

ATLANTA BELTLINE, INC.
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

June 30, 2021

CERTIFIED PUBLIC ACCOUNTANTS

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ATLANTA BELTLINE, INC.

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

**The Board of Directors of the
Atlanta BeltLine Inc.
Atlanta, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the major fund of the **Atlanta BeltLine, Inc.** ("ABI"), a component unit of The Atlanta Development Authority, d/b/a Invest Atlanta, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise ABI's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the major fund of the **Atlanta Belt Line, Inc.** as of June 30, 2021, 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.

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 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021 on our consideration of ABI'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 ABI'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 ABI's internal control over financial reporting and compliance.

CARMICHAEL, BRASHER, TUVELL & CO, PC

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

Atlanta, Georgia
December 8, 2021

ATLANTA BELTLINE, INC.
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

This section of the Atlanta Belt Line, Inc. ("ABI") annual financial report presents our discussion and analysis of ABI's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2021 Selected Financial Highlights (Proprietary Funds)

- ABI's total assets increased approximately \$55.3 million for the fiscal year ended June 30, 2021. Acquisitions of real estate designated for affordable housing represent \$26.9 million, funded through a loan and intergovernmental funding. Development of various segments along the Atlanta Belt Line continued during the fiscal year and additions of approximately \$23.8 million were made on numerous projects, using primarily intergovernmental funding.
- Total current liabilities increased by \$9.1 million for the fiscal year ended June 30, 2021. This was primarily due to an increase in accounts payable to vendors for construction activities. Also contributing is the additional intercompany payable to Invest Atlanta for invoices paid on ABI's behalf and the current portion of the loan payable to Atlantic Capital Bank.
- Total non-current liabilities increased approximately \$16.2 million for the fiscal year ended June 30, 2021. This is attributable to the new loan for real estate purchases in the amount of \$20.5 million, offset by the principal payment of \$3.1 million on the consortium note payable. These notes are discussed further in Note 7.
- ABI's total net position increased approximately \$30.0 million for the fiscal year ended June 30, 2021, primarily due to approximately \$50.7 million increase in capital assets, offset by \$20.5 million of new debt and \$5.6 million of assets transferred to Invest Atlanta for the fiscal year ended June 30, 2021.
- ABI's total revenues increased approximately \$15.7 million for the fiscal year ended June 30, 2021. This is primarily a result of funding from the City of Atlanta, via Invest Atlanta, for trail construction activities funded by the BeltLine TAD.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to ABI's financial statements. ABI's financial statements are comprised 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 ABI's finances, including information related to its component units.

The *statement of net position* presents information on all of ABI's assets and liabilities, with the difference between the two reported as net position. In many government organizations,

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increases and decreases in net position may serve as a useful indicator of whether the financial position of the organization is improving or deteriorating. However, ABI serves as an implementer of projects on behalf of the City of Atlanta and in such capacity, funding for projects performed is recorded as revenue in the year that it is earned. When projects are completed, the asset is transferred from ABI to the City of Atlanta. These transfers may result in large decreases to ABI's net position. In these cases, such a decrease would not indicate a deterioration of ABI's financial position. Rather, this type of decrease would simply represent an asset being completed and transferred off of ABI's financial statements. Transfers to the City of Atlanta should be expected from year to year as other capital assets reach completion and are accepted by the City of Atlanta.

The *statement of activities* presents information showing how ABI'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 not only ABI (known as the *primary government*), but also legally separate entities for which ABI is financially accountable, Chester Avenue Lofts, LLC and Green Miles Investments, LLC (known as *component units*). Financial information for the component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 8 and 9 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 only one fund, accounting for all the activity of ABI outside of its component units. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements, but shows the activity in greater detail, including presenting cash flow information. The basic proprietary fund financial statements can be found on pages 10 through 12 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 financial statements. The notes to the financial statements can be found on pages 13 through 20 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. Again, ABI's function as implementer of projects on behalf of the City of Atlanta causes periodic and expected significant decreases to its net position, which does not necessarily indicate a deterioration of ABI's financial position. In the case of ABI, assets exceeded liabilities by approximately \$172.5 million at June 30, 2021. A summary of the net position is presented below.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Atlanta Beltline, Inc's Net Position		
	2021	2020
Assets		
Current assets	\$14,734,128	\$9,982,081
Capital assets	220,597,964	170,040,846
Total assets	235,332,092	180,022,927
Liabilities		
Current liabilities	15,194,891	6,224,240
Noncurrent liabilities	47,667,473	31,330,889
Total liabilities	62,862,364	37,555,129
Net position		
Net investment in capital assets	167,459,468	137,409,475
Restricted	4,473,436	4,452,740
Unrestricted (deficit)	536,824	605,583
Total net position	\$172,469,728	\$142,467,798

ABI's total assets equal \$235.3 million. Current assets primarily consist of cash and cash equivalents (52%) and due from other governments, while noncurrent assets only consist of capital assets. ABI's total liabilities equal approximately \$62.9 million. Liabilities primarily consist of loans payable (43%) and a long-term payable to the City of Atlanta (38%).

For the fiscal year ended June 30, 2021, ABI's total net position increased approximately \$30.0 million, primarily due to the approximately \$41.1 million received in intergovernmental funding for expenses that are predominantly recorded as capital assets and approximately \$2.6 million from private grants and contributions, offset primarily by operating expenses of approximately \$10.3 million. Approximately \$5.6 million worth of assets were transferred to Invest Atlanta during the fiscal year ended June 30, 2021. There are significant amounts of capital assets that are expected to be transferred to the City of Atlanta in future fiscal years.

Atlanta BeltLine, Inc.'s Changes in Net Position		
Fiscal Years Ended June 30, 2021 and June 30, 2020		
	2021	2020
Revenues		
Intergovernmental funding	\$42,467,116	\$26,652,349
Private grants and contributions	1,184,779	1,453,085
Interest income (non-operating)	19,463	36,898
Other income	600,627	413,572
Total revenues	44,271,985	28,555,904
Expenses		
General and administrative	10,309,733	9,352,753
Interest expense	180,114	240,738
Depreciation expense	196,747	315,271
Loss on capital assets (non-operating)	873	266,878
Capital assets donated to Invest Atlanta	5,582,888	13,651,994

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Capital assets donated to the Atlanta BeltLine, Inc.	(2,000,300)	(1,646,134)
Other	0	5,268
Total expenses	14,270,055	22,186,768
Change in net position	30,001,930	6,369,136
Net position, beginning of fiscal year	142,467,798	136,098,662
Net position, end of fiscal year	\$172,469,728	\$142,467,798

For the fiscal year ended June 30, 2021, revenues consist primarily of intergovernmental funding from the BeltLine Tax Allocation District, state transportation grants, the City of Atlanta (including some pass through state and federal grants) (89%) and private grants and contributions (10%). The increase in intergovernmental funding is attributed to the increased construction activity during FY21. For the fiscal year ended June 30, 2021, expenses consist primarily of general and administrative costs (63%), transfers of capital assets to Invest Atlanta (34%), and interest expense of (1%).

Capital Assets

The capital assets of ABI total approximately \$220.6 million at the end of fiscal year ended June 30, 2021, an increase of approximately \$50.5 million from the prior fiscal year. Capital assets are comprised of land, land improvements, equipment, and construction in process related to the Atlanta BeltLine project. The majority of this balance is comprised of five projects: Land designated for Affordable Housing (\$26.9 million); Clear Creek (\$24.0 million); Trails (\$135.4 million) – including Eastside Trail, Westside Trail, and Southside Trail; Rails - transit (\$13.0 million); and Atlanta BeltLine Corridor (\$5.7 million). See Note 6 for more detail of ABI's capital assets.

Debt

During the fiscal year ended June 30, 2021, ABI entered into a loan agreement with Atlantic Capital Bank to obtain a \$30.0 million credit facility for real estate acquisitions. The initial loan was in the amount of \$20.5 million to acquire the Chappel Road Property designated for affordable housing. The loan has a maturity date of April 15, 2026, and requires annual principal repayments of \$1.0 million for years one through three and \$1.02 million for years four and five. Interest accrues at a fixed rate of 3.05% and is due quarterly. No additional loans were made against the credit facility during the fiscal year.

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 Atlanta BeltLine projects. Interest is payable semi-annually. For a period of 24 months commencing April 17, 2008, the loan was to accrue interest at a daily rate of LIBOR + .55%. Effective, March 17, 2009, in accordance with the original loan agreement, a downgrade of the City of Atlanta's debt rating caused the interest rate to adjust to a daily rate of LIBOR + .65%. Commencing on April 17, 2010 the interest rate changed to a daily rate of LIBOR +.75%, which was to be in effect until the notes mature on September 17, 2022 and October 17, 2022. Later, during fiscal year 2010, the City's debt rating was downgraded again and thus triggered a clause which increased the daily rate to LIBOR +.85%. Commencing on September 17, 2010, principal will be due in annual installments until the notes mature. As of June 30, 2021, the outstanding balance on the note is \$6,482,682.

See Note 7 for more detail of ABI's long-term debt.

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The City of Atlanta contributed \$30,000,000 to ABI for the estimated cost to complete the Clear Creek project which will result in the construction of a storm water retention pond and infrastructure improvements for sewer basin relief. The costs to complete the project are now estimated to be lower than the \$30 million funded. Due to the excess funds projected, ABI returned approximately \$5 million during fiscal year 2010 and another \$1 million in fiscal year 2013. The liability of \$24 million will be satisfied upon transfer of the completed project and any residual cash to the City of Atlanta. See Note 8 for more detail on the Clear Creek Project.

Requests for Information

This financial report is designed to provide a general overview of ABI's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, 100 Peachtree Street NW, Suite 2300, Atlanta, GA 30303.

ATLANTA BELTLINE, INC.
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STATEMENT OF NET POSITION
June 30, 2021

		Component Units	
	Business-type Activities	Chester Ave. Lofts, LLC	Green Miles Investments, LLC
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,238,615	\$ 308,970	\$ 79,393
Restricted cash and cash equivalents	4,473,436	-	-
Accounts receivable	196,520	-	-
Due from other governments	1,373,044	-	-
Due from the Atlanta BeltLine Partnership	1,793,299	-	-
Due from the City of Atlanta	50,456	-	-
Due from the BeltLine Tax Allocation District	3,462,565	-	-
Due from component units	63,426	-	-
Prepaid items	82,767	-	-
Total current assets	14,734,128	308,970	79,393
Noncurrent assets:			
Capital assets, nondepreciable	219,746,527	735,313	-
Capital assets, net of depreciation	851,437	-	-
Total noncurrent assets	220,597,964	735,313	-
Total assets	235,332,093	1,044,283	79,393
Liabilities			
Current liabilities:			
Accounts payable	6,562,309	1,655	50
Accrued expenses	2,156,455	-	-
Notes payable, current portion	4,139,314	-	-
Due to primary government - Invest Atlanta	2,175,814	-	-
Due to primary government - Atlanta Beltline, Inc.	-	2,388	61,038
Due to the BeltLine Tax Allocation District	150,000	858,825	-
Other liabilities	11,000	-	-
Total current liabilities	15,194,892	862,868	61,088
Noncurrent liabilities:			
Due to City of Atlanta	24,000,000	-	-
Accrued rent	844,103	-	-
Notes payable	22,823,369	-	-
Total noncurrent liabilities	47,667,473	-	-
Total liabilities	62,862,364	862,868	61,088
Net Position			
Net investment in capital assets	167,459,468	735,313	-
Restricted for debt service	4,473,436	-	-
Unrestricted (deficit)	536,825	(553,898)	18,305
Total net position	\$ 172,469,729	\$ 181,415	\$ 18,305

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
STATEMENT OF ACTIVITIES
June 30, 2021

	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	Chester Ave. Lofts, LLC	Green Miles Investments, LLC
Functions/Programs:							
Primary government:							
Business-type activities:							
Economic development	\$ 16,270,355	\$ 600,627	\$ 34,882,573	\$ 10,769,621	\$ 29,982,466		
Total primary government activities	<u>\$ 16,270,355</u>	<u>\$ 600,627</u>	<u>\$ 34,882,573</u>	<u>\$ 10,769,621</u>	<u>29,982,466</u>		
Component units:							
Chester Avenue Lofts, LLC	\$ 25,050	\$ -	\$ -	\$ -		\$ (25,050)	\$ -
Green Miles Investments, LLC	-	-	-	-		-	-
Total component unit activities	<u>\$ 25,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(25,050)</u>	<u>-</u>
General revenues:							
Interest income					19,463	-	-
Total general revenues					<u>19,463</u>	<u>-</u>	<u>-</u>
Change in net position					30,001,930	(25,050)	-
Net position – beginning of fiscal year					<u>142,467,799</u>	<u>206,465</u>	<u>18,305</u>
Net position – ending of fiscal year					<u>\$ 172,469,729</u>	<u>\$ 181,415</u>	<u>\$ 18,305</u>

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
(A Component Unit of The Atlanta Development Authority, d/b/a Invest Atlanta)
STATEMENT NET POSITION – PROPRIETARY FUND
June 30, 2021

	Administrative Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 3,238,615
Restricted cash and cash equivalents	4,473,436
Accounts receivable	196,520
Due from other governments	1,373,044
Due from the Atlanta BeltLine Partnership	1,793,299
Due from the City of Atlanta	50,456
Due from the BeltLine Tax Allocation District	3,462,565
Due from component units	63,426
Prepaid items	82,767
Total current assets	<u>14,734,128</u>
Noncurrent assets:	
Capital assets, nondepreciable	219,746,527
Capital assets, net of depreciation	851,437
Total noncurrent assets	<u>220,597,964</u>
Total assets	<u>235,332,093</u>
Liabilities	
Current liabilities:	
Accounts payable	6,562,309
Accrued expenses	2,156,455
Notes payable, current portion	4,139,314
Due to primary government	2,175,814
Due to the BeltLine Tax Allocation District	150,000
Other liabilities	11,000
Total current liabilities	<u>15,194,892</u>
Noncurrent liabilities:	
Due to City of Atlanta	24,000,000
Accrued rent	844,103
Notes payable	22,823,369
Total noncurrent liabilities	<u>47,667,473</u>
Total liabilities	<u>62,862,364</u>
Net Position	
Net investment in capital assets	167,459,468
Restricted for debt service	4,473,436
Unrestricted (deficit)	536,825
Total net position	<u>\$ 172,469,729</u>

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION–
PROPRIETARY FUND
June 30, 2021

	Administrative Fund
Operating revenues:	
Intergovernmental funding	\$ 42,467,116
Private grants and contributions	1,184,778
Other income	600,627
Total operating revenues	44,252,522
Operating expenses:	
General and administrative	10,305,033
Depreciation expense	196,747
Other expenses	4,700
Total operating expenses	10,506,480
Operating income (loss)	33,746,041
Non-operating revenues (expenses):	
Capital assets donated to Invest Atlanta	(5,582,888)
Capital assets donated to Atlanta BeltLine, Inc.	2,000,300
Loss on disposal of capital assets	(873)
Interest income	19,463
Interest expense	(180,114)
Total non-operating operating revenues	(3,744,112)
Change in net position	30,001,930
Net position (deficit) at beginning of fiscal year	142,467,799
Net position at end of fiscal year	\$ 172,469,729

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
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STATEMENT OF CASH FLOWS - PROPRIETARY FUND
June 30, 2021

	Administrative Fund
Cash flows from operating activities:	
Receipts from grantors and others	\$ 43,318,048
Payments to suppliers, vendors and other governments	(609,412)
Payments to employees for salaries and related benefits	(4,087,453)
Net cash provided by (used in) operating activities	<u>38,621,183</u>
Cash flows from capital financing activities:	
Acquisition and construction of capital assets	(54,337,327)
Proceeds from notes payable	20,480,000
Principal payments on notes payable	(2,947,712)
Payments for interest	(180,114)
Net cash used in capital financing activities	<u>(36,985,152)</u>
Cash flows from investing activities:	
Interest on investments	<u>19,463</u>
Net cash provided by investing activities	<u>19,463</u>
Net increase (decrease) in cash and cash equivalents	1,655,494
Cash and cash equivalents at beginning of fiscal year	<u>6,056,556</u>
Cash and cash equivalents at end of fiscal year	<u><u>\$ 7,712,050</u></u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 3,238,615
Restricted cash and cash equivalents	<u>4,473,436</u>
	<u><u>\$ 7,712,050</u></u>

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
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STATEMENT OF CASH FLOWS - PROPRIETARY FUND
June 30, 2021

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 33,746,041
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	196,747
(Increase) decrease in:	
Accounts receivable	(147,494)
Due from the Atlanta BeltLine Partnership	(1,654,749)
Due from the City of Atlanta	571,203
Due from the BeltLine Tax Allocation District	(2,260,127)
Due from other governments	380,881
Prepaid items	13,735
Increase (decrease) in:	
Accounts payable and accrued expenses	5,749,283
Accrued rent	(4,103)
Due to primary government	2,029,767
Other liabilities	-
Net cash provided by (used in) operating activities	<u>\$ 38,621,183</u>
Non-cash capital financing activities:	
Capital assets donated to Invest Atlanta	\$ (5,582,888)
Capital assets donated to Atlanta BeltLine, Inc.	2,000,300

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

(1) Summary of Significant Accounting Policies

(a) The Financial Reporting Entity

Atlanta BeltLine, Inc. (“ABI”) was incorporated in 2006 to act as implementation agent on behalf of The Atlanta Development Authority, d/b/a Invest Atlanta (“Invest Atlanta”) with respect to the Atlanta BeltLine project (the “Atlanta BeltLine”). Atlanta BeltLine development activities will enrich Atlanta’s quality of life with parks, trails, transit, and economic development and set a national standard for transformative investment, sustainable growth, and equitable development.

As a public corporation, ABI meets the definition of a governmental entity and follows accounting principles generally accepted in the United States of America (“GAAP”) for government entities. The Governmental Accounting Standards Board (“GASB”) is the standard setting body for governmental GAAP.

Management has considered the criteria set forth in GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, Defining the Financial Reporting Entity. Based upon the application of the above criteria, Invest Atlanta has determined ABI to be a component unit of Invest Atlanta.

The component unit columns in the government-wide financial statements include two component units of ABI. The first is Chester Avenue Lofts, LLC which is a discretely presented component unit of ABI. Chester Avenue Lofts, LLC (CAL) is wholly owned by ABI and was organized to improve and develop property within the Atlanta BeltLine corridor. As the sole member of the limited liability company, ABI controls the activity of CAL. Green Miles Investments, LLC (GMI) is also a discretely presented component unit. GMI is wholly owned by ABI and was organized to own, operate, develop, manage, lease, and sell property within the Atlanta BeltLine corridor. As the sole member of the limited liability company, ABI controls the activity of GMI. These two component units are reported in separate columns to emphasize that they are legally separate from ABI. Separate financial information for CAL and GMI is available from ABI management.

(b) Government-wide and Fund Financial Statements

ABI 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 that are invested in capital assets, restricted for use by third parties or outside requirements, and amounts that are unrestricted.

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(b) Government-wide and Fund Financial Statements (Continued)

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

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

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Interest income is recognized as revenue when earned regardless of when the cash is received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses are recorded when a liability is incurred.

ABI reports the only major enterprise fund, its Administrative Fund, which is used to account for all activity of ABI other than that of its component units.

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. ABI's principal operating revenue is derived from contributions from the BeltLine TAD, contributions to support the development of the Atlanta BeltLine, and other grants. Operating expenses for the fund include development, program, and direct general and administrative expenses of ABI. 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 ABI's policy to use restricted resources first, then unrestricted resources as they are needed.

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(d) Cash and Cash Equivalents

For the purposes of the statement of cash flows, ABI considers 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 to be cash equivalents. Certain resources set aside for Atlanta BeltLine projects are classified as restricted assets on the statement of net position because their use is limited by the purpose of certain agreements with the City of Atlanta or other donors.

(e) Capital Assets

Capital assets are stated at cost. Atlanta BeltLine capital assets consist of non-depreciable land, construction in progress related to both the Clear Creek and Atlanta BeltLine Projects, leasehold improvements, and furniture and equipment. Donated capital assets are reported at their acquisition value on the date of donation. Depreciation on capital assets is calculated on the straight-line method over the estimated useful lives as follows:

Furniture and Equipment	3-5 years
Leasehold Improvements	10 years

(f) Use of Estimates

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

(2) Deposits and Investments

(a) Credit Risk

ABI 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. As of June 30, 2021, ABI did not have any investments other than deposits with financial institutions.

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(2) Deposits and Investments (Continued)

(b) Custodial Credit Risk-Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities or for financial institutions to participate in the state sponsored secure deposit collateral program. As of June 30, 2021, ABI had no bank balances that were exposed to custodial credit risk.

(3) Due from the City of Atlanta

ABI continued construction on projects during the current fiscal year, each of which are related to the overall Atlanta BeltLine Project. Certain costs incurred by ABI on these projects will be reimbursed by the City of Atlanta. As of June 30, 2021, ABI was owed \$50,456 from the City of Atlanta.

(4) Due from and Due to the City of Atlanta Tax Allocation Districts

A portion of redevelopment costs and general costs incurred by ABI to manage the Atlanta BeltLine Project are reimbursed monthly to ABI by the BeltLine Tax Allocation District. As of June 30, 2021, ABI was owed \$3,462,565 from the BeltLine Tax Allocation District and the BeltLine Tax Allocation District was owed \$150,000 from ABI.

Additionally, certain projects of ABI fall into other City of Atlanta Tax Allocation Districts and those project costs are reimbursed by the respective Tax Allocation Districts. However, as of June 30, 2021, ABI was owed no amounts from the other Tax Allocation Districts.

Amounts used by Chester Avenue Lofts, LLC to purchase and develop the Lofts at Reynoldstown Crossing loft units were advanced from the BeltLine Tax Allocation District and amounts from the sale of these properties were determined to be owed back to the BeltLine Tax Allocation District. At June 30, 2021, Chester Avenue Lofts, LLC owed the BeltLine Tax Allocation District \$858,825 related to the advancement of these funds to Chester Avenue Lofts, LLC.

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(5) Due from the Atlanta BeltLine Partnership

Certain project specific costs incurred by ABI are reimbursed by the non-profit entity, Atlanta BeltLine Partnership (“ABP”). ABP is an unrelated non-profit organization committed to raising funds from private and philanthropic sources to support the Atlanta BeltLine Project; working with neighborhoods, community organizations, faith organizations, businesses, and other groups to raise general awareness and broad-based support for the Atlanta BeltLine Project; and serving as a catalyst to mobilize resources to address the social concerns raised by new development around the Atlanta BeltLine Project. Through its initiative, ABP has pledged to fund specific projects up to a certain amount. Costs incurred to date by ABI but not yet reimbursed on those projects are considered owed to ABI. As of June 30, 2021, ABI was owed \$1,739,299 from ABP.

(6) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2021 consists of the following:

	June 30, 2020	Additions	Deletions	Transfers	June 30, 2021
Total primary government					
Capital assets not being depreciated:					
Land	\$124,427	\$-	\$-	\$-	\$124,427
<i>Construction in Progress:</i>					
Murphy Crossing	2,712,522	5,325,088	-	(5,280,488)	2,757,122
Corridor Design	5,651,961	-	-	-	5,651,961
Clear Creek	23,970,696	10,900	-	-	23,981,596
Historic Fourth Ward Park	131,551	-	-	-	131,551
Boulevard Crossing Park	3,134,555	484,309	-	-	3,618,864
DH Stanton Park	35,547	-	-	-	35,547
Parks	268,408	-	-	-	268,408
Rails	13,034,347	-	-	-	13,034,347
Trails	112,281,244	23,449,927	-	(302,400)	135,428,771
Edgewood Bridge	1,779	-	-	-	1,779
Willoughby Way	112,702	-	-	-	112,702
Lang Carson	20,820	-	-	-	20,820
Enota Park	985,420	-	-	-	985,420
2 Gateway	1,846,357	-	-	-	1,846,357
Brownfield	28,321	-	-	-	28,321
Ponce Plaza	932,573	-	-	-	932,573
Ponce Streetscape	1,437,383	21,760	-	-	1,459,143
NE Corridor Remediation	570,727	33,977	-	-	604,704
Urban Farm	789,916	-	-	-	789,916
Reynolds town Stage – Other	185,096	-	-	-	185,096
Art	76,787	-	-	-	76,787
Ralph David Abernathy Complete St	226,207	4,457	-	-	230,664
University Avenue Project	199,965	-	-	-	199,965
Affordable Housing	314,651	-	-	-	314,651
Affordable Housing	-	26,925,035	-	-	26,925,035

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(6) Capital Assets (Continued)

Total capital assets not being depreciated	\$169,073,962	\$56,255,453	\$-	\$(5,582,888)	\$219,746,527
Capital assets subject to depreciation:					
Leasehold improvements	1,449,764	-	-	-	1,449,764
Furniture and equipment	1,165,394	82,173	(27,655)	-	1,219,912
Total capital assets subject to depreciation	\$2,615,158	\$82,173	\$(27,655)	\$-	2,669,676
Capital assets being depreciated:					
Accumulated depreciation	(1,648,273)	(196,748)	26,782	-	(1,818,239)
Total capital assets net of depreciation	\$966,885	\$(114,575)	\$(873)	\$-	851,437
Net property and equipment	\$170,040,847	\$56,140,878	\$(873)	\$(5,582,888)	220,597,964
Component Unit					
Capital assets not being depreciated:					
Chester Avenue Lofts – Land	\$450,000	\$-	\$-	\$-	\$450,000
Chester Ave Lofts–construction in progress	285,313	-	-	-	285,313
Total capital assets not being depreciated	\$735,313	\$-	\$-	\$-	\$735,313

(7) Long-term Liabilities

Activity for long-term liabilities for the fiscal year ended June 30, 2021 consists of the following:

	June 30, 2020	Additions	Reductions	June 30, 2021	Due Within One Fiscal Year
Notes payable – banks	\$9,430,395	\$19,480,000	\$(1,947,712)	\$26,962,683	\$4,139,314
Total long-term debt	\$9,430,395	\$19,480,000	\$(1,947,712)	\$26,962,683	\$4,139,314

Note Payable – Banks

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 Atlanta 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 note matures. As of June 30, 2021, the outstanding balance on the note is \$26,962,683.

Debt Service Requirements

Annual principal and interest requirements (using the interest rate of 3.248% at the current fiscal yearend) for the notes payable to the banks are set forth below (dollar amounts in thousands):

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(7) Long-term Liabilities (Continued)

Fiscal Year ending June 30,	Principal	Interest	Total
2022	\$3,139	\$109	\$3,248
2023	3,343	-	3,343
Totals	\$6,482	\$109	\$6,591

(8) Due to City of Atlanta – Clear Creek Project

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 an additional \$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. Thus \$24 million is accrued as a non-current liability. 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, 2021, total project costs to date totaled \$23,981,596.

(9) Operating Lease

ABI 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 year of the eleven year lease and also contains rent escalations in future years. The lease began July 1, 2015.

Future minimum rental payments on this lease as of June 30, 2021 are as follows:

Fiscal Year Ending June 30, 2021	Rental Amount
2022	\$421,895
2023	431,706
2024	441,518
2025	451,329
2026	461,141
Total	\$2,207,589

During the fiscal year ended June 30, 2021, ABI paid \$412,083 under this lease in base rent, however, \$379,081 of rent was expensed in order to evenly charge rent over the full term of the lease.

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(10) Pension Plan

ABI participates in two different qualified tax deferred defined contribution retirement plans offered 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). ABI does not match contributions to the section 457(b) plan.

Because ABI 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 ABI contribute to a qualified retirement plan a minimum of 7.25% of base pay for all eligible employees. ABI has met this requirement by participating in 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 ABI who are over 21 years of age. ABI has elected to contribute more to this defined contribution plan than the required legal minimum. For the fiscal year ended June 30, 2021, ABI contributions to the 401(a) defined contribution plan totaled \$793,805. Employees cannot contribute directly to the 401(a) defined contribution plan.

(11) Contractual Commitments

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

(12) Transfer of Assets to the City of Atlanta

As the implementation agent of the Atlanta BeltLine, the ultimate objective is that all capital improvements to the Atlanta BeltLine will be transferred to the City of Atlanta for complete ownership and passing along risk of ownership. At fiscal year-end, the balance of those assets, which are currently unfinished, in process, and expected to be transferred to the City of Atlanta at a future date is \$219,746,527. The transfer of assets is expected to occur once projects have been completed and the City of Atlanta accepts the improvements. For the fiscal year ended, June 30, 2021, ABI did not transfer any capital assets to the City of Atlanta, but did transfer ownership of capital assets worth \$5,582,888 to Invest Atlanta.

(13) Subsequent Events

The following events and transactions occurred subsequent to June 30, 2021:

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(13) Subsequent Events (Continued)

- On December 6, 2021, the component unit of ABI, Chester Avenue Lofts, LLC, sold approximately 1.2 acres of land for \$1 million less closing costs. The land is reflected in Capital assets, non-depreciable on the Statement of Net Position.
- On September 17, 2021, a principal payment reduced the consortium loan balance by \$3,139,314 million. The debt is reflected in the Current liabilities on the Statement of Net Position.

Subsequent events were evaluated through December 8, 2021 which is the date the financial statements were available to be issued.