,776</u>
Noncurrent liabilities:		
Advances from component units	-	4,437,401
Advances from the City of Atlanta Tax Allocation Districts	11,526,895	-
Loan payable to the City of Atlanta	-	24,000,000
Other payables	101,745	180,000
Due to others	7,546,967	-
Unearned revenue	2,882,179	1,517,918
Capital leases payable	3,153	-
Bonds, notes and loans payable	333,689,966	69,940,003
Total noncurrent liabilities	<u>355,750,905</u>	<u>100,075,322</u>
Total liabilities	<u>374,730,180</u>	<u>114,415,098</u>
Net Position (Deficit)		
Net investment in capital assets	70,145,985	6,540,352
Restricted for debt services	51,136,612	-
Restricted for programs	17,612,345	-
Restricted for stadium project	175,743,628	-
Unrestricted	(42,154,523)	5,698,171
Total net position (deficit)	<u>\$ 272,484,047</u>	<u>\$ 12,238,523</u>

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)

Statement of Activities

Fiscal Year Ended June 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	
	Business-type Activities	Component Units		
Functions/ Programs:				
Primary government:				
Business-type activities:				
Economic development	\$ 55,847,554	\$ 13,247,842	\$ -	\$ 231,408,029
Total primary government activities	<u>\$ 55,847,554</u>	<u>\$ 13,247,842</u>	<u>\$ -</u>	<u>\$ 231,408,029</u>
Component units:				
Inner City Development Corporation	\$ -	\$ -	\$ -	\$ -
Atlanta BeltLine, Inc.	8,124,740	974,511	9,348,890	16,329,365
ADA/CAU Partners, Inc.	7,465,945	5,659,709	-	-
Atlanta Economic Renaissance Corporation	-	-	-	-
Pryor Road/Lakewood, LLC	-	-	-	-
Lakewood Senior	240	460,597	-	460,357
Imagine Downtown Managing Member				
2007 QEI, LLC	578,670	761,354	-	182,684
Atlanta Emerging Markets, Inc.	499,765	449,969	-	(49,796)
Total component unit activities	<u>\$ 16,669,360</u>	<u>\$ 8,306,140</u>	<u>\$ 9,348,890</u>	<u>\$ 17,315,035</u>
General revenues:				
Subsidy from primary government in acquisition				4,261,152
Interest income				3,110
Miscellaneous revenue				-
Total general revenues				<u>90,203</u>
Change in net position				<u>4,264,262</u>
Net position (deficit) – beginning of year				<u>21,579,297</u>
Net position (deficit) – ending of year				<u>83,585,527</u>
				<u>\$ 272,484,047</u>

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds				Total
	Administrative Fund	Grants and Restricted Program Fund	Urban Residential Finance Authority	Downtown Development Authority	
Assets					
Current assets:					
Cash and cash equivalents	\$ 524,308	\$ 6,823,028	\$ 4,523,595	\$ 4,504	\$ 11,875,435
Restricted cash and cash equivalents	220,503,445	-	1,339,495	10,520,489	232,363,429
Investment in direct financing leases with the City of Atlanta, current portion	-	-	-	730,573	730,573
Other receivables	1,013,173	4,731	405,845	-	1,423,749
Prepaid items	114,774	-	6,011	57,782	178,567
Due from other funds	70,327	145,103	-	-	215,430
Due from the City of Atlanta, current portion	955,000	-	240,900	1,185,000	2,380,900
Due from Atlanta Housing Opportunity, Inc., current portion	-	-	1,539,079	-	1,539,079
Total current assets	<u>223,181,027</u>	<u>6,972,862</u>	<u>8,054,925</u>	<u>12,498,348</u>	<u>250,707,162</u>
Noncurrent assets:					
Investment in direct financing leases with the City of Atlanta	-	-	-	25,262,519	25,262,519
Due from the City of Atlanta	238,810,000	-	-	17,285,000	256,095,000
Due from Atlanta Housing Opportunity, Inc.	-	-	24,363,947	-	24,363,947
Loans receivable, net of allowance	-	2,899,712	808,487	-	3,708,199
Other receivables, net of allowance	-	-	2,372,357	-	2,372,357
Investment in development projects	12,700,581	-	580,106	-	13,280,687
Capital assets, nondepreciable	67,703,024	-	-	-	67,703,024
Capital assets, net of depreciation	973,674	-	629,415	1,797,045	3,400,134
Prepaid items, noncurrent	-	-	38,551	496,552	535,103
Advances to other funds	1,309,144	702,692	-	-	2,011,836
Other assets	1,525	-	-	-	1,525
Total noncurrent assets	<u>321,497,948</u>	<u>3,602,404</u>	<u>28,792,863</u>	<u>44,841,116</u>	<u>398,734,331</u>
Total assets	<u>544,678,975</u>	<u>10,575,266</u>	<u>36,847,788</u>	<u>57,339,464</u>	<u>649,441,493</u>
Liabilities					
Current liabilities:					
Accounts payable	482,696	65,689	385,120	-	933,505
Bonds, notes, and loans payable, current portion	955,000	-	1,415,000	9,636,150	12,006,150
Capital leases payable, current portion	5,457	-	-	-	5,457
Accrued interest payable	2,828,208	-	124,079	954,848	3,907,135
Accrued liabilities	1,085,533	-	-	-	1,085,533
Unearned revenue	1,324	-	200,886	-	202,210
Pollution remediation liability	553,428	-	-	-	553,428
Funds held in escrow	51,600	-	4,948	-	56,548
Due to other funds	145,103	-	70,327	-	215,430
Due to Atlanta Housing Opportunity, Inc.	-	-	29,309	-	29,309
Line of credit payable	200,000	-	-	-	200,000
Total current liabilities	<u>6,308,349</u>	<u>65,689</u>	<u>2,229,669</u>	<u>10,590,998</u>	<u>19,194,705</u>
Noncurrent liabilities:					
Capital leases payable	3,153	-	-	-	3,153
Unearned revenue	2,882,179	-	-	-	2,882,179
Other payables	101,745	-	-	-	101,745
Due to others	-	-	7,546,967	-	7,546,967
Advances from the City of Atlanta Tax Allocation Districts	11,526,895	-	-	-	11,526,895
Advances from other funds	702,692	-	-	1,309,144	2,011,836
Bonds, notes, and loans payable	265,404,134	-	24,855,000	43,430,832	333,689,966
Total noncurrent liabilities	<u>280,620,798</u>	<u>-</u>	<u>32,401,967</u>	<u>44,739,976</u>	<u>357,762,741</u>
Total liabilities	<u>286,929,147</u>	<u>65,689</u>	<u>34,631,636</u>	<u>55,330,974</u>	<u>376,957,446</u>
Net Position (Deficit)					
Net investment in capital assets	68,668,088	-	(319,148)	1,797,045	70,145,985
Restricted for debt services	42,649,046	-	-	8,487,566	51,136,612
Restricted for programs	833,311	10,509,577	4,236,534	2,032,923	17,612,345
Restricted for stadium project	175,743,628	-	-	-	175,743,628
Unrestricted	(30,144,245)	-	(1,701,234)	(10,309,044)	(42,154,523)
Total net position (deficit)	<u>\$ 257,749,828</u>	<u>\$ 10,509,577</u>	<u>\$ 2,216,152</u>	<u>\$ 2,008,490</u>	<u>\$ 272,484,047</u>

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				Total
	Administrative Fund	Grants and Restricted Program Fund	Urban Residential Finance Authority	Downtown Development Authority	
Operating revenues:					
Service, administration, and loan fees	\$ 4,065,442	4,770,526	\$ 3,442,694	\$ -	\$ 12,278,662
Developer fees	-	-	25,141	-	25,141
Rental income	16,085	-	-	912,304	928,389
Income received from others for debt service payments	730,678	-	1,518,307	1,795,092	4,044,077
Intergovernmental revenue	227,281,215	82,737	-	-	227,363,952
Other revenue	50,293	35,709	15,650	-	101,652
Total operating revenues	<u>232,143,713</u>	<u>4,888,972</u>	<u>5,001,792</u>	<u>2,707,396</u>	<u>244,741,873</u>
Operating expenses:					
Interest on bonds, notes, and loans	1,868,071	-	1,518,307	2,506,558	5,892,936
Program expenses	-	2,505,322	-	-	2,505,322
Economic development	277,654	-	1,557,385	4,420,243	6,255,282
Stadium project	24,259,440	-	-	-	24,259,440
Debt issuance costs	4,064,510	-	-	-	4,064,510
Subsidy to component unit	4,261,152	-	-	-	4,261,152
Depreciation and amortization	239,062	-	25,303	120,388	384,753
General and administrative	5,663,902	63,955	2,374,822	121,480	8,224,159
Total operating expenses	<u>40,633,791</u>	<u>2,569,277</u>	<u>5,475,817</u>	<u>7,168,669</u>	<u>55,847,554</u>
Operating income (loss)	191,509,922	2,319,695	(474,025)	(4,461,273)	188,894,319
Interest income on bank accounts	3,702	-	-	499	4,201
Transfers in	-	-	-	164,185	164,185
Transfers out	(164,185)	-	-	-	(164,185)
Change in net position	191,349,439	2,319,695	(474,025)	(4,296,589)	188,898,520
Net position at beginning of year	66,400,389	8,189,882	2,690,177	6,305,079	83,585,527
Net position at end of year	<u>\$ 257,749,828</u>	<u>\$ 10,509,577</u>	<u>\$ 2,216,152</u>	<u>\$ 2,008,490</u>	<u>\$ 272,484,047</u>

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				Total
	Administrative Fund	Grants and Restricted Program Fund	Urban Residential Finance Authority	Downtown Development Authority	
Cash flows from operating activities:					
Receipts from customers and grantors	\$ 4,520,013	\$ 4,620,532	\$ 4,423,930	\$ -	\$ 13,564,475
Receipts from third parties (rental income)	-	-	-	925,985	925,985
Receipts from other government	2,626,215	82,737	-	-	2,708,952
Receipts of interest on loans	-	-	67,590	-	67,590
Payments from component units	279,774	-	-	-	279,774
Miscellaneous receipts	50,293	-	-	-	50,293
Receipts of developer fees	-	-	25,141	-	25,141
Payments to/from other funds	(70,327)	-	70,327	-	-
Payments to suppliers	(1,911,486)	(65,946)	(1,188,570)	(111,110)	(3,277,112)
Payments to employees	(4,133,982)	-	(1,190,320)	-	(5,324,302)
Payments for programs	(35,656,149)	(2,505,322)	(1,472,193)	(4,420,243)	(44,053,907)
Other	-	-	99,586	-	99,586
Net cash provided by (used in) operating activities	(34,295,649)	2,132,001	835,491	(3,605,368)	(34,933,525)
Cash flows from noncapital financing activities:					
Receipts from the City of Atlanta to cover debt service on revenue bonds issued on behalf of the City of Atlanta	1,645,678	-	2,844,036	1,795,092	6,284,806
Proceeds from issuance of bonds payable	224,655,000	-	-	-	224,655,000
Premium from issuance of bonds payable	23,068,921	-	-	-	23,068,921
Payment of bond issuance costs	(4,064,510)	-	-	-	(4,064,510)
Repayment of bonds, notes, and loan principal	-	-	(2,667,597)	(148,788)	(2,816,385)
Payments for interest	(735,291)	-	(1,524,178)	(2,897,824)	(5,157,293)
Repayment on bond principal related to revenue bonds issued on behalf of the City of Atlanta	(915,000)	-	-	(7,890,000)	(8,805,000)
Funds received on direct financing lease with the City of Atlanta	-	-	-	9,382,147	9,382,147
Repayment of advances to other funds	(218,937)	32,619	186,318	-	-
Advances to other funds	(85,707)	-	-	85,707	-
Advances received from City of Atlanta Tax Allocation Districts	11,526,895	-	-	-	11,526,895
Principal reduction of Recovery Zone bonds	-	-	-	(1,155,000)	(1,155,000)
Transfers in	-	-	-	164,185	164,185
Transfers out	(164,185)	-	-	-	(164,185)
Proceeds from line of credit	200,000	-	-	-	200,000
Net cash provided by (used in) noncapital financing activities	254,912,864	32,619	(1,161,421)	(664,481)	253,119,581
Cash flows from capital financing activities:					
Principal payment for capital lease	(33,093)	-	-	-	(33,093)
Net cash used in capital financing activities	(33,093)	-	-	-	(33,093)
Cash flows from investing activities:					
Receipts of interest on bank accounts	3,702	-	-	499	4,201
Net cash provided by investing activities	3,702	-	-	499	4,201
Net increase (decrease) in cash and cash equivalents	220,587,824	2,164,620	(325,930)	(4,269,350)	218,157,164
Cash and cash equivalents at beginning of fiscal year	439,929	4,658,408	6,189,020	14,794,343	26,081,700
Cash and cash equivalents at end of fiscal year	<u>\$221,027,753</u>	<u>\$ 6,823,028</u>	<u>\$ 5,863,090</u>	<u>\$ 10,524,993</u>	<u>\$ 244,238,864</u>
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	\$ 524,308	\$ 6,823,028	\$ 4,523,595	\$ 4,504	\$ 11,875,435
Restricted cash and cash equivalents	220,503,445	-	1,339,495	10,520,489	232,363,429
	<u>\$221,027,753</u>	<u>\$ 6,823,028</u>	<u>\$ 5,863,090</u>	<u>\$ 10,524,993</u>	<u>\$ 244,238,864</u>

(continued)

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				Total
	Administrative Fund	Grants and Restricted Program Fund	Urban Residential Finance Authority	Downtown Development Authority	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$191,509,922	\$2,319,695	\$ (474,025)	\$ (4,461,273)	\$ 188,894,319
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expenses, net	239,062	-	25,303	(96,542)	167,823
Interest receipts reported in operating income (loss)	(730,678)	-	(1,518,307)	(1,795,092)	(4,044,077)
Interest payments reported in operating income (loss)	1,868,071	-	1,518,307	2,897,824	6,284,202
Subsidy reported in operating income (loss)	4,225,620	-	-	-	4,225,620
Intergovernmental agreement with the City reported in operating income (loss)	(224,655,000)	-	-	-	(224,655,000)
Bond issuance costs included in operating income (loss)	4,064,510	-	-	-	4,064,510
Loss on disposal of capital assets	1,387	-	-	-	1,387
(Increase) decrease in:					
Other receivables	427,818	(4,731)	826,198	13,681	1,262,966
Loans receivable	-	(180,972)	46,679	-	(134,293)
Prepaid items and other assets	69,955	-	7,450	48,536	125,941
Investment in development projects	(11,361,177)	-	-	-	(11,361,177)
Due from (to) component units	279,774	-	-	-	279,774
Due from (to) other funds	(70,327)	-	70,327	-	-
Increase (decrease) in:					
Accounts payable and accrued expenses	(111,350)	(1,991)	554,610	(212,502)	228,767
Funds held in escrow	-	-	(3,681)	-	(3,681)
Pollution remediation liability	(63,904)	-	-	-	(63,904)
Other payables	-	-	(91,336)	-	(91,336)
Unearned revenue	10,668	-	(126,034)	-	(115,366)
Net cash provided by (used in) operating activities	<u>\$ (34,295,649)</u>	<u>\$ 2,132,001</u>	<u>\$ 835,491</u>	<u>\$ (3,605,368)</u>	<u>\$ (34,933,525)</u>

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Combining Statement of Net Position
Component Units
June 30, 2015

	Inner City Development Corporation	Atlanta BellLine, Inc.	ADA/CAU Partners, Inc.	Atlanta Economic Renaissance Corporation	Pryor Road/ Lakewood, LLC	Lakewood Senior	Imagine Downtown Managing Memb. 2007 OEI, LLC	Atlanta Emerging Markets, Inc.	Total Component Units
Assets									
Current assets:									
Cash and cash equivalents	\$ 181,582	\$ 2,174,451	\$ 364,943	\$ -	\$ -	\$ 164	\$ 339,120	\$ 790,531	\$ 3,850,791
Restricted cash and cash equivalents	-	978,836	2,084,734	-	-	-	-	-	3,063,570
Prepaid items	-	157,708	44,173	-	-	-	-	-	201,881
Accounts receivable	-	1,126,340	203,946	-	5,000	-	65,488	50	1,400,824
Due from other governments	-	348,122	-	-	-	-	-	-	348,122
Due from the Atlanta BellLine Partnership	-	-	-	-	-	-	-	-	634,593
Due from the City of Atlanta	-	1,581,410	-	-	-	-	-	-	1,581,410
Due from the BellLine Tax Allocation District	-	1,025,671	-	-	-	-	-	-	1,025,671
Due from the Eastside Tax Allocation District	-	-	70,979	-	-	-	-	-	70,979
Due from the Westside Tax Allocation District	-	125,777	-	-	-	-	-	-	125,777
Total current assets	181,582	8,223,887	2,697,796	-	5,000	164	404,608	790,581	12,303,618
Noncurrent assets:									
Capital assets, nondepreciable	-	76,468,558	-	-	-	-	-	-	76,468,558
Capital assets, net of depreciation	-	484,352	25,784,699	-	-	-	-	-	26,269,051
Investment in real estate	200,869	-	-	-	-	-	-	-	200,869
Investment in development projects	-	-	-	-	-	-	10,212	18,314	28,526
Bond issuance costs, net of amortization	-	-	4,929,904	-	-	-	-	-	4,929,904
Advances to component units	-	-	-	-	-	-	4,437,401	-	4,437,401
Other assets	-	-	10,855	-	-	-	92,585	1,912,254	2,015,694
Total noncurrent assets	200,869	76,952,910	30,725,458	-	-	-	4,540,198	1,930,568	114,350,003
Total assets	382,451	85,176,797	33,423,254	-	5,000	164	4,944,806	2,721,149	126,653,621
Liabilities									
Current liabilities:									
Accounts payable and accrued liabilities	-	6,023,463	1,448,140	-	-	164	71,500	52,028	7,595,295
Bonds, notes, and loans payable, current portion	-	2,151,479	970,000	-	-	-	-	-	3,121,479
Accrued interest payable	-	-	1,964,699	-	-	-	-	-	1,964,699
Unearned revenue	-	153,646	-	-	-	-	512,976	132,856	799,478
Due to the BellLine Tax Allocation District	-	858,825	-	-	-	-	-	-	858,825
Total current liabilities	-	9,187,413	4,382,839	-	-	164	584,476	184,884	14,339,776
Noncurrent liabilities:									
Advances from component units	-	-	-	-	-	-	-	4,437,401	4,437,401
Loan payable to the City of Atlanta	-	24,000,000	-	-	-	-	-	-	24,000,000
Bonds, notes and loans payable	-	19,528,665	50,411,338	-	-	-	-	-	69,940,003
Unearned revenue, long term	-	-	-	-	-	-	1,517,918	-	1,517,918
Other liabilities	-	-	180,000	-	-	-	-	-	180,000
Total noncurrent liabilities	-	43,528,665	50,591,338	-	-	-	1,517,918	4,437,401	100,075,322
Total liabilities	-	52,716,078	54,974,177	-	-	164	2,102,394	4,622,285	114,415,098
Net Position (Deficit)									
Net investment in capital assets	-	32,136,991	(25,596,639)	-	-	-	-	-	6,540,352
Unrestricted	382,451	323,728	4,045,716	-	5,000	-	2,842,412	(1,901,136)	5,698,171
Total net position (deficit)	\$ 382,451	\$ 32,460,719	\$ (21,550,923)	\$ -	\$ 5,000	\$ -	\$ 2,842,412	\$ (1,901,136)	\$ 12,238,523

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Combining Statement of Activities
Component Units
Fiscal Year Ended June 30, 2015

Program Revenues Net (Expense) Revenue and Changes in Net Position

	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Inner City Development Corporation	Atlanta BeltLine, Inc.	ADA/CAU Partners, Inc.	Atlanta Economic Renaissance Corporation	Pryor Road/Lakewood, LLC	Lakewood Senior	Imagine Downtown Managing Member 2007 QEI, LLC	Atlanta Emerging Markets, Inc.	Total Component Units
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inner City Development Corporation	8,124,740	974,511	9,348,890	16,329,365	-	18,528,026	-	-	-	-	-	-	18,528,026
Atlanta BeltLine, Inc.	7,465,945	5,659,709	-	-	-	-	(1,806,236)	-	-	-	-	-	(1,806,236)
ADA/CAU Partners, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-
Atlanta Economic Renaissance Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pryor Road/Lakewood, LLC	-	-	-	-	-	-	-	-	-	-	-	-	-
Lakewood Senior	240	460,357	-	-	-	-	-	-	-	460,357	-	-	460,357
Imagine Downtown Managing Member 2007 QEI, LLC	578,670	761,354	-	-	-	-	-	-	-	-	182,684	-	182,684
Atlanta Emerging Markets, Inc.	499,765	449,969	-	-	-	-	-	-	-	-	(49,796)	(49,796)	(49,796)
Total component unit activities	\$ 16,669,360	\$ 8,306,140	\$ 9,348,890	\$ 16,329,365	\$ -	\$ 18,528,026	\$ (1,806,236)	\$ -	\$ -	\$ 460,357	\$ 182,684	\$ (49,796)	\$ 17,315,035
General revenues:													
Subsidy from primary government in acquisition	-	-	-	-	-	-	-	4,261,152	-	-	-	-	4,261,152
Interest income	-	-	-	-	-	12	128	-	-	-	385	2,585	3,110
Total general revenues	-	-	-	-	-	12	128	4,261,152	-	-	385	2,585	4,264,262
Changes in net position													
Net position (deficit) – beginning of fiscal year	-	-	-	-	-	18,528,038	(1,806,108)	4,261,152	-	460,357	183,069	(47,211)	21,579,297
Net position (deficit) – ending of fiscal year	382,451	382,451	382,451	382,451	382,451	13,932,681	(19,744,815)	(4,261,152)	5,000	(460,357)	2,659,343	(1,853,925)	(9,340,774)
Net position (deficit) – ending of fiscal year	\$ 382,451	\$ 382,451	\$ 382,451	\$ 382,451	\$ 382,451	\$ 32,460,719	\$ (21,550,923)	\$ -	\$ 5,000	\$ -	\$ 2,842,412	\$ (1,901,136)	\$ 12,238,523

Functions/Programs:

- Component units:
- Inner City Development Corporation
- Atlanta BeltLine, Inc.
- ADA/CAU Partners, Inc.
- Atlanta Economic Renaissance Corporation
- Pryor Road/Lakewood, LLC
- Lakewood Senior
- Imagine Downtown Managing Member 2007 QEI, LLC
- Atlanta Emerging Markets, Inc.

General revenues:

- Subsidy from primary government in acquisition
- Interest income
- Total general revenues
- Changes in net position
- Net position (deficit) – beginning of fiscal year
- Net position (deficit) – ending of fiscal year

See the accompanying notes to the financial statements.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies

(a) *The Financial Reporting Entity*

In 1997, the Atlanta Development Authority was created by the City of Atlanta, Georgia (the “City”) as the official economic development agency for the City. The Atlanta Development Authority is currently doing business under the name Invest Atlanta (“Invest Atlanta”). Invest Atlanta is comprised of a combination of several economic development and financing entities which have been included in Invest Atlanta’s financial statements as blended component units in conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*:

The Urban Residential Finance Authority (“URFA”) of the City of Atlanta, Georgia was created pursuant to the Urban Residential Finance Authorities Act for Large Municipalities and commenced activities in 1979. Within the City of Atlanta, URFA is authorized to assist in providing financing for the construction or rehabilitation of single-family and multi-family residential housing and to provide funds to be used as down payment assistance for families within certain income limitations. URFA’s Board of Directors is substantially the same as the Board of Directors of Invest Atlanta and it has a financial benefit and burden relationship with Invest Atlanta. As a result, URFA is a blended component unit of Invest Atlanta. URFA financial statements also include Lakewood Hills, Inc.; Crogman School Development, LLC; Crogman School, Inc.; GP URFA Sexton, Inc.; Sylvan Hills Development LLC; and Toby Sexton Development, LLC. Each of the preceding entities is a discretely presented component unit of URFA and each has a year ending December 31. Balances for each of the discretely presented component units of URFA are shown in this report as of their year ending date.

The Downtown Development Authority (“DDA”) was created to promote the revitalization and redevelopment of the City by financing projects that will promote the general welfare of the City of Atlanta and provide trade, commerce, industry, and employment opportunities within the City. DDA’s Board of Directors is substantially the same as the Board of Directors of Invest Atlanta and it has a financial benefit and burden relationship with Invest Atlanta. As a result, DDA is a blended component unit of Invest Atlanta. DDA financial statements also include the Atlanta Urban Redevelopment Agency (“AURA”) which was created to issue Recovery Zone Economic Development Bonds and with those bond proceeds, provide financing for certain economic development projects within the Atlanta Urban Redevelopment Area as determined by the City of Atlanta. AURA is considered to be a blended component unit of DDA as the governing body for both DDA and the AURA are identical.

The component unit column in the government-wide financial statements includes the Inner City Development Corporation; Atlanta BeltLine Inc.; ADA/CAU Partners, Inc.; the Atlanta Economic Renaissance Corporation; Pryor Road/Lakewood, LLC; Lakewood Senior; Imagine Downtown Managing Member 2007 QEI, LLC; and Imagine Downtown, Inc., d/b/a Atlanta Emerging Markets, Inc. They are each reported in a separate column to emphasize they are legally separate from Invest Atlanta. Each of these component units is accounted for using the guidance applicable to proprietary funds.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(a) The Financial Reporting Entity (Continued)

The Inner City Development Corporation (“ICDC”) was created to acquire land and develop the Historic Westside Village area. The Board of Directors of ICDC is appointed by the Board of Directors of Invest Atlanta and the assets of ICDC are legally entitled to revert to Invest Atlanta. ICDC and its component unit have a December 31 year-end.

Atlanta BeltLine, Inc. (“ABI”) was incorporated in 2006 to act as implementation agent for Invest Atlanta with respect to the Atlanta BeltLine Project (the “BeltLine”). The majority of ABI’s Board of Directors are appointed by Invest Atlanta and it has a financial benefit and burden relationship with Invest Atlanta. ABI includes its component units, Chester Avenue Lofts, LLC and Green Miles Investment, LLC.

ADA/CAU Partners, Inc. was created to construct college dormitories on the campus of Clark Atlanta University. The Board of Directors of ADA/CAU Partners, Inc. is appointed by the Board of Directors of Invest Atlanta, who can also impose their will on the ADA/CAU Partners, Inc. by removal of board members at any time. This entity follows the accounting standards promulgated by the Financial Accounting Standards Board.

The Atlanta Economic Renaissance Corporation (“AERC”), formerly the Atlanta Economic Development Corporation (“AEDC”), was created to coordinate and encourage efforts by the private and public sectors to promote the general economic development of the City and its residents. The Board of Directors of AERC is appointed by the Board of Directors of Invest Atlanta, who can also impose their will on AERC by removal of board members at any time. On October 16, 2014, the AERC was dissolved due to a lack of activity and all outstanding assets and liabilities were assumed by Invest Atlanta at AERC’s carrying value. No consideration was provided to or from AERC which had a deficit net position of \$4,261,152 at the time of dissolution. As a result of the assumption of the deficit by Invest Atlanta, a subsidy income was recorded by AERC to close the fund equity deficit and a subsidy expense was recorded by Invest Atlanta’s Administrative Fund to reflect the carrying value of the AERC assets and liabilities acquired.

Pryor Road/Lakewood, LLC is wholly owned by Invest Atlanta and was created to purchase and develop real property along Pryor Road in Atlanta. As the sole member of the limited liability corporation, Invest Atlanta controls the activity of Pryor Road/Lakewood, LLC. Pryor Road/Lakewood, LLC has a December 31 year-end.

Lakewood Senior, Inc. was created in 2007 and became the managing general partner of Park Place South Senior, LP (“PPS”). PPS was created to construct a senior apartment community within the Park Place South Master Community development. The Board of Directors of Lakewood Senior, Inc. is appointed by the Board of Directors of Invest Atlanta, who can also impose their will on Lakewood Senior, Inc. by removal of board members at any time. During the fiscal year ended June 30, 2015, the property underlying the Park Place Senior development was sold. As a result, Lakewood Senior, Inc. was dissolved.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(a) *The Financial Reporting Entity (Continued)*

Imagine Downtown Managing Member 2007 QEI, LLC (“IDMM”), is a Georgia limited liability company that was formed to serve directly, or indirectly, as a manager and member of Imagine Downtown, Inc.’s (“IDI”) assemblage of entities which include IDI 1-2007, 2-2007, and 3-2007 Managing Member, LLC. IDMM was formed to serve directly, or indirectly, as a manager and member of each of the IDI entities, which are subsidiary qualified Community Development Entities (“subsidiary CDE”). Invest Atlanta owns 100% of Imagine Downtown Managing Member 2007 QEI, LLC and Imagine Downtown Managing Member 2007 QEI, LLC owns 100% of each IDI entity. As the sole member of the limited liability corporation, Invest Atlanta controls the activity of IDMM, which has a December 31 year-end.

Imagine Downtown, Inc., d/b/a Atlanta Emerging Markets, Inc. was created in 2005 to serve and provide investment capital for low-income communities or low-income persons. Imagine Downtown, Inc.,d/b/a Atlanta Emerging Markets, Inc.’s primary activity is making qualified loans to, or qualified investments in, active low-income businesses. As the sole owner of Imagine Downtown, Inc., Invest Atlanta controls the activity of Imagine Downtown, Inc. which has a December 31 year-end.

Separate financial statements or financial information on these component units may be obtained from the Chief Financial Officer, Invest Atlanta at 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303. Management has considered the criteria set forth in Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, *Defining the Financial Reporting Entity, as modified this year with the implementation of GASB Statement No. 61, The Financial Reporting Entity: Omnibus*. Based upon the application of the above criteria, the City of Atlanta, Georgia has determined Invest Atlanta to be a component unit of the City.

(b) *Government-wide and Fund Financial Statements, Measurement Focus, and Basis of Accounting*

Invest Atlanta 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. Net position in the statement of net position is distinguished between amounts invested in capital assets (net of any related debt), amounts that are 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 include interest income on loans provided for economic development and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted interest income on investments and other items not properly included among program revenues are reported as general revenues.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(b) *Government-wide and Fund Financial Statements, Measurement Focus, and Basis of Accounting (continued)*

In addition to the government-wide financial statements, Invest Atlanta has prepared separate financial statements for proprietary funds. These fund financial statements also use the accrual basis of accounting and the economic resources measurement focus.

Under 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. Interest income and service, administration, and loan fees are recognized as revenue when earned regardless of when the cash is received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses are recorded when a liability is incurred.

(c) *Financial Statement Presentation*

Invest Atlanta reports the following major enterprise funds:

Administrative Fund – This fund is used to account for all economic development and administrative activity of Invest Atlanta except those financed with grants. This fund includes all personnel, office, and administrative costs of Invest Atlanta.

Grants and Restricted Program Fund – This fund is used to account for all activity of Invest Atlanta that is restricted for grant activities.

Urban Residential Finance Authority – These statements are used to account for all economic development activity of the blended component unit - URFA.

Downtown Development Authority – These statements are used to account for all economic development activity of the blended component unit - DDA.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of each of Invest Atlanta's enterprise funds is interest income on loans outstanding; service, administration, and loan fees; and other activity surrounding economic development within the City including the development of property. Operating expenses for the enterprise funds include direct general and administrative expenses of administering the economic development programs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is Invest Atlanta's policy to use restricted resources first, then unrestricted resources as they are needed.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(d) Cash, Cash Equivalents, and Investments

For the purposes of the statement of cash flows, Invest Atlanta considers the following to be cash equivalents: all short-term investment securities with original maturities of three months or less, local government investment pools, repurchase agreements, money market accounts, and investment agreements under which funds can be withdrawn at any time without penalty. State statutes authorize Invest Atlanta to invest in obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (“Georgia Fund 1”).

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment or other specific purposes are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or by the purpose of certain agreements with other parties.

Investments are carried at fair value based on quoted market prices.

(e) Loans Receivable

Loans receivable are stated at their unpaid principal balance, less any loan discounts. The discounts are amortized using a method approximating a level yield over the estimated average life of the loans.

(f) Investment in Real Estate

Investments in real estate consist of property stated at the lower of aggregate cost or net realizable value. Cost includes the purchase price of the land and development costs, as well as capitalized interest. There was no interest capitalized during fiscal year 2015.

(g) Investment in Development Projects

Investments in development projects represent Invest Atlanta’s acquisition and improvement of properties in anticipation of either private or public development of the property. Investments and improvements are recorded at cost.

(h) Capital Assets

Capital assets are stated at cost. Depreciation on capital assets is calculated on the straight-line method over the estimated useful lives as follows:

Leasehold improvements	29 years
Furniture and Equipment	3-5 years
Building and improvements	40 years

(i) Income Taxes

Invest Atlanta’s income is exempt from federal income taxes pursuant to Section 115 of the Internal Revenue Code.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(j) Use of Estimates

In the normal course of business, Invest Atlanta management has made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

(2) Deposits and Investments

(a) Credit Risk

Invest Atlanta is authorized to invest in obligations or investments as determined by the Board of Directors of Invest Atlanta, subject to any agreement with bondholders and with applicable law. As of June 30, 2015, Invest Atlanta did not have any investments other than deposits with financial institutions.

(b) 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. As of June 30, 2015, Invest Atlanta had no bank balances that were exposed to custodial credit risk.

(3) Intergovernmental Receivable and Investment in Direct Financing Leases with the City of Atlanta

The Government Center Parking Deck was placed into operation in January 2008 and the land and related building of the Parking Deck was leased to the City of Atlanta in a lease that qualifies as a capital lease. The lease payments from the City of Atlanta equal the debt service payments on the Series 2006 Revenue Bonds (see Note 6 for revenue bonds payable disclosure). As of June 30, 2015, the investment in direct financing lease in relation to the Government Center Parking Deck is \$18,078,092.

In 2009, DDA issued \$52,790,000 in Refunding Revenue Bonds (Series 2009) on behalf of the City of Atlanta to pay off or refund the City's 2002 Series Underground Atlanta Project Revenue Bonds. The principal and interest on the Series 2009 Revenue Bonds are special limited obligations of DDA and shall be payable solely from monies payable to DDA by the City of Atlanta (see Note 6 for revenue bonds payable disclosure) under a capital lease arrangement for the Underground Atlanta Project. As of June 30, 2015, a net receivable of \$7,915,000 is recorded by the Downtown Development Authority as an investment in direct financing lease with the City of Atlanta with the difference (\$7,530,000) between the total outstanding Series 2009 revenue bonds and the receivable being money transferred by the City of Atlanta to DDA's trust account for future debt service payments.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(3) Intergovernmental Receivable and Investment in Direct Financing Leases with the City of Atlanta (continued)

On October 28, 2010, AURA, a component unit of DDA, issued \$22,775,000 of Taxable Recovery Zone Economic Development Bonds (Series 2010) on behalf of the City of Atlanta to finance the costs of implementing the Urban Redevelopment Plan including certain costs in connection with (1) the acquisition, rehabilitation, and improvement of real property and buildings; (2) certain public transportation projects in the Urban Redevelopment Area; and (3) the acquisition and construction and installation of other related improvements of the Urban Redevelopment Plan. The principal and interest on the Series 2010 Bonds are special limited obligations of AURA and shall be payable solely from moneys payable to AURA by the City of Atlanta (see Note 6 for revenue bonds payable disclosure) under an intergovernmental arrangement. As of June 30, 2015, a net receivable of \$18,470,000 is recorded by AURA as an intergovernmental receivable from the City of Atlanta.

On January 12, 2006, Invest Atlanta issued \$22,000,000 of Taxable Revenue Bonds (Homeless Opportunity Project), Series 2005, for the purpose of financing certain supportive housing projects in the City of Atlanta, which will provide for the delivery of services to counteract unemployment, underemployment, and resulting homelessness. The City of Atlanta guarantees the principal and interest payments on the bonds and has made all payments to date. No payment is due from Invest Atlanta to the City of Atlanta for the City's payments on these bonds. As of June 30, 2015, an amount of \$15,110,000 is recorded by Invest Atlanta as being due from the City of Atlanta (see Note 6 for revenue bonds payable disclosure).

On May 8, 2015, Invest Atlanta issued \$167,530,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Senior Lien Series 2015A-1; \$16,740,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Senior Lien Taxable Series 2015A-2; and \$40,385,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Second Lien Series 2015B, collectively the Stadium Bonds. The Stadium Bonds were issued to provide funds to finance the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium to replace the existing Georgia Dome facility in the City to be located and constructed on land that is owned or controlled by the Georgia World Congress Center Authority (an unrelated entity). Invest Atlanta will not own any interest in the new stadium. The Stadium Bonds are special and limited obligations of Invest Atlanta and the City payable solely from reserve accounts created with Stadium Bond proceeds (held by Invest Atlanta and classified as restricted for debt service) and payments received under a Funding Agreement between Invest Atlanta and the City. The Funding Agreement related to the Stadium Bonds was signed at the same time as the Stadium Bonds were issued and requires the City to remit 39.3% of the net amounts received by the City from hotel motel taxes to Invest Atlanta. These payments are required to be spent for the payments of principal and interest on the Stadium Bonds or to restore any and all reserve funds established by the Trust Indenture related to the Stadium Bonds. It is the intention of the Funding Agreement that the hotel motel tax collections will be sufficient to repay the principal and interest on the Stadium Bonds. An intergovernmental receivable from the City has been recorded by Invest Atlanta for the principal amount due on the Stadium Bonds, and as of June 30, 2015, an amount of \$224,655,000 is recorded by Invest Atlanta as being due from the City of Atlanta (see Note 6 for revenue bonds payable disclosure).

The remaining due from the City of Atlanta relates to URFA and the balance at June 30, 2015 is \$240,900 and relates to amounts due for the mortgage assistance program.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(4) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2015 consists of the following:

Invest Atlanta	June 30,			June 30,
Administrative Fund	2014	Additions	Deletions	2015
Capital assets not being depreciated:				
Land	\$ 67,703,024	\$ -	\$ -	\$ 67,703,024
Total capital assets, not being depreciated	<u>67,703,024</u>	<u>-</u>	<u>-</u>	<u>67,703,024</u>
Capital assets being depreciated:				
Leasehold improvements	926,517	-	(1,387)	925,130
Furniture and equipment	979,719	-	-	979,719
	<u>1,906,236</u>	<u>-</u>	<u>(1,387)</u>	<u>1,904,849</u>
Accumulated depreciation:				
Leasehold improvements	(92,652)	(70,778)	-	(163,430)
Furniture and equipment	(599,461)	(168,284)	-	(767,745)
Capital assets net of depreciation	<u>1,214,123</u>	<u>(239,062)</u>	<u>(1,387)</u>	<u>973,674</u>
Net capital assets	<u>\$ 68,917,147</u>	<u>\$ (239,062)</u>	<u>\$ (1,387)</u>	<u>\$ 68,676,698</u>
Urban Residential Finance Authority:				
Capital assets being depreciated:				
Buildings and improvements	745,971	-	-	745,971
	<u>745,971</u>	<u>-</u>	<u>-</u>	<u>745,971</u>
Accumulated depreciation:				
Buildings and improvements	(97,907)	(18,649)	-	(116,556)
Net capital assets	<u>\$ 648,064</u>	<u>\$ (18,649)</u>	<u>\$ -</u>	<u>\$ 629,415</u>

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(5) Capital Assets (Continued)

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Downtown Development Authority:				
Capital assets being depreciated:				
Leasehold improvements	\$ 3,491,247	\$ -	\$ -	\$ 3,491,247
	<u>3,491,247</u>	<u>-</u>	<u>-</u>	<u>3,491,247</u>
Accumulated depreciation:				
Leasehold improvements	(1,573,814)	(120,388)	-	(1,694,202)
Net capital assets	<u>\$ 1,917,433</u>	<u>\$ (120,388)</u>	<u>\$ -</u>	<u>\$ 1,797,045</u>
Total primary government:				
Capital assets not being depreciated:				
Land	\$ 67,703,024	\$ -	\$ -	\$ 67,703,024
Total capital assets not being depreciated	<u>67,703,024</u>	<u>-</u>	<u>-</u>	<u>67,703,024</u>
Capital assets being depreciated:				
Furniture and equipment	979,719	-	-	979,719
Bulding and improvements	745,971	-	-	745,971
Leasehold improvements	4,417,764	-	(1,387)	4,416,377
	<u>6,143,454</u>	<u>-</u>	<u>(1,387)</u>	<u>6,142,067</u>
Accumulated depreciation:				
Furniture and equipment	(599,461)	(168,284)	-	(767,745)
Bulding and improvements	(97,907)	(18,649)	-	(116,556)
Leasehold improvements	(1,666,466)	(191,166)	-	(1,857,632)
Total capital assets being depreciated	<u>3,779,620</u>	<u>(378,099)</u>	<u>(1,387)</u>	<u>3,400,134</u>
Net capital assets	<u>\$ 71,482,644</u>	<u>\$ (378,099)</u>	<u>\$ (1,387)</u>	<u>\$ 71,103,158</u>

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(5) Capital Assets (Continued)

Capital assets activity for the discretely presented component units for the fiscal year ended June 30, 2015 consists of the following:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Capital assets not being depreciated:				
Construction in progress	\$ 60,201,547	\$ 17,593,120	\$ (1,326,109)	\$ 76,468,558
Total capital assets not being depreciated	<u>60,201,547</u>	<u>17,593,120</u>	<u>(1,326,109)</u>	<u>76,468,558</u>
Capital assets being depreciated:				
Leashold improvements	-	380,698	-	380,698
Furniture and equipment	2,142,428	28,911	-	2,171,339
Buildings and improvements	37,311,882	-	-	37,311,882
Land improvements	3,270,833	-	-	3,270,833
Total capital assets being depreciated	42,725,143	409,609	-	43,134,752
Less accumulated depreciation	<u>(15,523,954)</u>	<u>(1,341,747)</u>	<u>-</u>	<u>(16,865,701)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>27,201,189</u>	<u>(932,138)</u>	<u>-</u>	<u>26,269,051</u>
Net capital assets	<u>\$ 87,402,736</u>	<u>\$ 16,660,982</u>	<u>\$ (1,326,109)</u>	<u>\$ 102,737,609</u>

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities

Activity for the bonds, notes, loans payable, and other long-term liabilities for the fiscal year ended June 30, 2015 consists of the following:

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Fiscal Year
Primary government:					
Construction loan payable	\$ 1,322,597	\$ -	\$ (1,322,597)	\$ -	\$ -
Bonds payable, 2005 Series Opportunity Program	16,025,000	-	(915,000)	15,110,000	955,000
Bonds payable, 2007A Series Housing Opportunity Program	27,615,000	-	(1,345,000)	26,270,000	1,415,000
Bonds payable, 2006 Downtown Development Authority Revenue Bonds	19,660,000	-	(730,000)	18,930,000	765,000
Unamortized discount on 2006 Downtown Development Authority Revenue Bonds	(139,022)	-	7,723	(131,299)	-
Bonds payable, 2009 Downtown Development Authority Revenue Bonds	22,605,000	-	(7,160,000)	15,445,000	7,530,000
Unamortized premium on 2009 Downtown Development Authority Revenue Bonds	339,779	-	(224,653)	115,126	-
Bonds payable, 2010 Downtown Recovery Bonds	19,625,000	-	(1,155,000)	18,470,000	1,185,000
Bonds Payable, 2015 Series Stadium Bonds	-	224,655,000	-	224,655,000	-
Unamortized premium on 2015 Series Stadium Bonds	-	23,068,921	(141,039)	22,927,882	-
Promissory Downtown Development Authority Notes payable	386,943	-	(148,788)	238,155	156,150
Loan payable to the City of Atlanta, secured by SIP land sale revenue	-	2,134,720	-	2,134,720	-
Loan payable to the City of Atlanta, secured by SIP land sale revenue	-	271,532	-	271,532	-
Loan payable to the City of Atlanta, secured by SIP land sale revenue	-	1,260,000	-	1,260,000	-
Capital leases payable	41,703	-	(33,093)	8,610	5,457
Line of credit payable	-	200,000	-	200,000	200,000
Pollution Remediation Obligation	617,332	-	(63,904)	553,428	553,428
	<u>\$ 108,099,332</u>	<u>\$ 251,590,173</u>	<u>\$ (13,231,351)</u>	<u>\$ 346,458,154</u>	<u>\$ 12,765,035</u>
Component units:					
Bonds payable, 2004 Clark Atlanta University project	\$ 51,193,897	\$ 187,441	\$ -	\$ 51,381,338	\$ 970,000
Loan payable to the City of Atlanta, secured by SIP land sale revenue	2,134,720	-	(2,134,720)	-	-
Loan payable to the City of Atlanta, secured by SIP land sale revenue	271,532	-	(271,532)	-	-
Loan payable to the City of Atlanta, secured by SIP land sale revenue	1,260,000	-	(1,260,000)	-	-
Loan payable to the City of Atlanta	24,000,000	-	-	24,000,000	-
Note payable	23,700,312	-	(2,020,168)	21,680,144	2,151,479
	<u>\$ 102,560,461</u>	<u>\$ 187,441</u>	<u>\$ (5,686,420)</u>	<u>\$ 97,061,482</u>	<u>\$ 3,121,479</u>

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Primary Government

Component units of URFA are included in the URFA Fund in the financial statements. Construction of the Lakewood Hills development was financed with construction loans. During the year ended June 30, 2015, the balance of these loans was paid by URFA and the amount paid by URFA on behalf of Lakewood Hills, Inc. was added to amounts due to URFA, which is excluded from the tabular presentation of the summary of changes in long-term debt on the preceding page and is included as due to others in the statement of net position in the URFA Fund as an allowance for the full amount was recorded by URFA. These amounts will be repaid with net proceeds from the sale of condominium units.

On January 15, 2009, Lakewood Hills, Inc. obtained a loan in the amount of \$986,728 from Invest Atlanta to pay down a construction loan with Sun Trust Bank. The loan bears interest at a variable rate and matures on January 15, 2019. The loan is to be repaid with net proceeds from the sale of condominium units, with the entire balance and any unpaid accrued interest due becoming immediately payable upon the first to occur of the sale of the last unit or the maturity date. As of fiscal year-end, the loan due to Invest Atlanta was \$948,563 which is excluded from the tabular presentation of the summary of changes in long-term debt on the preceding page and is included as due to others in the statement of net position. The amount is reported as due to others as Invest Atlanta has reported an allowance for this amount as uncollectible and thus no receivable is reported.

On January 12, 2006, Invest Atlanta issued \$22,000,000 of Taxable Revenue Bonds (Homeless Opportunity Project), Series 2005, for the purpose of financing certain supportive housing projects in the City of Atlanta, which will provide for the delivery of services to counteract unemployment, underemployment, and resulting homelessness. The City of Atlanta guarantees the principal and interest payments on the bonds and has made all payments to date. No payment is due from Invest Atlanta to the City of Atlanta for the City's payments on these bonds. Interest on the bonds is payable semiannually on June 1 and December 1 of each fiscal year, with interest rates ranging from 3.50% to 5.00%. The bonds mature on December 1, 2026. At June 30, 2015, the outstanding principal balance was \$15,110,000. Also at June 30, 2015, an amount of \$15,110,000 is recorded as being due from the City of Atlanta.

On April 11, 2007, Invest Atlanta, through URFA, issued \$35,000,000 of Georgia Taxable Revenue Bonds (Housing Opportunity Program), Series 2007A, for the purpose of loaning the proceeds from the sale of the bonds to Atlanta Housing Opportunity, Inc. ("AHOI"), a Georgia non-profit corporation. AHOI uses the bond proceeds to make loans to finance single-family and multi-family housing purchases in the City of Atlanta. The City of Atlanta has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds. Interest on the bonds is payable semiannually on June 1 and December 1 of each fiscal year, with interest rates ranging from 5.068% to 5.802%. The bonds mature on December 1, 2027. At June 30, 2015, the outstanding principal balance was \$26,270,000. Also at June 30, 2015, an amount of \$25,903,026 is recorded as being due from AHOI, with the difference between the outstanding principal balance on the bonds and the receivable resulting from other small amounts receivable as a result of other activities not related to these bonds.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Primary Government (continued)

In 2006, Invest Atlanta, through DDA, issued \$23,480,000 of Revenue Bonds (\$17,990,000, Series 2006A, and \$5,490,000, Series 2006B) for the purpose of acquiring land and building a five-story parking facility. Interest is due semiannually on June 1 and December 1 of each fiscal year with varying interest rates ranging from 4% to 5%. Principal payments are due annually and the bonds mature in 2032. The balance due on these bonds at June 30, 2015 is \$18,930,000. This facility is currently being leased to the City of Atlanta with the lease payments equal to the debt service payments on the bonds.

In 2009, Invest Atlanta, through DDA issued \$52,790,000 of refunding revenue bonds (\$44,975,000, Series 2009A, and \$7,815,000, Series 2009B). The Series 2009A bonds were used to refund the principal of the City of Atlanta Series 2002, Variable Rate Refunding Revenue Bonds (Underground Atlanta Project). The Series 2009B bonds were issued for the purpose of paying (a) the termination fee in connection with an interest rate swap relating to the City's Series 2002 Bonds, (b) accrued interest on the City's Series 2002 Bonds, and (c) the costs of issuance of the Series 2009 Bonds. Interest is due semiannually on January 1 and July 1 of each fiscal year with varying interest rates ranging from 2% to 5%. The 2009A bonds mature in 2016, whereas the 2009B bonds matured in 2010. The balance due on the series 2009A bond at June 30, 2015 is \$15,445,000. Invest Atlanta has recorded a receivable from the City of Atlanta for all future debt service payments.

On October 28, 2010, Invest Atlanta, through DDA, issued \$22,775,000 of Taxable Recovery Zone Economic Development Bonds. The Series 2010 bonds were used to finance the costs of implementing the Urban Redevelopment Plan including certain costs in connection with (1) the acquisition, rehabilitation, and improvement of real property and buildings; (2) certain public transportation projects in the Urban Redevelopment Area; and (3) the acquisition and construction and installation of other related improvements of the Urban Redevelopment Plan. Commencing on January 1, 2011, interest is due semiannually on January 1 and July 1 of each fiscal year with a fixed interest rate of 5.37%. Under an intergovernmental agreement with the City of Atlanta, all principal and interest payments are payable solely and only from the City's pledge to make debt service payments. Invest Atlanta has recorded a receivable from the City of Atlanta for all future debt service payments. Additionally, approximately 45% of each interest payment is subsidized by the Federal Government under the Build America Bonds and Recovery Zone Bonds. The 2010 bonds mature on January 1, 2028. The balance due on the 2010 Series bonds at June 30, 2015 is \$18,470,000.

On May 8, 2015, Invest Atlanta issued \$167,530,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Senior Lien Series 2015A-1; \$16,740,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Senior Lien Taxable Series 2015A-2; and \$40,385,000 of Revenue Bonds (New Downtown Atlanta Stadium Project), Second Lien Series 2015B, collectively the Stadium Bonds with a total issuance of \$224,655,000. The Stadium Bonds were issued to provide funds to finance the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium to replace the existing Georgia Dome facility in the City to be located and constructed on land that is owned or controlled by the Georgia World Congress Center Authority (an unrelated entity). Invest Atlanta will not own any interest in the new stadium. The Stadium Bonds are special and limited obligations of Invest Atlanta and the City payable solely from reserve accounts created with Stadium Bond proceeds (held by Invest Atlanta and classified as restricted for debt service) and payments received under a Funding Agreement between Invest Atlanta and the City.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Primary Government (continued)

The Funding Agreement related to the Stadium Bonds was signed at the same time as the Stadium Bonds were issued and requires the City to remit 39.3% of the net amounts received by the City from hotel/motel taxes to Invest Atlanta. These payments are required to be spent for the payments of principal and interest on the Stadium Bonds or to restore any and all reserve funds established by the Trust Indenture related to the Stadium Bonds. It is the intention of the Funding Agreement that the hotel/motel tax collections will be sufficient to repay the principal and interest on the Stadium Bonds and an intergovernmental receivable from the City has been recorded by Invest Atlanta for the principal amount due on the Stadium Bonds. Interest is due semiannually on January 1 and July 1 of each fiscal year with varying interest rates ranging from 1.41% to 5%. Principal amounts are paid on July 1 of each fiscal year when due. The 20015A-2 bonds mature in 2021, whereas the 2015A-1 and Series 2015B bonds mature in 2044. The collective balance due on the Stadium Bonds at June 30, 2015 is \$224,655,000.

In December 2013, Invest Atlanta, through DDA, entered into a promissory note payable with a bank in the amount of \$458,857. This note was used to make the balloon payment due on the Series 1999 Downtown Development Authority Revenue Bonds. Payments for principal and interest, at a rate of 4.75%, are due monthly and the note matures December 1, 2016. The balance due on the note at June 30, 2015 is \$238,155.

As discussed in Note 1, AERC, a component unit of Invest Atlanta, was dissolved during the fiscal year ended June 30, 2015. All obligations, including three loans payable to the City, were assumed by Invest Atlanta. The loans payable to the City related to the purchase of development land held for sale which is reported by Invest Atlanta as an investment in development projects. The loan agreements call for repayment of the loans upon sale of the land at SIP. The loans were due to be repaid no later than March 1, 1998, with accrued and unpaid interest capped at specific amounts. As a result of the cap, interest expense has not been accrued on these notes during their remaining terms. As no land sales occurred from 2002 through 2015, no payments were made on the notes. Management is currently marketing the properties for sale. At June 30, 2015, the balance due on these loans is \$3,666,252.

In 2012, Invest Atlanta entered into a line of credit agreement with Wells Fargo Bank. The line of credit has a limit of \$1,000,000 and matures on June 1, 2016. As of June 30, 2015, there was a balance of \$200,000 outstanding on the line of credit.

Invest Atlanta is responsible for the cleanup of portions of the BeltLine Corridor extending from DeKalb Avenue to Monroe Avenue and, with remediation efforts beginning in fiscal year 2014, the portion extending from Monroe Avenue to Buford Highway. Invest Atlanta, through ABI, contracted with an engineering and consulting firm to calculate the expected outlays of the pollution remediation, with an original total expected cost of \$710,000. As of June 30, 2015, the remaining balance due on this liability was estimated to be \$553,428.

During previous fiscal years, Invest Atlanta, as lessee, entered into various lease agreements for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of inception. These leases are being serviced in Invest Atlanta's Administrative Fund.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Primary Government (continued)

The following is an analysis of equipment leased under capital leases as of June 30, 2015:

	Invest Atlanta Administration Fund
Equipment	\$ 48,027
Less accumulated depreciation	(43,064)
Carrying value	<u>\$ 4,963</u>

Annual depreciation of these assets under capital lease is included in depreciation expense.

The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2015:

<u>Fiscal Year Ending</u>	<u>Invest Atlanta Administration Fund</u>
2016	\$ 5,689
2017	3,192
Total minimum lease payments	<u>8,881</u>
Less amount representing interest	<u>(271)</u>
Present value of future minimum lease payments	8,610
Less current maturities	(5,457)
Long-term balance	<u>\$ 3,153</u>

Component Units

ADA/CAU Partners, Inc.

ADA/CAU Partners, Inc. refinanced its Series 2001A and 2001B Bonds with a loan payable in the aggregate amount of \$51,900,000 funded with proceeds from the issuance of student housing revenue bonds, Series 2004A and 2004B. As discussed in Note 12, ADA/CAU Partners, Inc. depleted its debt service reserve and borrowed funds from the bond insurer (ACA Financial Guaranty Corporation) to make debt service payments during the years ended June 30, 2015, 2014 and 2013. These amounts borrowed from the bond insurer are added to the bonds payable offset by the reduction in amounts to bondholders. During fiscal year 2015, this resulted in an increase in the bonds payable. At June 30, 2015, the balance due on these bonds (including the bond premium and amounts due to the bond insurer) is \$51,381,338.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Component Units (Continued)

Atlanta Economic Renaissance Corp (“AERC”)

AERC has three loans payable to the City related to the purchase of development land held for sale at Southside Industrial Park (“SIP”). As discussed in Note 1, AERC was dissolved during the fiscal year ended June 30, 2015. All obligations, including three loans payable to the City, were assumed by Invest Atlanta.

Atlanta BeltLine, Inc. (“ABI”)

In 2007, ABI entered into an agreement with a consortium of financial institutions to receive \$29,429,900 of interim funding for the implementation of the 2007 BeltLine Projects in which this debt was guaranteed by the City of Atlanta. Interest only is payable semi-annually. For a period of 24 months commencing April 17, 2010, the loan was to accrue interest at a daily rate of LIBOR + .75%. However, due to a downgrade of the City of Atlanta’s debt rating, the interest rate changed in accordance with the original loan agreement to a daily rate of LIBOR + .85%. This rate is effective until the notes mature on September 17, 2022 and October 17, 2022. Commencing on September 17, 2010, principal will be due in annual installments until the notes mature. As of June 30, 2015, the outstanding balance on the notes payable is \$21,680,144.

In 2007, ABI and the City of Atlanta entered into an intergovernmental agreement for the Clear Creek Project. The Clear Creek Project will result in the construction of a storm water retention pond and infrastructure improvements for sewer basin relief. The City of Atlanta contributed \$30 million to ABI for the estimated cost to complete the project. During fiscal year 2010, ABI returned \$5 million of the unspent project dollars to the City and during fiscal year 2013, ABI returned \$1 million of the unspent project dollars to the City. Thus, the City has only provided up to \$24 million for the Clear Creek Project. Upon completion, both the project and any portion of the \$24 million not expended by ABI will revert back to the City of Atlanta in order to satisfy this obligation. This amount has no maturity date, nor is interest charged. All costs associated with the Clear Creek Project are being accounted for as construction in process. Under the agreement, any costs in excess of \$24 million are required to be funded by ABI. At June 30, 2015, total depreciable project cost to date was \$23,890,087.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Debt Service Requirements

Annual principal and interest requirements for the bonds payable are set forth below (dollar amounts in thousands):

	Bonds of Invest Atlanta		
	Principal	Interest	Total
Fiscal Year Ending June 30:			
2016	955	7,314	8,269
2017	5,315	11,335	16,650
2018	5,450	11,243	16,693
2019	5,605	11,095	16,700
2020	5,790	10,921	16,711
2021 - 2025	32,830	50,948	83,778
2026 - 2030	36,185	42,861	79,046
2031 - 2035	41,695	34,296	75,991
2036 - 2040	52,980	23,314	76,294
2041 - 2044	52,960	8,743	61,703
Totals	<u>\$239,765</u>	<u>\$ 212,070</u>	<u>\$ 451,835</u>
Plus Premium	22,928		
Net Bonds Payable	<u>\$262,693</u>		

	Bonds & Notes of DDA		
	Principal	Interest	Total
Fiscal Year Ending June 30:			
2016	9,636	2,442	12,078
2017	10,012	1,952	11,964
2018	2,090	1,654	3,744
2019	2,160	1,550	3,710
2020	2,235	1,442	3,677
2021 - 2025	12,455	5,428	17,883
2026 - 2030	11,410	2,115	13,525
2031 - 2032	3,085	154	3,239
Totals	<u>53,083</u>	<u>\$ 16,737</u>	<u>\$ 69,820</u>
Plus premium	115		
Less discount	(131)		
Net bonds payable	<u>\$ 53,067</u>		

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Debt Service Requirements (Continued)

	Bonds of URFA		Total
	Principal	Interest	
Fiscal Year Ending June 30:			
2016	1,415	1,452	2,867
2017	1,490	1,375	2,865
2018	1,575	1,293	2,868
2019	1,665	1,204	2,869
2020	1,760	1,107	2,867
2021 - 2025	10,470	3,636	14,106
2026 - 2028	7,895	934	8,829
Totals	<u>\$ 26,270</u>	<u>\$ 11,001</u>	<u>\$ 37,271</u>

	Bonds of Component Units		
	Principal	Interest	Total
Fiscal Year Ending June 30:			
2016	\$ 970	\$ 2,881	\$ 3,851
2017	1,030	2,820	3,850
2018	1,095	2,756	3,851
2019	1,160	2,688	3,848
2020	1,235	2,615	3,850
2021 - 2025	7,430	11,817	19,247
2026 - 2030	10,030	9,216	19,246
2031 - 2035	13,485	5,760	19,245
2036 - 2037	10,460	1,082	11,542
Totals	<u>46,895</u>	<u>\$ 41,635</u>	<u>\$ 88,530</u>
Plus premium	404		
Plus amounts due to bond insurer	4,082		
Net bonds payable	<u>\$ 51,381</u>		

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(6) Long-term Liabilities (Continued)

Debt Service Requirements (Continued)

	Notes Payable of ABI		Total
	Principal	Interest	
Fiscal Year Ending June 30:			
2016	2,152	204	2,356
2017	2,291	180	2,471
2018	2,440	155	2,595
2019	2,599	128	2,727
2020	2,768	99	2,867
2021 - 2023	9,430	103	9,533
Totals	<u>\$ 21,680</u>	<u>\$ 869</u>	<u>\$ 22,549</u>

All loans and notes payable to the City of Atlanta (previously owed by AERC) are required to be paid only when certain events occur, such as land sales or program income; therefore, no debt service requirement schedules are presented.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(7) Conduit Debt

URFA, DDA, and Invest Atlanta issue private activity tax exempt and taxable revenue bonds to private sector entities for projects located within the Atlanta city limits. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans or promissory notes. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Invest Atlanta is not obligated in any manner for repayment of the bonds and does not report these as liabilities in the accompanying financial statements.

At June 30, 2015, the aggregate principal amounts of bond issued as conduit debt were:

Entity	Balance
Invest Atlanta	\$ 455,620,000
URFA	310,692,924
DDA	247,718,400

As the balance of conduit debt issued by DDA, at the time of the implementation of GASB Interpretation No. 2 in 1996, was not determinable, the amount disclosed above for DDA represents the aggregate original issue amount of the bonds issued as conduit debt.

(8) Operating Lease

Invest Atlanta has entered into an operating lease for the rental of office space for its operations. The lease contains a provision for free rent for the first two years of the thirteen year lease and also contains rent escalations in future years. The lease began December 1, 2012.

Future minimum rental payments on this lease as of June 30, 2015 are as follows:

Fiscal Year Ending June 30,	Rental Amount
2016	\$ 401,292
2017	412,357
2018	423,687
2019	435,313
2020	447,312
2021 - 2025	2,428,091
2026	215,841

During the fiscal year ended June 30, 2015, payments of \$230,396 were made, however, an additional \$153,780 of rent was accrued and expensed in order to evenly charge rent over the full term of the lease.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(9) Interfund Balances and Transfers

All interfund balances were for payments made or received on behalf of each respective fund or component unit which had not been reimbursed at fiscal year end. At June 30, 2015, Invest Atlanta's Administrative Fund owed \$145,103 to Grants and Restricted Program Fund in connection with the Opportunity Loan Fund, which is expected to be repaid within one fiscal year.

As part of its normal course of business, Invest Atlanta provides operating funds to DDA. During the fiscal year ended June 30, 2015, transfers were \$164,185 to DDA.

At June 30, 2015, URFA owes Invest Atlanta's Administrative Fund \$70,327, which was expected to be repaid within one fiscal year.

At June 30, 2015, Invest Atlanta's Administrative Fund owes its Grants and Restricted Program Fund \$702,692, which was not expected to be repaid within one fiscal year, and relates to Brownsfield remediation costs incurred by the Grants and Restricted Program Fund, but will be paid by the Administrative Fund.

At June 30, 2015, DDA owes Invest Atlanta's Administrative Fund \$1,309,144, which was not expected to be repaid within one fiscal year, but will be repaid at some point in the future.

Imagine Downtown Managing Member 2007 QEI, LLC, a component unit of Invest Atlanta, advanced \$4,437,401 to Atlanta Emerging Markets, Inc., a component unit of Invest Atlanta which is not expected to be repaid within one fiscal year, but will be repaid at some point in the future.

As of fiscal year-end, Imagine Downtown, Inc., d/b/a Atlanta Emerging Markets, Inc., a component unit of Invest Atlanta, has a deficit of \$1,901,136 which Invest Atlanta has agreed, if deemed necessary, to cover any major operating shortfalls the entity may have.

(10) Pension Plans

Invest Atlanta offers two different qualified tax deferred defined contribution retirement plans to its employees, both of which are administered by the International City/County Management Association Retirement Corp ("ICMA-RC"). The first plan operates under section 457(b) of the Internal Revenue Code, and allows employees to contribute a certain percentage of their pay each year (up to the federal maximum limits). Invest Atlanta does not match contributions to the section 457(b) defined contribution plan.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(10) Pension Plans (continued)

Because Invest Atlanta does not participate in the federal social security system, it is required by law to establish a “public employee retirement system” (“PERS”) to take the place of its otherwise mandatory contributions to the federal social security system. Establishing a PERS requires by law that Invest Atlanta contribute a minimum of 7.25% of base pay for all eligible employees to a qualified retirement plan. Invest Atlanta has met this requirement by establishing a second retirement plan which operates under section 401(a) of the Internal Revenue Code and is wholly funded by employer contributions which are made based on a percentage of eligible compensation for all full time employees of Invest Atlanta who are over 21 years of age. Invest Atlanta has elected to contribute more to the Plan than the required legal minimum. For the fiscal year ended June 30, 2015, Invest Atlanta contributions to the 401(a) plan totaled \$593,394. Employees cannot contribute directly to the 401(a) defined contribution plan.

Together the 457(b) plan and 401(a) plan are referred to as the Plans. Investments in both Plans are self-directed by the employee and each employee vests in both Plans immediately upon hire. The benefit provisions, including the amount of the employer contribution that is in excess of the legal minimum, and contribution requirements may be amended at any time by the President or the Board of Directors of Invest Atlanta.

(11) Contingencies

Invest Atlanta participated in a number of federal financial assistance programs in prior fiscal years. These programs are subject to independent financial and compliance audits by grantor agencies. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time, although Invest Atlanta expects such amounts, if any, to be immaterial.

Invest Atlanta is subject to various legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, based on the advice of legal counsel, the amount of ultimate liability and/or gain with respect to these actions will not materially affect the financial position or results of operations of Invest Atlanta.

(12) Going Concern Consideration

ADA/CAU Partners, Inc. (the “Company”), which is a component unit of Invest Atlanta, has experienced significant operating deficits as a result of difficult market conditions. Due to the nature of the project, if a unit is not leased at the beginning of the school year, it remains vacant the entire year which has a considerable negative effect on operations. The Company depleted its debt service reserve and borrowed funds from the bond insurer (ACA Financial Guaranty Corporation) to make debt service payments during the years ended June 30, 2015, 2014, 2013 and 2012. Management of the Company has increased marketing efforts to improve occupancy and has implemented procedures to improve collections, which will affect the overall results of operations. Should the Company’s operations not improve, the Company may not continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Invest Atlanta, nor the City of Atlanta, have any financial responsibility to fund any shortfalls for operations or debt service obligations.

(13) Contractual Commitments

For the fiscal year ended June 30, 2015, ABI had several active construction projects related to various projects. At fiscal year end, ABI’s commitments with contractors were \$35,709,423.

THE ATLANTA DEVELOPMENT AUTHORITY
d/b/a INVEST ATLANTA
(A Component Unit of the City of Atlanta, Georgia)
Notes to the Financial Statements
June 30, 2015

(14) Transfer of Assets to the City of Atlanta – Atlanta BeltLine, Inc.

Atlanta BeltLine, Inc. (discretely presented component unit of Invest Atlanta) is Invest Atlanta's implementation agent of the Atlanta BeltLine Project (the Project). The ultimate objective is that ownership of all capital improvements made by ABI related to the Project will be transferred to the City of Atlanta as the improvements are completed. At fiscal year-end, the balance of those assets, which are currently in process, and expected to be transferred to the City of Atlanta at a future date is \$75,663,805. The transfer of assets is expected to occur once projects have been completed and the City of Atlanta formally accepts ownership. For the fiscal year ended, June 30, 2015, ABI did not transfer ownership in any capital assets to the City of Atlanta.