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

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

Financial Statements

June 30, 2018

(With Independent Auditors' Report Thereon)

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

June 30, 2018

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MAULDIN & JENKINS

# INDEPENDENT AUDITORS' REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, 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 year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Invest Atlanta's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of ADA/CAU Partners, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Atlanta Emerging Markets, Inc. which together represent 21%, 18% and 17%, respectively, of the assets, net position (deficit), and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for ADA/CAU Partners, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Atlanta Emerging Markets, Inc. is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Invest Atlanta's discretely presented component units, ADA/CAU Partners, Inc.; Imagine Downtown Managing Member 2007 QEI, LLC; and Atlanta Emerging Markets, Inc. were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Atlanta Development Authority, d/b/a Invest Atlanta as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

Based on the report of other auditors, the accompanying financial statements of ADA/CAU Partners, Inc., which represents 12%, 25% and 10%, 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.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2018 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 19, 2018

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, 2018. Please read it in conjunction with the financial statements and accompanying notes.

**Fiscal Year 2018 Selected Financial Highlights (Proprietary Funds)**

- Invest Atlanta's current assets increased approximately $62.5 million. The increase is primarily attributed to:
  - An increase in restricted cash at Invest Atlanta Administrative Fund of $23.3 million related to housing opportunity bonds issued in fiscal year 2018.
  - An increase in restricted cash at Invest Atlanta Administrative fund of $37.0 million from the issuance of the new TSPLOST bonds.

- Total non-current assets increased approximately $30.1 million. This is due primarily to:
  - An increase of $24.6 million due from the City of Atlanta related to the new Homeless Opportunity bonds
  - An increase of $34.5 million due from the City of Atlanta related to the new TSPLOST bonds.
  - A decrease of $22.1 million in receivables from the City of Atlanta related to debt paid down during fiscal year 2018.
  - A decrease of $7.5 million in development projects related to land and property relinquished during the year.

- Long-term obligations increased approximately $48.4 million due to the issuance of housing opportunity bonds ($25.7 million) and TSPLOST bonds ($47 million) during fiscal year 2018. These issuances were offset by reductions, primarily principal payments, of approximately $24.3 million.

- 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, 2018 by approximately $139.9 million (*net position)*. Of this amount, approximately $68.6 million is invested in capital assets (net of related debt), approximately $18.6 million is restricted for debt service, and $80.1 million is restricted by bond or grant agreement for programs. This results in the unrestricted net position being a negative $27.4 million.

- The Administrative Fund is used primarily to account for the operating activities of Invest Atlanta. This Fund reports operating income for the year ended June 30, 2018 of approximately $44.7 million compared to operating loss of $0.8 million for the fiscal year ended June 30, 2017. The change relates predominately to the intergovernmental revenue from the City of Atlanta related to the bond issuance discussed above.

## Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of Invest Atlanta's assets, 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.

The *statement of activities* presents information showing how Invest Atlanta's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The accompanying statements include 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 18-39 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 $139.9 million at the close of fiscal year 2018.

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, 2018 and June 30, 2017**
**Proprietary Funds**

| | 2018 | 2017 |
|---|---|---|
| Assets: | | |
| Current assets | $ 138,308,681 | $ 75,845,527 |
| Capital assets | 69,541,156 | 69,257,500 |
| Other non-current assets | 373,034,071 | 342,937,119 |
| Total assets | 580,883,908 | 488,040,146 |
| Deferred outflows of resources | 1,593,237 | 1,804,904 |
| Liabilities: | | |
| Current liabilities | 37,938,687 | 20,358,195 |
| Long-term liabilities | 403,568,714 | 373,369,349 |
| Total liabilities | 441,507,401 | 393,727,544 |
| Deferred inflows of resources | 1,099,565 | 1,220,999 |
| Net position: | | |
| Net investment in capital assets | 68,592,593 | 68,308,937 |
| Restricted | 98,722,116 | 62,098,030 |
| Unrestricted (restated0 | (27,444,530) | (35,510,460) |
| Total net position | $ 139,870,179 | $ 94,896,507 |

Invest Atlanta's total assets increased approximately $92.8 million. The increase is primarily attributed to the proceeds from the issuance of new housing opportunity bonds and new TSPLOST bonds. An intergovernmental agreement with the City of Atlanta was entered into by Invest Atlanta in which the City revenue sources will be utilized to repay these new bonds and thus a receivable equal to the amount of these bonds was created along with the issuance.

Invest Atlanta's total net position related to business type activities decreased approximately $45.0 million during the fiscal year ended June 30, 2018. Total net position reflects the Administrative Fund, Grants and Restricted Program Fund, Phoenix Loan Fund, and the blended component units of URFA and DDA.

**Summary of Changes in Invest Atlanta's Net Position**
**Fiscal Years Ended June 30, 2018 and June 30, 2017**
**Proprietary Funds**

| | 2018 | 2017 |
|---|---|---|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | $ 9,994,902 | $ 10,704,222 |
| Operating grants | 102,604,638 | 35,046,161 |
| General revenues: | | |
| Interest income | 718,266 | 55,344 |
| Other | 2,315,492 | 628,428 |
| Total revenues | 115,633,298 | 46,434,155 |
| Expenses: | | |
| Economic development | 70,659,626 | 42,119,335 |
| Total expenses | 70,659,626 | 42,119,335 |
| Change in net position | 44,973,672 | 4,314,820 |
| Net position, beginning of fiscal year (restated) | 94,896,507 | 90,581,687 |
| Net position, end of fiscal year | $ 139,870,179 | $ 94,896,507 |

Charges for services and operating grants accounted for 97% of the total revenues of Invest Atlanta for the year ended June 30, 2018. 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 $72.2 million with the amount received from the City of Atlanta related to the issuance housing opportunity program bonds ($25.7 million) and TSPLOST bonds ($47 million) during fiscal year 2018.

Total expenses increased approximately $28.5 million from the prior year which is primarily related to $27.7 million in TSPLOST expenditures to ABI using the proceeds from the TSPLOST bonds during fiscal year 2018. Invest Atlanta's total expenses are related to its mission of economic development for the City of Atlanta and primarily include: interest on long term financing of $14.1 million, intergovernmental payments to ABI for TSPLOST projects of $27.7 million, $11.1 million of expenses required under the New Stadium Project bond indenture, $4.4 million of expenses for economic development and programs, and general and administrative expenses of approximately $13.2 million.

**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, 2018 and June 30, 2017 are as follows:

| | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Land | $ 67,843,024 | $ 67,703,024 |
| Buildings and improvements | 745,971 | 745,971 |
| Leasehold improvements | 1,073,367 | 1,067,944 |
| Furniture and equipment | 1,213,911 | 1,114,138 |
| Gross capital assets | 70,876,273 | 70,631,077 |
| Less: accumulated depreciation | (1,335,117) | (1,373,577) |
| Net capital assets | $ 69,541,156 | $ 69,257,500 |

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, 2018, activity is summarized as follows:

| Primary government: | June 30, 2017 | Additions | Reductions | June 30, 2018 |
|---|---|---|---|---|
| Bonds payable, 2015 Stadium Bonds | $ 224,655,000 | $ - | $ (4,310,000) | $ 220,345,000 |
| Premium, 2015 Stadium Bonds | 20,566,296 | - | (1,173,350) | 19,392,946 |
| Bonds payable, 2005 Housing Bonds | 13,150,000 | - | (13,150,000) | - |
| Bonds payable, 2017 Housing Bonds | - | 25,700,000 | - | 25,700,000 |
| Bonds payable, 2017 TSPLOST | - | 47,000,000 | - | 47,000,000 |
| Bonds payable, 2017A HOP | 63,685,000 | - | (3,380,000) | 60,305,000 |
| Bonds payable, 2010 DDA Revenue Bonds | 16,065,000 | - | (1,260,000) | 14,805,000 |
| Bonds payable, 2017 DDA Revenue Bonds | 15,605,000 | - | (755,000) | 14,850,000 |
| Premium, 2017 DDA Revenue Bonds | 2,216,653 | - | (259,954) | 1,956,699 |
| Loans payable to the City of Atlanta | 3,666,252 | - | - | 3,666,252 |
| **Total primary government** | $ 359,609,201 | $ 72,700,000 | $ (24,288,304) | $ 408,020,897 |

During the year ended June 30, 2018, Invest Atlanta issued $25.7 million in housing opportunity bonds and $47 million in TSPLOST bonds. 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
## (A Component Unit of the City of Atlanta, Georgia)
## Statement of Net Position
## June 30, 2018

| | Business-type Activities | Component Units |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 22,492,644 | $ 10,638,565 |
| Restricted cash and cash equivalents | 106,953,432 | 2,996,263 |
| Other receivables | 1,750,885 | 466,635 |
| Prepaid items | 110,787 | 173,232 |
| Due from other governments | - | 1,728,619 |
| Due from the BeltLine Tax Allocation District | - | 1,404,184 |
| Due from the Atlanta BeltLine Partnership | - | 198,735 |
| Due from component units | 555 | - |
| Due from the City of Atlanta, current portion | 3,298,553 | 638,636 |
| Due from Atlanta Housing Opportunity, Inc., current portion | 3,701,825 | - |
| Total current assets | 138,308,681 | 18,244,869 |
| Noncurrent assets: | | |
| Due from the City of Atlanta | 302,620,000 | - |
| Due from Atlanta Housing Opportunity, Inc. | 56,745,000 | - |
| Loans receivable, net of allowance | 3,363,071 | - |
| Other receivable, net of allowance | 1,812,486 | - |
| Real estate held for development | - | 200,869 |
| Other assets - development projects | 8,491,989 | 100,738 |
| Capital assets, nondepreciable | 67,843,024 | 164,373,923 |
| Capital assets, net of depreciation | 1,698,132 | 24,137,991 |
| Advances to component units | - | 8,735,658 |
| Other assets | 1,525 | 2,202,505 |
| Total noncurrent assets | 442,575,227 | 199,751,684 |
| Total assets | 580,883,908 | 217,996,553 |
| **Deferred Outflows of Resources** | | |
| Deferred loss on bond refunding | 1,593,237 | - |
| **Liabilities** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 1,113,664 | 7,212,325 |
| Bonds, notes, and loans payable, current portion | 23,640,000 | 3,758,878 |
| Accrued interest payable | 7,566,267 | 2,999,485 |
| Unearned revenue | 1,021,042 | 717,648 |
| Funds held in escrow | 59,269 | - |
| Due to primary government | - | 555 |
| Due to City of Atlanta | 4,538,445 | - |
| Due to the BeltLine Tax Allocation District | - | 1,008,825 |
| Other liabilities | - | 20,101 |
| Total current liabilities | 37,938,687 | 15,717,817 |
| Noncurrent liabilities: | | |
| Advances from component units | - | 8,735,658 |
| Advances from the City of Atlanta Tax Allocation Districts | 7,573,557 | - |
| Loan payable to the City of Atlanta | - | 24,000,000 |
| Due to others | 6,805,584 | - |
| Accrued rent | 1,355,596 | 1,052,450 |
| Unearned revenue | 3,453,080 | 2,752,886 |
| Bonds, notes and loans payable | 384,380,897 | 57,720,010 |
| Total noncurrent liabilities | 403,568,714 | 94,261,004 |
| Total liabilities | 441,507,401 | 109,978,821 |
| **Deferred Inflows of Resources** | | |
| Deferred gain on bond refunding | 1,099,565 | - |
| **Net Position (Deficit)** | | |
| Net investment in capital assets | 68,592,593 | 103,897,251 |
| Restricted for debt service | 18,583,969 | - |
| Restricted for programs | 80,138,147 | - |
| Unrestricted | (27,444,530) | 4,120,481 |
| Total net position (deficit) | $ 139,870,179 | $ 108,017,732 |

See the accompanying notes to the financial statements.

# ATLANTA DEVELOPMENT AUTHORITY
# d/b/a INVEST ATLANTA
## (A Component Unit of the City of Atlanta, Georgia)
## Statement of Activities
## Fiscal Year Ended June 30, 2018

| | | 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 | $ 70,659,626 | $ 9,994,902 | $ - | $ 102,604,638 | $ 41,939,914 | |
| Total primary government activities | $ 70,659,626 | $ 9,994,902 | $ - | $ 102,604,638 | 41,939,914 | |
| Component units: | | | | | | |
| Inner City Development Corporation | $ 1,800 | $ - | $ - | $ - | | $ (1,800) |
| Atlanta BeltLine, Inc. | 11,560,493 | 609,455 | 45,936,882 | 9,792,648 | | 44,778,492 |
| ADA/CAU Partners, Inc. | 8,068,783 | 6,580,019 | - | - | | (1,488,764) |
| Pryor Road/Lakewood, LLC | 5,000 | - | - | - | | (5,000) |
| Lakewood Senior | - | 15 | - | - | | 15 |
| Imagine Downtown Managing Member 2007 QEI, LLC | 171,133 | 5,100,554 | - | - | | 4,929,421 |
| Atlanta Emerging Markets, Inc. | 758,456 | 79,301 | - | - | | (679,155) |
| Total component unit activities | $ 20,565,665 | $ 12,369,344 | $ 45,936,882 | $ 9,792,648 | | 47,533,209 |
| General revenues: | | | | | | |
| Interest income | | | | | 718,266 | 63,650 |
| Miscellaneous revenue | | | | | 1,695,367 | - |
| Gain on sale of assets | | | | | 620,125 | - |
| Total general revenues | | | | | 3,033,758 | 63,650 |
| Change in net position | | | | | 44,973,672 | 47,596,859 |
| Net position – beginning of year (restated) | | | | | 94,896,507 | 60,420,873 |
| Net position – ending of year | | | | | $ 139,870,179 | $ 108,017,732 |

See the accompanying notes to the financial statements.

# ATLANTA DEVELOPMENT AUTHORITY
## d/b/a INVEST ATLANTA
### (A Component Unit of the City of Atlanta, Georgia)
### Statement of Net Position
### Proprietary Funds
### June 30, 2018

| | Business-type Activities - Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | | Major | | | Nonmajor Fund | |
| | Administrative Fund | Grants and Restricted Program Fund | Urban Residential Finance Authority | Downtown Development Authority | Phoenix Loan Fund | Total |
| **Assets** | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | $ 3,005,637 | $ 10,203,339 | $ 8,811,018 | $ 286,730 | $ 185,920 | $ 22,492,644 |
| Restricted cash and cash equivalents | 103,084,397 | - | 2,523,364 | 1,345,671 | - | 106,953,432 |
| Other receivables | 1,515,376 | - | 235,509 | - | - | 1,750,885 |
| Prepaid items | 105,165 | - | 5,622 | - | - | 110,787 |
| Due from other funds | 286,909 | 145,103 | - | - | - | 432,012 |
| Due from component units | 555 | - | - | - | - | 555 |
| Due from the City of Atlanta, current portion | 1,132,040 | - | - | 2,166,513 | - | 3,298,553 |
| Due from Atlanta Housing Opportunity, Inc., current portion | - | - | 3,701,825 | - | - | 3,701,825 |
| Total current assets | 109,130,079 | 10,348,442 | 15,277,338 | 3,798,914 | 185,920 | 138,740,693 |
| Noncurrent assets: | | | | | | |
| Due from the City of Atlanta | 275,080,000 | - | - | 27,540,000 | - | 302,620,000 |
| Due from Atlanta Housing Opportunity, Inc. | - | - | 56,745,000 | - | - | 56,745,000 |
| Loans receivable, net of allowance | - | 1,197,779 | 1,634,057 | - | 531,235 | 3,363,071 |
| Other receivables, net of allowance | - | 3,754 | 1,808,732 | - | - | 1,812,486 |
| Other assets - development projects | 8,478,191 | - | 13,798 | - | - | 8,491,989 |
| Capital assets, nondepreciable | 67,843,024 | - | - | - | - | 67,843,024 |
| Capital assets, net of depreciation | 1,124,667 | - | 573,465 | - | - | 1,698,132 |
| Advances to other funds | 1,375,588 | 685,960 | - | - | - | 2,061,548 |
| Other assets | 1,525 | - | - | - | - | 1,525 |
| Total noncurrent assets | 353,902,995 | 1,887,493 | 60,775,052 | 27,540,000 | 531,235 | 444,636,775 |
| Total assets | 463,033,074 | 12,235,935 | 76,052,390 | 31,338,914 | 717,155 | 583,377,468 |
| **Deferred Outflows of Resources** | | | | | | |
| Deferred loss on bond refunding | - | - | - | 1,593,237 | - | 1,593,237 |
| **Liabilities** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 233,874 | 29,676 | 23,073 | 335,000 | 290 | 621,913 |
| Bonds, notes, and loans payable, current portion | 17,965,000 | - | 3,560,000 | 2,115,000 | - | 23,640,000 |
| Accrued interest payable | 6,975,415 | - | 141,825 | 449,027 | - | 7,566,267 |
| Accrued liabilities | 491,751 | - | - | - | - | 491,751 |
| Unearned revenue | 1,324 | 132,000 | 887,718 | - | - | 1,021,042 |
| Funds held in escrow | 51,600 | - | 7,669 | - | - | 59,269 |
| Due to other funds | 145,103 | - | 286,909 | - | - | 432,012 |
| Due to City of Atlanta | 4,525,439 | - | 13,006 | - | - | 4,538,445 |
| Total current liabilities | 30,389,506 | 161,676 | 4,920,200 | 2,899,027 | 290 | 38,370,699 |
| Noncurrent liabilities: | | | | | | |
| Accrued rent | 1,355,596 | - | - | - | - | 1,355,596 |
| Unearned revenue | 3,453,080 | - | - | - | - | 3,453,080 |
| Due to others | 107 | - | 6,805,477 | - | - | 6,805,584 |
| Advances from the City of Atlanta Tax Allocation District | 7,573,557 | - | - | - | - | 7,573,557 |
| Advances from other funds | 685,960 | - | - | 1,375,588 | - | 2,061,548 |
| Bonds, notes, and loans payable | 298,139,198 | - | 56,745,000 | 29,496,699 | - | 384,380,897 |
| Total noncurrent liabilities | 311,207,498 | - | 63,550,477 | 30,872,287 | - | 405,630,262 |
| Total liabilities | 341,597,004 | 161,676 | 68,470,677 | 33,771,314 | 290 | 444,000,961 |
| **Deferred Inflows of Resources** | | | | | | |
| Deferred gain on bond refunding | - | - | 1,099,565 | - | - | 1,099,565 |
| **Net Position (Deficit)** | | | | | | |
| Net investment in capital assets | 68,967,691 | - | (375,098) | - | - | 68,592,593 |
| Restricted for debt service | 18,234,340 | - | - | 349,629 | - | 18,583,969 |
| Restricted for programs | 58,008,100 | 12,074,259 | 8,342,881 | 996,042 | 716,865 | 80,138,147 |
| Unrestricted | (23,774,061) | - | (1,485,635) | (2,184,834) | - | (27,444,530) |
| Total net position (deficit) | $ 121,436,070 | $ 12,074,259 | $ 6,482,148 | $ (839,163) | $ 716,865 | $ 139,870,179 |

See the accompanying notes to the financial statements.

# ATLANTA DEVELOPMENT AUTHORITY
## d/b/a INVEST ATLANTA
### (A Component Unit of the City of Atlanta, Georgia)
### Statement of Revenues, Expenses, and Changes in Fund Net Position
### Proprietary Funds
### Fiscal Year Ended June 30, 2018

| | Business-type Activities - Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | | | | | Nonmajor Fund | |
| | Administrative Fund | Grants and Restricted Program Fund | Urban Residential Finance Authority | Downtown Development Authority | Phoenix Loan Fund | Total |
| **Operating revenues:** | | | | | | |
| Service, administration, and loan fees | 5,705,118 | $ 73,619 | $ 3,805,283 | $ - | $ 8,999 | $ 9,593,019 |
| Developer fees | - | - | 33,000 | - | - | 33,000 |
| Rental income | - | - | - | 368,883 | - | 368,883 |
| Income received from others for debt | | | | | - | |
| service payments | 12,666,108 | - | 1,832,557 | 1,092,569 | - | 15,591,234 |
| Intergovernmental revenue | 86,873,404 | 140,000 | - | - | - | 87,013,404 |
| Other revenue | 40,535 | 24,732 | 1,630,100 | - | - | 1,695,367 |
| Total operating revenues | 105,285,165 | 238,351 | 7,300,940 | 1,461,452 | 8,999 | 114,294,907 |
| **Operating expenses:** | | | | | | |
| Interest on bonds, notes, and loans | 11,020,136 | - | 1,711,122 | 1,402,501 | - | 14,133,759 |
| Program expenses | - | 3,695,025 | - | - | 46,441 | 3,741,466 |
| Economic development | 152,395 | - | 485,655 | - | - | 638,050 |
| Intergovernmental - transportation | 27,660,871 | - | - | - | - | 27,660,871 |
| Intergovernmental - stadium | 11,073,624 | - | - | - | - | 11,073,624 |
| Depreciation and amortization | 201,963 | - | 18,652 | - | - | 220,615 |
| General and administrative | 10,438,447 | 142,133 | 2,559,682 | 48,971 | 2,008 | 13,191,241 |
| Total operating expenses | 60,547,436 | 3,837,158 | 4,775,111 | 1,451,472 | 48,449 | 70,659,626 |
| Operating income (loss) | 44,737,729 | (3,598,807) | 2,525,829 | 9,980 | (39,450) | 43,635,281 |
| **Non-operating revenues (expenses):** | | | | | | |
| Interest income | 707,651 | - | - | 10,615 | - | 718,266 |
| Gain (loss) on sale of assets | 620,125 | - | - | - | - | 620,125 |
| Total non-operating operating revenues | 1,327,776 | - | - | 10,615 | - | 1,338,391 |
| Change in net position | 46,065,505 | (3,598,807) | 2,525,829 | 20,595 | (39,450) | 44,973,672 |
| **Net position at beginning of year (restated)** | 75,370,565 | 15,673,066 | 3,956,319 | (859,758) | 756,315 | 94,896,507 |
| **Net position at end of year** | $ 121,436,070 | $ 12,074,259 | $ 6,482,148 | $ (839,163) | $ 716,865 | $ 139,870,179 |

See the accompanying notes to the financial statements.

# ATLANTA DEVELOPMENT AUTHORITY
# d/b/a INVEST ATLANTA
## (A Component Unit of the City of Atlanta, Georgia)
## Statement of Cash Flows
## Proprietary Funds
## Fiscal Year Ended June 30, 2018

| | Business-type Activities - Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | Administrative Fund | Grants and Restricted Program Fund | Urban Residential Finance Authority | Downtown Development Authority | Nonmajor Fund | Total |
| **Cash flows from operating activities:** | | | | | | |
| Receipts from customers and grantors | $ 7,191,453 | $ - | $ 5,826,796 | $ - | $ - | $ 13,018,249 |
| Receipts from third parties (rental income) | - | - | - | 368,883 | - | 368,883 |
| Receipts from other governments | 18,698,843 | 494,597 | - | - | - | 19,193,440 |
| Receipts of interest on loans | - | - | 8,465 | - | 8,999 | 17,464 |
| Miscellaneous receipts | 40,535 | - | - | - | - | 40,535 |
| Receipts of developer fees | - | - | 33,000 | - | - | 33,000 |
| Payments to/from other funds | (461,314) | - | (1,879,573) | - | - | (2,340,887) |
| Payments to suppliers | (4,708,080) | - | (445,966) | (48,971) | - | (5,203,017) |
| Payments to employees | (6,833,480) | - | - | - | - | (6,833,480) |
| Payments for programs | (39,739,605) | (3,350,750) | (555,015) | - | (218,056) | (43,863,426) |
| Net cash provided by (used in) operating activities | (25,811,648) | (2,856,153) | 2,987,707 | 319,912 | (209,057) | (25,569,239) |
| **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 | 42,649,067 | - | 5,238,688 | 3,160,592 | - | 51,048,347 |
| Proceeds from the issuance of bonds | 72,700,000 | - | - | - | - | 72,700,000 |
| Payment of bond proceeds to AHOI for programs | - | - | (3,380,000) | - | - | (3,380,000) |
| Payments for interest | (12,108,635) | - | (1,858,688) | (1,537,642) | - | (15,504,965) |
| Repayment on bond principal related to revenue bonds issued on behalf of the City of Atlanta | (17,460,000) | - | - | (2,015,000) | - | (19,475,000) |
| Repayment of advances to other funds | 95,626 | (95,625) | - | (1) | - | - |
| Advances received from City of Atlanta Tax Allocation Districts | 1,064,262 | - | - | - | - | 1,064,262 |
| Net cash provided by (used in) noncapital financing activities | 86,940,320 | (95,625) | - | (392,051) | - | 86,452,644 |
| **Cash flows from capital financing activities:** | | | | | | |
| Purchase of capital assets | (512,849) | - | - | - | - | (512,849) |
| Net cash used in capital financing activities | (512,849) | - | - | - | - | (512,849) |
| **Cash flows from investing activities:** | | | | | | |
| Proceeds from the sale of assets | 628,703 | - | - | - | - | 628,703 |
| Receipts of interest on bank accounts | 707,651 | - | - | 10,615 | - | 718,266 |
| Net cash provided by investing activities | 1,336,354 | - | - | 10,615 | - | 1,346,969 |
| Net increase (decrease) in cash and cash equivalents | 61,952,177 | (2,951,778) | 2,987,707 | (61,524) | (209,057) | 61,717,525 |
| Cash and cash equivalents at beginning of fiscal year | 44,137,857 | 13,155,117 | 8,346,675 | 1,693,925 | 394,977 | 67,728,551 |
| Cash and cash equivalents at end of fiscal year | $ 106,090,034 | $ 10,203,339 | $ 11,334,382 | $ 1,632,401 | $ 185,920 | $ 129,446,076 |
| Reconciliation to Statement of Net Position: | | | | | | |
| Cash and cash equivalents | $ 3,005,637 | $ 10,203,339 | $ 8,811,018 | $ 286,730 | $ 185,920 | $ 22,492,644 |
| Restricted cash and cash equivalents | 103,084,397 | - | 2,523,364 | 1,345,671 | - | 106,953,432 |
| | $ 106,090,034 | $ 10,203,339 | $ 11,334,382 | $ 1,632,401 | $ 185,920 | $ 129,446,076 |

(continued)

# ATLANTA DEVELOPMENT AUTHORITY
# d/b/a INVEST ATLANTA
## (A Component Unit of the City of Atlanta, Georgia)
## Statement of Cash Flows
## Proprietary Funds
## Fiscal Year Ended June 30, 2018

| | Business-type Activities - Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | Administrative Fund | Grants and Restricted Program Fund | Urban Residential Finance Authority | Downtown Development Authority | Nonmajor Fund | Total |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Operating income (loss) | $ 44,737,729 | $ (3,598,807) | $ 2,525,829 | $ 9,980 | $ (39,450) | $ 43,635,281 |
| Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation and amortization expenses, net | 201,963 | - | (102,782) | (48,287) | - | 50,894 |
| Interest receipts reported in operating income (loss) | (12,666,108) | - | (1,832,557) | (1,092,569) | - | (15,591,234) |
| Interest payments reported in operating income (loss) | 11,020,136 | - | 1,832,557 | 1,450,788 | - | 14,303,481 |
| (Increase) decrease in: | | | | | | |
| Other receivables | (264,049) | (3,754) | (47,236) | - | 4,000 | (311,039) |
| Loans receivable | - | 475,780 | (172,606) | - | (173,897) | 129,277 |
| Other assets - development projects | (1,005,110) | - | - | - | - | (1,005,110) |
| Prepaid items and other assets | (45,769) | - | (3,883) | - | - | (49,652) |
| Due from (to) other funds | (461,314) | (8,208) | 435,638 | - | - | (33,884) |
| Due from (to) the City of Atlanta | (68,174,561) | 128,000 | 13,006 | - | - | (68,033,555) |
| Increase (decrease) in: | | | | | | |
| Accounts payable and accrued expenses | (393,040) | 18,836 | (2,301) | - | 290 | (376,215) |
| Funds held in escrow | - | - | 1,659 | - | - | 1,659 |
| Accrued rent | (130,972) | - | - | - | - | (130,972) |
| Other payables | (380,937) | - | (106,731) | - | - | (487,668) |
| Unearned revenue | 1,750,384 | 132,000 | 447,114 | - | - | 2,329,498 |
| Net cash provided by (used in) operating activities | $ (25,811,648) | $ (2,856,153) | $ 2,987,707 | $ 319,912 | $ (209,057) | $ (25,569,239) |

See the accompanying notes to the financial statements.

# ATLANTA DEVELOPMENT AUTHORITY
## d/b/a INVEST ATLANTA
## (A Component Unit of the City of Atlanta, Georgia)
## Combining Statement of Net Position
## Component Units
## June 30, 2018

| | Inner City Development Corporation | Atlanta BeltLine, Inc. | ADA/CAU Partners, Inc. | Pryor Road/ Lakewood, LLC | Lakewood Senior | Imagine Downtown Managing Memb. 2007 QEI, LLC | Atlanta Emerging Markets, Inc. | Total Component Units |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and cash equivalents | $ 178,329 | $ 1,559,605 | $ 106,763 | $ - | $ - | $ 4,710,269 | $ 4,083,599 | $ 10,638,565 |
| Restricted cash and cash equivalents | - | 864,225 | 2,132,038 | - | - | - | - | 2,996,263 |
| Prepaid items | - | 141,094 | 32,138 | - | - | - | - | 173,232 |
| Accounts receivable | - | 33,425 | 325,008 | - | - | 106,323 | 1,879 | 466,635 |
| Due from other governments | - | 1,728,619 | - | - | - | - | - | 1,728,619 |
| Due from the Atlanta BeltLine Partnership | - | 198,735 | - | - | - | - | - | 198,735 |
| Due from the City of Atlanta | - | 638,636 | - | - | - | - | - | 638,636 |
| Due from the BeltLine Tax Allocation District | - | 1,404,184 | - | - | - | - | - | 1,404,184 |
| Total current assets | 178,329 | 6,568,523 | 2,595,947 | - | - | 4,816,592 | 4,085,478 | 18,244,869 |
| Noncurrent assets: | | | | | | | | |
| Capital assets, nondepreciable | - | 164,373,923 | - | - | - | - | - | 164,373,923 |
| Capital assets, net of depreciation | - | 1,364,706 | 22,773,285 | - | - | - | - | 24,137,991 |
| Real estate held for development | 200,869 | - | - | - | - | - | - | 200,869 |
| Other assets - development projects | - | - | - | - | - | 10,829 | 89,909 | 100,738 |
| Advances to component units | - | - | - | - | - | 8,735,658 | - | 8,735,658 |
| Other assets | - | - | 50,176 | - | - | - | 2,152,329 | 2,202,505 |
| Total noncurrent assets | 200,869 | 165,738,629 | 22,823,461 | - | - | 8,746,487 | 2,242,238 | 199,751,684 |
| Total assets | 379,198 | 172,307,152 | 25,419,408 | - | - | 13,563,079 | 6,327,716 | 217,996,553 |
| **Liabilities** | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable and accrued liabilities | - | 4,422,867 | 2,408,323 | - | - | 121,000 | 260,135 | 7,212,325 |
| Bonds, notes, and loans payable, current portion | - | 2,598,878 | 1,160,000 | - | - | - | - | 3,758,878 |
| Accrued interest payable | - | 106,189 | 2,893,296 | - | - | - | - | 2,999,485 |
| Unearned revenue | - | 30,458 | - | - | - | 687,190 | - | 717,648 |
| Due to the BeltLine Tax Allocation District | - | 1,008,825 | - | - | - | - | - | 1,008,825 |
| Due to the primary government | 555 | - | - | - | - | - | - | 555 |
| Other liabilities | - | 7,499 | - | - | - | - | 12,602 | 20,101 |
| Total current liabilities | 555 | 8,174,716 | 6,461,619 | - | - | 808,190 | 272,737 | 15,717,817 |
| Noncurrent liabilities: | | | | | | | | |
| Advances from component units | - | - | - | - | - | - | 8,735,658 | 8,735,658 |
| Loan payable to the City of Atlanta | - | 24,000,000 | - | - | - | - | - | 24,000,000 |
| Bonds, notes and loans payable | - | 12,198,201 | 45,521,809 | - | - | - | - | 57,720,010 |
| Accrued rent | - | 1,052,450 | - | - | - | - | - | 1,052,450 |
| Unearned revenue, long term | - | - | - | - | - | 2,752,886 | - | 2,752,886 |
| Total noncurrent liabilities | - | 37,250,651 | 45,521,809 | - | - | 2,752,886 | 8,735,658 | 94,261,004 |
| Total liabilities | 555 | 45,425,367 | 51,983,428 | - | - | 3,561,076 | 9,008,395 | 109,978,821 |
| **Net Position (Deficit)** | | | | | | | | |
| Net investment in capital assets | - | 127,805,775 | (23,908,524) | - | - | - | - | 103,897,251 |
| Unrestricted | 378,643 | (923,990) | (2,655,496) | - | - | 10,002,003 | (2,680,679) | 4,120,481 |
| Total net position (deficit) | 378,643 | 126,881,785 | (26,564,020) | - | - | 10,002,003 | (2,680,679) | 108,017,732 |

See the accompanying notes to the financial statements.

# ATLANTA DEVELOPMENT AUTHORITY
## d/b/a INVEST ATLANTA
### (A Component Unit of the City of Atlanta, Georgia)
### Combining Statement of Activities
### Component Units
### Fiscal Year Ended June 30, 2018

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Expenses | Charges for Services | Capital Grants and Contributions | Operating Grants and Contributions | Inner City Development Corporation | Atlanta BeltLine, Inc. | ADA/CAU Partners, Inc. | Pryor Road/ Lakewood, LLC | Lakewood Senior | Imagine Downtown Managing Member 2007 QEI, LLC | Atlanta Emerging Markets, Inc. | Total Component Units |
| Functions/ Programs: | | | | | | | | | | | | |
| Component units: | | | | | | | | | | | | |
| Inner City Development Corporation | 1,800 | $ - | $ - | $ - | $ (1,800) | $ - | $ - | $ - | $ - | $ - | $ - | $ (1,800) |
| Atlanta BeltLine, Inc. | 11,560,493 | 609,455 | 45,936,882 | 9,792,648 | - | 44,778,492 | - | - | - | - | - | 44,778,492 |
| ADA/CAU Partners, Inc. | 8,068,783 | 6,580,019 | - | - | - | - | (1,488,764) | - | - | - | - | (1,488,764) |
| Pryor Road/Lakewood, LLC | 5,000 | - | - | - | - | - | - | (5,000) | - | - | - | (5,000) |
| Lakewood Senior | - | 15 | - | - | - | - | - | - | 15 | - | - | 15 |
| Imagine Downtown Managing Member 2007 QEI, LLC | 171,133 | 5,100,554 | - | - | - | - | - | - | - | 4,929,421 | - | 4,929,421 |
| Atlanta Emerging Markets, Inc. | 758,456 | 79,301 | - | - | - | - | - | - | - | - | (679,155) | (679,155) |
| Total component unit activities | $ 20,565,665 | $ 12,369,344 | $ 45,936,882 | $ 9,792,648 | (1,800) | 44,778,492 | (1,488,764) | (5,000) | 15 | 4,929,421 | (679,155) | 47,533,209 |
| General revenues: | | | | | | | | | | | | |
| Interest income | | | | | - | 39 | 9,045 | - | - | 843 | 53,723 | 63,650 |
| Total general revenues | | | | | - | 39 | 9,045 | - | - | 843 | 53,723 | 63,650 |
| Changes in net position | | | | | (1,800) | 44,778,531 | (1,479,719) | (5,000) | 15 | 4,930,264 | (625,432) | 47,596,859 |
| Net position (deficit) – beginning of fiscal year | | | | | 380,443 | 82,103,254 | (25,084,301) | 5,000 | (15) | 5,071,739 | (2,055,247) | 60,420,873 |
| Net position (deficit) – ending of fiscal year | | | | | $ 378,643 | $ 126,881,785 | $ (26,564,020) | $ - | $ - | $ 10,002,003 | $ (2,680,679) | $ 108,017,732 |

See the accompanying notes to the financial statements.

## (1) Summary of Significant Accounting Policies

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

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

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

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

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

## (1) Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Lakewood Senior, Inc. was created in 2007 and became the managing general partner of Park Place South Senior, LP ("PPS"). PPS was created to construct a senior apartment community within the Park Place South Master Community development. The Board of Directors of Lakewood Senior, Inc. is appointed by the Board of Directors of Invest Atlanta, who can also impose their will on Lakewood Senior, Inc. by removal of board members at any time. During the fiscal year ended June 30, 2015, the property underlying the Park Place Senior development was sold. As a result, Lakewood Senior, Inc. was dissolved and the cash remaining was disbursed during 2018.

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

**(1) Summary of Significant Accounting Policies (Continued)**

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

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

Separate financial statements or financial information on these component units may be obtained from the Chief Financial Officer, Invest Atlanta at 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303. Management has considered the criteria set forth in Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, *Defining the Financial Reporting Entity*. Based upon the application of the above criteria, the City of Atlanta, Georgia has determined Invest Atlanta to be a component unit of the City.

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

Invest Atlanta presents government-wide financial statements which are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements (i.e. the statement of net position and the statement of activities) do not provide information by fund. Net position in the statement of net position is distinguished between amounts invested in capital assets (net of any related debt), amounts that are restricted for use by third parties or outside requirements, and amounts that are unrestricted.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or benefit from the services provided by a given function or segment and include interest income on loans provided for economic development and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted interest income on investments and other items not properly included among program revenues are reported as general revenues.

**(1) Summary of Significant Accounting Policies (Continued)**

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

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

Under the economic resources measurement focus and the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Interest income and service, administration, and loan fees are recognized as revenue when earned regardless of when the cash is received. Grants and similar 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.

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 has one non-major enterprise fund.

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

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

## (1) Summary of Significant Accounting Policies (Continued)

### *(d) Cash, Cash Equivalents, and Investments*

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

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

### *(e) Loans Receivable*

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

### *(f) Real Estate Held for Development*

Real estate held for development consist of property stated at 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.

### *(h) Capital Assets*

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

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

### *(i) Income Taxes*

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

**(1) Summary of Significant Accounting Policies (Continued)**

***(j) 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.

**(2) Deposits and Investments**

***Credit Risk***. Invest Atlanta is authorized to invest in obligations or investments as determined by its Board of Directors, subject to any agreement with bondholders and with applicable law. State statutes authorize Invest Atlanta to invest in obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). As of June 30, 2018, Invest Atlanta's investment in the Morgan Stanley Treasury, Government Advisory, and Government Services Mutual Funds were rated AAAm and the Wells Fargo Treasury Money Market Fund and Fidelity Money Market Treasury Mutual Funds were both also rated AAAm.

***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, 2018, interest rate risk is reported in the following table as "Weighted Average Maturity (WAM)" for each of the applicable investment classifications.

**(2) Deposits and Investments (continued)**

At June 30, 2018, Invest Atlanta had the following investments, which are classified as cash equivalents:

| Investment | WAM | Fair Value |
|---|---|---|
| Morgan Stanley Treasury Advisory Mutual Fund | 30 days | $ 9,702,151 |
| Morgan Stanley Government Advisory Mutual Fund | 33 days | 30,361,917 |
| Morgan Stanley Government Serv. Mutual Fund | 33 days | 23,332,906 |
| Wells Fargo Treasury Money Market Fund | 38 days | 36,996,249 |
| Fidelity Money Mkt Treasury Portfolio Mutual Fund - Class I | 29 days | 1,209,632 |
| Total | | $ 101,602,855 |

***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, 2018:

| Investment | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| Morgan Stanley Treasury Advisory Mutual Fund | $ 9,702,151 | $ - | $ - | $ 9,702,151 |
| Morgan Stanley Government Advisory Mutual Fund | 30,361,917 | - | - | 30,361,917 |
| Morgan Stanley Government Serv Mutual Fund | 23,332,906 | - | - | 23,332,906 |
| Wells Fargo Treasury Money Market Fund | 36,996,249 | - | - | 36,996,249 |
| Fidelity Money Market Mutual Fund - Class I | 1,209,632 | - | - | 1,209,632 |
| Total cash equivalents measured at fair value | $ 101,602,855 | $ - | $ - | $ 101,602,855 |

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

***Custodial Credit Risk-Deposits.*** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2018, 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, 2018, the balance of this receivable was $14,850,000 plus $51,513 in accrued interest.

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, 2018, a net receivable of $14,805,000 is recorded by AURA 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, 2018, a net receivable of $25,700,000 plus $62,040 for accrued interest is recorded by Invest Atlanta as an intergovernmental receivable from the City of Atlanta.

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.

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

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, 2018, an amount of $215,950,000 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, 2018, a net receivable of $34,500,000 is recorded by Invest Atlanta as an intergovernmental receivable from the City of Atlanta.

## (4) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2018 consists of the following:

| **Invest Atlanta Administrative Fund** | **June 30, 2017** | **Additions** | **Deletions** | **June 30, 2018** |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 67,703,024 | $ 140,000 | $ - | $ 67,843,024 |
| Total capital assets, not being depreciated | 67,703,024 | 140,000 | - | 67,843,024 |
| Capital assets being depreciated: | | | | |
| Leasehold improvements | 1,067,944 | 5,423 | - | 1,073,367 |
| Furniture and equipment | 1,114,138 | 367,426 | (267,653) | 1,213,911 |
| | 2,182,082 | 372,849 | (267,653) | 2,287,278 |
| Accumulated depreciation: | | | | |
| Leasehold improvements | (323,946) | (86,381) | - | (410,327) |
| Furniture and equipment | (895,777) | (115,582) | 259,075 | (752,284) |
| Capital assets net of depreciation | 962,359 | 170,886 | (8,578) | 1,124,667 |
| Net capital assets | $ 68,665,383 | $ 310,886 | $ (8,578) | $ 68,967,691 |

## (4) Capital Assets (Continued)

| | June 30, 2017 | Additions | Deletions | June 30, 2018 |
|---|---|---|---|---|
| **Urban Residential Finance Authority:** | | | | |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | $ 745,971 | $ - | $ - | $ 745,971 |
| | 745,971 | - | - | 745,971 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (153,854) | (18,652) | - | (172,506) |
| Net capital assets | $ 592,117 | $ (18,652) | $ - | $ 573,465 |

| | June 30, 2017 | Additions | Deletions | June 30, 2018 |
|---|---|---|---|---|
| **Total primary government:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 67,703,024 | $ 140,000 | $ - | $ 67,843,024 |
| Total capital assets not being depreciated | 67,703,024 | 140,000 | - | 67,843,024 |
| Capital assets being depreciated: | | | | |
| Furniture and equipment | 1,114,138 | 367,426 | (267,653) | 1,213,911 |
| Bulding and improvements | 745,971 | - | - | 745,971 |
| Leasehold improvements | 1,067,944 | 5,423 | - | 1,073,367 |
| | 2,928,053 | 372,849 | (267,653) | 3,033,249 |
| Accumulated depreciation: | | | | |
| Furniture and equipment | (895,777) | (115,582) | 259,075 | (752,284) |
| Bulding and improvements | (153,854) | (18,652) | - | (172,506) |
| Leasehold improvements | (323,946) | (86,381) | - | (410,327) |
| Total capital assets being depreciated | 1,554,476 | 152,234 | (8,578) | 1,698,132 |
| Net capital assets | $ 69,257,500 | $ 292,234 | $ (8,578) | $ 69,541,156 |

## (4) Capital Assets (Continued)

Capital assets activity for the discretely presented component units for the fiscal year ended June 30, 2018 consists of the following:

| | June 30, 2017 | Additions | Deletions | June 30, 2018 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Construction in progress | $ 121,580,618 | $ 46,167,792 | $ (3,374,487) | $ 164,373,923 |
| Total capital assets not being depreciated | 121,580,618 | 46,167,792 | (3,374,487) | 164,373,923 |
| Capital assets being depreciated: | | | | |
| Leashold improvements | 1,392,596 | 15,567 | - | 1,408,163 |
| Furniture and equipment | 2,899,636 | 256,488 | (20,113) | 3,136,011 |
| Buildings and improvements | 37,605,044 | 147,016 | - | 37,752,060 |
| Land improvements | 3,270,833 | - | - | 3,270,833 |
| Total capital assets being depreciated | 45,168,109 | 419,071 | (20,113) | 45,567,067 |
| Less accumulated depreciation | (19,850,461) | (1,581,636) | 3,021 | (21,429,076) |
| Total capital assets being depreciated, net of accumulated depreciation | 25,317,648 | (1,162,565) | (17,092) | 24,137,991 |
| Net capital assets | $ 146,898,266 | $ 45,005,227 | $ (3,391,579) | $ 188,511,914 |

## (5) Long-term Liabilities

Activity for the bonds, notes, loans payable, and other long-term liabilities for the fiscal year ended June 30, 2018 consists of the following:

| | June 30, 2017 | Additions | Reductions | June 30, 2018 | Due Within One Fiscal Year |
|---|---|---|---|---|---|
| **Primary government:** | | | | | |
| Bonds payable, 2005 Series Opportunity Program | $ 13,150,000 | $ - | $ (13,150,000) | $ - | $ - |
| Bonds payable, 2017 Series Housing Opportunity Program | - | 25,700,000 | - | 25,700,000 | 1,070,000 |
| Bonds payable, 2017A Series Housing Opportunity Program | 63,685,000 | - | (3,380,000) | 60,305,000 | 3,560,000 |
| Bonds payable, 2010 Series AURA Bonds | 16,065,000 | - | (1,260,000) | 14,805,000 | 1,295,000 |
| Bonds payable, 2017 Series AURA Bonds | 15,605,000 | - | (755,000) | 14,850,000 | 820,000 |
| Unamortized premium on 2017 Series AURA Bonds | 2,216,653 | - | (259,954) | 1,956,699 | - |
| Bonds Payable, 2015 Series Stadium Bonds | 224,655,000 | - | (4,310,000) | 220,345,000 | 4,395,000 |
| Unamortized premium on 2015 Series Stadium Bonds | 20,566,296 | - | (1,173,350) | 19,392,946 | - |
| Bonds Payable, 2017 Series TSPLOST project | - | 47,000,000 | - | 47,000,000 | 12,500,000 |
| 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 | $ 359,609,201 | $ 72,700,000 | $ (24,288,304) | $ 408,020,897 | $ 23,640,000 |
| **Component units:** | | | | | |
| Bonds payable, 2004 Clark Atlanta University project | $ 51,926,624 | $ - | $ (5,244,815) | $ 46,681,809 | $ 1,160,000 |
| Loan payable to the City of Atlanta | 24,000,000 | - | - | 24,000,000 | - |
| Note payable | 17,461,340 | - | (2,664,261) | 14,797,079 | 2,598,878 |
| Capital lease obligations | 34,194 | - | (34,194) | - | - |
| Line of credit payable | 3,383,178 | 523,054 | (3,906,232) | - | - |
| Total component units | $ 96,805,336 | $ 523,054 | $ (11,849,502) | $ 85,478,888 | $ 3,758,878 |

On January 12, 2006, Invest Atlanta issued $22,000,000 of Taxable Revenue Bonds (Homeless Opportunity Project), Series 2005, for the purpose of financing certain supportive housing projects in the City of Atlanta. As at June 30, 2018, the entire outstanding principal balance of $13,150,000 was paid in full. 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, 2018 is $25,700,000.

## (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 2017A 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, 2018, the outstanding principal balance of the Series 2017A bonds was $60,305,000. Also at June 30, 2018, an amount of $60,446,825 is recorded as being due from AHOI, including accrued interest receivable.

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 subsided 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, 2018 is $14,805,000.

On April 20, 2017, AURA issued $15,605,000 Revenue Refunding Bonds (Series 2017) 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 semi-annually 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, 2018 is $14,850,000.

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.

## (5) Long-term Liabilities (Continued)

***Primary Government*** **(Continued)**

The Funding Agreement related to the Stadium Bonds was signed at the same time as the Stadium Bonds were issued and requires the City to remit 39.3% of the net amounts received by the City from hotel/motel taxes to Invest Atlanta. These payments are required to be spent for the payments of principal and interest on the Stadium Bonds or to restore any and all reserve funds established by the Trust Indenture related to the Stadium Bonds. It is the intention of the Funding Agreement that the hotel/motel tax collections will be sufficient to repay the principal and interest on the Stadium Bonds and an intergovernmental receivable from the City has been recorded by Invest Atlanta, originally for the principal amount due on the Stadium Bonds. 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, 2018 is $220,345,000.

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). 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 mature on December 1, 2021. The balance due on the Series 2017 Bonds at June 30, 2018 is $47,000,000.

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 2018, no payments were made on the notes. Management is currently marketing the properties for sale. At June 30, 2018, 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 June 22, 2018. Subsequent to year-end, the line of credit was renewed, effective September 1, 2018, for a one-year term. As of June 30, 2018, there was no outstanding balance on the line of credit.

## (5) Long-term Liabilities (Continued)

***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 years ended June 30, 2017, 2016, 2015 and 2014. These amounts borrowed from the bond insurer are added to the bonds payable offset by the reduction in amounts to bondholders. At June 30, 2018, the balance due on these bonds (including the bond premium and amounts due to the bond insurer) is $46,681,809.

Atlanta BeltLine, Inc. ("ABI")

In 2007, ABI entered into an agreement with a consortium of financial institutions to receive $29,429,900 of interim funding for the implementation of the 2007 BeltLine Projects in which this debt was guaranteed by the City of Atlanta. Interest only is payable semi-annually. For a period of 24 months commencing April 17, 2010, the loan was to accrue interest at a daily rate of LIBOR + .75%. However, due to a downgrade of the City of Atlanta's debt rating, the interest rate changed in accordance with the original loan agreement to a daily rate of LIBOR + .85%. This rate is effective until the notes mature on September 17, 2022 and October 17, 2022. Commencing on September 17, 2010, principal will be due in annual installments until the notes mature. As of June 30, 2018, the outstanding balance on the notes payable is $14,797,079.

In June 2017, ABI entered into a promissory note payable in the amount of $224,000 in order to finance the purchase of property. The note accrues interest at a rate of 3.4% and was paid in full in 2018.

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, 2018, total project costs to date totaled $23,890,087.

## (5) Long-term Liabilities (Continued)

***Component Units (Continued)***

In November 2014, ABI entered into a line of credit agreement with SunTrust Bank. The line of credit had a limit of $5,000,000 and matured on November 24, 2016. Prior to expiration, the line of credit was renewed in November 2016 for $7,000,000 with a maturity date of December 31, 2017. The line of credit was subsequently renewed for $2,500,000 with a maturity date of March 31, 2018. As of June 30, 2018, there was no balance outstanding on the line of credit and there was no agreement to extend this line of credit beyond March 31, 2018. Interest was accrued and due for payment monthly at a variable rate of LIBOR plus 2.35%. The line of credit was being used to fund capital projects that are funded on a cost reimbursement basis from the federal capital grants and contributions. Activity for short-term line of credit payable for the fiscal year ended June 30, 2018 consists of the following:

| | June 30, 2017 | Additions | Reductions | June 30, 2018 |
|---|---|---|---|---|
| Line of credit payable | $ 3,383,178 | $ 523,054 | $ (3,906,232) | $ - |

***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: | | | |
| 2019 | $ 17,965 | $ 12,487 | $ 30,452 |
| 2020 | 18,085 | 11,988 | 30,073 |
| 2021 | 18,230 | 11,471 | 29,701 |
| 2022 | 15,390 | 10,963 | 26,353 |
| 2023 | 6,105 | 10,580 | 16,685 |
| 2024 - 2028 | 34,960 | 48,407 | 83,367 |
| 2029 - 2033 | 43,465 | 39,729 | 83,194 |
| 2034 - 2038 | 52,550 | 28,570 | 81,120 |
| 2039 - 2043 | 58,470 | 15,071 | 73,541 |
| 2044 - 2045 | 27,825 | 1,468 | 29,293 |
| Totals | $293,045 | $ 190,734 | $ 483,779 |
| Plus Premium | 19,393 | | |
| Net Bonds Payable | $312,438 | | |

## (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 thousands):

| | Bonds & Notes of DDA | | |
|---|---|---|---|
| | Principal | Interest | Total |
| Fiscal Year Ending June 30: | | | |
| 2019 | $ 2,115 | $ 1,405 | $ 3,520 |
| 2020 | 2,170 | 1,319 | 3,489 |
| 2021 | 2,225 | 1,222 | 3,447 |
| 2022 | 2,300 | 1,113 | 3,413 |
| 2023 | 2,380 | 1,001 | 3,381 |
| 2024 - 2028 | 13,205 | 3,138 | 16,343 |
| 2029 - 2032 | 5,260 | 443 | 5,703 |
| Totals | 29,655 | $ 9,641 | $ 39,296 |
| Plus Premium | 1,957 | | |
| Net Bonds Payable | $ 31,612 | | |

| | Bonds of URFA | | |
|---|---|---|---|
| | Principal | Interest | Total |
| Fiscal Year Ending June 30: | | | |
| 2019 | $ 3,560 | $ 1,678 | $ 5,238 |
| 2020 | 3,615 | 1,625 | 5,240 |
| 2021 | 3,675 | 1,561 | 5,236 |
| 2022 | 3,750 | 1,486 | 5,236 |
| 2023 | 3,835 | 1,400 | 5,235 |
| 2024 - 2028 | 20,820 | 5,363 | 26,183 |
| 2029 - 2033 | 10,845 | 2,914 | 13,759 |
| 2034 - 2037 | 10,205 | 802 | 11,007 |
| Totals | $ 60,305 | $ 16,829 | $ 77,134 |

**(5) Long-term Liabilities (Continued)**

***Debt Service Requirements (Continued)***

| | Bonds of Component Units | | |
|---|---|---|---|
| | **Principal** | **Interest** | **Total** |
| Fiscal Year Ending June 30: | | | |
| 2019 | $ 1,160 | $ 2,688 | $ 3,848 |
| 2020 | 1,235 | 2,615 | 3,850 |
| 2021 | 1,310 | 2,538 | 3,848 |
| 2022 | 1,395 | 2,456 | 3,851 |
| 2023 | 1,480 | 2,369 | 3,849 |
| 2024 - 2028 | 8,905 | 10,343 | 19,248 |
| 2029 - 2033 | 11,980 | 7,266 | 19,246 |
| 2034 - 2037 | 16,335 | 2,903 | 19,238 |
| Totals | 43,800 | $ 33,178 | $ 76,978 |
| Plus premium | 346 | | |
| Less: Debt issuance costs | (4,130) | | |
| Plus amounts due to bond insurer | 6,666 | | |
| Net bonds payable | $ 46,682 | | |

| | Notes Payable of ABI | | |
|---|---|---|---|
| | **Principal** | **Interest** | **Total** |
| Fiscal Year Ending June 30: | | | |
| 2019 | $ 2,599 | 253 | $ 2,852 |
| 2020 | 2,768 | 195 | 2,963 |
| 2021 | 2,948 | 134 | 3,082 |
| 2022 | 3,139 | 69 | 3,208 |
| 2023 | 3,343 | - | 3,343 |
| Totals | $ 14,797 | $ 651 | $ 15,448 |

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, 2018, the aggregate principal amounts of bond issued as conduit debt were:

| Entity | Balance |
|---|---|
| Invest Atlanta | $ 965,262,550 |
| URFA | 281,709,471 |
| DDA | 247,718,400 |

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

## (7) Operating Lease

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

Future minimum rental payments on this lease as of June 30, 2018 are as follows:

| Fiscal Year Ending June 30, | Rental Amount |
|---|---|
| 2019 | $ 435,313 |
| 2020 | 447,312 |
| 2021 | 459,686 |
| 2022 | 472,325 |
| 2023 | 485,260 |
| 2024-2026 | 1,226,661 |

During the fiscal year ended June 30, 2018, payments of $423,687 were made; however, only $384,176 of rent was expensed with the remaining amounts reducing rent previously accrued and expensed in order to evenly charge rent over the full term of the lease.

## (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, 2018, Invest Atlanta's Administrative Fund owed $145,103 to Grants and Restricted Program Fund primarily in connection with the Opportunity Loan program, which is expected to be repaid within one fiscal year. Also at June 30, 2018, URFA owed Invest Atlanta's Administrative Fund $286,909.

At June 30, 2018, DDA owes Invest Atlanta's Administrative Fund $1,375,589, which was not expected to be repaid within one fiscal year, but will be repaid at some point in the future. Also at June 30, 2018, Invest Atlanta's Administrative Fund owes the Grants and Restricted Program Fund $685,960, related to the Brownsfield loan program, which was not expected to be repaid within one fiscal year, but will be repaid at some point in the future

At June 30, 2018, the Invest Atlanta Administrative Fund was owed $555 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 $2,680,679 which Invest Atlanta has agreed, if deemed necessary, to cover any major operating shortfalls the entity may have.

Component units of URFA are included in the URFA Fund in the financial statements. Construction of the Lakewood Hills development was financed with construction loans. During the year ended June 30, 2015, the balance of these loans was paid by URFA and the amount paid by URFA on behalf of Lakewood Hills, Inc. was added to amounts due to URFA, which is included as due to others in the statement of net position in the URFA Fund as an allowance for the full amount was recorded by URFA. These amounts, with a balance of $4,234,971, will be repaid with net proceeds from the sale of condominium units.

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

## (9) Pension Plans

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

## (9) Pension Plans (Continued)

Because Invest Atlanta does not participate in the federal social security system, it is required by law to establish a "public employee retirement system" ("PERS") to take the place of its otherwise mandatory contributions to the federal social security system. Establishing a PERS requires by law that Invest Atlanta contribute a minimum of 7.25% of base pay for all eligible employees to a qualified retirement plan. Invest Atlanta has met this requirement by establishing a second retirement plan which operates under section 401(a) of the Internal Revenue Code and is wholly funded by employer contributions which are made based on a percentage of eligible compensation for all full time employees of Invest Atlanta who are over 21 years of age. Invest Atlanta has elected to contribute more to the Plan than the required legal minimum. For the fiscal year ended June 30, 2018, Invest Atlanta contributions to the 401(a) plan totaled $752,963. 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.

## (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 the years ended June 30, 2017, 2016, 2015, 2014, 2013 and 2012. 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, 2018, ABI had several active construction projects related to various Atlanta BeltLine construction projects. At fiscal year-end, ABI's contractual commitments with contractors were $9,817,364.

## (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 $163,644,975. 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, 2018, ABI transferred ownership of capital assets worth $1,634,015 to the City of Atlanta.

## (14) Prior Period Adjustment

The Authority determined that a restatement of beginning net position was required for Administrative Fund and the Business-Type Activities to correct the prior period understatement of receivable balance due from the City of Atlanta. The understatement occurred due to an error in allocating the hotel/motel receipts from the City.

| | Administrative Fund |
|---|---|
| Beginning net position, as previously reported | $ 52,413,318 |
| Correction of receivable balance due from the City of Atlanta | 22,957,247 |
| Beginning net position, as restated | $ 75,370,565 |

| | Business-Type Activities |
|---|---|
| Beginning net position, as previously reported | $ 71,939,260 |
| Correction of receivable balance due from the City of Atlanta | 22,957,247 |
| Beginning net position, as restated | $ 94,896,507 |