

**ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA**

June 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and each major fund, and the aggregate remaining fund information 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 fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Invest Atlanta’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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, each major fund, and the aggregate remaining fund information of Invest Atlanta, as of June 30, 2022, 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.

We did not audit the financial statements of Atlanta Emerging Markets Managing Member, LLC, Atlanta Emerging Markets, Inc., and ADA/CAU Partners, Inc., which represent 5.4 percent, -6.7 percent (the combined component units have a deficit), and 4.8 percent, respectively, of the assets, net position, and revenues of Invest Atlanta as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions insofar as it relates to the amounts included for Invest Atlanta, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Based on the report of other auditors, the accompanying financial statements of ADA/CAU Partners, Inc., which represents 7.4% percent, 10.3 percent (deficit) and .001 percent, 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 11 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 11. 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 11, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-8 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Invest Atlanta's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Invest Atlanta's internal control over financial reporting and compliance.

CARMICHAEL, BRASHER, TUVELL & CO, PC

Carmichael, Brasher, Tuvell + Co., P.C.

Atlanta, Georgia
December 14, 2022

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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, 2022. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2022 Selected Financial Highlights (Proprietary Funds)

- Invest Atlanta's current assets increased approximately \$92.7 million. The increase is primarily attributed to:
 - An increase in restricted cash related to a Beltline construction project in the AURA fund.
- Total non-current assets increased \$77.6 million. This is due primarily to:
 - A due from the City of Atlanta with a balance of 93.3 million related to a new AURA bond for the Beltline project.
- Current liabilities increased \$5 million primarily due to URFA unearned revenue account from a property sales transaction (2500-300-03-0000).
- Invest Atlanta's assets and deferred outflows of resources related to business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2022, by approximately \$275.8 million (*net position*). Of this amount, \$115.9 million is invested in capital assets (net of related debt), approximately \$168.4 million is restricted by bond or grant agreement for programs or debt service. This results in the unrestricted net position being a negative \$8.5 million.
- The Administrative Fund is used primarily to account for the operating activities of Invest Atlanta. This Fund reports an operating loss for the fiscal year ended June 30, 2022, of approximately \$928 thousand compared to an operating loss of approximately \$5.1 million for the fiscal year ended June 30, 2021. The change relates predominately to the operating revenue from rent under affordable houses, or loan repayments or expense reimbursements.

Overview of 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these 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.

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June 30, 2022

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 Belt Line, Inc. (“ABI”); Inner City Development Corporation; ADA/CAU Partners, Inc.; Pryor Road/Lakewood, LLC; Imagine Downtown, Inc., d/b/a Atlanta Emerging Markets, Inc.; and Imagine Downtown Managing Member 2007 QEI, LLC (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 five funds, one for each of the three intertwined entities, including Invest Atlanta, URFA, and DDA and two 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 five funds and also presenting cash flow information.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity’s financial position. In the case of Invest Atlanta as the primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$275.8 million at the close of fiscal year 2022.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

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 bonds, Invest Atlanta and URFA's participation in various loan programs as well as DDA's net position related to its debt service and net position restricted for redevelopment.

**Summary of Invest Atlanta's Net Position
June 30, 2020, and June 30, 2021
Proprietary Funds**

| | | 2022 | | 2021 |
|----------------------------------|----|-------------|----|--------------|
| Assets | | | | |
| Current assets | \$ | 220,849,603 | \$ | 128,151,557 |
| Capital assets | | 115,883,500 | | 114,313,022 |
| Other non-current assets | | 411,285,293 | | 333,643,479 |
| Total Assets | | 748,018,396 | | 576,108,058 |
| Deferred outflows of resources | | 870,554 | | 1,037,752 |
| Liabilities | | | | |
| Current liabilities | | 38,708,527 | | 33,729,134 |
| Long-term liabilities | | 432,750,935 | | 351,643,701 |
| Total liabilities | | 471,459,462 | | 385,372,835 |
| Deferred inflows of resources | | 1,643,278 | | 781,790 |
| Net Position | | | | |
| Net investment in capital assets | | 115,883,500 | | 114,313,022 |
| Restricted | | 168,378,090 | | 106,052,076 |
| Unrestricted | | (8,475,380) | | (29,373,915) |
| Total net position | \$ | 275,786,210 | \$ | 190,991,183 |

- Invest Atlanta's total assets increased \$171.9 million. The increase is primarily attributed to the restricted cash related to a Beltline construction project in the AURA fund.

Invest Atlanta's total net position related to business type activities increased approximately \$14 million during the fiscal year ended June 30, 2022. Total net position reflects the Administrative Fund, Grants and Restricted Program Fund, American Rescue Plan Fund, Phoenix Loan Fund, and the blended component units of URFA and DDA.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

**Summary of Changes in Invest Atlanta's Net Position
Fiscal Years Ended June 30, 2022, and June 30, 2021
Proprietary Funds**

| | | 2022 | | 2021 |
|--|----|-------------|----|-------------|
| Revenues | | | | |
| Program revenues: | | | | |
| Charges for services | \$ | 28,068,075 | \$ | 15,123,849 |
| Capital contributions | | 349,900 | | 5,582,888 |
| Operating grants | | 116,333,862 | | 36,129,945 |
| General revenues: | | | | |
| Interest income | | 122,578 | | 143,815 |
| Other | | 13,996,109 | | 5,259,678 |
| Total revenues | | 158,870,524 | | 62,240,175 |
| Expenses: | | | | |
| Economic development | | 74,075,497 | | 54,905,312 |
| Total expenses | | 74,075,497 | | 54,905,312 |
| Changes in net position | | 84,795,027 | | 7,334,863 |
| Net position, beginning of fiscal year | | 190,991,183 | | 183,656,318 |
| Net position, end of fiscal year | \$ | 275,786,210 | \$ | 190,991,183 |

Charges for services and operating grants accounted for 17.7% of the total revenues of Invest Atlanta for the fiscal year ended June 30, 2022. This revenue includes income from intergovernmental agreements (primarily related to agreements to repay Invest Atlanta issued debt), development properties held, service fees, loan fees, and funding received from various sources to provide loans/grants for those programs Invest Atlanta administers (primarily as reported in the Grants and Restricted Program Fund).

Revenue increased approximately \$96 million from the prior fiscal year primarily due income from debt and services attributed to the AURA issued bond.

Total expenses increased \$19.1 million from the prior fiscal year which is primarily related to the Housing Opportunity and the City Park Department Building opportunity Program expense.

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, 2022, and June 30, 2021, are as follows:

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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

| | | June 30, 2022 | | June 30, 2021 |
|--------------------------------|----|----------------------|----|----------------------|
| Land | \$ | 114,749,986 | \$ | 113,121,906 |
| Buildings and improvements | | 745,971 | | 745,971 |
| Leasehold improvements | | 1,088,226 | | 1,088,226 |
| Furniture and equipment | | 1,685,431 | | 1,510,355 |
| Gross capital assets | | 118,269,614 | | 116,466,458 |
| Less: accumulated depreciation | | (2,386,114) | | (2,146,436) |
| Net Capital Assets | \$ | 115,883,500 | \$ | 114,320,022 |

For more information on capital assets, see Note 4 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, 2021, activity is summarized as follows:

| Primary Government | June 30, 2020 | Additions | Reductions | June 30, 2021 |
|---------------------------------------|----------------------|------------------|-------------------|----------------------|
| Bonds payable, 2015 Stadium Bonds | \$206,825,000 | \$- | \$(4,765,000) | \$202,060,000 |
| Premium, 2015 Stadium Bonds | 15,940,505 | - | (1,117,769) | 14,822,736 |
| Bonds payable, 2017 Housing Bonds | 22,440,000 | - | (1,125,000) | 21,315,000 |
| Bonds payable, 2017 TSPLOST | 9,500,000 | - | (9,500,000) | - |
| Bonds Payable, 2017 A HOP | 49,455,000 | - | (3,750,000) | 45,705,000 |
| Bonds payable, 2010 DDA Revenue Bonds | 10,805,000 | - | (1,415,000) | 9,390,000 |
| Bonds Payable, 2017 DDA Revenue Bonds | 12,340,000 | - | (885,000) | 11,455,000 |
| Premium, 2017 DDA Revenue Bonds | 1,274,492 | - | (205,340) | 1,069,152 |
| Bonds payable, 2019 DDA Revenue Bonds | 23,985,000 | - | (1,010,000) | 22,975,000 |
| Bonds payable, 2021 Housing Bonds | 594,300 | 1,000,000 | - | 1,594,300 |
| Bonds payable, 2021 AURA Bonds | - | 95,090,000 | - | 95,090,000 |
| Bonds payable, 2021 Gulch EZ Bonds | - | 100,000 | - | 100,000 |
| Loans payable to the City of Atlanta | 3,666,252 | - | - | 3,666,252 |
| Total Primary government | \$382,732,742 | \$594,300 | \$(26,501,493) | \$356,825,549 |

For more information on long term debt, see Note 5 to the financial statements.

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 6 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.

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
STATEMENT OF NET POSITION
June 30, 2022

| Assets | Business-type Activities | Component Units |
|---|-----------------------------|-----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 54,739,718 | \$ 9,992,252 |
| Restricted cash and cash equivalents | 150,387,634 | 2,484,506 |
| Other receivables | 2,964,765 | 5,800,369 |
| Prepaid items | 119,103 | 278,210 |
| Due from other governments | - | - |
| Due from the BeltLine Tax Allocation District | - | - |
| Due from the Atlanta BeltLine Partnership | - | - |
| Due from component units | 2,368,959 | - |
| Due from the City of Atlanta, current portion | 6,313,914 | - |
| Due from Atlanta Housing Opportunity, Inc., current portion | 3,955,510 | - |
| Total current assets | <u>220,849,603</u> | <u>18,555,337</u> |
| Noncurrent assets: | | |
| Due from the City of Atlanta | 351,387,122 | - |
| Due from Atlanta Housing Opportunity, Inc. | 43,464,300 | - |
| Loans receivable, net of allowance | 3,857,074 | - |
| Other receivable, net of allowance | 1,157,833 | - |
| Lease receivable | 952,814 | - |
| Real estate held for development | - | 200,869 |
| Other assets - development projects | 8,141,445 | 577,889 |
| Capital assets, nondepreciable | 114,749,986 | 210,909,021 |
| Capital assets, net of depreciation | 1,133,514 | 22,433,358 |
| Right-to-use lease asset, net of amortization | 2,324,705 | 1,136,720 |
| Advances to component units | - | 14,986,702 |
| Other assets | - | 7,895,459 |
| Total noncurrent assets | <u>527,168,793</u> | <u>258,140,018</u> |
| Total assets | <u>748,018,396</u> | <u>276,695,355</u> |
| Deferred Outflows of Resources | | |
| Deferred loss on bond refunding | 870,554 | - |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 9,934,945 | 9,420,223 |
| Bonds, notes, and loans payable, current portion | 15,185,000 | 7,218,369 |
| Accrued interest payable | 8,960,351 | 6,840,575 |
| Unearned revenue | 4,296,273 | 1,027,679 |
| Funds held in escrow | 54,547 | - |
| Due to primary government | - | 2,272,687 |
| Due to City of Atlanta | 13,006 | - |
| Due to Atlanta Housing Opportunity, Inc. | 264,405 | - |
| Due to the BeltLine Tax Allocation District | - | 1,008,825 |
| Other liabilities | - | 12,000 |
| Total current liabilities | <u>38,708,527</u> | <u>27,800,358</u> |
| Noncurrent liabilities: | | |
| Advances from component units | - | 15,004,833 |
| Advances from the City of Atlanta Tax Allocation Districts | 7,679,275 | - |
| Loan payable to the City of Atlanta | - | 1,209 |
| Due to others | 5,580,445 | - |
| Accrued rent | 891,426 | 604,717 |
| Unearned revenue | 2,297,042 | 2,983,781 |
| Lease liability | 2,245,307 | 1,401,426 |
| Bonds, notes and loans payable | 414,057,440 | 70,870,092 |
| Total noncurrent liabilities | <u>432,750,935</u> | <u>90,866,058</u> |
| Total liabilities | <u>471,459,462</u> | <u>118,666,416</u> |
| Deferred Inflows of Resources | | |
| Deferred gain on leases - GASB 87 | 958,576 | - |
| Deferred gain on bond refunding | 684,702 | - |
| Net Position | | |
| Net investment in capital assets | 115,883,500 | 152,676,420 |
| Restricted for debt service | 25,838,637 | - |
| Restricted for programs | 142,539,453 | - |
| Unrestricted (deficit) | (8,475,380) | 5,352,519 |
| Total net position | <u>\$ 275,786,210</u> | <u>\$ 158,028,939</u> |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
STATEMENT OF ACTIVITIES
June 30, 2022

| | 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 | \$ 74,075,497 | \$ 28,068,075 | \$ 349,900 | \$ 116,333,862 | \$ 70,676,340 | |
| Total primary government activities | <u>\$ 74,075,497</u> | <u>\$ 28,068,075</u> | <u>\$ 349,900</u> | <u>\$ 116,333,862</u> | 70,676,340 | |
| Component units: | | | | | | |
| Inner City Development Corporation | \$ - | \$ - | \$ - | \$ - | | \$ - |
| Atlanta BeltLine, Inc. | 12,944,923 | 1,276,666 | 17,825,410 | 11,920,400 | | 18,077,553 |
| ADA/CAU Partners, Inc. | 8,071,966 | 7,001,846 | - | - | | (1,070,120) |
| Pryor Road/Lakewood, LLC | - | - | - | - | | - |
| Atlanta Emerging Markets Managing Member, LLC | 165,981 | 2,015,314 | - | - | | 1,849,333 |
| Atlanta Emerging Markets, Inc. | 817,209 | 99,849 | - | - | | (717,360) |
| Total component unit activities | <u>\$ 22,000,079</u> | <u>\$ 10,393,675</u> | <u>\$ 17,825,410</u> | <u>\$ 11,920,400</u> | | <u>18,139,406</u> |
| General revenues: | | | | | | |
| Gain on sale of assets | | | | | — | 550,000 |
| Interest income | | | | | 122,578 | 214,782 |
| Funding returned to BAHTF | | | | | - | (4,477,730) |
| Miscellaneous revenue | | | | | 13,996,109 | - |
| Total general revenues | | | | | <u>14,118,687</u> | <u>(3,712,948)</u> |
| Change in net position | | | | | 84,795,027 | 14,426,458 |
| Capital contribution | | | | | | (303,708) |
| Dividends | | | | | | (100,000) |
| Net position – beginning of fiscal year | | | | | 190,991,183 | 144,006,189 |
| Net position – ending of fiscal year | | | | | <u>\$ 275,786,210</u> | <u>\$ 158,028,939</u> |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
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STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2022

| Business-type Activities - Enterprise Funds | | | | | | | |
|---|---------------------|------------------------------------|----------------------|-------------------------------------|--------------------------------|-------------------|---------------|
| | Administrative Fund | Grants and Restricted Program Fund | American Rescue Plan | Urban Residential Finance Authority | Downtown Development Authority | Nonmajor Fund | Total |
| | | | | | | Phoenix Loan Fund | |
| Assets | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 6,238,945 | \$ 8,972,542 | \$ 9,214,892 | \$ 22,332,057 | \$ 7,749,571 | \$ 231,711 | \$ 54,739,718 |
| Restricted cash and cash equivalents | 52,792,591 | - | - | 2,523,362 | 95,071,681 | - | 150,387,634 |
| Other receivables | 1,864,248 | 548,364 | - | 552,153 | - | - | 2,964,765 |
| Prepaid items | 117,608 | - | 685 | 810 | - | - | 119,103 |
| Due from other funds | 248,005 | 183,717 | - | - | 41,422 | - | 473,144 |
| Due from component units | 2,368,959 | - | - | - | - | - | 2,368,959 |
| Due from the City of Atlanta, current portion | 1,205,530 | - | - | - | 5,108,384 | - | 6,313,914 |
| Due from Atlanta Housing Opportunity, Inc., current portion | - | - | - | 3,955,510 | - | - | 3,955,510 |
| Total current assets | 64,835,886 | 9,704,623 | 9,215,577 | 29,363,892 | 107,971,058 | 231,711 | 221,322,747 |
| Noncurrent assets: | | | | | | | |
| Due from the City of Atlanta | 217,270,000 | - | - | - | 134,117,122 | - | 351,387,122 |
| Due from Atlanta Housing Opportunity, Inc. | - | - | - | 43,464,300 | - | - | 43,464,300 |
| Loans receivable, net of allowance | - | 1,106,650 | - | 2,303,092 | - | 447,332 | 3,857,074 |
| Other receivables, net of allowance | - | 50,114 | - | 1,107,719 | - | - | 1,157,833 |
| Lease receivable | 604,800 | - | - | 348,014 | - | - | 952,814 |
| Other assets - development projects | 8,038,282 | - | - | 103,163 | - | - | 8,141,445 |
| Capital assets, nondepreciable | 114,749,986 | - | - | - | - | - | 114,749,986 |
| Capital assets, net of depreciation | 634,648 | - | - | 498,866 | - | - | 1,133,514 |
| Right-to-use lease asset, net of amortization | 2,324,705 | - | - | - | - | - | 2,324,705 |
| Advances to other funds | 1,501,263 | 1,768,252 | - | - | - | - | 3,269,515 |
| Total noncurrent assets | 345,123,684 | 2,925,016 | - | 47,825,154 | 134,117,122 | 447,332 | 530,438,308 |
| Total assets | 409,959,570 | 12,629,639 | 9,215,577 | 77,189,046 | 242,088,180 | 679,043 | 751,761,055 |
| Deferred Outflows of Resources | | | | | | | |
| Deferred loss on bond refunding | - | - | - | - | 870,554 | - | 870,554 |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2022

| Liabilities | | | | | | | |
|--|-----------------------|----------------------|---------------------|----------------------|----------------------|-------------------|-----------------------|
| Current liabilities: | | | | | | | |
| Accounts payable | 78,287 | 23,187 | 62,536 | 53,237 | 3,085,097 | 1,199 | 3,303,543 |
| Bonds, notes, and loans payable, current portion | 6,105,000 | - | - | 3,835,000 | 5,245,000 | - | 15,185,000 |
| Accrued interest payable | 6,571,868 | - | - | 165,549 | 2,222,934 | - | 8,960,351 |
| Accrued liabilities | 790,174 | - | - | 2,234,471 | 3,606,757 | - | 6,631,402 |
| Unearned revenue | 1,324 | - | - | 4,294,949 | - | - | 4,296,273 |
| Funds held in escrow | 51,600 | - | - | 2,947 | - | - | 54,547 |
| Due to other funds | 183,717 | 17,656 | - | 271,771 | - | - | 473,144 |
| Due to Atlanta Housing Opportunity, Inc. | - | - | - | 264,405 | - | - | 264,405 |
| Due to City of Atlanta | - | - | - | 13,006 | - | - | 13,006 |
| Total current liabilities | 13,781,970 | 40,843 | 62,536 | 11,135,335 | 14,159,788 | 1,199 | 39,181,671 |
| Noncurrent liabilities: | | | | | | | |
| Accrued rent | 891,426 | - | - | - | - | - | 891,426 |
| Unearned revenue | 2,297,042 | - | - | - | - | - | 2,297,042 |
| Due to others | - | - | - | 5,580,445 | - | - | 5,580,445 |
| Advances from the City of Atlanta Tax Allocation Districts | 7,679,275 | - | - | - | - | - | 7,679,275 |
| Advances from other funds | 1,768,252 | - | - | - | 1,501,263 | - | 3,269,515 |
| Lease liability | 2,245,307 | - | - | - | - | - | 2,245,307 |
| Bonds, notes, and loans payable | 235,758,988 | - | - | 43,464,300 | 134,834,152 | - | 414,057,440 |
| Total noncurrent liabilities | 250,640,290 | - | - | 49,044,745 | 136,335,415 | - | 436,020,450 |
| Total liabilities | 264,422,260 | 40,843 | 62,536 | 60,180,080 | 150,495,203 | 1,199 | 475,202,121 |
| Deferred Inflows of Resources | | | | | | | |
| Deferred gain on leases - GASB 87 | 600,000 | - | - | 358,576 | - | - | 958,576 |
| Deferred gain on bond refunding | - | - | - | 684,702 | - | - | 684,702 |
| Net Position | | | | | | | |
| Net investment in capital assets | 115,384,634 | - | - | 498,866 | - | - | 115,883,500 |
| Restricted for debt service | 25,838,637 | - | - | - | - | - | 25,838,637 |
| Restricted for programs | 26,953,954 | 12,588,796 | - | 7,247,178 | 95,071,681 | 677,844 | 142,539,453 |
| Unrestricted (deficit) | (23,239,915) | - | 9,153,041 | 8,219,644 | (2,608,150) | - | (8,475,380) |
| Total net position | \$ 144,937,310 | \$ 12,588,796 | \$ 9,153,041 | \$ 15,965,688 | \$ 92,463,531 | \$ 677,844 | \$ 275,786,210 |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION- PROPRIETARY FUNDS
June 30, 2022

| | Business-type Activities - Enterprise Funds | | | | | | Total |
|---|---|--|------------------------|---|--------------------------------------|----------------------|-----------------------|
| | Administrative Fund | Grants and Restricted Program Fund | America Rescue Plan | Urban Residential Finance Authority | Downtown Development Authority | Nonmajor Fund | |
| | | | | | | Phoenix Loan Fund | |
| Operating revenues: | | | | | | | |
| Service, administration, and loan fees | \$ 12,022,997 | \$ 1,952,463 | \$ 10,350,000 | \$ 3,147,967 | \$ - | \$ 33,230 | \$ 27,506,657 |
| Developer fees | - | - | - | 23,414 | - | - | 23,414 |
| Rental income | - | - | - | 7,804 | 530,200 | - | 538,004 |
| Income received from others for debt service payments | 8,845,568 | - | - | 1,479,387 | 102,313,604 | - | 112,638,559 |
| Intergovernmental revenue | 3,695,303 | - | - | - | - | - | 3,695,303 |
| Other revenue | 222,217 | 21 | - | 11,575,766 | 2,197,882 | 223 | 13,996,109 |
| Total operating revenues | <u>24,786,085</u> | <u>1,952,484</u> | <u>10,350,000</u> | <u>16,234,338</u> | <u>105,041,686</u> | <u>33,453</u> | <u>158,398,046</u> |
| Operating expenses: | | | | | | | |
| Interest on bonds, notes, and loans | 9,723,013 | - | - | 1,666,191 | 3,547,772 | - | 14,936,976 |
| Program expenses | - | 38,057 | 1,192,164 | - | 30,975,047 | 56,003 | 32,261,271 |
| Economic development | 109,230 | - | - | 305,094 | - | - | 414,324 |
| Intergovernmental - transportation | 31,481 | - | - | - | - | - | 31,481 |
| Intergovernmental - stadium | - | - | - | - | - | - | - |
| Depreciation and amortization | 647,260 | - | - | - | - | - | 647,260 |
| Right to use interest expense | 52,155 | - | - | - | - | - | 52,155 |
| General and administrative | 15,151,425 | 116,563 | 4,795 | 5,505,357 | 4,942,120 | 11,770 | 25,732,030 |
| Total operating expenses | <u>25,714,564</u> | <u>154,620</u> | <u>1,196,959</u> | <u>7,476,642</u> | <u>39,464,939</u> | <u>67,773</u> | <u>74,075,497</u> |
| Operating income (loss) | <u>(928,479)</u> | <u>1,797,864</u> | <u>9,153,041</u> | <u>8,757,696</u> | <u>65,576,747</u> | <u>(34,320)</u> | <u>84,322,549</u> |
| Non-operating revenues (expenses): | | | | | | | |
| Interest income | 32,003 | 8,511 | - | - | 82,064 | - | 122,578 |
| Total non-operating operating revenues | <u>32,003</u> | <u>8,511</u> | <u>-</u> | <u>-</u> | <u>82,064</u> | <u>-</u> | <u>122,578</u> |
| Capital contribution | <u>350,000</u> | <u>-</u> | <u>-</u> | <u>(100)</u> | <u>-</u> | <u>-</u> | <u>349,900</u> |
| Change in net position | (546,476) | 1,806,375 | 9,153,041 | 8,757,596 | 65,658,811 | (34,320) | 84,795,027 |
| Net position (deficit) at beginning of fiscal year | <u>145,483,786</u> | <u>10,782,421</u> | <u>-</u> | <u>7,208,092</u> | <u>26,804,720</u> | <u>712,164</u> | <u>190,991,183</u> |
| Net position at end of fiscal year | <u>\$ 144,937,310</u> | <u>\$ 12,588,796</u> | <u>\$ 9,153,041</u> | <u>\$ 15,965,688</u> | <u>\$ 92,463,531</u> | <u>\$ 677,844</u> | <u>\$ 275,786,210</u> |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
June 30, 2022

| | Business-type Activities - Enterprise Funds | | | | | | Total |
|--|---|------------------------------------|----------------------|-------------------------------------|--------------------------------|-----------------------------------|----------------|
| | Administrative Fund | Grants and Restricted Program Fund | American Rescue Plan | Urban Residential Finance Authority | Downtown Development Authority | Phoenix Loan Fund - Nonmajor Fund | |
| Cash flows from operating activities: | | | | | | | |
| Receipts from customers and grantors | \$ 12,365,112 | \$ 2,861,881 | \$ 10,350,000 | \$ 6,690,708 | \$ - | \$ - | \$ 32,267,701 |
| Receipts from third parties (rental income) | - | - | - | - | 2,728,082 | - | 2,728,082 |
| Receipts from other governments | 13,998,392 | - | - | - | - | - | 13,998,392 |
| Receipts of interest on loans | - | - | - | 7,804 | - | 33,230 | 41,034 |
| Miscellaneous receipts | 222,217 | 21 | - | 11,575,766 | - | 223 | 11,798,227 |
| Receipts of developer fees | - | - | - | 23,414 | - | - | 23,414 |
| Payments to/from other funds | (212,312) | 20,966 | - | (9,752) | - | - | (201,098) |
| Payments to suppliers | (10,088,383) | - | 57,056 | (4,117,635) | (3,236,058) | - | (17,385,020) |
| Payments to employees | (5,599,177) | - | - | - | - | - | (5,599,177) |
| Payments for programs | 278,014 | (165,663) | (1,192,164) | (394,640) | (24,524,422) | 45,666 | (25,953,209) |
| Net cash provided by (used in) operating activities | 10,963,863 | 2,717,205 | 9,214,892 | 13,775,665 | (25,032,398) | 79,119 | 11,718,346 |
| 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 | 8,845,568 | - | - | 4,236,040 | 10,484,873 | - | 23,566,481 |
| Proceeds from issuance of bonds | - | - | - | 1,000,000 | 95,190,000 | - | 96,190,000 |
| Paid bond issuance costs | - | - | - | - | (1,706,062) | - | (1,706,062) |
| Payment of bond proceeds to AHOI for programs | - | - | - | (3,750,000) | - | - | (3,750,000) |
| Payments for interest | (9,845,640) | - | - | (1,627,805) | (1,677,098) | - | (13,150,543) |
| Repayment on bond principal related to revenue bonds issued on behalf of the City of Atlanta | (16,507,769) | - | - | - | (3,515,340) | - | (20,023,109) |
| Repayment of advances to other funds | 1,235,451 | (1,235,626) | - | - | 175 | - | - |
| Repayment of advances to the City of Atlanta Tax Allocation Districts | (3,312) | - | - | - | - | - | (3,312) |
| Net cash provided by (used in) noncapital financing activities | (16,275,702) | (1,235,626) | - | (141,765) | 98,776,548 | - | 81,123,455 |
| Cash flows from capital financing activities: | | | | | | | |
| Distributions | - | - | - | (100) | - | - | (100) |
| Purchase of capital assets | (1,986,772) | - | - | - | - | - | (1,986,772) |
| Net cash used in capital financing activities | (1,986,772) | - | - | (100) | - | - | (1,986,872) |
| Cash flows from investing activities: | | | | | | | |
| Receipts of interest on bank accounts | 32,003 | 8,513 | - | - | 82,064 | - | 122,580 |
| Net cash provided by investing activities | 32,003 | 8,513 | - | - | 82,064 | - | 122,580 |
| Net increase (decrease) in cash and cash equivalents | (7,266,608) | 1,490,092 | 9,214,892 | 13,633,800 | 73,826,214 | 79,119 | 90,977,509 |
| Cash and cash equivalents at beginning of fiscal year | 66,298,144 | 7,482,450 | - | 11,221,619 | 28,995,038 | 152,592 | 114,149,843 |
| Cash and cash equivalents at end of fiscal year | \$ 59,031,536 | \$ 8,972,542 | \$ 9,214,892 | \$ 24,855,419 | \$ 102,821,252 | \$ 231,711 | \$ 205,127,352 |
| Reconciliation to Statement of Net Position: | | | | | | | |
| Cash and cash equivalents | \$ 6,238,945 | \$ 8,972,542 | \$ 9,214,892 | \$ 22,332,057 | \$ 7,749,571 | \$ 231,711 | \$ 54,739,718 |
| Restricted cash and cash equivalents | 52,792,591 | - | - | 2,523,362 | 95,071,681 | - | 150,387,634 |
| | \$ 59,031,536 | \$ 8,972,542 | \$ 9,214,892 | \$ 24,855,419 | \$ 102,821,252 | \$ 231,711 | \$ 205,127,352 |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
June 30, 2022

| | | | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|------------------|----------------------|--|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | | |
| Operating income (loss) | \$ (928,479) | \$ 1,797,864 | \$ 9,153,041 | \$ 8,757,696 | \$ 65,576,747 | \$ (34,320) | \$ 84,322,549 | |
| Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | | |
| Depreciation and amortization expenses, net | 647,260 | - | - | (78,439) | (38,142) | - | 530,679 | |
| Interest receipts reported in operating income (loss) | (8,845,568) | - | - | (1,479,387) | - | - | (10,324,955) | |
| Right to use interest reported in operating income (loss) | 52,155 | - | - | - | - | - | 52,155 | |
| Interest payments reported in operating income (loss) | 9,723,013 | - | - | 1,666,191 | 3,547,772 | - | 14,936,976 | |
| Receipts for debt service reported in operating income (loss) | - | - | - | - | (10,317,674) | - | (10,317,674) | |
| Bond issuance costs reported in operating income (loss) | - | - | - | - | 1,706,062 | - | 1,706,062 | |
| (Increase) decrease in: | | | | | | | | |
| Other receivables | 421,781 | (548,364) | - | 681,765 | - | - | 555,182 | |
| Loans receivable | - | 217,746 | - | 315,077 | - | 113,132 | 645,955 | |
| Lease receivable | (604,800) | - | - | (348,014) | - | - | (952,814) | |
| Other assets - development projects | 418,725 | - | - | (89,546) | - | - | 329,179 | |
| Prepaid items and other assets | (26,950) | 1,240,036 | (685) | 704,640 | - | - | 1,917,041 | |
| Due from (to) other funds | (212,312) | 20,966 | - | (9,752) | - | - | (201,098) | |
| Due from (to) the City of Atlanta | 10,303,089 | - | - | - | (91,995,930) | - | (81,692,841) | |
| Increase (decrease) in: | | | | | | | | |
| Accounts payable and accrued expenses | (509,185) | (11,043) | 62,536 | 2,097,606 | 6,488,767 | 307 | 8,128,988 | |
| Funds held in escrow | - | - | - | (5,761) | - | - | (5,761) | |
| Accrued rent | - | - | - | - | - | - | - | |
| Other payables | - | - | - | (1,336,085) | - | - | (1,336,085) | |
| Deferred gain on leases - GASB 87 | 600,000 | - | - | 358,576 | - | - | 958,576 | |
| Unearned revenue | (74,866) | - | - | 2,541,098 | - | - | 2,466,232 | |
| Net cash provided by (used in) operating activities | <u>\$ 10,963,863</u> | <u>\$ 2,717,205</u> | <u>\$ 9,214,892</u> | <u>\$ 13,775,665</u> | <u>\$ (25,032,398)</u> | <u>\$ 79,119</u> | <u>\$ 11,718,346</u> | |
| Non-cash capital financing activities: | | | | | | | | |
| Capital contribution | \$ 350,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 350,000 | |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
COMBINING STATEMENT OF NET POSITION – COMPONENT UNITS
June 30, 2022

| | Inner City Development Corporation | Atlanta BeltLine, Inc. | ADA/CAU Partners, Inc. | Pryor Road/ Lakewood, LLC | Atlanta Emerging Markets Managing Member, LLC | Atlanta Emerging Markets, Inc. | Total Component Units |
|--|--|------------------------------|------------------------------|---------------------------------|--|---|-----------------------------|
| Assets | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 165,566 | \$ 2,970,134 | \$ 138,935 | \$ - | \$ 5,229,690 | \$ 1,487,927 | \$ 9,992,252 |
| Restricted cash and cash equivalents | - | - | 2,484,506 | - | - | - | 2,484,506 |
| Prepaid items | - | 278,210 | - | - | - | - | 278,210 |
| Accounts receivable | - | 5,353,207 | 153,887 | - | 212,709 | 80,566 | 5,800,369 |
| Due from other governments | - | - | - | - | - | - | - |
| Due from the Atlanta BeltLine Partnership | - | - | - | - | - | - | - |
| Due from the City of Atlanta | - | - | - | - | - | - | - |
| Due from the BeltLine Tax Allocation District | - | - | - | - | - | - | - |
| Total current assets | <u>165,566</u> | <u>8,601,551</u> | <u>2,777,328</u> | <u>-</u> | <u>5,442,399</u> | <u>1,568,493</u> | <u>18,555,337</u> |
| Noncurrent assets: | | | | | | | |
| Capital assets, nondepreciable | - | 210,909,021 | - | - | - | - | 210,909,021 |
| Capital assets, net of depreciation | - | 733,989 | 21,000 | - | - | - | 2,733,989 |
| Right to use leased asset, net of amortization | - | 1,136,720 | - | - | - | - | 1,136,720 |
| Real estate held for development | 200,869 | - | - | - | - | - | 200,869 |
| Other assets - development projects | - | - | - | - | 18,078 | 559,811 | 577,889 |
| Advances to component units | - | - | - | - | 14,986,702 | - | 14,986,702 |
| Other assets | - | - | - | - | - | 7,895,459 | 7,895,459 |
| Total noncurrent assets | <u>200,869</u> | <u>212,779,730</u> | <u>21,000</u> | <u>-</u> | <u>15,004,780</u> | <u>8,455,270</u> | <u>25,474,271</u> |
| Total assets | <u>366,435</u> | <u>221,381,281</u> | <u>2,798,328</u> | <u>-</u> | <u>20,447,179</u> | <u>10,023,763</u> | <u>276,023,763</u> |
| Liabilities | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | - | 6,672,811 | 2,212,479 | - | 165,030 | 369,903 | 9,420,223 |
| Bonds, notes, and loans payable, current portion | - | 4,343,369 | 2,875,000 | - | - | - | 7,218,369 |
| Accrued interest payable | - | - | 6,840,575 | - | - | - | 6,840,575 |
| Unearned revenue | - | - | - | - | 1,027,679 | - | 1,027,679 |
| Due to the BeltLine Tax Allocation District | - | 1,008,825 | - | - | - | - | 1,008,825 |
| Due to the primary government | 601 | 2,272,086 | - | - | - | - | 2,272,687 |
| Other liabilities | - | 12,000 | - | - | - | - | 12,000 |
| Total current liabilities | <u>601</u> | <u>14,309,091</u> | <u>11,928,054</u> | <u>-</u> | <u>1,192,709</u> | <u>369,903</u> | <u>27,800,358</u> |
| Noncurrent liabilities: | | | | | | | |
| Advances from component units | - | - | - | - | - | 15,004,833 | 15,004,833 |
| Loan payable to the City of Atlanta | - | 1,209 | - | - | - | - | 1,209 |
| Lease liability - GASB 87 | - | 1,401,426 | - | - | - | - | 1,401,426 |
| Bonds, notes and loans payable | - | 18,480,000 | 5,000 | - | - | 100,000 | 70,000 |
| Accrued rent | - | 604,717 | - | - | - | - | 604,717 |
| Unearned revenue, long term | - | 62,736 | - | - | 2,921,045 | - | 2,983,781 |
| Total noncurrent liabilities | <u>-</u> | <u>20,550,088</u> | <u>5,000</u> | <u>-</u> | <u>2,921,045</u> | <u>15,104,833</u> | <u>90,000</u> |
| Total liabilities | <u>601</u> | <u>34,859,179</u> | <u>6,928,054</u> | <u>-</u> | <u>4,113,754</u> | <u>15,474,736</u> | <u>118,000</u> |
| Net Position (Deficit) | | | | | | | |
| Net investment in capital assets | - | 186,142,143 | (33,465,723) | - | - | - | 152,676,420 |
| Restricted for debt service | - | - | - | - | - | - | - |
| Unrestricted (deficit) | 365,834 | 379,959 | (6,275,726) | - | 16,333,425 | (5,450,973) | 5,352,519 |
| Total net position (deficit) | <u>\$ 365,834</u> | <u>\$ 186,522,102</u> | <u>\$ (39,741,449)</u> | <u>\$ -</u> | <u>\$ 16,333,425</u> | <u>\$ (5,450,973)</u> | <u>\$ 158,028,939</u> |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
COMBINING STATEMENT OF ACTIVITIES – COMPONENT UNITS
June 30, 2022

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | | | | Total Component Units |
|---|----------------------|----------------------|----------------------------------|------------------------------------|---|------------------------|------------------------|--------------------------|---|--------------------------------|-----------------------|
| | 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 | Atlanta Emerging Markets Managing Member, LLC | Atlanta Emerging Markets, Inc. | |
| Functions/ Programs: | | | | | | | | | | | |
| Component units: | | | | | | | | | | | |
| Inner City Development Corporation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Atlanta BeltLine, Inc. | 12,944,923 | 1,276,666 | 17,825,410 | 11,920,400 | - | 18,077,553 | - | - | - | - | 18,077,553 |
| ADA/CAU Partners, Inc. | 8,071,966 | 7,001,846 | - | - | - | - | (1,070,120) | - | - | - | (1,070,120) |
| Pryor Road/Lakewood, LLC | - | - | - | - | - | - | - | - | - | - | - |
| Atlanta Emerging Markets Managing Member, LLC | 165,981 | 2,015,314 | - | - | - | - | - | - | 1,849,333 | - | 1,849,333 |
| Atlanta Emerging Markets, Inc. | 817,209 | 99,849 | - | - | - | - | - | - | - | (717,360) | (717,360) |
| Total component unit activities | <u>\$ 22,000,079</u> | <u>\$ 10,393,675</u> | <u>\$ 17,825,410</u> | <u>\$ 11,920,400</u> | <u>-</u> | <u>18,077,553</u> | <u>(1,070,120)</u> | <u>-</u> | <u>1,849,333</u> | <u>(717,360)</u> | <u>18,139,406</u> |
| General revenues: | | | | | | | | | | | |
| Gain on sale of assets | - | - | - | - | - | 550,000 | - | - | - | - | 550,000 |
| Interest income | - | - | - | - | - | 6,538 | 434 | - | 100 | 207,710 | 214,782 |
| Funding returned to BAHTF | - | - | - | - | - | (4,477,730) | - | - | - | - | (4,477,730) |
| Total general revenues | - | - | - | - | - | (3,921,192) | 434 | - | 100 | 207,710 | (3,712,948) |
| Changes in net position | - | - | - | - | - | 14,156,361 | (1,069,686) | - | 1,849,433 | (509,650) | 14,426,458 |
| Contributed capital | - | - | - | - | - | (303,708) | - | - | - | - | (303,708) |
| Dividends | - | - | - | - | - | - | - | - | - | (100,000) | (100,000) |
| Net position (deficit) – beginning of fiscal year | - | - | - | - | 365,834 | 172,669,449 | (38,671,763) | - | 14,483,992 | (4,841,323) | 144,006,189 |
| Net position (deficit) – ending of fiscal year | \$ | \$ | \$ | \$ | <u>365,834</u> | <u>186,522,102</u> | <u>(39,741,449)</u> | <u>\$ -</u> | <u>\$ 16,333,425</u> | <u>\$ (5,450,973)</u> | <u>\$ 158,028,939</u> |

See the accompanying notes to the financial statements.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(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.

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D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
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(a) The Financial Reporting Entity (Continued)

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; Imagine Downtown Managing Member 2007 QEI, LLC; and Imagine Downtown, Inc., d/b/a Atlanta Emerging Markets, Inc. They are each reported in a separate column to emphasize they are legally separate from Invest Atlanta. Each of these component units is accounted for using the guidance applicable to proprietary funds.

The 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 Belt Line, Inc. (“ABI”) was incorporated in 2006 to act as implementation agent for Invest Atlanta with respect to the Atlanta Belt Line Project (the “Belt Line”). 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.

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.

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(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*. 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.

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.

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

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 intergovernmental 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 most activity of Invest Atlanta that is restricted for grant activities.

American Rescue Plan Fund- This fund is used for American Recue Plan activity of Invest Atlanta.

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.

Invest Atlanta reports the following non-major enterprise funds:

Phoenix Loan Fund- This fund is used to account for activity of Invest Atlanta that is restricted for the Phoenix Loan Program.

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

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(c) Financial Statement Presentation (Continued)

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.

(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 aggregate cost. Cost includes the purchase price of the land and development costs.

(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.

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June 30, 2022

(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.

(j) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The Authority has one type of deferred outflow and deferred inflow, a deferred charge on refunding resulting from the difference in carrying value of the refunded debt and its reacquisition price. This deferred gain or loss will be amortized over the shorter life of the refunded or refunding bonds.

(k) 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.

(l) 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, deferred outflows of resources, liabilities, and the deferred inflows of resources, 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.

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(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 banker’s acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (“Georgia Fund 1”). As of June 30, 2022, Invest Atlanta’s investment in the Morgan Stanley Treasury, Government Advisory, and Government Services Mutual Funds were rated AAA and the Wells Fargo Treasury Money Market Fund and Fidelity Money Market Treasury Mutual Funds were both also rated AAA.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment’s fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of the bonds in a portfolio will decline if market interest rates rise. At June 30, 2022, interest rate risk is reported in the following table as “Weighted Average Maturity (WAM)” for each of the applicable investment classifications.

At June 30, 2022, Invest Atlanta had the following investments, which are classified as cash equivalents:

| Investment | WAM | Fair Value |
|---|---------|--------------|
| Morgan Stanley Treasury Advisory Mutual Fund | 32 days | \$9,979,963 |
| Morgan Stanley Government Advisory Mutual Fund | 33 days | 25,255,433 |
| Morgan Stanley Government Serv. Mutual Fund | 33 days | 13,214,603 |
| | | |
| Fidelity Money Mkt Treasury Portfolio Mutual Fund - Class I | 19 days | 891,617 |
| Total | | \$49,341,616 |

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, 2022:

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(2) Deposits and Investments (Continued)

| Investment | Level 1 | | | Fair Value |
|---|--------------|------|------|--------------|
| Morgan Stanley Treasury Advisory Mutual Fund | \$9,979,963 | \$ - | \$ - | \$9,979,963 |
| Morgan Stanley Government Advisory Mutual Fund | 25,255,433 | - | - | 25,255,433 |
| Morgan Stanley Government Serv. Mutual Fund | 13,214,603 | - | - | 13,214,603 |
| Fidelity Money Mkt Treasury Portfolio Mutual Fund - Class I | 891,617 | - | - | 891,617 |
| Total | \$49,341,616 | \$ - | \$ - | \$49,341,616 |

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 or for financial institutions to participate in the state sponsored secure deposit collateral program. As of June 30, 2022, Invest Atlanta had no bank balances exposed to custodial credit risk.

(3) Intergovernmental Receivable with the City of Atlanta

The Government Center Parking Deck was placed into operation in January 2008. The land and related building of the parking deck was leased to the City of Atlanta in a lease that qualified as a capital lease. The lease payments from the City of Atlanta equaled the debt service payments on the DDA's Series 2006 Revenue Bonds. During the year ended June 30, 2017, the liability for the Series 2006 Bonds and the related receivable from the City of Atlanta were transferred from DDA to AURA, a blended component unit of DDA. Subsequently, AURA refunded the Series 2006 Bonds with the Series 2017 AURA Bonds and title to the Parking Deck was transferred to the City. As discussed in Note 5, the City of Atlanta entered into an intergovernmental agreement with AURA and pledged to make all debt service payments on the Series 2017 Bonds. As a result, AURA has recorded an intergovernmental receivable from the City for the full amount of the Series 2017 Bonds. At June 30, 2022, the balance of this receivable was \$11,455,000 with \$42,954 included as accrued interest.

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NOTES TO FINANCIAL STATEMENTS
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(3) Intergovernmental Receivable with the City of Atlanta (Continued)

On October 28, 2010, AURA 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 5 for revenue bonds payable disclosure) under an intergovernmental arrangement. As of June 30, 2022, a net receivable of \$9,535,129 is recorded by AURA as an intergovernmental receivable from the City of Atlanta.

On October 17, 2019, the Agency issued \$25,000,000 of Taxable Revenue Bonds (Series 2019) on behalf of the City of Atlanta to finance the costs of acquiring, constructing and equipping two currently vacant buildings for use by various departments of parks and recreation and any other City department, governmental agency or other tenant. The principal and interest on the Series 2019 Bonds are special limited obligations of the Agency and shall be payable solely from moneys payable to the Agency by the City of Atlanta (see Note 4 for revenue bonds payable disclosure) under an intergovernmental arrangement. As of June 30, 2022, a net receivable of \$22,998,992 is recorded by the Agency as an intergovernmental receivable from the City of Atlanta.

On September 21, 2017, Invest Atlanta issued \$25,700,000 of Taxable Revenue Bonds (Homeless Opportunity Project), Series 2017, for the purpose of financing the acquisition, renovation, installation, and equipping of certain capital costs and related administrative and other expenses associated with emergency shelter, permanent housing and transportation projects. 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. As of June 30, 2022, a net receivable of \$21,315,000 plus \$55,530 for accrued interest is recorded by Invest Atlanta as an intergovernmental receivable from the City of Atlanta.

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(3) Intergovernmental Receivable with the City of Atlanta (Continued)

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 Georgia Dome facility in the City and to be located and constructed on land that is owned or controlled by the Georgia World Congress Center Authority (an unrelated entity). Invest Atlanta will not own any interest in the new stadium. The Stadium Bonds are special and limited obligations of Invest Atlanta and the City payable solely from reserve accounts created with Stadium Bond proceeds (held by Invest Atlanta and classified as restricted for debt service) and payments received under a Funding Agreement between Invest Atlanta and the City. The Funding Agreement related to the Stadium Bonds was signed at the same time as the Stadium Bonds were issued and requires the City to remit 39.3% of the net amounts received by the City from hotel/motel taxes to Invest Atlanta.

These payments are required to be spent for the payments of principal and interest on the Stadium Bonds or to restore any and all reserve funds established by the Trust Indenture related to the Stadium Bonds. It is the intention of the Funding Agreement that the hotel/motel tax collections will be sufficient to repay the principal and interest on the Stadium Bonds. An intergovernmental receivable from the City has been recorded by Invest Atlanta for the principal amount due on the Stadium Bonds, and as of June 30, 2022, an amount of \$197,105,000 is recorded by Invest Atlanta as being due from the City of Atlanta (see Note 5 for revenue bonds payable disclosure).

On December 4, 2017, Invest Atlanta issued \$47,000,000 of Revenue Bonds (BeltLine TSPLOST Project), Series 2017, for the purpose of financing the acquisition and installation of lighting and security systems and the acquisition of critical right-of-way to complete the loop circumscribing the Atlanta BeltLine. Under an intergovernmental agreement with the City of Atlanta, all principal and interest payments are payable solely and only from the City's receipts from an imposed transportation sales tax (TSPLOST). As of June 30, 2022, a net receivable of \$0 is recorded by Invest Atlanta as an intergovernmental receivable from the City of Atlanta.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(4) Capital Assets

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

| | June 30, 2021 | Additions | Deletions | June 30, 2022 |
|---|---------------|-----------|-----------|---------------|
| Invest Atlanta Administrative Fund | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$113,121,911 | 350,000 | \$ - | 114,749,986 |
| Total capital assets, not being depreciated | 113,121,911 | | - | |
| Capital assets being depreciated: | | | | |
| Leasehold improvements | 1,088,226 | | - | 1,088,226 |
| Furniture and equipment | 1,510,355 | 175,075 | - | 1,685,431 |
| Total capital assets being depreciated | 2,598,581 | | - | 2,773,657 |
| Accumulated depreciation: | | | | |
| Leasehold improvements | (664,096) | | - | (664,096) |
| Furniture and equipment | (1,253,884) | (221,029) | - | (1,474,913) |
| Capital assets net of depreciation | 680,601 | | - | 634,648 |
| Net capital assets | \$113,802,512 | | - | 115,384,634 |

| | June 30, 2021 | Additions | Deletions | June 30, 2022 |
|---|---------------|-----------|-----------|---------------|
| Urban Residential Finance Authority | | | | |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | \$745,971 | | \$ - | 745,971 |
| Total capital assets being depreciated | 745,971 | | - | 745,971 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (228,456) | 18,649 | - | (247,105) |
| Capital assets net of depreciation | 517,515 | | - | 498,866 |
| Net capital assets | \$517,515 | | \$ - | 498,866 |
| | | | | |
| Total primary government | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$113,114,906 | 1,635,080 | \$ - | 114,749,986 |
| Total capital assets, not being depreciated | 113,114,906 | | - | 114,749,986 |
| Capital assets being depreciated: | | | | |
| Leasehold improvements | 1,088,226 | | - | 1,088,226 |
| Building and improvements | 745,971 | | | 745,971 |
| Furniture and equipment | 1,510,355 | 175,075 | - | 1,685,431 |
| Total capital assets being depreciated | 3,344,552 | | - | 3,519,628 |
| Accumulated depreciation: | | | | |
| Leasehold improvements | (664,096) | | - | (664,096) |
| Building and improvements | (228,456) | 18,649 | | (247,105) |
| Furniture and equipment | (1,253,884) | (221,029) | - | (1,474,913) |
| Capital assets net of depreciation | 1,198,116 | | - | 1,133,514 |
| Net capital assets | \$114,313,022 | 1,570,478 | \$ - | 115,883,500 |

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NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(4) Capital Assets (continued)

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

| | June 30, 2021 | Additions | Deletions | Transfers | June 30, 2022 |
|---|---------------|--------------|-----------|--------------|---------------|
| Capital assets not being depreciated: | | | | | |
| Construction in progress | \$220,481,840 | \$14,875,972 | - | (24,448,791) | \$210,909,021 |
| Total capital assets, not being depreciated | 220,481,840 | 14,875,972 | | (24,448,791) | 210,909,021 |
| Capital assets being depreciated: | | | | | |
| Leasehold improvements | 1,449,764 | | | | 1,449,764 |
| Furniture and equipment | 3,542,627 | 222,786 | - | - | 3,765,413 |
| Buildings and improvements | 36,877,780 | 441,835 | - | - | 37,319,615 |
| Land improvements | 3,270,833 | | | | 3,270,833 |
| Construction in progress | | 2,163,375 | | | 2,163,375 |
| Total capital assets being depreciated | 45,140,853 | | | | 47,969,000 |
| Less accumulated depreciation | (24,907,361) | | | | (26,189,164) |
| Total capital assets being depreciated, net of accumulated depreciation | 20,233,492 | | | | 21,779,836 |
| Net capital assets | \$240,715,332 | | | | 232,688,857 |

(5) Long-term Liabilities

Activity for the bonds, notes, loans payable, and other long-term liabilities for the fiscal year ended June 30, 2022 consists of the following:

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(5) Long-term Liabilities (Continued)

| | June 30, 2021 | Additions | Reductions | June 30, 2022 | Due Within One Fiscal Year |
|---|---------------|--------------|----------------|---------------|----------------------------|
| Primary government | | | | | |
| Bonds payable, 2017 Series Housing Opportunity Program | \$22,440,000 | \$ - | \$(1,125,000) | \$21,315,000 | \$1,150,000 |
| Bonds payable, 2017A Series Housing Opportunity Program | 49,455,000 | - | (3,750,000) | 45,705,000.00 | 3,835,000 |
| Bonds payable, 2021 Series Housing Opportunity Program | 594,300 | 1,000,000.00 | - | 1,594,300 | - |
| Bonds payable, 2010 Series AURA Bonds | 10,805,000 | - | (1,415,000) | 9,390,000 | 1,455,000 |
| Bonds payable, 2017 Series AURA Bonds | 12,340,000 | - | (885,000) | 11,455,000 | 925,000 |
| Unamortized premium on 2017 Series AURA Bonds | 1,274,492 | - | (205,340) | 1,069,152 | - |
| Bonds payable, 2019 Series AURA Bonds | 23,985,000 | - | (1,010,000) | 22,975,000 | 1,030,000 |
| Bonds payable, 2015 Series Stadium Bonds | 206,825,000 | - | (4,765,000) | 202,060,000 | 4,955,000 |
| Unamortized premium on 2015 Series Stadium Bonds | 15,940,505 | - | (1,117,769) | 14,822,736 | - |
| Bonds payable, 2017 Series TSPLOST Bonds | 9,500,000 | - | (9,500,000) | - | - |
| Bonds payable, 2021 Series AURA Bonds | - | 95,090,000 | - | 95,090,000 | 1,735,000 |
| Bonds payable, 2021 Series Gulch EZ Bonds | - | 100,000 | - | 100,000 | - |
| Loan payable to the City of Atlanta, secured by SIP land sale revenue | 2,134,720 | - | - | 2,134,720 | - |
| Loan payable to the City of Atlanta, secured by SIP land sale revenue | 271,532 | - | - | 271,532 | - |
| Loan payable to the City of Atlanta, secured by SIP land sale revenue | 1,260,000 | - | - | 1,260,000 | - |
| Total primary government | \$356,825,549 | \$96,190,000 | \$(23,798,109) | \$429,242,440 | \$15,085,000 |
| Component units | | | | | |
| Bonds payable, 2004 Clark Atlanta University project | \$52,523,657 | \$1,987,913 | \$ - | \$54,511,570 | \$2,875,000 |
| Loan payable to the City of Atlanta | 24,000,000 | - | - | 24,000,000 | - |
| Note payable | 20,480,000 | - | (1,000,000) | 19,480,000 | 1,000,000 |
| Note payable | 6,482,683 | - | (3,139,314) | 3,343,369 | 3,343,369 |
| Note payable | - | 100,000 | - | 100,000 | - |
| Total component units | \$103,486,340 | \$2,087,913 | \$(4,139,314) | \$101,434,939 | \$7,218,369 |

On September 21, 2017, Invest Atlanta issued \$25,700,000 of Taxable Revenue Bonds (Homeless Opportunity Project), Series 2017, for the purpose of financing the acquisition, renovation, installation, and equipping of certain capital costs and related administrative and other expenses associated with emergency shelter, permanent housing and transportation projects. 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. Interest on the bonds is payable semiannually on June 1 and December 1 of each fiscal year, with interest rates ranging from 1.50% to 3.6%. The bonds mature on December 1, 2036. The balance due on the Series 2017 Bonds at June 30, 2022 is \$21,315,000.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(5) Long-term Liabilities (continued)

Primary Government

On April 21, 2017, URFA issued \$63,685,000 of Georgia Taxable Revenue Bonds (Housing Opportunity Program), Series 2017A, for the purpose of refunding the Series 2007A bonds and loaning the remaining proceeds from the sale of the bonds to AHOI. AHOI will use the additional 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 Series 2017A bonds, with the guarantee lasting the full term of the debt. Interest on the 2018A bonds is payable semiannually on June 1 and December 1 of each fiscal year, with interest rates ranging from 1.25% to 3.839%. The bonds mature on December 1, 2036. At June 30, 2022, the outstanding principal balance of the Series 2017A bonds was \$45,705,000. Also at June 30, 2022, an amount of \$45,705,000 is recorded as being due from AHOI, including accrued interest receivable.

On March 4, 2021, URFA issued up to \$50,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2021 for the purpose of providing proceeds from the sale of the bonds to AHOI from which loans will be made to finance single-family housing and multi-family housing in the City and to provide land assemblage for such purposes. 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, with the guarantee lasting the full term of the debt. AHOI is not required to repay the City for any portion of these payments. As discussed in Note 4, a receivable has been recorded from the City for the full amount of payments due on the outstanding Series 2021 bonds. Interest on the Series 2021 bonds is payable monthly on the 1st day of each month, with an interest rate of 1.05%. The bonds mature on March 4, 2026. At June 30, 2022, the balance of the Series 2021 bonds was \$1,594,300. The intergovernmental agreement between URFA and AHOI calls for repayments of the loan to mirror those of the bonds. At June 30, 2022, an amount of \$1,594,300 is recorded as being due from AHOI.

On October 28, 2010, AURA issued \$22,775,000 of Taxable Recovery Zone Economic Development Bonds (Series 2010). 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. AURA has recorded a receivable from the City of Atlanta for all future debt service payments. Additionally, approximately 45% of each interest payment is subsidized by the Federal Government under the Build America Bonds and Recovery Zone Bonds. The Series 2010 Bonds mature on January 1, 2028. The balance due on the Series 2010 Bonds at June 30, 2022 is \$9,390,000.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

(5) Long-term Liabilities (continued)

Primary Government (continued)

On April 20, 2017, AURA issued \$15,605,000 Revenue Refunding Bonds (Series 2018) for the purpose of refunding all outstanding Series 2006A and 2006B Bonds discussed above. The principal on the Series 2017 Bonds is due annually on December 1 until maturity on December 1, 2031 and interest is due semiannually on June 1 and December 1. Under an intergovernmental agreement with the City of Atlanta, all principal and interest payments are secured solely from the City's pledge to make the required debt service payments. AURA has recorded a receivable from the City of Atlanta for all future debt service payments. The balance due on the Series 2017 Bonds at June 30, 2022 is \$11,455,000.

On October 17, 2019, the Agency issued \$25,000,000 of Taxable Revenue Bonds (Series 2019). The Series 2019 bonds were used to finance the costs of acquiring, constructing and equipping two currently vacant buildings for use by various departments of parks and recreation and any other City department, governmental agency or other tenant. Commencing on June 1, 2020, interest is due semiannually on June 1 and December 1 of each fiscal year with an average interest rate of 2.94%. 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. The Agency has recorded a receivable from the City of Atlanta for all future debt service payments. The Series 2019 Bonds mature on December 1, 2039. The balance due on the Series 2019 Bonds at June 30, 2022 is \$22,975,000.

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 Georgia Dome facility in the City and 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, originally for the principal amount due on the Stadium Bonds.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
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(5) Long-term Liabilities (continued)

Primary Government (continued)

Interest on the Stadium Bonds 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, 2022 is \$202,060,000.

On December 4, 2017, Invest Atlanta issued \$47,000,000 of Revenue Bonds (Belt Line TSPLOST Project), Series 2017, for the purpose of financing the acquisition and installation of lighting and security systems and the acquisition of critical right-of-way to complete the loop circumscribing the Atlanta Belt Line. Under an intergovernmental agreement with the City of Atlanta, all principal and interest payments are payable solely and only from the City's receipts from an imposed transportation sales tax (TSPLOST). Interest on the bonds is payable semiannually on June 1 and December 1 of each fiscal year, with interest rates ranging from 2.92%. The bonds matured on December 1, 2021. The remaining balance was paid in full on December 1, 2021 .

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 2021, no payments were made on the notes. Management is currently marketing the properties for sale. At June 30, 2022, 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 matured on September 1, 2021. The line of credit was renewed, effective September 1, 2021, for a one-year term. As of June 30, 2022, there was no outstanding balance on the line of credit.

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 11, 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 fiscal years ended June 30, 2021, 2020, 2019, 2018, 2016, 2015 and 2014. These amounts borrowed from the bond insurer were paid off by the bond holder (EMET Real Estate Strategy II, LP) on April 26, 2021 and are added to the bonds payable. At June 30, 2022, the balance due on the bonds (including the bond premium and amounts due to the bond holder) is \$57,418,811.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
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(5) 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. At June 30, 2021, the outstanding balance on the notes payable is \$3,343,369.

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. At June 30, 2022, total project costs to date totaled \$23,998,791

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: | | | |
| 2023 | 6,105 | 10,580 | 16,685 |
| 2024 | 6,385 | 10,298 | 16,683 |
| 2025 | 6,675 | 10,002 | 16,677 |
| 2026 | 6,980 | 9,688 | 16,668 |
| 2027 | 7,300 | 9,371 | 16,671 |
| 2028-2032 | 41,605 | 41,633 | 83,238 |
| 2033-2037 | 51,965 | 31,024 | 82,989 |
| 2038-2042 | 55,650 | 17,977 | 73,627 |
| 2043-2045 | 40,710 | 3,252 | 43,962 |
| Totals | 223,375 | 143,825 | 367,200 |
| Plus Premiums | 14,822 | | |
| Net Bonds Payable | 238,197 | | |

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
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(5) Long-term Liabilities (continued)

Debt Service Requirements (continued)

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

| Bonds & Notes of DDA | | | |
|---------------------------------|-----------|----------|-----------|
| Fiscal Year Ending June 30 | Principal | Interest | Total |
| 2023 | \$5,145 | \$5,144 | \$10,289 |
| 2024 | 5,505 | 4,760 | 10,265 |
| 2025 | 5,645 | 4,571 | 10,216 |
| 2026 | 5,800 | 4,370 | 10,170 |
| 2027 | 5,980 | 4,156 | 10,136 |
| 2028-2032 | 25,690 | 17,711 | 43,401 |
| 2033-2037 | 20,540 | 13,962 | 34,502 |
| 2038-2042 | 21,040 | 10,155 | 31,195 |
| 2043-2047 | 19,680 | 6,588 | 26,268 |
| 2048-2052 | 23,885 | 2,305 | 26,190 |
| Totals | \$138,910 | \$73,722 | \$212,632 |
| Plus Premiums | 1,069 | | |
| Net Bonds Payable | \$139,979 | | |

| Bonds of URFA | | | |
|-----------------------------|-----------|----------|----------|
| Fiscal Year Ending June 30: | Principal | Interest | Total |
| 2023 | \$3,835 | \$1,400 | \$5,235 |
| 2024 | 3,935 | 1,304 | 5,239 |
| 2025 | 4,040 | 1,197 | 5,237 |
| 2026 | 4,155 | 1,081 | 5,236 |
| 2027 | 4,280 | 956 | 5,236 |
| 2028-2032 | 12,935 | 3,307 | 16,242 |
| 2033-2037 | 12,525 | 1,235 | 13,760 |
| Totals | \$45,705 | \$10,480 | \$56,185 |

| Bonds of Component Units | | | |
|---------------------------------|-----------|----------|--------|
| Fiscal Year Ending June 30: | Principal | Interest | Total |
| 2023 | 2,875 | 4,825 | 7,700 |
| 2024 | 1,575 | 2,276 | 3,851 |
| 2025 | 1,670 | 2,178 | 3,848 |
| 2026 | 1,775 | 2,073 | 3,848 |
| 2027 | 1,885 | 1,965 | 3,850 |
| 2028-2032 | 11,290 | 7,955 | 19,245 |
| 2033-2037 | 40,095 | 25,337 | 65,432 |
| Totals | 40,095 | 25,337 | 65,432 |
| Plus Premiums | 270 | | |
| Less: Debt issuance costs | (654) | | |
| Plus amounts due to bond holder | 14,800 | | |
| Net Bonds Payable | 54,512 | | |

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(5) Long-term Liabilities (continued)
Debt Service Requirements (continued)

| Notes Payable of ABI | | | |
|-----------------------------|------------------|-----------------|--------------|
| | Principal | Interest | Total |
| Fiscal Year Ending June 30: | | | |
| 2023 | \$3,343 | - | \$3,343 |
| Totals | \$3,343 | - | \$3,343 |

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.

(6) 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, 2022, the aggregate principal amounts of bond issued as conduit debt were:

| Entity | Balance |
|----------------|-----------------|
| Invest Atlanta | \$2,088,285,050 |
| URFA | 432,169,598 |

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.

(7) Leases

(a) Lessor

Beginning in April of 2017, The Atlanta Development Authority began leasing land, referred to as Virginia Avenue, from the City of Atlanta in a lease agreement to sub-lease the property to RaceTrac. These lease agreements are through December 2032, with options to extend. The monthly payment due from the lessor is \$4,800. The lease receivable was recorded in the amount of \$662,400 during the current fiscal year. As of June 30, 2022, the value of the lease receivable was \$604,800. Atlanta Development Authority recognized \$62,400 in lease revenue during the current fiscal year related to this lease. The Atlanta Development Authority has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$600,000.

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
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(b) Lessee

Right to Use Leased Assets

On June 2, 2012, The Atlanta Development Authority entered into a 13 year lease agreement as tenant of the entire 29th floor of the Georgia-Pacific Center. Beginning in April of 2017, The Atlanta Development Authority began leasing land, referred to as Virginia Avenue, from the City of Atlanta in a lease agreement to sub-lease the property to RaceTrac. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases. Right to use asset activity for the year ended June 30, 2022, was as follows:

| Right to Use Assets | | | | |
|------------------------------------|------------------------------|------------------|------------------|---------------------------|
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Right to use assets | | | | |
| Office Leases | \$ - | \$ 2,117,281 | \$ - | \$ 2,117,281 |
| Land Leases | \$ - | \$ 633,600 | \$ - | \$ 633,600 |
| Total right to use assets | \$ - | \$ 2,750,881 | \$ - | \$ 2,750,881 |
| | | | | |
| Less accumulated amortization for: | | | | |
| Office Leases | \$ - | \$ 371,081 | \$ - | \$ 371,081 |
| Land Leases | \$ - | \$ 55,150 | \$ - | \$ 55,150 |
| | \$ - | \$ 426,231 | \$ - | \$ 426,231 |
| | | | | |
| Right to use asset, net | \$ - | \$ 2,324,650 | \$ - | \$ 2,324,650 |

Long term Liability Obligations

On June 2, 2012, The Atlanta Development Authority entered into a 13 year lease agreement as tenant of the entire 29th floor of the Georgia-Pacific Center. An initial lease liability was recorded in the amount of \$2,086,113 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$1,667,003. The Atlanta Development Authority is required to make monthly principal and interest payments of \$39,802. The lease has an interest rate of 2.75%. The value of the right-to-use asset as of the end of the current fiscal year was \$2,117,281 and had accumulated amortization of \$371,081.

Beginning in April of 2017, The Atlanta Development Authority began leasing land, referred to as Virginia Avenue, from the City of Atlanta in a lease agreement to sub-lease the property to RaceTrac. These lease agreements are through December 2032, with options to extend. The monthly payment due to the City of Atlanta is \$4,608. The lease liability was recorded in the amount of \$633,600 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$578,304. The Atlanta Development Authority is required to make monthly principal and interest payments of \$4,608 to the City of Atlanta. The value of the right-to-use

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
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asset as of the end of the current fiscal year was \$407,808 and had accumulated amortization of \$578,450.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

| Future Minimum Lease Obligations | | | |
|---|---------------------------|--------------------------|--------------|
| Year Ending June 30 | Principal Payments | Interest Payments | Total |
| Office Lease | | | |
| 2023 | \$ 443,848 | \$ 40,321 | \$ 484,169 |
| 2024 | 469,654 | 27,793 | 497,447 |
| 2025 | 496,557 | 14,541 | 511,098 |
| 2026 | 256,944 | 2,065 | 259,009 |
| Total | \$ 1,667,003 | \$ 84,720 | \$ 1,751,723 |
| Land Lease | | | |
| 2023 | \$ 55,296 | \$ - | \$ 55,296 |
| 2024 | 55,296 | - | 55,296 |
| 2025 | 55,296 | - | 55,296 |
| 2026 | 55,296 | - | 55,296 |
| 2027 | 55,296 | - | 55,296 |
| 2028-2032 | 276,480 | - | 55,296 |
| 2033 | 25,344 | - | 55,296 |
| Total | \$ 578,304 | \$ - | \$ 387,072 |

ATLANTA DEVELOPMENT AUTHORITY
D/B/A INVEST ATLANTA
NOTES TO FINANCIAL STATEMENTS
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(8) Inter-fund Balances and Transfers

All inter-fund 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, 2022, Invest Atlanta's Administrative Fund owed \$166,096 to Grants and Restricted Program Fund primarily in connection with the Business Improvement Loan Fund (BILF) and Economic Opportunity Fund (EOF) programs and the Grants and Restricted Program Fund owed Invest Atlanta \$17,657 primarily in connection with the Empowerment Zone (EZ) Program, which are expected to be repaid within one fiscal year. Also at June 30, 2022, URFA owed Invest Atlanta's Administrative Fund \$178,564.

At June 30, 2022, the Invest Atlanta Administrative Fund was owed \$600 from a component unit, the Inner City Development Corporation.

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 \$5,450,983 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 fiscal 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 \$4,363,918, 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.

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D/B/A INVEST ATLANTA
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(9) Pension Plans

Invest Atlanta offers two different qualified tax deferred defined contribution retirement plans to its employees, both of which are administered by Mission Square Retirement, formerly known as 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, 2022, Invest Atlanta contributions to the 401(a) plan totaled \$932,403. 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.

(10) 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.

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D/B/A INVEST ATLANTA
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(11) 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 each of the ten years ended June 30, 2021. These amounts borrowed from the bond insurer were paid off by the bondholder (EMET Real Estate Strategy II, LP) on April 26, 2021 and are added to the bonds payable. Management of the Company can provide no assurance that the operations will improve, therefore, substantial doubt continues to exist regarding the Company’s ability to 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.

(12) Contractual Commitments

For the fiscal year ended June 30, 2021, ABI had several active construction projects related to various Atlanta Belt Line construction projects. At fiscal year-end, ABI’s contractual commitments with contractors were \$11,306,364.

(13) 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 \$234,544,199. 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, 2022, ABI did not transfer any capital assets to the City of Atlanta, but did transfer ownership of capital assets with a carrying value of \$350,000 to Invest Atlanta.

(14) Subsequent Events

The Authority has evaluated subsequent events that have occurred up December 14, 2022 the date of issuance of these financial statements. No material subsequent events have occurred since June 30, 2022 that required recognition or disclosure in these financial statements.

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(14) Subsequent Events (continued)

The COVID-19 pandemic is having a substantial impact on the economy and the normal operations of most entities/organizations. The impact on the Authority's operations and results has not been significant. The severity of the financial impact of this pandemic on the financial position and long-term operations of the Authority cannot be reasonably estimated at this time.