THE ATLANTA DEVELOPMENT AUTHORITY,
D/B/A INVEST ATLANTA

(A Component Unit of the City of Atlanta, Georgia)

Financial Statements

June 30, 2016

(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, 2016

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MAULDIN & JENKINS

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, 2016, 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 28%, 63% and 24%, 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.

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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, 2016, 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 21%, 71% and 16%, 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 November 17, 2016 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
November 17, 2016

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, 2016. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2016 Selected Financial Highlights (Proprietary Funds)

- Invest Atlanta's current assets decreased approximately $180.2 million. The decrease is primarily attributed to $175.7 million in expenses related to payments made with proceeds from the Stadium Bonds issued in the prior year for the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium within the city.

- Total non-current assets decreased approximately $13.4 million. This is due primarily to a $9.9 million decrease in investments in direct financing leases with the City of Atlanta for the Government Center Parking Deck and Underground Atlanta Project due to scheduled payments.

- Long-term obligations decreased approximately $13.3 million due to schedule payments on these liabilities.

- Invest Atlanta's assets related to business-type activities exceeded its liabilities at the close of the fiscal year ended June 30, 2016 by approximately $88.5 million (*net position)*. Of this amount, approximately $33.8 million represents a deficit balance in unrestricted net position. Invest Atlanta's net position also has approximately $70.0 million invested in capital assets (net of related debt), approximately $33.9 million restricted for debt services, and approximately $18.3 million restricted for grant programs.

- The Administrative Fund is used primarily to account for the operating activities of Invest Atlanta. This Fund shows an operating loss for the fiscal year of approximately $184.2 million compared to operating income of $191.5 million for the fiscal year ended June 30, 2015. The change relates predominately to $224.7 million in income during fiscal year 2015 related to the Funding Agreement for the 2015 Stadium Bonds of which $24.3 million was disbursed and expensed related to the stadium project in fiscal year 2015 and $175.8 million was disbursed and expensed in fiscal year 2016.

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 *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 the Urban Residential Finance Authority ("URFA") and the Downtown Development Authority ("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.; 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 18-42 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 $88.5 million at the close of fiscal year 2016.

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 accumulation of resources to provide for the debt service on the Stadium Bonds issued in 2015, 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.

Summary of Invest Atlanta's Net Position
June 30, 2016 and June 30, 2015
Proprietary Funds

	2016	2015
Assets:		
Current assets	$ 70,310,712	$ 250,491,732
Capital assets	70,995,929	71,103,158
Other non-current assets	312,321,695	325,619,337
Total assets	453,628,336	647,214,227
Liabilities:		
Current liabilities	21,680,892	18,979,275
Long-term liabilities	343,404,225	355,750,905
Total liabilities	365,085,117	374,730,180
Net position:		
Net investment in capital assets	70,044,213	70,145,985
Restricted	52,295,547	244,492,585
Unrestricted (deficit)	(33,796,541)	(42,154,523)
Total net position	$ 88,543,219	$ 272,484,047

Invest Atlanta's total assets decreased approximately $193.6 million. The decrease is primarily made up of $175.7 million in expenses related to payments made with proceeds from the Stadium Bonds issued in the prior year for the development, construction and equipping of a new operable roof, state-of-the-art multi-purpose stadium within the city. In addition there was a $9.9 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 decreased approximately $9.6 million for the fiscal year ended June 30, 2016. The decrease is primarily related to scheduled payments on DDA bonds for the Government Center Parking Deck and Underground Atlanta Project which correspond to the decrease in the receivables from the City of Atlanta discussed in the prior paragraph.

Invest Atlanta's total net position related to business type activities decreased approximately $183.9 million during the fiscal year ended June 30, 2016. 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.

Summary of Changes in Invest Atlanta's Net Position
Fiscal Years Ended June 30, 2016 and June 30, 2015
Proprietary Funds

	2016	2015
Revenues:		
Program revenues:		
Charges for services	$ 9,566,286	$ 13,247,842
Operating grants	7,473,046	231,408,029
General revenues:		
Interest income	40,435	4,201
Other	598,842	86,002
Total revenues	17,678,609	244,746,074
Expenses:		
Economic development	201,619,437	55,847,554
Total expenses	201,619,437	55,847,554
Change in net position	(183,940,828)	188,898,520
Net position, beginning of fiscal year	272,484,047	83,585,527
Net position, end of fiscal year	$ 88,543,219	$ 272,484,047

Charges for services and operating grants accounted for 96% of the total revenues of Invest Atlanta for the year ended June 30, 2016. This revenue includes 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). In fiscal year 2015, this revenue included $224.7 million recognized to record the receivable from the City of Atlanta related to the Funding Agreement for the Stadium Bonds. As a result of this being a one-time occurrence, the revenue decreased as expected.

The amount received from the City of Atlanta for fiscal year 2016 includes approximately $3.5 million related 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. Additionally, Invest Atlanta also received $3.0 million in operating subsidy from the City of Atlanta for economic development activities, which is up from $2.5 million received in the prior year.

Invest Atlanta's total expenses are related to its mission of economic development for the City of Atlanta and primarily include: approximately $175.7 million of expenses for the Stadium project, $3.6 million of expenses for economic development and programs, interest on long-term financing of approximately $13.8 million, and general and administrative expenses of approximately $8.1 million. The expenses of the Stadium project during fiscal year 2016 disbursed almost all of the remaining related bond proceeds and, therefore, there should be no significant expenses related to this project in subsequent years.

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, 2016 and June 30, 2015 are as follows:

	June 30, 2016	June 30, 2015
Land	$ 67,703,024	$ 67,703,024
Buildings and improvements	745,971	745,971
Leasehold improvements	4,559,191	4,416,377
Furniture and equipment	1,004,683	979,719
Gross capital assets	74,012,869	73,845,091
Less: accumulated depreciation	(3,016,940)	(2,741,933)
Net capital assets	$ 70,995,929	$ 71,103,158

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, 2016, activity is summarized as follows:

Primary government:	**June 30, 2015**	**Additions**	**Reductions**	**June 30, 2016**
Bonds payable, 2015 Stadium Bonds	$ 224,655,000	$ -	$ -	$ 224,655,000
Premium, 2015 Stadium Bonds	22,927,882	-	(1,180,793)	21,747,089
Bonds payable, 2005 Opportunity Bonds	15,110,000	-	(955,000)	14,155,000
Bonds payable, 2007A HOP	26,270,000	-	(1,415,000)	24,855,000
Bonds payable, 2006 DDA Revenue Bonds	18,930,000	-	(765,000)	18,165,000
Bonds payable, 2009 DDA Revenue Bonds	15,445,000	-	(7,530,000)	7,915,000
Bonds payable, 2010 DDA Revenue Bonds	18,470,000	-	(1,185,000)	17,285,000
Discount, 2006 DDA Revenue Bonds	(131,299)	-	7,723	(123,576)
Premium, 2009 DDA Revenue Bonds	115,126	-	(115,126)	-
Promissory Note Payable	238,155	-	(158,609)	79,546
Loans payable to the City of Atlanta	3,666,252	-	-	3,666,252
Capital Lease Payable	8,610	-	(5,457)	3,153
Line of Credit Payable	200,000	-	-	200,000
Pollution Remediation Obligation	553,428	-	-	553,428
Total primary government	$ 346,458,154	$ -	$ (13,302,262)	$ 333,155,892

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, 2016

	Business-type Activities	Component Units
Assets		
Current assets:		
Cash and cash equivalents	$ 12,245,611	$ 6,862,080
Restricted cash and cash equivalents	51,355,479	3,935,534
Investment in direct financing lease with the City of Atlanta, current portion	759,223	-
Other receivables	1,923,569	523,158
Prepaid items	159,419	223,626
Due from other governments	-	1,432,256
Due from the BeltLine Tax Allocation District	-	1,097,293
Due from the Eastside Tax Allocation District	-	29,265
Due from the Atlanta BeltLine Partnership	-	1,231,453
Due from component units	555	-
Due from the City of Atlanta	-	4,317,539
Due from the City of Atlanta, current portion of long term debt	2,225,000	-
Due from Atlanta Housing Opportunity, Inc., current portion of long term debt	1,641,856	-
Total current assets	70,310,712	19,652,204
Noncurrent assets:		
Investment in direct financing leases with the City of Atlanta	16,588,296	-
Due from the City of Atlanta	251,831,532	-
Due from Atlanta Housing Opportunity, Inc.	22,900,397	-
Loans receivable, net of allowance	4,345,869	-
Other receivable, net of allowance	2,127,508	-
Real estate held for development	-	200,869
Other assets - development projects	14,033,699	48,375
Capital assets, nondepreciable	67,703,024	96,822,225
Capital assets, net of depreciation	3,292,905	26,328,955
Prepaid items, noncurrent	492,869	-
Bond issuance costs, net of amortization	-	4,678,689
Advances to component units	-	4,123,156
Other assets	1,525	2,112,833
Total noncurrent assets	383,317,624	134,315,102
Total assets	453,628,336	153,967,306
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	1,030,324	9,591,883
Bonds, notes, and loans payable, current portion	12,504,546	5,771,325
Capital leases payable, current portion	3,153	266,453
Accrued interest payable	7,746,012	2,214,275
Unearned revenue	139,083	1,033,982
Funds held in escrow	57,774	-
Line of credit payable	200,000	1,916,998
Due to the BeltLine Tax Allocation District	-	1,358,825
Total current liabilities	21,680,892	22,153,741
Noncurrent liabilities:		
Advances from component units	-	4,123,156
Advances from the City of Atlanta Tax Allocation Districts	12,865,906	-
Loan payable to the City of Atlanta	-	24,000,000
Other payables	101,745	-
Due to others	7,117,950	-
Capital Lease Liability	-	34,195
Accrued rent	1,606,211	1,217,447
Unearned revenue	1,817,648	2,200,856
Bonds, notes and loans payable	319,894,765	67,777,679
Total noncurrent liabilities	343,404,225	99,353,333
Total liabilities	365,085,117	121,507,074
Net Position (Deficit)		
Net investment in capital assets	70,044,213	24,248,755
Restricted for debt services	33,932,897	-
Restricted for programs	18,293,299	-
Restricted for stadium project	69,351	
Unrestricted	(33,796,541)	8,211,477
Total net position (deficit)	$ 88,543,219	$ 32,460,232

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, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Business-type Activities	Component Units
Functions/ Programs:						
Primary government:						
Business-type activities:						
Economic development	$ 201,619,437	$ 9,566,286	$ -	$ 7,473,046	$ (184,580,105)	
Total primary government activities	$ 201,619,437	$ 9,566,286	$ -	$ 7,473,046	(184,580,105)	
Component units:						
Inner City Development Corporation	$ 953	$ -	$ -	$ -		(953)
Atlanta BeltLine, Inc.	8,435,173	2,605,971	17,891,139	8,064,364		20,126,301
ADA/CAU Partners, Inc.	7,581,299	6,175,613	-	-		(1,405,686)
Pryor Road/Lakewood, LLC	-	-	-	-		-
Lakewood Senior	-	-	-	-		-
Imagine Downtown Managing Member 2007 QEI, LLC	779,099	2,384,176	-	-		1,605,077
Atlanta Emerging Markets, Inc.	706,069	564,718	-	-		(141,351)
Total component unit activities	$ 17,502,593	$ 11,730,478	$ 17,891,139	$ 8,064,364		20,183,388
General revenues:						
Interest income					40,435	38,321
Miscellaneous revenue					598,842	-
Total general revenues					639,277	38,321
Change in net position					(183,940,828)	20,221,709
Net position – beginning of year					272,484,047	12,238,523
Net position – ending of year					$ 88,543,219	32,460,232

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, 2016

	Business-type Activities - Enterprise Funds				
	Administrative Fund	Grants and Restricted Program Fund	Urban Residential Finance Authority	Downtown Development Authority	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 378,757	$ 6,057,238	$ 5,758,890	$ 50,726	$ 12,245,611
Restricted cash and cash equivalents	40,414,479	-	1,339,495	9,601,505	51,355,479
Investment in direct financing leases with the City of Atlanta, current portion	-	-	-	759,223	759,223
Other receivables	1,628,702	833	294,034	-	1,923,569
Prepaid items	126,689	-	5,700	27,030	159,419
Due from other funds	12,728	150,014	867,030	-	1,029,772
Due from component units	555	-	-	-	555
Due from the City of Atlanta, current portion	1,005,000	-	-	1,220,000	2,225,000
Due from Atlanta Housing Opportunity, Inc., current portion	34,000	-	1,607,856	-	1,641,856
Total current assets	43,600,910	6,208,085	9,873,005	11,658,484	71,340,484
Noncurrent assets:					
Investment in direct financing leases with the City of Atlanta	-	-	-	16,588,296	16,588,296
Due from the City of Atlanta	235,766,532	-	-	16,065,000	251,831,532
Due from Atlanta Housing Opportunity, Inc.	-	-	22,900,397	-	22,900,397
Loans receivable, net of allowance	-	2,853,316	1,492,553	-	4,345,869
Other receivables, net of allowance	-	-	2,127,508	-	2,127,508
Other assets - development projects	14,034,764	-	(1,065)	-	14,033,699
Capital assets, nondepreciable	67,703,024	-	-	-	67,703,024
Capital assets, net of depreciation	1,005,482	-	610,766	1,676,657	3,292,905
Prepaid items, noncurrent	-	-	33,001	459,868	492,869
Advances to other funds	1,359,792	630,586	-	-	1,990,378
Other assets	1,525	-	-	-	1,525
Total noncurrent assets	319,871,119	3,483,902	27,163,160	34,789,821	385,308,002
Total assets	363,472,029	9,691,987	37,036,165	46,448,305	456,648,486
Liabilities					
Current liabilities:					
Accounts payable	216,209	70,819	342,435	-	629,463
Bonds, notes, and loans payable, current portion	1,005,000	-	1,490,000	10,009,546	12,504,546
Capital leases payable, current portion	3,153	-	-	-	3,153
Accrued interest payable	6,896,005	-	117,856	732,151	7,746,012
Accrued liabilities	400,861	-	-	-	400,861
Unearned revenue	1,324	-	132,759	5,000	139,083
Funds held in escrow	51,600	-	6,174	-	57,774
Due to other funds	1,017,044	12,267	461	-	1,029,772
Line of credit payable	200,000	-	-	-	200,000
Total current liabilities	9,791,196	83,086	2,089,685	10,746,697	22,710,664
Noncurrent liabilities:					
Accrued rent	1,606,211	-	-	-	1,606,211
Unearned revenue	1,817,648	-	-	-	1,817,648
Other payables	101,745	-	-	-	101,745
Due to others	-	-	7,117,950	-	7,117,950
Advances from the City of Atlanta Tax Allocation Districts	12,865,906	-	-	-	12,865,906
Advances from other funds	630,586	-	-	1,359,792	1,990,378
Bonds, notes, and loans payable	263,218,341	-	23,365,000	33,311,424	319,894,765
Total noncurrent liabilities	280,240,437	-	30,482,950	34,671,216	345,394,603
Total liabilities	290,031,633	83,086	32,572,635	45,417,913	368,105,267
Net Position (Deficit)					
Net investment in capital assets	68,705,353	-	(337,797)	1,676,657	70,044,213
Restricted for debt services	33,855,862	-	-	77,035	33,932,897
Restricted for programs	1,141,759	9,608,901	6,595,147	947,492	18,293,299
Restricted for stadium project	69,351	-	-	-	69,351
Unrestricted	(30,331,929)	-	(1,793,820)	(1,670,792)	(33,796,541)
Total net position (deficit)	$ 73,440,396	$ 9,608,901	$ 4,463,530	$ 1,030,392	$ 88,543,219

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, 2016

	Business-type Activities - Enterprise Funds				
	Administrative Fund	Grants and Restricted Program Fund	Urban Residential Finance Authority	Downtown Development Authority	Total
Operating revenues:					
Service, administration, and loan fees	$ 3,171,585	$ 608,939	$ 4,506,461	$ 20,000	$ 8,306,985
Developer fees	-	-	90,584	-	90,584
Rental income	273	-	-	898,774	899,047
Income received from others for debt service payments	684,621	-	1,445,386	1,355,742	3,485,749
Intergovernmental revenue	3,662,297	325,000	-	-	3,987,297
Other revenue	550,656	48,186	269,670	-	868,512
Total operating revenues	8,069,432	982,125	6,312,101	2,274,516	17,638,174
Operating expenses:					
Interest on bonds, notes, and loans	10,205,033	-	1,445,386	2,119,229	13,769,648
Program expenses	-	1,813,778	-	-	1,813,778
Economic development	62,106	-	625,239	1,141,060	1,828,405
Stadium project	175,740,560	-	-	-	175,740,560
Debt issuance costs	109,138	-	-	-	109,138
Depreciation and amortization	135,970	-	6,361	120,388	262,719
General and administrative	6,014,337	69,023	1,987,737	24,092	8,095,189
Total operating expenses	192,267,144	1,882,801	4,064,723	3,404,769	201,619,437
Operating income (loss)	(184,197,712)	(900,676)	2,247,378	(1,130,253)	(183,981,263)
Interest income on bank accounts	38,783	-	-	1,652	40,435
Transfers in	-	-	-	150,503	150,503
Transfers out	(150,503)	-	-	-	(150,503)
Change in net position	(184,309,432)	(900,676)	2,247,378	(978,098)	(183,940,828)
Net position at beginning of year	257,749,828	10,509,577	2,216,152	2,008,490	272,484,047
Net position at end of year	$ 73,440,396	$ 9,608,901	$ 4,463,530	$ 1,030,392	$ 88,543,219

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, 2016

	Business-type Activities - Enterprise Funds				
	Administrative Fund	**Grants and Restricted Program Fund**	**Urban Residential Finance Authority**	**Downtown Development Authority**	**Total**
Cash flows from operating activities:					
Receipts from customers and grantors	$ 2,320,416	$ 707,419	$ 4,102,160	$ -	$ 7,129,995
Receipts from third parties (rental income)	-	-	-	923,774	923,774
Receipts from other government	3,662,297	325,000	-	-	3,987,297
Receipts of interest on loans	-	-	19,467	-	19,467
Payments from component units	631	-	-	-	631
Miscellaneous receipts	434,881	-	-	-	434,881
Receipts of developer fees	-	-	90,584	-	90,584
Payments to/from other funds	929,540	7,356	(864,168)	-	72,728
Payments to suppliers	(538,086)	(63,893)	(791,145)	(18,431)	(1,411,555)
Payments to employees	(5,759,024)	-	-	-	(5,759,024)
Payments for programs	(174,359,857)	(1,813,778)	(1,200,676)	(1,087,033)	(178,461,344)
Other	-	-	(94,477)	-	(94,477)
Net cash provided by (used in) operating activities	(173,309,202)	(837,896)	1,261,745	(181,690)	(173,067,043)
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	525,550	-	2,840,159	1,355,742	4,721,451
Payment of bond issuance costs	(109,138)	-	-	-	(109,138)
Repayment of bonds, notes, and loan principal	-	-	(1,415,000)	(158,609)	(1,573,609)
Payments for interest	(7,318,029)	-	(1,451,609)	(2,441,581)	(11,211,219)
Repayment on bond principal related to revenue bonds issued on behalf of the City of Atlanta	(955,000)	-	-	(8,295,000)	(9,250,000)
Funds received on direct financing lease with the City of Atlanta	-	-	-	9,830,573	9,830,573
Repayment of advances to other funds	(72,106)	72,106	-	-	-
Advances to other funds	(50,648)	-	-	50,648	-
Advances received from City of Atlanta Tax Allocation Districts	1,339,011	-	-	-	1,339,011
Principal reduction of Recovery Zone bonds	-	-	-	(1,185,000)	(1,185,000)
Transfers in	-	-	-	150,503	150,503
Transfers out	(150,503)	-	-	-	(150,503)
Net cash provided by (used in) noncapital financing activities	(6,790,863)	72,106	(26,450)	(692,724)	(7,437,931)
Cash flows from capital financing activities:					
Purchase of capital assets	(167,778)	-	-	-	(167,778)
Principal payment for capital lease	(5,457)	-	-	-	(5,457)
Net cash used in capital financing activities	(173,235)	-	-	-	(173,235)
Cash flows from investing activities:					
Receipts of interest on bank accounts	38,783	-	-	1,652	40,435
Net cash provided by investing activities	38,783	-	-	1,652	40,435
Net increase (decrease) in cash and cash equivalents	(180,234,517)	(765,790)	1,235,295	(872,762)	(180,637,774)
Cash and cash equivalents at beginning of fiscal year	221,027,753	6,823,028	5,863,090	10,524,993	244,238,864
Cash and cash equivalents at end of fiscal year	$ 40,793,236	$ 6,057,238	$ 7,098,385	$ 9,652,231	$ 63,601,090
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	$ 378,757	$ 6,057,238	$ 5,758,890	$ 50,726	$ 12,245,611
Restricted cash and cash equivalents	40,414,479	-	1,339,495	9,601,505	51,355,479
	$ 40,793,236	$ 6,057,238	$ 7,098,385	$ 9,652,231	$ 63,601,090

(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, 2016

	Business-type Activities - Enterprise Funds				
	Administrative Fund	**Grants and Restricted Program Fund**	**Urban Residential Finance Authority**	**Downtown Development Authority**	**Total**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (184,197,712)	$ (900,676)	$ 2,247,378	$ (1,130,253)	$ (183,981,263)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expenses, net	135,970	-	25,010	12,985	173,965
Interest receipts reported in operating income (loss)	(684,621)	-	(1,445,386)	(1,355,742)	(3,485,749)
Interest payments reported in operating income (loss)	10,205,033	-	1,445,386	2,441,581	14,092,000
Subsidy reported in operating income (loss)	3,152,539	-	-	-	3,152,539
Bond issuance costs included in operating income (loss)	109,138	-	-	-	109,138
(Increase) decrease in:					
Other receivables	(548,970)	3,898	937,831	-	392,759
Loans receivable	-	46,396	(443,166)	-	(396,770)
Other assets - development projects	(1,334,183)	-	-	-	(1,334,183)
Prepaid items and other assets	(11,915)	-	-	67,436	55,521
Due from (to) component units	631	-	62,634	-	63,265
Due from (to) other funds	929,540	7,356	(1,137,040)	-	(200,144)
Increase (decrease) in:					
Accounts payable and accrued expenses	1,572	5,130	(43,185)	-	(36,483)
Funds held in escrow	-	-	1,226	-	1,226
Accrued rent	(108,579)	-	-	-	(108,579)
Pollution remediation obligation	(553,428)	-	-	-	(553,428)
Other payables	(101,745)	-	(320,816)	(222,697)	(645,258)
Unearned revenue	(302,472)	-	(68,127)	5,000	(365,599)
Net cash provided by (used in) operating activities	$ (173,309,202)	$ (837,896)	$ 1,261,745	$ (181,690)	$ (173,067,043)

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, 2016

	Inner City Development Corporation	Atlanta BeltLine, Inc.	ADA/CAU Partners, Inc.	Pryor Road/ Lakewood. LLC	Lakewood Senior	Imagine Downtown Managing Memb. 2007 QEI, LLC	Atlanta Emerging Markets, Inc.	Total Component Units
Assets								
Current assets:								
Cash and cash equivalents	$ 180,629	$ 1,890,299	$ 184,904	$ -	$ 26,287	$ 4,322,879	$ 257,082	$ 6,862,080
Restricted cash and cash equivalents	-	976,347	2,959,187	-	-	-	-	3,935,534
Prepaid items	-	191,520	32,106	-	-	-	-	223,626
Accounts receivable	-	9,800	262,374	5,000	-	216,609	29,375	523,158
Due from other governments	-	1,432,256	-	-	-	-	-	1,432,256
Due from the Atlanta BeltLine Partnership	-	1,231,453	-	-	-	-	-	1,231,453
Due from the City of Atlanta	-	4,317,539	-	-	-	-	-	4,317,539
Due from the BeltLine Tax Allocation District	-	1,097,293	-	-	-	-	-	1,097,293
Due from the Eastside Tax Allocation District	-	29,265	-	-	-	-	-	29,265
Total current assets	180,629	11,175,772	3,438,571	5,000	26,287	4,539,488	286,457	19,652,204
Noncurrent assets:								
Capital assets, nondepreciable	-	96,822,225	-	-	-	-	-	96,822,225
Capital assets, net of depreciation	-	1,750,073	24,578,882	-	-	-	-	26,328,955
Real estate held for development	200,869	-	-	-	-	-	-	200,869
Other assets - development projects	-	-	-	-	-	14,007	34,368	48,375
Bond issuance costs, net of amortization	-	-	4,678,689	-	-	-	-	4,678,689
Advances to component units	-	-	-	-	-	4,123,156	-	4,123,156
Other assets	-	-	21,090	-	-	58,907	2,032,836	2,112,833
Total noncurrent assets	200,869	98,572,298	29,278,661	-	-	4,196,070	2,067,204	134,315,102
Total assets	381,498	109,748,070	32,717,232	5,000	26,287	8,735,558	2,353,661	153,967,306
Liabilities								
Current liabilities:								
Accounts payable and accrued liabilities	-	6,131,306	1,888,947	-	26,287	1,391,363	153,980	9,591,883
Bonds, notes, and loans payable, current portion	-	4,741,325	1,030,000	-	-	-	-	5,771,325
Capital lease obligation, current portion	-	266,453	-	-	-	-	-	266,453
Accrued interest payable	-	-	2,214,275	-	-	-	-	2,214,275
Line of credit payable		1,916,998	-	-	-	-	-	1,916,998
Unearned revenue	-	257,148	-	-	-	725,405	51,429	1,033,982
Due to the BeltLine Tax Allocation District	-	1,358,825	-	-	-	-	-	1,358,825
Total current liabilities	-	14,672,055	5,133,222	-	26,287	2,116,768	205,409	22,153,741
Noncurrent liabilities:								
Advances from component units	-	-	-	-	-	-	4,123,156	4,123,156
Loan payable to the City of Atlanta	-	24,000,000	-	-	-	-	-	24,000,000
Bonds, notes and loans payable	-	17,237,340	50,540,339	-	-	-	-	67,777,679
Capital lease obligation	-	34,195	-	-	-	-	-	34,195
Accrued rent	-	1,217,447	-	-	-	-	-	1,217,447
Unearned revenue, long term	-	-	-	-	-	2,170,858	29,998	2,200,856
Total noncurrent liabilities	-	42,488,982	50,540,339	-	-	2,170,858	4,153,154	99,353,333
Total liabilities	-	57,161,037	55,673,561	-	26,287	4,287,626	4,358,563	121,507,074
Net Position (Deficit)								
Net investment in capital assets	-	51,240,212	(26,991,457)	-	-	-	-	24,248,755
Unrestricted	381,498	1,346,821	4,035,128	5,000	-	4,447,932	(2,004,902)	8,211,477
Total net position (deficit)	$ 381,498	$ 52,587,033	$ (22,956,329)	$ 5,000	$ -	$ 4,447,932	$ (2,004,902)	$ 32,460,232

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, 2016

		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.	Pryor Road/ Lakewood, LLC	Lakewood Senior	Imagine Downtown Managing Member 2007 QEI, LLC	Atlanta Emerging Markets, Inc.	Total Component Units
Functions/ Programs:												
Component units:												
Inner City Development Corporation	$ 953	$ -	$ -	$ -	$ (953)	$ -	$ -	$ -	$ -	$ -	$ -	$ (953)
Atlanta BeltLine, Inc.	8,435,173	2,605,971	17,891,139	8,064,364	-	20,126,301	-	-	-	-	-	20,126,301
ADA/CAU Partners, Inc.	7,581,299	6,175,613	-	-	-	-	(1,405,686)	-	-	-	-	(1,405,686)
Pryor Road/Lakewood, LLC	-	-	-	-	-	-	-	-	-	-	-	-
Lakewood Senior	-		-	-	-	-	-	-	-	-	-	-
Imagine Downtown Managing Member 2007 QEI, LLC	779,099	2,384,176	-	-	-	-	-	-	-	1,605,077	-	1,605,077
Atlanta Emerging Markets, Inc.	706,069	564,718	-	-	-	-	-	-	-	-	(141,351)	(141,351)
Total component unit activities	$ 17,502,593	$ 11,730,478	$ 17,891,139	$ 8,064,364	(953)	20,126,301	(1,405,686)	-	-	1,605,077	(141,351)	20,183,388
General revenues:												
Subsidy from primary government in acquisition					-	-	-	-	-	-	-	-
Interest income					-	13	280	-	-	443	37,585	38,321
Total general revenues					-	13	280	-	-	443	37,585	38,321
Changes in net position					(953)	20,126,314	(1,405,406)	-	-	1,605,520	(103,766)	20,221,709
Net position (deficit) – beginning of fiscal year					382,451	32,460,719	(21,550,923)	5,000	-	2,842,412	(1,901,136)	12,238,523
Net position (deficit) – ending of fiscal year					$ 381,498	$ 52,587,033	$ (22,956,329)	$ 5,000	$ -	$ 4,447,932	$ (2,004,902)	$ 32,460,232

See the accompanying notes to the financial statements.

(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.; 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.; 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.

(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.

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 and the cash remaining will be disbursed.

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.

(1) Summary of Significant Accounting Policies (Continued)

(a) The Financial Reporting Entity (Continued)

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.

(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.

(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.

(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) Real Estate Held for Development

Real estate held for development 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 2016.

(g) Other Assets - Development Projects

Other assets - development projects represent Invest Atlanta's acquisition and improvement of properties in anticipation of either private or public development of the property. These 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.

(1) Summary of Significant Accounting Policies (Continued)

(j) Cost Allocations

The Administrative Fund pays most administrative costs, primarily personnel and related costs, for the blended component units, primarily URFA. These reimbursements to the Administrative Fund are considered expenses of the reimbursing fund and reductions of expenses of the Administrative Fund.

(k) 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

Credit Risk. Invest Atlanta is authorized to invest in obligations or investments as determined by its Board of Directors, subject to any agreement with bondholders and with applicable law. 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"). As of June 30, 2016, Invest Atlanta's investment in the Morgan Stanley Treasury and Government Advisory Mutual Funds were rated AAAm and the Fidelity Money Market Treasury Mutual Funds were also rated AAAm.

At June 30, 2016, Invest Atlanta had the following investments, which are classified as cash equivalents:

Investment	WAM	Fair Value
Morgan Stanley Treasury Advisory Mutual Fund	27 days	$ 7,132,649
Morgan Stanley Government Advisory Mutual Fund	27 days	32,140,071
Fidelity Money Mkt Treasury Mutual Fund - Class I	20 days	1,411,594
Fidelity Money Mkt Treasury Mutual Fund - Class III	20 days	77,027
Total		$ 40,761,341

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of the bonds in a portfolio will decline if market interest rates rise. At June 30, 2016, interest rate risk is reported in the above table as "Weighted Average Maturity (WAM)" for each of the applicable investment classifications.

(2) Deposits and Investments (continued)

Fair Value Measurements. Invest Atlanta categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Invest Atlanta has the following recurring fair value measurements as of June 30, 2016:

Investment	Level 1	Level 2	Level 3	Fair Value
Morgan Stanley Treasury Advisory Mutual Fund	$ 7,132,649	$ -	$ -	$ 7,132,649
Morgan Stanley Government Advisory Mutual Fund	32,140,071			32,140,071
Fidelity Money Market Mutual Fund - Class I	1,411,594	-	-	1,411,594
Fidelity Money Market Mutual Fund - Class III	77,027	-	-	77,027
Total cash equivalents measured at fair value	$ 40,761,341	$ -	$ -	$ 40,761,341

The mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

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, 2016, Invest Atlanta had no bank balances 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, 2016, the investment in direct financing lease in relation to the Government Center Parking Deck is $17,347,519.

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

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 at June 30, 2016, a cash balance of $7,915,000 is recorded by DDA as restricted cash to be used for the final payment of the outstanding debt. Therefore, no receivable is recorded as at June 30, 2016.

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, 2016, a net receivable of $17,285,000 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, 2016, an amount of $14,155,000 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.

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

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, 2016, an amount of $222,616,532 is recorded by Invest Atlanta as being due from the City of Atlanta (see Note 6 for revenue bonds payable disclosure).

(4) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2016 consists of the following:

Invest Atlanta Administrative Fund	**June 30, 2015**	**Additions**	**Deletions**	**June 30, 2016**
Capital assets not being depreciated:				
Land	$ 67,703,024	$ -	$ -	$ 67,703,024
Total capital assets, not being depreciated	67,703,024	-	-	67,703,024
Capital assets being depreciated:				
Leasehold improvements	925,130	142,814	-	1,067,944
Furniture and equipment	979,719	24,964	-	1,004,683
	1,904,849	167,778	-	2,072,627
Accumulated depreciation:				
Leasehold improvements	(163,430)	(73,524)	-	(236,954)
Furniture and equipment	(767,745)	(62,446)	-	(830,191)
Capital assets net of depreciation	973,674	31,808	-	1,005,482
Net capital assets	$ 68,676,698	$ 31,808	$ -	$ 68,708,506
Urban Residential Finance Authority:				
Capital assets being depreciated:				
Buildings and improvements	745,971	-	-	745,971
	745,971	-	-	745,971
Accumulated depreciation:				
Buildings and improvements	(116,556)	(18,649)	-	(135,205)
Net capital assets	$ 629,415	$ (18,649)	$ -	$ 610,766

(5) Capital Assets (Continued)

	June 30, 2015	Additions	Deletions	June 30, 2016
Downtown Development Authority:				
Capital assets being depreciated:				
Leasehold improvements	$ 3,491,247	$ -	$ -	$ 3,491,247
	3,491,247	-	-	3,491,247
Accumulated depreciation:				
Leasehold improvements	(1,694,202)	(120,388)	-	(1,814,590)
Net capital assets	$ 1,797,045	$ (120,388)	$ -	$ 1,676,657
Total primary government:				
Capital assets not being depreciated:				
Land	$ 67,703,024	$ -	$ -	$ 67,703,024
Total capital assets not being depreciated	67,703,024	-	-	67,703,024
Capital assets being depreciated:				
Furniture and equipment	979,719	24,964	-	1,004,683
Bulding and improvements	745,971	-	-	745,971
Leasehold improvements	4,416,377	142,814	-	4,559,191
	6,142,067	167,778	-	6,309,845
Accumulated depreciation:				
Furniture and equipment	(767,745)	(62,446)	-	(830,191)
Bulding and improvements	(116,556)	(18,649)	-	(135,205)
Leasehold improvements	(1,857,632)	(193,912)	-	(2,051,544)
Total capital assets being depreciated	3,400,134	(107,229)	-	3,292,905
Net capital assets	$ 71,103,158	$ (107,229)	$ -	$ 70,995,929

(5) Capital Assets (Continued)

Capital assets activity for the discretely presented component units for the fiscal year ended June 30, 2016 consists of the following:

	June 30, 2015	Additions	Deletions	June 30, 2016
Capital assets not being depreciated:				
Construction in progress	$ 76,468,558	$ 20,355,960	$ (2,293)	$ 96,822,225
Total capital assets not being depreciated	76,468,558	20,355,960	(2,293)	96,822,225
Capital assets being depreciated:				
Leashold improvements	380,698	1,011,898	-	1,392,596
Furniture and equipment	2,171,339	570,044	(52,320)	2,689,063
Buildings and improvements	37,311,882	-	-	37,311,882
Land improvements	3,270,833	-	-	3,270,833
Total capital assets being depreciated	43,134,752	1,581,942	(52,320)	44,664,374
Less accumulated depreciation	(16,865,701)	(1,469,718)	-	(18,335,419)
Total capital assets being depreciated, net of accumulated depreciation	26,269,051	112,224	(52,320)	26,328,955
Net capital assets	$ 102,737,609	$ 20,468,184	$ (54,613)	$ 123,151,180

(6) Long-term Liabilities

Activity for the bonds, notes, loans payable, and other long-term liabilities for the fiscal year ended June 30, 2016 consists of the following:

	June 30, 2015	Additions	Reductions	June 30, 2016	Due Within One Fiscal Year
Primary government:					
Bonds payable, 2005 Series Opportunity Program	$ 15,110,000	$ -	$ (955,000)	$ 14,155,000	$ 1,005,000
Bonds payable, 2007A Series Housing Opportunity Program	26,270,000	-	(1,415,000)	24,855,000	1,490,000
Bonds payable, 2006 Downtown Development Authority Revenue Bonds	18,930,000	-	(765,000)	18,165,000	795,000
Unamortized discount on 2006 Downtown Development Authority Revenue Bonds	(131,299)	-	7,723	(123,576)	-
Bonds payable, 2009 Downtown Development Authority Revenue Bonds	15,445,000	-	(7,530,000)	7,915,000	7,915,000
Unamortized premium on 2009 Downtown Development Authority Revenue Bonds	115,126	-	(115,126)	-	-
Bonds payable, 2010 Downtown Recovery Bonds	18,470,000	-	(1,185,000)	17,285,000	1,220,000
Bonds Payable, 2015 Series Stadium Bonds	224,655,000	-	-	224,655,000	-
Unamortized premium on 2015 Series Stadium Bonds	22,927,882	-	(1,180,793)	21,747,089	-
Promissory Downtown Development Authority Notes payable	238,155	-	(158,609)	79,546	79,546
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	8,610	-	(5,457)	3,153	3,153
Line of credit payable	200,000	-	-	200,000	200,000
Pollution Remediation Obligation	553,428	-	(553,428)	-	-
Total primary government	$ 346,458,154	$ -	$ (13,855,690)	$ 332,602,464	$ 12,707,699
Component units:					
Bonds payable, 2004 Clark Atlanta University project	$ 51,381,338	$ 189,001	$ -	$ 51,570,339	$ 1,030,000
Loan payable to the City of Atlanta	24,000,000	-	-	24,000,000	-
Note payable	21,680,144	2,450,000	(2,151,479)	21,978,665	4,741,325
Capital lease obligations	-	532,668	(232,020)	300,648	266,453
Line of credit payable	-	9,345,139	(7,428,141)	1,916,998	1,916,998
Total component units	$ 97,061,482	$ 12,516,808	$ (9,811,640)	$ 99,766,650	$ 7,954,776

(6) Long-term Liabilities (Continued)

Primary Government

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, 2016, the outstanding principal balance was $14,155,000. Also at June 30, 2016, an amount of $14,155,000 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, 2016, the outstanding principal balance was $24,855,000. Also at June 30, 2016, an amount of $24,508,253 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.

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, 2016 is $18,165,000. 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 on July 1, 2016, whereas the 2009B bonds matured in 2010. The balance due on the series 2009A bonds at June 30, 2016 is $7,915,000.

(6) Long-term Liabilities (Continued)

Primary Government (continued)

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 subsided 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, 2016 is $17,285,000.

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 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, 2016 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, 2016 is $79,546.

(6) Long-term Liabilities (Continued)

Primary Government (continued)

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 significant land sales occurred from 2002 through 2016, no payments were made on the notes. Management is currently marketing the properties for sale. At June 30, 2016, 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, 2017. As of June 30, 2016, there was a balance of $200,000 outstanding on the line of credit.

Invest Atlanta was 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, 2016, the remediation projects were all considered complete with payments being made. There is no liability remaining at June 30, 2016.

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 following is an analysis of equipment leased under capital leases as of June 30, 2016:

	Invest Atlanta Administration Fund
Equipment	$ 48,027
Less accumulated depreciation	(48,027)
Carrying value	$ -

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

(6) Long-term Liabilities (Continued)

Primary Government (continued)

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, 2016:

Fiscal Year Ending	Invest Atlanta Administration Fund
2017	$ 3,192
Total minimum lease payments	3,192
Less amount representing interest	(39)
Present value of future minimum lease payments	3,153
Less current maturities	(3,153)
Long-term balance	$ -

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, 2016, 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 2016, this resulted in an increase in the bonds payable. At June 30, 2016, the balance due on these bonds (including the bond premium and amounts due to the bond insurer) is $51,570,339.

(6) Long-term Liabilities (Continued)

Component Units (continued)

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, 2016, the outstanding balance on the notes payable is $19,528,665.

In October 2015, ABI entered into a promissory note payable in the amount of $2,450,000 in order to finance the purchase of property. The note accrues interest at a rate of 3% and will be due in full on April 15, 2017.

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, 2016, total project costs to date totaled $23,890,087.

During the fiscal year ended June 30, 2016, ABI, as lessee, entered into two separate lease agreements for financing the acquisition of furniture. The lease agreements qualify as capital leases for accounting purposes (titles transfers 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.

The following is an analysis of furniture leased under capital leases as of June 30, 2016:

Equipment	$	532,668
Less accumulated depreciation		(103,634)
Carrying value	$	429,034

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

(6) Long-term Liabilities (Continued)

Component Units (continued)

Atlanta BeltLine, Inc. ("ABI")

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, 2016:

Fiscal Year Ending		
2017	$	267,270
2018		34,233
Total minimum lease payments		301,503
Less amount representing interest		(855)
Present value of future minimum lease payments		300,648
Less current maturities		(266,453)
Long-term balance	$	34,195

In November 2014, ABI entered into a line of credit agreement with SunTrust Bank. The line of credit has a limit of $5,000,000 and matures on November 24, 2016. As of June 30, 2016, there was a balance of $1,916,998 outstanding on the line of credit. Interest is accrued and due for payment monthly at a variable rate of LIBOR plus 2.35%. The rate in effect at June 30, 2016 was 2.81%. The line of credit is being used to fund capital projects that are funded on a cost reimbursement basis from the federal capital grants and contributions.

(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:			
2017	$ 1,005	$ 11,335	$ 12,340
2018	5,365	11,243	16,608
2019	5,500	11,095	16,595
2020	5,665	10,921	16,586
2021	5,845	10,729	16,574
2022 - 2026	33,140	49,450	82,590
2027 - 2031	34,655	41,234	75,889
2032 - 2036	41,695	32,336	74,031
2037 - 2041	52,980	20,721	73,701
2042 - 2044	52,960	5,691	58,651
Totals	$238,810	$ 204,755	$ 443,565
Plus Premium	21,747		
Net Bonds Payable	$260,557		

	Bonds & Notes of DDA		
	Principal	Interest	Total
Fiscal Year Ending June 30:			
2017	$ 10,010	$ 1,952	$ 11,962
2018	2,090	1,654	3,744
2019	2,160	1,550	3,710
2020	2,235	1,442	3,677
2021	2,315	1,295	3,610
2022 - 2026	12,905	4,799	17,704
2027 - 2031	10,150	1,531	11,681
2032	1,580	38	1,618
Totals	43,445	$ 14,261	$ 57,706
Less discount	(124)		
Net bonds payable	$ 43,321		

(6) Long-term Liabilities (Continued)

Debt Service Requirements (Continued)

	Bonds of URFA		
	Principal	**Interest**	**Total**
Fiscal Year Ending June 30:			
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	1,865	1,004	2,869
2022 - 2026	11,085	3,246	14,331
2027 - 2028	5,415	319	5,734
Totals	$ 24,855	$ 9,548	$ 34,403

	Bonds of Component Units		
	Principal	**Interest**	**Total**
Fiscal Year Ending June 30:			
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	1,310	2,538	3,848
2022 - 2026	7,895	11,352	19,247
2027 - 2031	10,640	8,604	19,244
2032 - 2036	14,310	4,938	19,248
2037	7,250	443	7,693
Totals	45,925	$ 38,754	$ 84,679
Plus premium	385		
Plus amounts due to bond insurer	5,260		
Net bonds payable	$ 51,570		

(6) Long-term Liabilities (Continued)

Debt Service Requirements (Continued)

	Notes Payable of ABI		
	Principal	**Interest**	**Total**
Fiscal Year Ending June 30:			
2017	$ 4,741	$ 253	$ 4,994
2018	2,440	155	2,595
2019	2,599	128	2,727
2020	2,768	99	2,867
2021	2,948	68	3,016
2022 - 2023	6,483	34	6,517
Totals	$ 21,979	$ 737	$ 22,716

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.

(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, 2016, the aggregate principal amounts of bond issued as conduit debt were:

Entity	**Balance**
Invest Atlanta	$ 832,635,000
URFA	293,883,382
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, 2016 are as follows:

Fiscal Year Ending June 30,	Rental Amount
2017	$ 412,357
2018	423,687
2019	435,313
2020	447,312
2021	459,686
2022 - 2026	2,184,245

During the fiscal year ended June 30, 2016, payments of $401,292 were made; however, only $384,176 of rent was expensed with the remaining amounts reducing rent previously accrued and expensed in order to evenly charge rent over the full term of the lease.

(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, 2016, Invest Atlanta's Administrative Fund owed $150,014 to Grants and Restricted Program Fund in connection with the Opportunity Loan Fund, which is expected to be repaid within one fiscal year. Also the Grants and Restricted Program Fund owes the Invest Atlanta Administrative Fund $12,267 for reimbursements which will also be paid 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, 2016, transfers were $150,503 to DDA.

At June 30, 2016, Invest Atlanta's Administrative Fund owes URFA $867,030, which was expected to be repaid within one fiscal year. Also, URFA owes the Invest Atlanta Administrative Fund $461 for reimbursements which will also be paid within one fiscal year.

At June 30, 2016, Invest Atlanta's Administrative Fund owes its Grants and Restricted Program Fund $630,586, 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, 2016, DDA owes Invest Atlanta's Administrative Fund $1,359,792, which was not expected to be repaid within one fiscal year, but will be repaid at some point in the future.

At June 30, 2016, the Invest Atlanta Administrative Fund was owed $555 from a component unit. There is no corresponding due to the primary government as the component unit has a different fiscal year-end

Imagine Downtown Managing Member 2007 QEI, LLC, a component unit of Invest Atlanta, advanced $4,123,156 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 $2,004,902 which Invest Atlanta has agreed, if deemed necessary, to cover any major operating shortfalls the entity may have.

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 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, with a balance of $4,234,971, 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 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.

(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.

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, 2016, Invest Atlanta contributions to the 401(a) plan totaled $613,688. 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. One of the legal proceedings involves real property that Invest Atlanta acquired in the Morris Brown College bankruptcy proceeding in August 2014 for the purpose of catalyzing development in the City of Atlanta Westside Tax Allocation District. This property was acquired using Westside Tax Allocation District funds. A third party has claimed that it has the right to some of the parcels acquired and that the specified parcels should not have been sold to Invest Atlanta. Legal counsel believes it is reasonably possible, although not probable, that Invest Atlanta will have to transfer title on the identified parcels to the claimant. The allocation of the book value of the parcels, as compared to the total acquired, as well as any compensation that Invest Atlanta may receive if the parcels are turned over, is undeterminable and part of the legal proceedings and on-going negotiations.

(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 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, 2016, 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, 2016, ABI had several active construction projects related to various Atlanta BeltLine construction projects. At fiscal year-end, ABI's contractual commitments with contractors were $34,471,340.

(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 $96,016,311. 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, 2016, ABI did not transfer ownership in any capital assets to the City of Atlanta.