

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, unless otherwise disclosed)

(“AOCL”) in the consolidated balance sheets and included as a component of Comprehensive income in the consolidated statements of comprehensive income.

Gains and losses on foreign currency transactions are reflected in Other expense in the consolidated statements of operations. However, the effect from fluctuations in foreign currency exchange rates on intercompany debt for which repayment is not anticipated in the foreseeable future is reflected in AOCL in the consolidated balance sheets and included as a component of Comprehensive income.

The Company recorded the following net foreign currency losses:

	Year Ended December 31,		
	2019	2018	2017
Foreign currency losses recorded in AOCL	\$ 45.8	\$ 385.8	\$ 51.6
Foreign currency (gains) losses recorded in Other expense	(6.1)	4.5	(26.4)
Total foreign currency losses	<u>\$ 39.7</u>	<u>\$ 390.3</u>	<u>\$ 25.2</u>

*Cash and Cash Equivalents*—Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less. The Company maintains its deposits at high-quality financial institutions and monitors the credit ratings of those institutions.

*Restricted Cash*—Restricted cash includes cash pledged as collateral to secure obligations and all cash whose use is otherwise limited by contractual provisions.

The reconciliation of cash and cash equivalents and restricted cash reported within the applicable balance sheet that sum to the total of the same such amounts shown in the statements of cash flows is as follows:

	Year Ended December 31,		
	2019	2018	2017
Cash and cash equivalents	\$ 1,501.2	\$ 1,208.7	\$ 802.1
Restricted cash	76.8	96.2	152.8
Total cash, cash equivalents and restricted cash	<u>\$ 1,578.0</u>	<u>\$ 1,304.9</u>	<u>\$ 954.9</u>

*Property and Equipment*—Property and equipment is recorded at cost or, in the case of acquired properties, at estimated fair value on the date acquired. Cost for self-constructed towers includes direct materials and labor, capitalized interest and certain indirect costs associated with construction of the tower, such as transportation costs, employee benefits and payroll taxes. The Company begins the capitalization of costs during the pre-construction period, which is the period during which costs are incurred to evaluate the site, and continues to capitalize costs until the tower is substantially completed and ready for occupancy by a tenant. Labor and related costs capitalized for the years ended December 31, 2019, 2018 and 2017 were \$48.3 million, \$55.0 million and \$50.9 million, respectively. Capitalized interest costs were not material for the years ended December 31, 2019, 2018 and 2017.

Expenditures for repairs and maintenance are expensed as incurred. Augmentation and improvements that extend an asset’s useful life or enhance capacity are capitalized.

Depreciation expense is recorded using the straight-line method over the assets’ estimated useful lives. Towers and related assets on leased land are depreciated over the shorter of the estimated useful life of the asset or the term of the corresponding ground lease, taking into consideration lease renewal options and residual value.

Towers or assets acquired through finance leases are recorded net at the present value of future minimum lease payments or the fair value of the leased asset at the inception of the lease. Property and equipment and assets held under finance leases are amortized over the shorter of the applicable lease term or the estimated useful life of the respective assets for periods generally not exceeding twenty years.

The Company reviews its tower portfolio for indicators of impairment on an individual tower basis. Impairments primarily result from a tower not having current tenant leases or from having expenses in excess of revenues. The Company reviews other long-lived assets for impairment whenever events, changes in circumstances or other evidence indicate that the carrying amount