City of Atlanta, Georgia

Comprehensive Annual Financial Report

Shirley Franklin
Mayor

For the Year Ended
June 30, 2008

CITY OF ATLANTA, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2008

Shirley Franklin
Mayor

James W. Glass
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

TABLE OF CONTENTS

INTRODUCTORY SECTION **Page**

Letter of Transmittal.....i
GFOA Certificate of Achievement.....ix
Organization Chart.....x
List of Elected and Appointed Officials.....xi

FINANCIAL SECTION

Independent Auditors' Report..... 1
Management's Discussion and Analysis..... 3
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets.....19
Statement of Activities..... 20
Fund Financial Statements:
Balance Sheet-Governmental Funds.....22
Reconciliation of Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets.....23
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....26
Statements of Net Assets – Proprietary Funds..... 28
Statements of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....30
Statement of Cash Flows – Proprietary Funds.....31
Statement of Fiduciary Net Assets – Fiduciary Funds.....33

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....34
Component Units' Financial Statements
Statement of Net Assets – Component Units.....36
Statement of Activities – Component Units..... 38
Notes to Financial Statements..... 39

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

TABLE OF CONTENTS

Page

Required Supplementary Information:
Schedule of Funding Progress – General Employees, Police Officers, and Firefighters Pension Plans 112
Schedule of Funding Progress – Other Post Employment Benefits 112

Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet – Nonmajor Governmental Funds 113
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds 115
Combining Balance Sheet – Nonmajor Governmental Funds Tax Allocation Districts 117
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds – Tax Allocation Districts 119
Combining Balance Sheet – Nonmajor Governmental Funds Other Special Revenue 121
Combining Statement of Revenue, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds – Other Special Revenue 122
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual:
Nonmajor Special Revenue Funds 123
Debt Service Fund 140
Combining Statement of Net Assets – Nonmajor Proprietary Funds 141
Combining Statement of Revenues, Expenses, and Changes In Net Assets – Nonmajor Proprietary Funds 142
Combining Statement of Cash Flows – Nonmajor Proprietary Funds 143
Combining Statement of Plan Net Assets – Pension Trust Funds 144
Combining Statement of Changes in Plan Net Assets – Pension Trust Funds 145
Statement of Changes in Assets and Liabilities – Agency Fund 146

STATISTICAL SECTION
Net Assets by Component 147
Changes in Net Assets 148
Program Revenues by Function/Program 149
Fund Balances, Governmental Funds 150
Changes in Fund Balances, Governmental Funds 151
Assessed and Estimated Actual Value of Taxable Property 152

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

TABLE OF CONTENTS

Page

Direct and Overlapping Property Tax Rates 153
Principal Property Tax Payers 154
Property Tax Levies and Collections 155
Taxable Sales by Category 156
Direct and Overlapping Sales Tax Rates 157
Principal Sales Tax Remitters 158
Ratio of Outstanding Debt by Type 159
Ratio of General Bonded Debt Outstanding 160
Direct and Overlapping Governmental Activities Debt 161
Legal Debt Margin Information 162
Schedule of Revenue Bond Coverage- Department of Aviation 163
Schedule of Revenue Bond Coverage – Department of Watershed Management 164
Demographic and Economic Statistics 165
Principal Employers 166
Full-time Equivalent City Government Employees by Function/Program 167
Operating Indicators by Function/Program 168
Capital Asset Statistics by Function/Program 169

Introductory Section

CITY OF ATLANTA

SHIRLEY FRANKLIN
MAYOR

DEPARTMENT OF FINANCE
68 MITCHELL STREET, S. W., SUITE 11100
ATLANTA, GEORGIA 30335-0312
VOICE (404) 330-6430 FAX (404) 658-6667

JAMES W. GLASS
CHIEF FINANCIAL OFFICER

January 26, 2009

Honorable City Council President
Honorable Members, Atlanta City Council,
City of Atlanta, Georgia

Ladies and Gentlemen:

We are pleased to present the 2008 Comprehensive Annual Financial Report (CAFR) for the City of Atlanta, Georgia (City).

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements, presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The law further requires that these statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The State law also allows for approved extensions beyond the six-month deadline. The City requested, and received approval for, a thirty-day extension in order to complete these financial statements. This delay was caused by a recent change in senior management and the implementation of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. In accordance with these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Atlanta for the year ended June 30, 2008.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the CAFR. To provide a reasonable basis for making these representations, management of the City has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Atlanta's financial statements in conformity with GAAP. The cost of internal controls should never outweigh their benefits. A framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the CAFR is complete and reliable in all material respects.

In accordance with Section 6-308 of the City Charter, the governing body shall provide annually for an independent audit of the accounts and other evidences of financial transactions of the City. This audit is to be performed by a certified public accounting firm. The City's financial statements have been audited by Banks, Finley, White & Co; with additional support provided by Tabb & Tabb. The goal of the

independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors rendered an unqualified opinion that the City's financial statements for the year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies.

The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1847, is located in the north-central part of the state, which is the top growth area in the state, and has been one of the highest growth areas of the country for over three decades. The City currently occupies a land area of 131.4 square miles, with a population of 461,956, 000 and 4,917,717 in the Atlanta Metropolitan Area, according to the United States Census Bureau. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City's policy-making and legislative authority are vested in a governing council (City Council) consisting of fifteen members and an elected City Council President who serves as presiding officer. The City Council's primary responsibilities are passing ordinances, adopting the budget, and setting policy for the City. The City's mayor is responsible for carrying out the policies and ordinances of the City, for overseeing the day-to-day operations of the City, and for appointing and directing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve four-year terms, as does the Mayor. The mayor is limited to two consecutive terms. There are no term limits on council members or the Council President. Twelve of the council members are elected by district. The Mayor, the three remaining council members and the Council President are elected at large.

The City provides a full range of municipal services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; land use and building regulation; and solid waste collection and disposal. The City accounts for solid waste collection and disposal activities separately within the reporting entity and attempts to recover operating costs of the function through user charges. The City operates and maintains the world's busiest airport, financed exclusively with airport-generated income. The City Council has oversight responsibility for the City's Pension Trust Funds and Group Insurance Fund. In addition, the City is financially accountable as of June 30, 2008, for the Atlanta-Fulton County Recreation Authority, the Urban Design Commission (UDC), the Solid Waste Management Authority (SWMA), the Atlanta Public Safety and Judicial Facilities Authority (APSJFA), the Atlanta CoRA Inc., Keep Atlanta Beautiful, and the Atlanta Development Authority (ADA), all of which are included as part

of the CAFR. Certain organizations are not included within the scope of this report since they are established by the Constitution of the State of Georgia or state laws and are administered by separate boards that act independently of the City of Atlanta. These include the Atlanta Independent School System (School System) and the Atlanta Housing Authority (AHA).

Local economy

The City of Atlanta has a strong economic base grounded in a diverse set of industries. Substantial concentrations of employers in government, manufacturing, education, finance, logistics and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries – combined with an increased interest in living in urban centers – has generated substantial population growth in the City. Following several decades of stagnant or declining population growth, Atlanta has grown by 3.2% annually since 2000. By all accounts the City of Atlanta has achieved its goal of becoming a "global city". In a recent study published in the Foreign Policy Journal, the City of Atlanta ranked 37th among 60 global cities for their importance as national engines of economic growth and connectivity to the global economy[1].

In the medium and long-term, Atlanta is in a very strong competitive position. Prevailing migration patterns should continue to support strong population and business growth. Migration from overseas has increasingly moved inland from the coastal cities. Migration internal to the US continues to flow south with transplants from the northeast and industrial Midwest moving in large numbers to Georgia, Florida and North Carolina. And the national population shifts from suburbs and exurbs back to urban cores – driven by transportation costs, traffic congestion, and a renewed interest in urban living - is particularly prevalent in the Atlanta metro region.

New arrivals to the City are also wealthier than in the past. Per capita income in the City of Atlanta now far exceeds that of the metro region. Demand for housing has been strong and once neglected neighborhoods are attracting new residents and investment. This residential growth is in turn generating retail and commercial investment in transportation corridors that had been until recently rapidly deteriorating.

New tourist attractions – including the Georgia Aquarium, the World of Coke, and the future Center for Civil and Human Rights – are turning downtown Atlanta into a major national tourist destination. Downtown Atlanta has clearly turned the corner economically and is attracting residents, retailers, and new businesses at an accelerated rate. The City is moving ahead with the Beltline Project, which is generating investments in previously neglected corridors of the City and will eventually serve to unify the residential neighborhoods of the City through its network of transit, trails and parks.

With these strong fundamentals in place, the City will continue to be an attractive place to invest in the medium and long-term. However, in the short-term the City of Atlanta's economic conditions are expected to mirror the national economy. A national recession began in December of 2007, and is expected to persist through much of 2009. Consumer spending is down for the first time in 17 years. Unemployment is increasing and the State of Georgia's rate in December of 2008, hit 7.5% according to the Georgia Department of Labor.

---

[1] In October 2008, the Foreign Policy journal, in conjunction with consulting firm A. T. Kearney and the Chicago Council on Global Affairs, published a ranking of global cities. Foreign Policy noted "[t]he world's biggest, most interconnected cities help set global agendas, weather transnational dangers, and serve as the hubs of global integration. They are the engines of growth for their countries and the gateways to the resources of their regions." The rankings are based on the evaluation of 24 metrics in five areas: business activity, human capital, information exchange, cultural experience, and political engagement.

Municipal finances are particularly vulnerable to economic recessions. Over 70% of the City of Atlanta's revenues are derived from activities that are sensitive to the performance of the economy. Sales tax revenues are threatened by declining retail sales. Hotel/motel and alcohol taxes are impacted by declines in tourist activity. Property tax values are vulnerable to declining home values (home prices have declined 18% nationally and 9% in the Atlanta Metro Area). In October 2008, over 13,000 housing units were in foreclosure (over 6% of the non-rental housing stock). Building permits activity is down 20% in the City of Atlanta.

Although we are confident the City will emerge from this recession in a strong position to attract new residents and businesses and to grow as it has in recent years, the immediate challenges are significant. The City is taking immediate steps to reduce spending and increase revenues where possible. At the same time, the City continues its investments in the expansion of Hartsfield Jackson Atlanta International Airport, the upgrade to its water/sewer infrastructure, and other major infrastructure projects critical to its future growth. With careful management of its operating budgets – combined with strategic investments in infrastructure - there is every reason to believe that the City's government will maintain its strong fiscal condition.

Transportation

Atlanta's economic base is further strengthened by a highly-integrated transportation network, consisting of three major interstate highways (20, 75 and 85), a beltway (Interstate 285), expanded public transportation which includes Metro Atlanta Rapid Transit Authority (MARTA), and the opening of a fifth runway, and expanded air cargo at Hartsfield-Jackson Atlanta International Airport. The airport, which is a regional economic engine, has consistently been ranked as the busiest passenger airport in the world. Today Atlanta has more than 80 direct flights to international destinations.

Education

Atlanta is a national leader in higher education. Home to 45 accredited degree-granting colleges and universities offering over 400 fields of study to more than 196,000 students, colleges and universities are key drivers in Atlanta's regional economy. The City also has 8 post secondary technical colleges with offerings of over 50 disciplines. Atlanta is ranked seventh in the nation for the percentage of its population that has completed college and eighth in the nation for total minority enrollment. Approximately 35 percent of people over age 25 have a completed a bachelor's degree or higher.

The Budget Process and Fiscal Policies

The City utilizes an executive budget process, in which all departments submit budget requests to the Mayor, who proposes a budget to the City Council. The Finance Executive Committee of the City Council holds at least one public hearing during the time it is deliberating the budget. Council then may modify that proposed budget, and formally adopt the revised budget by Ordinance. Under the City Charter, budget adoption must take place no later than June, preceeding the commencement of the fiscal year.

Under the provisions of a budget law adopted in 1937, the Mayor and Council are restricted in budget making to utilize the estimates of revenue availability set by the Budget Commission of the City. The Budget Commission is made up of the Mayor, the Chairman of the Finance Executive Committee, the Chief Financial Officer, and two Council members nominated and confirmed by the full Council. In the absence of any rate change, the Budget Commission is restricted to setting revenue estimates no higher than ninety-nine percent (99%) of the prior year's actual receipts in each revenue category. Currently, the Department of Finance sets revenue statements at 96% of the prior year's actual receipts.

The City is required to adopt a balanced budget each year and maintains budgetary controls to ensure compliance with legal provisions of the annual budget approved by the Mayor and City Council. A Budget Report and Capital Improvement Plan are published each year. Activities of the general fund, special revenue funds and the debt service fund are included in the annual budget. Project life financial plans are adopted for the capital project funds. The official level of the City budget control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department, function or activity, and major category or expenditure group within funds. Budgets for capital projects and grant projects are adopted at the project level within departments and funds, but budgets may be adopted for each category of expenditure within projects if necessary to meet grantor or other control requirements. Transfers of appropriations within the budget of a department in the operating, internal service, and grant funds of the City may be authorized by the approval of the affected department head, the Chief Financial Officer, the Chief Operating Officer, and the chairperson of the Finance Executive Committee. Such transfers are filed with the City Council, but require no Council action. Transfers of appropriations from one department to another require an ordinance adopted by City Council and approved by the Mayor. The City's budget procedures, together with such procedures for included component units, are more fully explained in the accompanying "Notes to the Financial Statements". The City maintains an encumbrance accounting system and an allotment system to accomplish budgetary control. Appropriations for encumbered amounts at year-end are usually carried forward to the ensuing year if they exceed a certain percentage of the ensuing year's budget, are contractually obligated or dedicated for approved projects or programs.

Long-Term Capital Planning

The City's approach to long-term capital planning is guided by the development of the Atlanta Strategic Action Plan (ASAP) and the Capital Improvement Program (CIP). The ASAP captures the City's vision for the next 5, 10 and 15 years and identifies the City's needs and policies while recommending future projects for implementation. Citizen input is vital to the ASAP and is obtained through Neighborhood Planning Units serving as citizen advisory councils, making recommendations to the Mayor and City Council on zoning, land-use and other planning issues.

The CIP covers a 10-year period and identifies the specific improvements to City infrastructure and facilities needed to support and implement the CDP. The CIP is intended to ensure that necessary projects will be undertaken according to an established set of priorities and that revenue will be available to finance such projects when it is needed. Both the CDP and CIP are updated annually.

Economic Development

To promote economic development in undeveloped or underdeveloped areas, the City, with the assistance of its designated redevelopment agent, The Atlanta Development Authority (ADA), issues limited obligation Tax Allocation District (TAD) bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City, but are secured solely by and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD that exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station mixed-use development and the opening of the world's largest Aquarium further strengthen the City's core business districts. The City's designation as a Renewal Community Development of Housing and Urban Development will assist in promoting further economic development and affordable housing.

Municipal Facilities

In the development of the CIP, the City assesses its need for general government improvements and identifies appropriate fund sources and priorities for construction of and improvements to municipal facilities. To that end, the City continues to utilize an annual $8 million general obligation debt issuance with the proceeds shared equally with the School System. The City's portion of these proceeds are used to construct or renovate municipal facilities such as police precincts, fire stations, maintenance facilities, general office buildings and recreation centers. The School System's portion of these proceeds are used to make capital improvements to school facilities.

Hartsfield-Jackson Atlanta International Airport

Hartsfield-Jackson Atlanta International Airport is the principal air carrier airport in Georgia and the southeastern United States. It serves as a primary connecting or transfer point in the national air transportation system. During the year ended June 30, 2008, approximately 90 million passengers were enplaned or deplaned at the Atlanta Airport, making it the busiest passenger airport in the world according to the Airport Council International. Atlanta's Airport is widely considered to be the economic engine of the southeastern United States. Recognizing the pivotal role played by the Airport, the City has adopted a capital improvement plan to increase airfield capacity and provide additional terminal facilities required to accommodate increased operations and passenger activity at the Airport based on a master plan developed by the Airport and entitled "Hartsfield 2000 and Beyond."

Construction of elements of the Airport's Capital Improvement Plan (CIP) began in 1999 and is expected to be completed by 2012. The CIP includes the construction of a 9,000 foot fifth parallel runway (Runway 10/28), a new South Terminal, a new International Terminal, a Consolidated Rental Car Facility (CONRAC), improvements to air cargo facilities, and renovations to the existing terminal complex. Runway 10/28 was completed in May 2006.

Water and Sewer Infrastructure

A major component of the City's long-term capital planning for water and wastewater has been driven by federal and state consent decrees and orders requiring the correction of problems caused by the City's outdated combined sewer facilities and water treatment plants that provide drinking water. Upgrades and improvements are required to address wastewater treatment facilities, pretreatment requirements, and capacity issues of the sewerage collection and transmission system City-wide that has been neglected for decades. Improvements to the wastewater system must be completed by 2014, and together with improvements to the drinking water system, will cost approximately $3.2 billion. The majority of the water and wastewater improvements will be funded by a planned series of revenue bond issues over the next five years and rate increases for both retail and wholesale users of the City's water and wastewater system.

The City maintains three water treatment plants, one of which is jointly owned with Fulton County, and three initial pumping stations, one of which is jointly owned with Fulton County. The City sells water on a wholesale basis to other jurisdictions in the Atlanta area, including Coweta, Clayton, and Fayette counties and the cities of Fairburn, Hapeville, and Union City.

The City owns and operates a wastewater collection and treatment system. Wastewater is treated for other jurisdictions in the Atlanta area, under long-term contracts, including the cities of College Park, East Point, Hapeville and parts of DeKalb, Fulton and Clayton counties.

Cash Management Policies and Practices

It is the policy of the City to invest public funds in a manner that will provide maximum security and the best commensurate yield while meeting the daily cash flow demands of the City. The City's investments are placed primarily in government securities. These instruments include U.S. Treasury and agency securities. Other investments include depository instruments such as certificates of deposit with commercial banks, repurchase agreements and the State of Georgia Treasurer's pooled investment vehicle (Georgia Fund 1). The maturity periods for investments range from overnight to five years. The average yield to maturity on investments was 3.89 percent for 2008.

Economic Factors and Next Year's Budgets and Rates

The City of Atlanta maintains a stable economic base, primarily attributable to its diverse employment sectors and its strategic location within the southeast region. The City's diverse industry mix is anchored by the government, services, trade, education, finance, insurance and real estate, and manufacturing sectors.

The nation and the State of Georgia are currently experiencing the worst recession in decades. Unemployment is up, home foreclosures are up, consumer spending is down, bankruptcies are up, home sales and values are down, construction is down. In fiscal year 2009, the City is expected to mirror these trends. And revenues will be impacted accordingly. The City is taking the necessary action through expense reductions to counter these factors.

Property tax, building permits and sales taxes continue to be monitored closely as the economy continues to lag. City efforts to manage a robust revenue assurance and audit program and aggressively collect aged receipts will assist in managing a period of slower economic growth. The City challenges are similar to the state and nation and will therefore dictate continued prudent fiscal and economic policies in order to prevail.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This was the 23rd consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Department of Finance and the other operating and support departments of the City. We would like to express our appreciation to all who assisted in and contributed to the preparation of this report. Credit also must be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Atlanta's finances.

Respectfully submitted,

Shirley Franklin
Mayor

Respectfully submitted,

James W. Glass
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Atlanta
Georgia

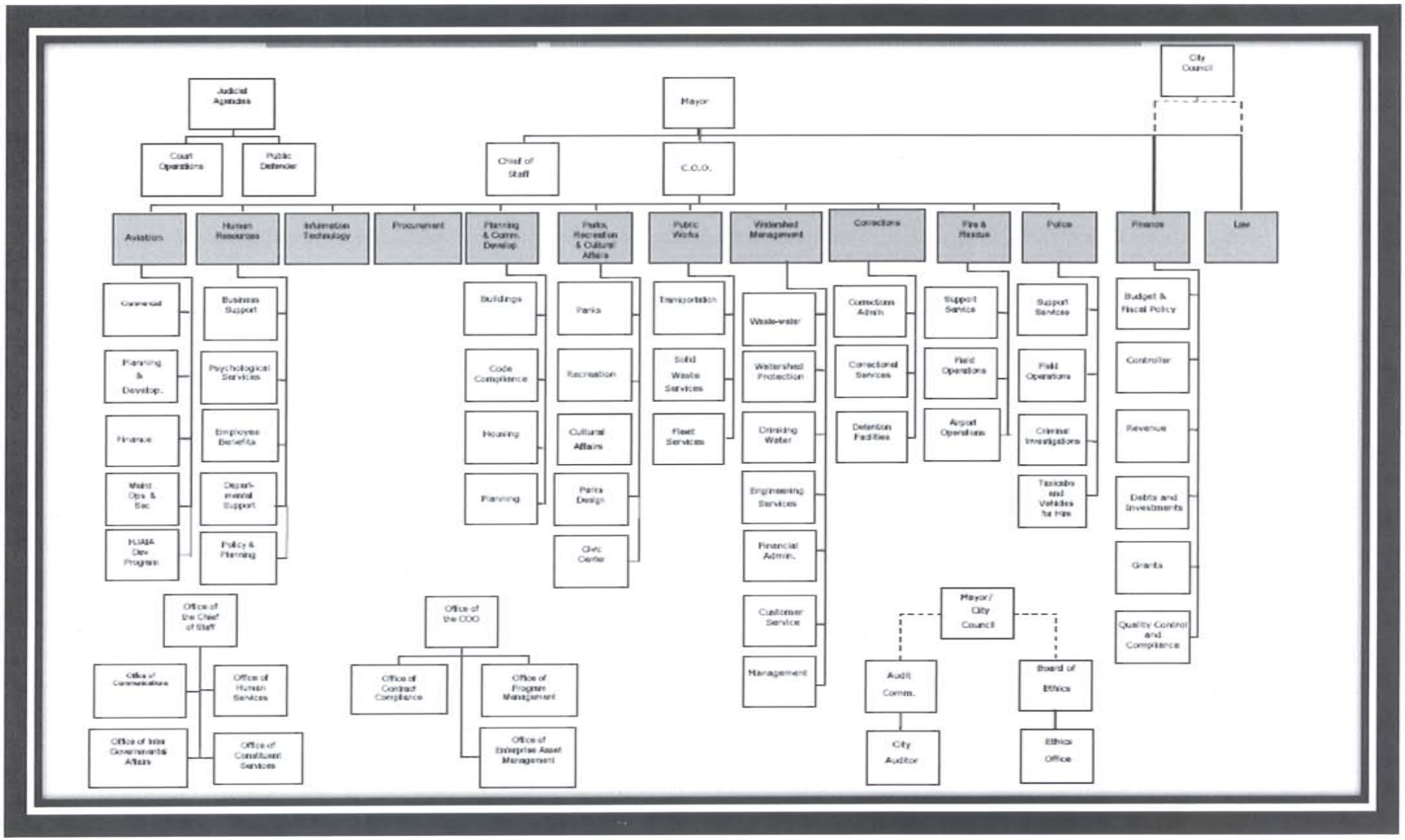
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

City of Atlanta, Georgia
2008 Organizational Structure



CITY OF ATLANTA OFFICIALS

EXECUTIVE

Mayor ..... Shirley Franklin

LEGISLATIVE

City Council (Elected)

President of Council ..... Lisa M. Borders

Members of Council

District 1 - Carla Smith
District 2 - Kwanza Hall
District 3 - Ivory Lee Young, Jr.
District 4 - Cleta Winslow
District 5 - Natalyn Mosby Archibong
District 6 - Anne Fauver
District 7 - Howard Shook
District 8 - Clair Muller
District 9 - Felicia Moore
District 10 - C. T. Martin
District 11 - Jim Maddox
District 12 - Joyce M. Sheperd

Members of Council-At-Large

City Council-At-Large - Post 1 - Ceasar C. Mitchell
City Council-At-Large - Post 2 - Mary Norwood
City Council-At-Large - Post 3 - H. Lamar Willis

ADMINISTRATIVE

(Appointed)

Chief Operating Officer
Gregory Giornelli

Chief of Staff
Greg Pridgeon

Chief Financial Officer
James W. Glass

Director, City Council Staff ..... Robert Barger
Commissioner of Parks, Recreation & Cultural Affairs ..... Dianne Harnell Cohen
Aviation General Manager ..... Benjamin DeCosta
City Attorney ..... Elizabeth B. Chandler
Chief Judge, Municipal Court ..... Deborah S. Greene
Commissioner of Watershed Management ..... Rob Hunter
Municipal Clerk ..... Rhonda D. Johnson
Chief Information Officer ..... Dan Smith
Ethics Officer ..... Virginia Looney
Chief of Police ..... Richard J. Pennington
Chief of Corrections ..... Frank C. Sizer, Jr.
Commissioner of Human Resources ..... Benita C. Ransom
Fire Chief ..... Kelvin Cochran
Commissioner of Public Works ..... Joe Basista
Commissioner of Planning & Community Development ..... Steven R. Cover
Chief Procurement Officer ..... Adam Smith
City Internal Auditor ..... Leslie Ward

Financial Section

BANKS, FINLEY,
WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Atlanta, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining funds information of the City of Atlanta, Georgia (the "City"), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Atlanta-Fulton County Recreation Authority, and the Atlanta Development Authority, representing all of the City's discretely presented component units, which collectively represent total assets of approximately 3.7% as of June 30, 2008 and total revenues of approximately 7.3% for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, in so far as it relates to the amounts included for those entities and funds, is based solely on the reports of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Atlanta, Georgia as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note III. D. to the financial statements, significant interfund balances were outstanding at the end of the year that are considered noncurrent. As described in Note IV. E. two interdepartmental agreements were executed subsequent to year end to establish the terms for repayment of certain noncurrent interfund balances.

As discussed in Note IV.B.to the financial statements, the City adopted the provisions of GASB statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions in fiscal year 2008.*

Honorable Mayor and Members of the City Council
City of Atlanta, Georgia

In accordance with *Governmental Auditing Standards*, we have also issued our report dated January 27, 2009, on our consideration of the City of Atlanta Georgia's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Schedule of Funding Progress on pages 3 through 18 and 112, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to this information, which consists principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and the statistical section, all as listed in the accompanying table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedure applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Banks, Finley, White & Co.

January 27, 2009.

Management's Discussion and Analysis

As management of the City of Atlanta (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2008. This overview compares the year ended June 30, 2007 with the year ended June 30, 2008. Readers are encouraged to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of the Comprehensive Annual Financial Report ("CAFR").

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2008 by $6.1 billion, which represents the City's net assets. Of this amount, $568 million in unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by $709.6 million in fiscal year 2008. The majority of this increase is attributable to charges for services.
- As of the close of fiscal year 2008, the City's governmental funds reported combined ending fund balances of $312 million.
- As of the close of fiscal year 2008, the unreserved fund balance for the general fund was $5.8 million.
- The City's long-term debt, including capital leases, decreased by $386 million, which represents a 5.8% decrease during the current twelve month period. The key factors related to this decrease are limited borrowing in fiscal year 2008 and normal debt service payments during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The CAFR also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. *The government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the City include general government, public safety, highways and streets, economic development, and cultural and recreation. The business-type activities of the City Atlanta include the Department of Aviation (Hartsfield-Jackson Atlanta International Airport), Department of Watershed Management (Water and Wastewater System), Parks and Recreational Facilities, Solid Waste Services, Underground Atlanta and the Civic Center.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Atlanta-Fulton County Recreation Authority, Atlanta CoRA Inc., and Atlanta Development Authority for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself, except for Atlanta CoRA, Inc., whose statements are blended with the primary government. Certain organizations are not included within the scope of this report since they were established by the Constitution of the State of Georgia or state laws and are administered by separate boards that act independently of the City. Included in this category are the Atlanta Independent School System and the Atlanta Housing Authority.

The government-wide financial statements can be found following this section of the 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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City utilizes four generic fund types of governmental funds (see section I note C in the notes to the financial statements). The City maintains fifteen individual funds within the generic fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund and debt service fund, which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental funds financial statements immediately follow the government-wide financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Hartsfield-Jackson Atlanta International Airport, Water and Wastewater System, Parks and Recreational Facilities, Solid Waste Services, Underground Atlanta, and the Civic Center. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the maintenance and operation of its fleet of vehicles and for transactions related to the provisions of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Department of Aviation (Hartsfield-Jackson Atlanta International Airport), and the Department of Watershed Management (Water and Wastewater System), which are considered to be major funds of the City of Atlanta. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements follow the governmental funds statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" ("GASB 45") effective June 30, 2008. GASB 45 establishes standards of financial reporting by local governments for other postemployment benefits (OPEB) plans other than pension benefits. The City is not required to provide funding for OPEB other than the "pay-as-you-go" amount necessary to provide these benefits to current eligible retirees and their dependents. Accordingly, no OPEB Trust Fund has been established and therefore, is not presented as part of the fiduciary funds.

The fiduciary funds financial statements follow the proprietary funds statements.

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 can be found following the basic financial statements in this report.

Other information. In addition to the basic financial statements, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits and OPEB to its employees. Required supplementary information can be found following the notes in this report.

The combining and individual funds statements, referred to earlier in connection with non-major governmental and proprietary funds, are presented immediately following the required supplementary information on pensions.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Atlanta, assets exceeded liabilities by $6.1 billion at the close of the year ended June 30, 2008. Table 1 summarizes the major categories of assets, liabilities and net assets for governmental activities, business-type activities, and the government as a whole.

Table 1. City of Atlanta Net Assets, As of June 30 2008 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-08	As of 30-Jun-07	As of 30-Jun-08	As of 30-Jun-07	As of 30-Jun-08	As of 30-Jun-07
Current and other assets	$ 475,959	$ 517,327	$ 3,058,688	$ 3,682,500	$ 3,534,647	$ 4,199,827
Capital assets, net of depreciation	1,095,768	1,003,654	8,613,302	7,916,818	9,709,070	8,920,472
Total assets	1,571,727	1,520,981	11,671,990	11,599,318	13,243,717	13,120,299
Long-term liablities						
Current	212,352	182,418	619,364	598,614	831,716	781,032
Non-Current	1,089,844	942,858	5,180,760	5,630,532	6,270,604	6,573,390
Total liabilities	1,302,196	1,125,276	5,800,124	6,229,146	7,102,320	7,354,422
Net assets						
Invested in capital assets, net of related debt	237,415	488,569	4,484,709	3,466,892	4,722,124	3,955,461
Restricted	352,659	291,727	498,563	605,265	851,222	896,992
Unrestricted	(320,542)	(207,696)	888,594	787,003	568,052	579,307
Total net assets	$ 269,532	$ 572,600	$ 5,871,866	$ 4,859,160	$ 6,141,398	$ 5,431,760

As of June 30, 2008, the City is able to report positive balances for the government as a whole, as well as for its business-type activities.

By far the largest portion of the City's net assets (76.9%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debts used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens and users of the City's enterprise operations; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net assets (13.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* $568 million or 9.2% may be used to meet the government's ongoing obligations to citizens and creditors.

For business-type activities, the City reported a positive balance of $889 million in unrestricted net assets. For governmental activities, the City reported a negative balance of $321 million in unrestricted net assets. Also, the City reported a negative balance of $44.6 million in unreserved

governmental fund balance at the end of the fiscal year (see page 12 where further discussed). The unreserved fund balance represents the spendable resources available for governmental activities. The major contributing factors to the difference between unreserved fund balance and unreserved net assets are decreases in accounts receivable, operating losses in the internal service fund and increases in other long-term liabilities.

The City's net assets increased by $385 million (7.1 %) during fiscal year 2008. The majority of this increase is attributable to increases in property tax and program revenues; offset by expenses in connection with the City's implementation of GASB 45.

Table 2. City of Atlanta's Changes in Net Assets, Year Ended June 30, 2008 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Year Ended 30-Jun-08	Year Ended 30-Jun-07	Year Ended 30-Jun-08	Year Ended 30-Jun-07	Year Ended 30-Jun-08	Year Ended 30-Jun-07
Revenues						
Program revenues						
Charges for services	$ 131,915	$ 134,033	$ 759,630	$ 685,551	$ 891,545	$ 819,584
Operating grants and contributions	49,832	48,620	-	-	49,832	48,620
Capital grants and contributions	-	-	250,113	259,916	250,113	259,916
General revenues						
Property taxes	231,541	187,735	-	-	231,541	187,735
Other taxes	246,336	249,004	127,470	120,954	373,806	369,958
State formula aid	4,461	4,229	-	-	4,461	4,229
Investment Income	18,302	23,920	96,244	91,596	114,546	115,516
Other	14,474	26,822	1,474	-	15,948	26,822
Total revenues	696,861	674,363	1,234,931	1,158,017	1,931,792	1,832,380
Expenses:						
General government:	234,198	264,221	-	-	234,198	264,221
Police	219,614	222,490	-	-	219,614	222,490
Fire	94,871	86,775	-	-	94,871	86,775
Corrections	50,714	45,178	-	-	50,714	45,178
Public Works	79,823	47,707	-	-	79,823	47,707
Parks, Recreation and Cultural Affairs	48,626	20,387	-	-	48,626	20,387
Nondepartmental	-	-	-	-	-	-
Interest on long-term debt	43,734	40,949	-	-	43,734	40,949
Water and Wastewater System	-	-	326,279	334,754	326,279	334,754
Department of Aviation	-	-	386,316	354,505	386,316	354,505
Sanitation	-	-	48,613	49,740	48,613	49,740
Other	-	-	14,017	13,159	14,017	13,159
Total Expenses	771,579	727,707	775,225	752,158	1,546,805	1,479,865
Increase (decrease) in net assets before transfers	(74,719)	(53,344)	459,706	405,859	384,987	352,515
Transfers in(out)	2,311	6,314	(2,311)	(6,314)	-	-
Increase (decrease) in net assets	(72,408)	(47,030)	457,394	399,545	384,987	352,515
Net Assets, Beginning of Period as previously reported	572,600	619,630	4,854,281	4,459,615	5,426,881	5,079,245
Correction of Prior Year Error	(230,660)	-	560,190	-	329,530	-
Net Assets, Beginning of Period as restated	341,940	619,630	5,414,471	4,459,615	5,756,411	5,079,245
Net Assets, End of Period	$ 269,532	$ 572,600	$ 5,871,865	$ 4,859,160	$ 6,141,398	$ 5,431,760

Governmental revenues increased by $22.5 million or 3.3% compared to the year ended June 30, 2007. The minimal increase in revenues is due to increases in property taxes within the tax allocation districts. However, all other revenue types decreased primarily due to the current economic downturn occurring throughout the nation. The construction sector remains the most impacted sector with lower building permits revenue resulting from the slower economic growth. Other operating transfers also declined when compared with the previous fiscal period.

During FY08 government-wide expenses increased due to the City's implementation of GASB 45. These expenses include the recognition of approximately $43.7 million of unfunded post-employment benefits other than pensions.

The increase in governmental activities revenues was discussed above. A comparative analysis of expenses and program revenues is presented below.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2008 (in thousands):

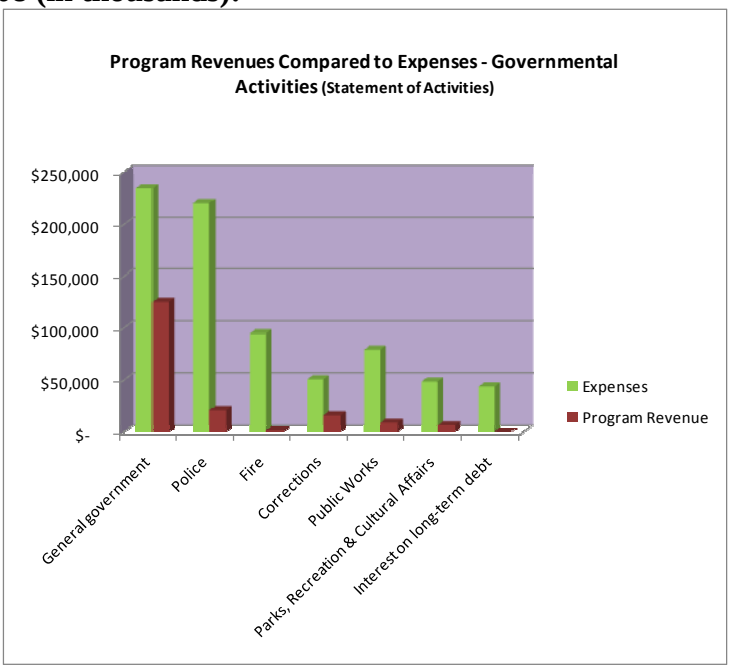
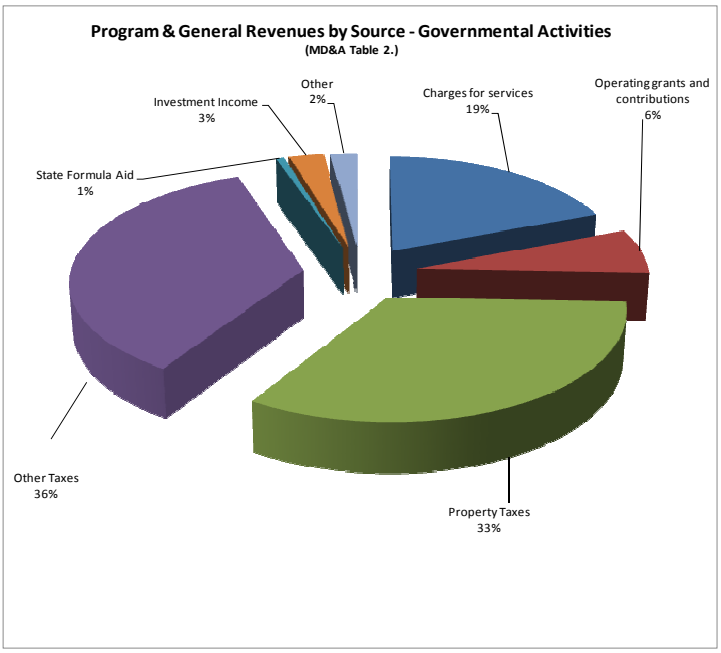


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2008 (in thousands):



Business-type activities. The net assets of the City's business-type activities increased the City's net assets by $457 million, representing growth of 10.3 % since June 30, 2007. This growth is attributable to the operations of the City's airport and water and waste water systems. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

Figure 3. Expenses for Business-type Activities, Year Ended June 30, 2008 (in thousands):

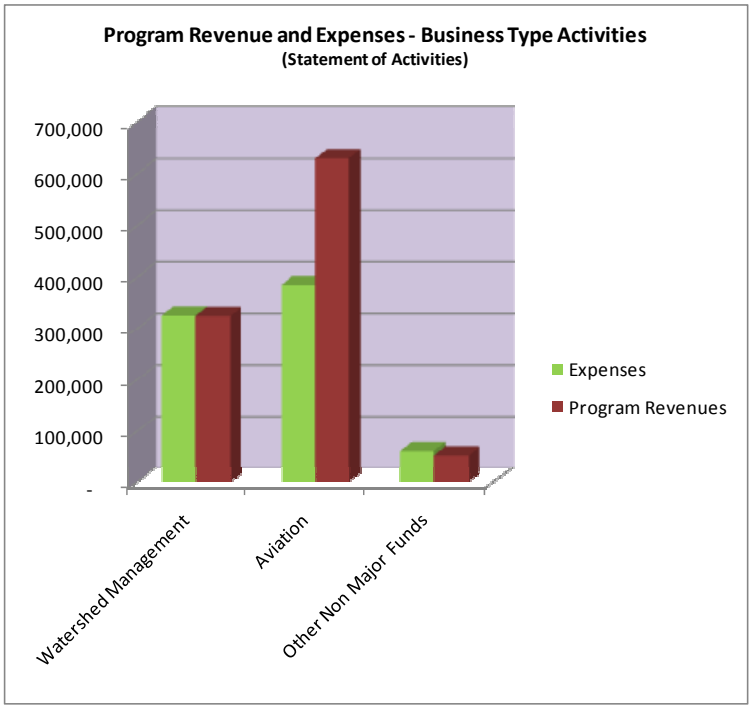
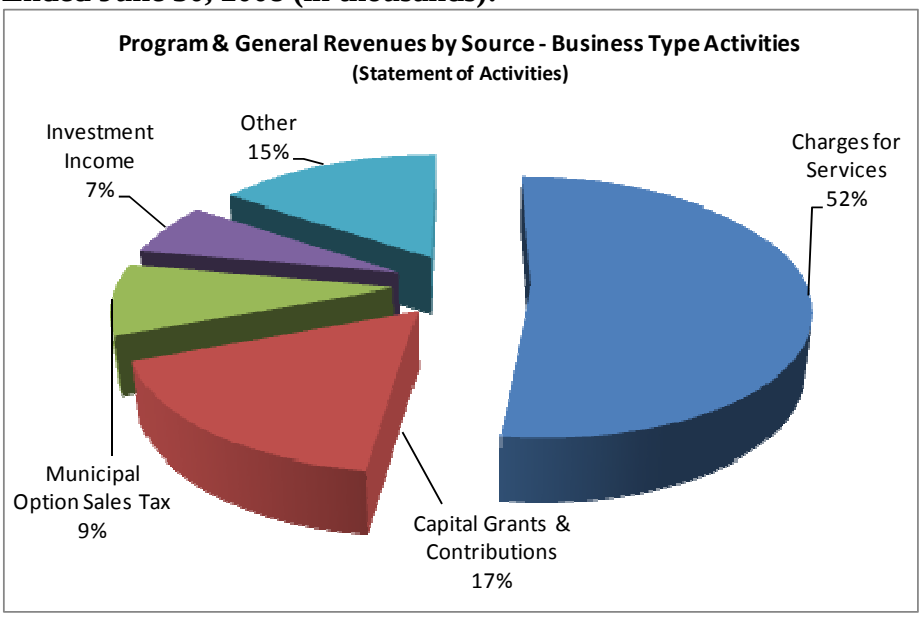


Figure 4. Program Revenues for Business-type Activities, Year Ended June 30, 2008 (in thousands):



Key elements of this increase in business-type activities are as follows:

Department of Watershed Management. For the Department of Watershed Management, net assets increased by $27.7 million.

	Year Ended June 30	
	2008	**2007**
REVENUES		
Total operating revenues	$ 319,087	$ 302,273
Non-operating revenues	147,207	168,223
Total revenues	$ 466,294	$ 470,496
EXPENSES		
Total operating expenses	$ 236,316	$ 264,848
Depreciation expenses	71,392	61,235
Non-operating expenses	27,972	26,850
Total expenses	$ 335,680	$ 352,933

Total revenue for the twelve month period ending June 30, 2008 was $466.3 million which reflects a .85% decrease over the same period ending June 30, 2007. Total operating revenues, primarily water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by $16.8 million or 5.56% due primarily to an increase in non-recurring revenue. Non-operating revenues, primarily local share revenues and sales tax revenues, decreased by $21 million. The decrease was due to a decrease in local share revenues, which was offset by a $6.5 million increase in sales tax revenues.

Total expenses for the twelve month period ending June 30, 2008 were $335.7 million which reflects a $17.3 million decrease over the same period ending June 30, 2007. The decrease was due primarily to a reduction in materials and supplies and contracting services expenses.

Department of Aviation. Total net assets for the year ended June 30, 2008 was $3.9 billion, an increase of $358 million since June 30, 2007. This increase is primarily due to a decrease of $369.2 million, or 11.9%, in total liabilities and a $11.5 million, or a .2%, decrease in total assets.

The restricted portion of the Department of Aviations' net assets represents bond reserve funds that are restricted under the bond ordinance, and Passenger Facility Charges (PFCs) restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Also included are the customer facility charges (CFCs) used to repay the consolidated car rental facility (CONRAC) bonds and related expenses.

Unrestricted net assets may be used to meet any of the Department of Aviation's ongoing capital and operating obligations. The balance in unrestricted assets at June 30, 2008 was $482.1 million compared to $461.2 million at June 30, 2007.

Table 4. Aviation Revenues and Expenses – Year Ended June 30, 2008 and Year Ended June 30, 2007 (in thousands)

	2008	2007
REVENUES		
Operating revenues	$ 386,206	$ 352,506
Investment income	82,474	79,034
Other income	245,578	228,688
Total revenues	$ 714,258	$ 660,228
EXPENSES		
Operating expenses	$ 170,838	$ 148,330
Interest expenses	112,318	100,638
Other non-operating expenses	-	801
Depreciation and amortizations	102,948	87,573
Impairment losses	-	39,401
Total expenses	$ 386,104	$ 376,743

Total revenues consist of operating revenue and non-operating revenues. Operating revenues are diverse and consist primarily of inside concessions, parking, ground transportation, landing fees, terminal rentals, reimbursed operating expenses, and other revenues. Non-operating revenues consist of investment income, capital grants and revenues from PFCs and CFCs. Total revenues for the year ended June 30, 2008 were $714.3 million.

Total operating revenues for the year ended June 2008 were $386.2 million. Terminal, maintenance building, and other rental revenue increased 20.2% in fiscal year 2008. The increase was due to (1) a 4.6% growth in passenger enplanements, resulting in higher parking, car rental, concession revenues, as well as higher revenues collected from landing fees; (2) the completion of capital projects for which the tenant airlines pay rent, such as terminal and airfield improvement projects; and (3) other operating revenues increased $8.0 million primarily due to an increase in Central Passenger Terminal Complex (CPTC) cost recoveries ($3.3 million), gains on the sale of assets and security charges ($2.6 million), and increase in miscellaneous revenues ($2.1 million).

Total non-operating revenues for the year ended June 2008 were $328.1 million. Investment income totaling $82.5 million represented 25.1% of total non-operating revenues. Non-operating revenue included $167.5 million of PCF revenue, $23.9 million of CFC revenue and $52.7 million of grant revenue.

Total expenses consist of operating, non-operating, depreciation, amortization, and impairment losses. Operating expenses consist of salaries and employee benefits, repairs, maintenance, contractual and general services, utilities, materials and supplies and other expenses. Non-operating expenses consist of interest on long term debt and other non-operating expenses. Total expenses for the fiscal year ended June 30, 2008 were $386.1 million.

Operating expenses for the period were $170.8 million. Salaries and benefits were $86.8 million or 50.8% of operating expenses, while repairs, maintenance, and other contractual services were $50.1 million or 29.3% of operating expenses. The remaining 19.9% of operating expenses consisted of general services, utilities, materials and supplies, and other expenses totaling $33.9 million.

Non-operating expenses for the period include interest on long-term debt of $112.3 million. Depreciation and amortization expenses totaled $102.9 million, an increase or $15.4 million or 17.6%. This increase was primarily due to the increase of projects included in capital assets.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2008, the City's governmental funds reported combined ending fund balances of $312 million. Unreserved fund balance is available for spending at the City's discretion. As of June 30, 2008, the City had a deficit in the unreserved fund balance of its special revenue funds of $57.3 million. This is partially attributable to the fact that the E911 fund requires annual supplements of approximately $6.6 million from the general fund to cover operations, totaling $36.6 million from inception to date. Additionally, the general fund supplements overspending on programs within the intergovernmental grant funds. As of June 30, 2008, approximately $19.8 million had not yet been transferred back to the general fund. Normalizing for the reimbursable grant funds and E911, the City's unreserved fund balance would be $11.8 million.

The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the period ($51 million); 2) to fund ongoing programs ($64.8 million); 3) to fund ongoing and future capital projects ($195.7 million); and 4) to pay debt service ($45.5 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $5.8 million, while total fund balance within the general fund reached $10.1 million.

The debt service fund has a total fund balance of $45.5 million, all of which is reserved for the payment of debt service. The net increase in fund balance for the debt service fund was $5.3 million or 13.2%.

Proprietary funds. The statements of the City's proprietary funds provide the same type of information as in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Total 2008 general fund revenues on a non-GAAP budgetary basis were $511 million, 3.7% more than the final budgetary revenue anticipations. The modest over collections is due to a conservative anticipation setting strategy in the budget process and internal collection efforts.

Total 2008 general fund expenditures on a non-GAAP budgetary basis were $582 million, 5.4% less than the final budgeted appropriations. A majority of the savings are related to interest payments and non-departmental expenditures.

Capital Asset and Debt Administration

Capital assets. The City of Atlanta's investment in capital assets (before reductions for debt service) for its governmental and business type activities as of June 30, 2008, amounts to $9.7 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings and systems, improvements, construction in progress, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's investment in capital assets for the twelve month period ended June 30, 2008 was $788.6 million or 8.8 % as restated.

Major capital asset events during the year ended June 30, 2008 included the following:

Department of Aviation

In fiscal year 2008 construction began on the Maynard Holbrook Jackson, Jr. International Terminal (MHJIT) which included the beginning of construction on the automated people mover tunnels required to extend the train system from Concourse E to the MHJIT. The complex will include 12 international wide-body aircraft passenger gates, bringing the Airport's total gates designated as international to 40. The terminal will feature improved passenger services such as angled island ticketing similar to what was recently installed in the South Terminal. It will also provide support facilities, including parking, concessions, duty free areas, ticketing, baggage claim, and other traveler comforts. The project is slated to be completed in 2012.

The Consolidated Rental Car Facility (CONRAC) is under construction with targeted completion of November 2009. CONRAC will include two garages with a total of 8,700 rental car spaces, 140 fueling stations, a customer service center, and an automated people mover train system with three stations, including one that will service the area surrounding the Georgia International Convention Center.

Department of Watershed Management

On July 5, 2007 the City received a one-year extension on completion of the West Area CSO Tunnel Project by the Georgia Environmental Protection Division (EPD) of the State Department of Natural Resources and the U.S. Environmental Protection Agency (EPA). Request for the extension was due to a bearing failure on one of the 27-foot tunnel boring machines that took it out of service for 52 days; a slower-than-expected excavation rate; and the need for lining more of the tunnel than was anticipated. The project was scheduled for completion in November 2007.

As of May 2008 the remaining work includes removal of tunnel boring machine from the Clear Creek construction shaft and concrete-lining of the tunnel. The project is scheduled for completion in November 2008.

In their letter of approval, the collective agencies said the following: "The City's work under both the CSO and First Amended Consent Decrees has been very conscientious overall. The quality and positive results of that work are evident from recent water quality monitoring data of streams in the Atlanta area, which demonstrate substantial environmental improvements since work began under the Consent Decree. Recent stream monitoring data indicate that the overall level of pathogenic organisms in the water has been significantly reduced, in many cases by over 90 percent, compared with pre-Consent Decree samples."

Capital assets, net of depreciation, for the governmental and business-type activities are presented as follows:

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-08	As of 30-Jun-07	As of 30-Jun-08	As of 30-Jun-07	As of 30-Jun-08	As of 30-Jun-07
Land	$ 114,617	$ 108,905	$ 983,385	$ 1,051,585	$ 1,098,002	$ 1,160,490
Buildings and building improvements	278,120	262,973	3,030,525	2,976,704	3,308,645	3,239,677
Land improvements	10,196	11,309	1,198,410	1,219,390	1,208,606	1,230,699
Other property and equipment	98,604	59,981	120,391	92,703	218,995	152,684
Infrastructure	344,496	347,598	-	-	344,496	347,598
Construction in progress	249,735	212,888	3,280,591	2,576,436	3,530,326	2,789,324
Total	$ 1,095,768	$ 1,003,654	$ 8,613,302	$ 7,916,818	$ 9,709,070	$ 8,920,472

Additional information of the City's capital assets can be found in Note III.C in the Notes to the Financial Statements.

Long-term debt. The City's long-term debt, including capital leases, decreased by $386 million, which is a 5.8% decrease during the current twelve month period. The key factors related to limited borrowing in fiscal year 2008 combined with normal debt service payments during the year. A summary of long-term debt is presented below.

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-08	As of 30-Jun-07	As of 30-Jun-08	As of 30-Jun-07	As of 30-Jun-08	As of 30-Jun-07
General obligation and annual bonds	$ 296,915	276,510	$ -	$ -	$ 296,915	$ 276,510
Premium on bonds	13,411	8,769	-	-	13,411	8,769
SWMA revenue refunding bonds	20,265	22,060	-	-	20,265	22,060
Less: Deferred amount on refunding	(471)	-	-	-	(471)	-
Limited obligation bonds	540,205	538,240	-	-	540,205	538,240
Discount on bonds	(1,463)	(1,658)	-	-	(1,463)	(1,658)
Less: Deferred amount on refunding	(14,402)	-	-	-	(14,402)	-
Section 108 loans	6,720	8,200	-	-	6,720	8,200
Certificates of participation	149,301	159,209	-	-	149,301	159,209
Notes Payable	17,000	-	-	-	17,000.00	-
Water and Wastewater Revenue Bonds	-	-	2,494,575	2,518,555	2,494,575	2,518,555
Premium on bonds	-	-	35,705	37,402	35,705	37,402
GEFA notes payable	-	-	152,073	72,834	152,073	72,834
Airport Facilities Revenue Bonds	-	-	2,419,898	2,890,473	2,419,898	2,890,473
Issuance discount and refunding losses	-	-	(1,036)	(574)	(1,036)	(574)
Underground Atlanta	-	-	52,610	57,055	52,610	57,055
Capital Leases:						
General fund	26,564	4,499	-	-	26,564	4,499
Water and Wastewater System	-	-	15,640	17,721	15,640	17,721
Sanitation Fund	-	-	-	-	-	-
Total	$ 1,054,045	$ 1,015,829	$ 5,169,465	$ 5,593,466	$ 6,223,510	$ 6,609,295

The City's underlying ratings for its bond issuances at June 30, 2008 were as follows:

Table 7. City of Atlanta Bond Rating Fiscal 2008

CITY OF ATLANTA MUNICIPAL BOND RATINGS			
TYPE BONDS	**MUNICIPAL CREDIT RATING**		
	Moody's Investors Service	Standard & Poor's	Fitch
GENERAL OBLIGATIONS BONDS Underlying Rating	Aa3	AA-	
WATER AND WASTEWATER REVENUE BONDS Underlying Rating	Baa1	A	BBB+
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT REVENUE BONDS Underlying Rating	A1	A+	A+

State statutes limit the amount of general obligation debt a governmental entity may issue up to 8% of its total assessed valuation. The current debt limitation for the City is $2.4 billion, which is significantly in excess of the City outstanding general obligation debt. See the Legal Debt Margin Information the Statistical Section of this report.

Additional information regarding the City's long-term obligations can be found in the Note III. G. in the Notes to the Financial Statements.

Operating Highlights:

Governmental Activities:

The Atlanta Police Department was re-accredited by the Conference on Accreditation of Law Enforcement Agencies this year. The Narcotics Unit reorganization and training resulted in significant success in impacting drug activity in Atlanta. The Department implemented new crime fighting strategies, including increased foot patrols in each zone, new surveillance cameras, bait cars, and tag reader systems. These strategies have led to a significant reduction in major crime. Murder is down by 15%, rape is down by 17%, robbery is down by 4%, and aggravated assault is down by 13%.

Atlanta Fire and Rescue implemented a Target Safety EMS Internet-Based Training Program and also established a special operations battalion. Investments in equipment were made that included 13 Thermal Imaging Cameras, 36 Scott75 Breathing Apparatus and 16 Rapid Intervention Team Breathing Apparatus. Fire safety education programs reached over 60,000 Atlanta residents and distributed 1400 Smoke Alarms and 2500 Child Safety Car Seats.

The Department of Public Works "green" initiatives have included implementation of a Car Share program as well as development of an incentivized residential recycling program projected to increase participation while cutting cost by $500,000. Solid Waste Services maintained a best-in class garbage collection record of 99.3% on schedule pick-ups while implementing more efficient collection routes. The City's fleet was recognized among North America's 100 Best Fleets for a fourth consecutive year. The Department also completed 187 transportation infrastructure projects in FY 2008. Improved safety and accountability reduced workers compensations claims by 68% from FY07 to FY08.

The Department of Parks and Recreation reduced the average days that tree takedown work orders stay open, from a high of 510 days to only 27 days. A quality assurance inspection and regular rating program was established for all city parks. Operations were restructured to resume maintenance of 136 acres of rehabilitated ball fields. While 2,466 trees had to be taken down or removed, 2,217 new trees were planted. Recreation facilities and programs served 284,889 youth, 58,268 teens and 76,871 seniors in annual programming. Attendance at this year's Atlanta Jazz Festival approached 250,000 people. The Contracts for Arts Services program awarded local artists and arts organizations $600,000 in grant funds.

The Department of Planning and Community Development continued its management and oversight of 74 community and economic development projects totaling approximately $14 million. The housing rehabilitation program provided 100 households with emergency repairs. The City of Atlanta's first comprehensive transportation plan "Connect Atlanta" was completed. The department launched 'Cityprojects', a web application for the management and tracking of CIP/CDP projects and studies. A six month turnaround plan was initiated for Code Enforcement operations. Inspectors were re-trained and the daily inspections required from each inspector were increased from 8 to 15. Under the new process all complaints are to be addressed within a 90 day period, through voluntary compliance, court action, the In Rem process, or nuisance abatement proceedings.

Business-type Activities:

Department of Watershed Management

The Department of Watershed is currently installing a radio-based AMR system that will allow Atlanta's water meters to be read electronically. This technology permits the electronic collection and transmission of customer water usage data from water meters to billing office through the use of both fixed radio and mobile radio methods. The project will allow the Department to:

(1) Increase revenue by replacing aged, under registering meters,

(2) Reduce meter reading, billing and customer service operating expenses,

(3) Prevent water loss by easily identifying leaks and other distribution system problems,

(4) Detect meter malfunction, vandalism and tampering,

(5) Ensure the accuracy of customer usage readings and billing, thereby enhancing customer service and restoring customer faith in the billing process.

This project is a part of the City's $3.9 billion Clean Water Atlanta infrastructure improvement program to overhaul the City's water and wastewater systems and create an efficient and cost-effective utility.

Department of Aviation

The Department of Aviation monitors local and national growth rates as well as passenger traffic to make sound decisions regarding capital expenditures at the Airport. The Department recognizes the need for capacity at the Airport and intends to complete projects that increase efficiency and growth.

During the first 11 months of 2007, 82.1 million travelers or 5.5% more than the same period last year, passed through Hartsfield-Jackson. Year-end traffic for 2008 is expected to reach almost 90 million and by 2012, 94 million passengers are expected to use the airport. With the completion of MHJIT and CONRAC, the airport will be better equipped to accommodate the impending growth.

In March 2008, Delta Air Lines began new service from Atlanta to Shanghai, China. Preliminary figures predict a regional economic impact of approximately $400 million from the operation of this route. It is also expected that flights to Latin America will remain strong, boosting overall passenger traffic.

The Department will continue to work with the airlines to ensure that the appropriate projects are undertaken to accommodate growth and increase efficiency.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Atlanta
Chief Financial Officer
City Hall Tower, Ste. 11100
68 Mitchell St., SW.
Atlanta, Georgia 30303

Basic Financial Section

CITY OF ATLANTA, GEORGIA

Statement of Net Assets
June 30, 2008
(In Thousands)

	Governmental Activities	Business-type Activities	**Total**	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 51,480	$ 30,821	**$ 82,301**	$ 46,042
Restricted cash	41,209	25,300	**66,509**	12,026
Investments in pooled investment fund	76,370	615,125	**691,495**	-
Investments	4,819	-	**4,819**	6,334
Receivables (net of allowances for uncollectable)	83,112	84,559	**167,671**	2,952
Due from other governments	5,740	31,816	**37,556**	1,478
Internal balances	(90,805)	90,805	**-**	-
Inventories	-	16,035	**16,035**	260
Other restricted assets	-	63,940	**63,940**	-
Prepaid expenses and other assets	-	1,357	**1,357**	2,799
Total current assets	171,925	959,758	**1,131,683**	71,891
Noncurrent assets:				
Restricted cash	-	-	-	37,112
Restricted investments	252,127	1,798,121	**2,050,248**	42,383
Due from other governments	-	-	-	-
Capital assets:				
Land and construction in progress	364,352	4,263,976	**4,628,328**	34,088
Other capital assets, net of depreciation	386,920	4,349,326	**4,736,246**	246,172
Infrastructure, net of depreciation	344,496	-	**344,496**	-
Investments in joint venture	-	85,225	**85,225**	-
Investments in escrow	7,911	-	**7,911**	-
Due from component unit	-	30,000	**30,000**	-
Other assets	43,996	185,584	**229,580**	44,818
Long-term receivable	-	-	-	5,592
Total noncurrent assets	1,399,802	10,712,232	**12,112,034**	410,165
Total Assets	1,571,727	11,671,990	**13,243,717**	482,056
LIABILITIES				
Current liabilities				
Accounts payable	96,309	27,838	**124,147**	5,646
Accrued expenses, vacations, and compensatory pay	28,015	44,464	**72,479**	-
Claims payable	9,835	5,857	**15,692**	-
Contract retentions	2,040	-	**2,040**	-
Due to other governments	7,273	10,446	**17,719**	-
Other liabilities	726	3,308	**4,034**	8
Unearned revenues	-	-	-	6,170
Notes payable	-	198,607	**198,607**	-
Liabilities payable from restricted assets	-	235,538	**235,538**	32,663
Current portion of long-term debt	42,250	85,829	**128,079**	12,261
Current portion of other liabilities	23,831	5,480	**29,311**	-
Current portion of capital leases	2,073	1,997	**4,070**	-
Total current liabilities	212,352	619,364	**831,716**	56,748
Noncurrent liabilities				
Noncurrent portion of long-term debt	986,694	5,067,996	**6,054,690**	304,246
Noncurrent portion of capital leases	24,491	13,643	**38,134**	-
Deferred revenue	-	5,942	**5,942**	-
OPEB liabilities	43,691	-	**43,691**	-
Due to primary government	-	-	-	30,000
Other long-term liabilities	34,968	93,179	**128,147**	800
Total non-current liabilities	1,089,844	5,180,760	**6,270,604**	335,046
Total Liabilities	1,302,196	5,800,124	**7,102,320**	391,794
NET ASSETS				
Invested in capital assets, net of related debt	237,415	4,484,709	**4,722,124**	41,214
Restricted for:				
Debt service	45,479	114,869	**160,348**	-
Programs	87,259	-	**87,259**	33,772
Capital projects	219,921	383,694	**603,615**	-
Unrestricted	(320,542)	888,594	**568,052**	15,276
Total Net Assets	$ 269,532	$ 5,871,866	**$ 6,141,398**	$ 90,262

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Activities
For the Year Ended June 30, 2008
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 234,198	$ 93,169	$ 32,279	$ -
Police	219,614	15,258	6,475	-
Fire	94,871	258	905	-
Corrections	50,714	16,473	260	-
Public Works	79,823	5,090	4,626	-
Parks, Recreation and Cultural Affairs	48,626	1,667	5,287	-
Interest on long-term debt	43,734	-	-	-
Total Governmental activities	771,580	131,915	49,832	-
Business-type activities:				
Watershed Management	326,279	319,087	-	6,009
Aviation	386,316	386,206	-	244,104
Sanitation	48,613	49,768	-	-
Parks and Recreational Facilities	899	509	-	-
Underground Atlanta	10,535	2,563	-	-
Civic Center	2,583	1,497	-	-
Total Business-type activities	775,225	759,630	-	250,113
Total Primary Government	$ 1,546,805	$ 891,545	$ 49,832	$ 250,113
Component Units -	$ 72,661	$ 51,834	$ 29,353	$ -

General revenues:
Taxes:
Property Taxes Levied for general purposes
Property Taxes Levied for debt service
Local and Municipal Option Sales Tax
Public Utility Franchise Taxes
Business Taxes
Federal and State aid not restricted for specific purposes
Investment income
Gain on sale of assets
Other
Total General revenues
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning of period, as previously stated
Correction of prior year errors
Net assets - beginning of period, as restated
NET ASSETS - END OF PERIOD

The accompanying notes are an integral part of the statements.

Net (Expenses) Revenues and Changes in Net Assets			
Governmental Activities	Business-type Activities	TOTALS	Component Units
$ (108,750)		**$ (108,750)**	
(197,881)		**(197,881)**	
(93,708)		**(93,708)**	
(33,981)		**(33,981)**	
(70,107)		**(70,107)**	
(41,672)		**(41,672)**	
(43,734)		**(43,734)**	
(589,833)		**(589,833)**	
	$ (1,183)	**(1,183)**	
	243,994	**243,994**	
	1,155	**1,155**	
	(390)	**(390)**	
	(7,972)	**(7,972)**	
	(1,086)	**(1,086)**	
	234,518	**234,518**	
(589,833)	234,518	**(355,315)**	
			$ 8,526
141,913	-	**141,913**	-
89,628	-	**89,628**	-
104,101	127,470	**231,571**	3,837
16,230	-	**16,230**	-
126,005	-	**126,005**	-
4,461	-	**4,461**	-
18,302	96,244	**114,546**	5,631
5,764	-	**5,764**	
8,710	1,474	**10,184**	15,369
515,114	225,188	**740,302**	24,837
2,311	(2,311)	**-**	-
517,425	222,877	**740,302**	24,837
(72,408)	457,395	**384,987**	33,363
572,600	4,854,281	**5,426,881**	56,899
(230,660)	560,190	**329,530**	-
341,940	5,414,471	**5,756,411**	56,899
$ 269,532	**$ 5,871,866**	**$ 6,141,398**	**$ 90,262**

CITY OF ATLANTA, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2008
(In Thousands)

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	**Total Governmental Funds**
ASSETS					
Cash and cash equivalents	$ 30	$ 16,994	$ 396	$ 34,060	**$ 51,480**
Cash and cash equivalents, Restricted	-	-	-	41,209	**41,209**
Investments in pooled investment fund	25,287	151	-	52,376	**77,814**
Investments	1,209	-	-	3,610	**4,819**
Receivables:					
Taxes	11,135	-	2,497	756	**14,388**
Accounts	28,941	-	-	14,331	**43,272**
Other	10	-	-	-	**10**
Due from other governments	-	-	-	5,740	**5,740**
Due from other funds	174,252	15,666	38,724	3,180	**231,822**
Restricted investments	-	132,054	7,863	112,210	**252,127**
Investments in escrow	7,910	-	-	1	**7,911**
TOTAL ASSETS	$ 248,774	$ 164,865	$ 49,480	$ 267,473	**$ 730,592**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 38,849	$ 13,720	$ 30	$ 17,197	**$ 69,796**
Accrued liabilities, vacations, and compensatory pay	5,608	43	-	223	**5,874**
Contract retentions	-	1,659	-	381	**2,040**
Due to other governments	2,639	-	-	4,634	**7,273**
Due to other funds	180,886	68,804	1,583	68,166	**319,439**
Deferred revenue	10,659	-	2,388	-	**13,047**
Unearned Revenue	3	-	-	723	**726**
Total Liabilities	238,644	84,226	4,001	91,324	**418,195**
Fund Balances (Deficit):					
Reserved for:					
Encumbrances	4,367	19,450	-	27,226	**51,043**
Special programs	-	-	-	64,800	**64,800**
Capital improvements	-	54,253	-	141,451	**195,704**
Debt service	-	-	45,479	-	**45,479**
Unreserved:					
Undesignated, reported in:					
General fund	5,763	-	-	-	**5,763**
Capital projects fund	-	6,936	-	-	**6,936**
Special revenue funds	-	-	-	(57,328)	**(57,328)**
Total fund balances	10,130	80,639	45,479	176,149	**312,397**
TOTAL LIABILITIES AND FUND BALANCES	$ 248,774	$ 164,865	$ 49,480	$ 267,473	**$ 730,592**

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Reconciliation of Governmental Fund Balance Sheet
To the Government-wide Statement of Net Assets
June 30, 2008
(In Thousands)

Total fund balances		$ 312,397
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Accounts receivable used in governmental activities represents amounts that are not financial resources and therefore are not reported in the above funds:		
Accounts receivable	$ 12,326	
Allowance for uncollectible receivables	(10,006)	2,320
Other liabilities are not recognized as current year revenues and, therefore, are classified as deferred in the above funds		13,047
Capital assets used in governmental activities are not financial resources and therefore are not reported in the above funds:		
Land and construction in progress	364,352	
Cost of Capital Assets	1,392,305	
Less: Accumulated Depreciation	(660,889)	1,095,768
Other assets include amounts that used current financial resources at the fund level but will be offset against future revenues in the government-wide statements		
Deferred costs		43,996
Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Net assets for internal service fund	(10,470)	(10,470)
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in the above funds.		
General obligation and annual bonds	(296,915)	
SWMA revenue refunding bonds	(20,265)	
Limited obligation bonds	(540,205)	
Section 108 loans	(6,720)	
Capital Leases	(26,564)	
Certificates of participation	(149,301)	
Unamortized premiums (discounts) on bond issues	2,925	
Vacation pay	(28,492)	
Notes Payable	(17,000)	
OPEB obligation	(43,691)	
Health, Dental and General claims payable	(37,214)	
Arbitrage rebate	(793)	
Workers' compensation	(23,291)	(1,187,526)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 269,532

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008
(In Thousands)

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	**Total Governmental Funds**
REVENUES					
Property taxes	$ 137,935	$ -	$ 31,019	$ 58,609	**$ 227,563**
Local option sales taxes	104,101	-	-	-	**104,101**
Public utility, alcoholic beverage and other taxes	139,764	-	2,471	-	**142,235**
Licenses and permits	69,127	-	-	-	**69,127**
Charges for current services	6,346	-	-	21,383	**27,729**
Fines, forfeitures and penalties	14,504	-	-	3,819	**18,323**
Investment income	1,470	5,657	1,246	9,809	**18,182**
Intergovernmental revenues and contributions:					
Federal revenues	-	-	-	34,709	**34,709**
State and local grants and contributions	4,461	-	-	12,897	**17,358**
Building rentals and concessions	18,962	-	-	-	**18,962**
Other	3,259	2,044	-	3,407	**8,710**
Total revenues	499,929	7,701	34,736	144,633	**686,999**
EXPENDITURES					
Current:					
General government:	148,472	60,060	178	76,988	**285,698**
Police	172,897	30,872	-	26,802	**230,571**
Fire	85,444	672	-	1,443	**87,559**
Corrections	46,150	52	-	1,509	**47,711**
Public Works	33,072	24,864	-	11,068	**69,004**
Parks, Recreation and Cultural Affairs	29,956	16,883	-	6,703	**53,542**
Debt Service:					
Principal payments	9,908	1,615	16,415	11,355	**39,293**
Interest payments	6,676	2,686	12,790	20,727	**42,879**
Bond issuance costs	-	750	36	3,652	**4,438**
Total Expenditures	532,575	138,454	29,419	160,247	**860,695**
Excess (deficiency) of revenues over expenditures	(32,646)	(130,753)	5,317	(15,614)	**(173,696)**
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	53,820	-	-	**53,820**
Capital leases	-	23,480	-	-	**23,480**
Premium on bonds sold	-	2,457	-	3,330	**5,787**
Discount on bonds sold	-	-	-	-	**-**
Refunding bonds issued	-	-	-	105,760	**105,760**
Payment to refunded bond escrow agent	-	-	-	(106,177)	**(106,177)**
Proceeds from sale of assets	739	-	-	6,055	**6,794**
Transfers in (out)	(27,035)	17,578	-	11,768	**2,311**
Total Other Financing Sources (Uses)	(26,296)	97,335	-	20,736	**91,775**
Net change in fund balances	(58,942)	(33,418)	5,317	5,122	**(81,921)**
Fund Balance:					
Beginning of the period	94,422	64,163	40,162	157,771	**356,518**
Correction of prior year error	(25,350)	49,894	-	13,256	37,800
Beginning of the year, as restated	69,072	114,057	40,162	171,027	**394,318**
FUND BALANCE, END OF PERIOD	$ 10,130	$ 80,639	$ 45,479	$ 176,149	**$ 312,397**

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
To the Statement of Activities
For the Year Ended June 30, 2008
(In Thousands)

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balance - total governmental funds		$ (81,921)
Some revenues reported in the statement of activities are not available as current financial resources and, therefore are not reported as revenue in governmental funds.		
Taxes revenues	$ 663	663
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the above funds		3,315
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlays	133,241	
Disposal of assets	(1,030)	
Depreciation Expense	(40,097)	92,114
The issuance of long-term debt (capitalized leases) provides current financial resources to governmental funds. Repayment of debt (bonds, certificates of participation and capitalized leases) is an expenditure in the governmental funds but the repayments reduce long-term liabilities in the statement of net assets. This amount is the net effect of these differences in treatment of long-term debt.		
Proceeds from refunding of debt	(111,547)	
Proceeds from capital leases	(23,480)	
Payment of refunded debt	106,177	
Proceeds from long-term debt	(49,382)	
Payments on long-term debt	40,708	
Amortization of issuance costs, premiums and discounts	(855)	(38,379)
Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The net revenues of these activities are reported as governmental funds for affected departments.		(3,529)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Health, Dental and General claims payable	3,444	
Compensated absences	(3,441)	
OPEB liability	(43,691)	
Long-term workers' compensation	(983)	(44,671)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ (72,408)

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property taxes	$ 185,654	$ 185,654	$ 192,676	$ 7,022
Sales, public utility, alcoholic beverage, and other taxes	184,017	184,017	188,422	4,405
Licenses and permits	69,823	69,823	70,189	366
Intergovernmental revenues:				
State and local grants and contributions	547	547	4,391	3,844
Charges for services:				
Recreation fees and other	8,332	8,332	6,226	(2,106)
Fines, forfeitures, and penalties	9,633	9,633	15,276	5,643
Revenues from use of money and property:				
Investment income	3,806	3,875	1,470	(2,405)
Building rentals and concessions	18,842	18,842	18,962	120
Other income	10,498	12,234	13,493	1,259
Total revenues	491,152	492,957	511,105	18,148

CITY OF ATLANTA, GEORGIA

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
EXPENDITURES				
Current:				
General government:				
Executive offices	$ 17,794	$ 20,106	$ 17,839	$ 2,267
Personnel and human resources	4,937	4,949	4,413	536
City council	7,607	9,974	6,198	3,776
Courts and judicial agencies	16,896	16,609	17,096	(487)
Finance	15,343	15,489	15,552	(63)
Planning and community development	19,569	19,599	20,680	(1,081)
Law	8,764	8,764	7,084	1,680
Procurement	1,750	1,750	1,572	178
Total general government	92,660	97,240	90,434	6,806
Public safety:				
Police	169,527	169,529	174,516	(4,987)
Fire	86,889	86,889	86,061	828
Corrections	35,301	35,476	46,462	(10,986)
Total public safety	291,717	291,894	307,039	(15,145)
Public works	26,824	26,829	32,719	(5,890)
Parks, recreation, and cultural affairs	32,572	32,572	30,044	2,528
Nondepartmental expenditures	137,032	134,731	105,097	29,634
Debt service fund:				
Bond principal payments	3,273	3,273	9,908	(6,635)
Interest on bonds	28,572	28,572	6,676	21,896
Total debt service	31,845	31,845	16,584	15,261
Total expenditures	612,650	615,111	581,917	33,194
Excess of revenues over expenditures (under) expenditures	(121,498)	(122,154)	(70,812)	$ 51,342
OTHER FINANCING SOURCES (USES):				
Proceeds from general long-term debt	10,119	10,119	739	(9,380)
Transfers in	-	-		-
Transfers out	-	-	(27,035)	(27,035)
Total other financial sources and uses	10,119	10,119	(26,296)	(36,415)
Excess of revenues and other sources over expenditures and other uses	(111,379)	(112,035)	(97,108)	$ 14,927
Reconciliation to GAAP basis:				
To record effect of net changes in unrecorded assets	-	-	50,909	
To record effect of net changes in unrecorded liabilities	-	-	(12,743)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(111,379)	(112,035)	(58,942)	
Fund balance, beginning of period				
Beginning of the period	(147,854)	(107,103)	94,422	
Correction of prior year error	-	-	(25,350)	
Beginning of year, as restated	(147,854)	(107,103)	69,072	
End of period	$ (259,233)	$ (219,138)	$ 10,130	

The accompanying notes are an integral part of the statements

CITY OF ATLANTA, GEORGIA

Statement of Net Assets
Proprietary Funds
June 30, 2008
(In Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	**Total**	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 16,754	$ 14,065	$ 2	**$ 30,821**	$ -
Restricted cash	17,756	7,544	-	**25,300**	-
Investments in pooled investment fund	108,604	506,199	322	**615,125**	-
Receivables:					
Accounts	64,536	17,215	38,183	**119,934**	-
Less allowance for doubtful accounts	(41,541)	(3,924)	(12,319)	**(57,784)**	-
Taxes	21,802	-	-	**21,802**	-
Interest	607	-	-	**607**	-
Total receivables	45,404	13,291	25,864	**84,559**	-
Due from other governments	31,816	-	-	**31,816**	-
Due from other funds	12,783	21	10	**12,814**	-
Due from component units	-	-	-	**-**	
Inventories	14,706	1,329	-	**16,035**	-
Prepaid expenses	-	1,357	-	**1,357**	-
Restricted assets	17,888	46,052	-	**63,940**	-
Total current assets	265,711	589,858	26,198	**881,767**	-
Noncurrent assets:					
Restricted Investments	508,646	1,289,475	-	**1,798,121**	-
Due from other funds	128,417	-	-	**128,417**	-
Capital assets:					
Land	110,007	582,039	21,621	**713,667**	136
Land purchased for noise abatement	-	269,717	-	**269,717**	-
Construction in progress	1,439,761	1,840,783	49	**3,280,593**	-
Land improvements	12,072	1,981,073	6,693	**1,999,838**	29
Buildings and other structures	3,774,320	1,153,378	65,386	**4,993,084**	5,493
Other property and equipment	197,730	124,602	35,516	**357,848**	22,199
Less accumulated depreciation	(1,533,702)	(1,377,949)	(89,794)	**(3,001,445)**	(25,772)
Capital assets, net	4,000,188	4,573,643	39,471	**8,613,302**	2,085
Investment in joint venture	85,225	-	-	**85,225**	-
Due from component units	30,000	-	-	**30,000**	-
Other assets	53,087	124,218	8,279	**185,584**	-
Total noncurrent assets	4,805,563	5,987,336	47,750	**10,840,649**	2,085
Total Assets	$ 5,071,274	$ 6,577,194	$ 73,948	**$ 11,722,416**	$ 2,085

The accompanying notes are an integral part of the statements.

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	**Total**	Internal Service Fund
LIABILITIES					
Liabilities:					
Current liabilities					
Accounts payable	$ 22,816	$ 3,363	$ 1,659	**$ 27,838**	$ 6,944
Accrued expenses, vacations, and compensatory pay	20,986	22,532	946	**44,464**	985
Claims payable	5,819	38	-	**5,857**	-
Due to other governments	10,446	-	-	**10,446**	-
Deposits and advance	3,308	-	-	**3,308**	-
Due to other funds	-	-	47,520	**47,520**	2,541
Current maturities of long-term debt	3,297	-	4,710	**8,007**	-
Current maturities of capital leases	1,997	-	-	**1,997**	55
Current portion of other liabilities	2,055	369	3,056	**5,480**	-
	70,724	26,302	57,891	**154,917**	10,525
Current liabilities payable from restricted assets:					
Accounts payable	40,403	106,866	-	**147,269**	-
Accrued interest payable	20,691	55,021	-	**75,712**	-
Contract retention	2,063	8,709	-	**10,772**	-
Current maturities of long-term debt	26,300	51,522	-	**77,822**	-
Commercial paper notes payable	123,495	75,112	-	**198,607**	-
Deposits and advances	-	1,785	-	**1,785**	-
Total current liabilities payable from restricted assets	212,952	299,015	-	**511,967**	-
Total current liabilities	283,676	325,317	57,891	666,884	10,525
Noncurrent liabilities					
Long-term debt, excluding current maturities	2,652,756	2,367,340	47,900	**5,067,996**	-
Capital lease obligations, excluding current maturities	13,643	-	-	**13,643**	-
Deferred revenue	5,942	-	-	**5,942**	-
Contract retention, excluding current portion	10,540	13,335	-	**23,875**	-
Arbitrage rebate liability	1,102	446	-	**1,548**	-
Accrued workers' compensation	6,733	1,203	6,837	**14,773**	-
Claims payable	11,643	14,530	-	**26,173**	-
Landfill postclosure costs	-	-	26,810	**26,810**	-
Total noncurrent liabilities	2,702,359	2,396,854	81,547	**5,180,760**	-
Total Liabilities	2,986,035	2,722,171	139,438	**5,847,644**	10,525
NET ASSETS (Deficit)					
Invested in capital assets, net of related debt	1,618,795	2,874,343	(8,429)	**4,484,709**	2,030
Restricted for:					
Debt service	-	114,869	-	**114,869**	-
Capital projects	-	383,694	-	**383,694**	-
Unrestricted	466,444	482,117	(57,061)	**891,500**	(10,470)
Total net assets (deficit)	$ 2,085,239	$ 3,855,023	$ (65,490)	**$ 5,874,772**	$ (8,440)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				**(2,906)**	
Net assets of business-type activities				**$ 5,871,866**	

CITY OF ATLANTA, GEORGIA

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008
(In Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	**Total**	Internal Service Fund
Operating revenues:					
Charges for services	$ 298,469	$ 204,412	$ 50,338	**$ 553,219**	$ 137,858
Rentals, admissions and concessions	-	145,297	3,999	**149,296**	-
Other	20,618	36,497	-	**57,115**	10
Total operating revenues	319,087	386,206	54,337	**759,630**	137,868
Operating expenses:					
Salaries and employee benefits	107,111	86,832	22,733	**216,676**	116,502
Utilities	21,056	6,014	629	**27,699**	642
Supplies and materials	15,772	3,216	443	**19,431**	14,839
Repairs, maintenance and other contractual services	24,629	50,101	1,344	**76,074**	1,835
Motor equipment services	6,655	-	8,543	**15,198**	80
Engineering and consultant fees	29,417	-	8,825	**38,242**	42
General services	24,072	16,183	8,812	**49,067**	5,730
Programs services and other costs	7,604	8,492	84	**16,180**	2
Total operating expenses	236,316	170,838	51,413	**458,567**	139,672
Operating income (loss) before depreciation and amortization	82,771	215,368	2,924	**301,063**	(1,804)
Depreciation and amortization	71,392	102,948	6,742	**181,082**	635
Operating income (loss)	11,379	112,420	(3,818)	**119,981**	(2,439)
Non-operating revenues (expenses):					
Sales tax revenue	127,470	-	-	**127,470**	-
Investment income	13,728	82,474	42	**96,244**	120
Interest expense	(16,542)	(112,318)	(3,531)	**(132,391)**	(1,831)
Passenger facility charges	-	167,520	-	**167,520**	-
Customer facility charges	-	23,892	-	**23,892**	-
Other revenue (expenses)	(1,630)	1,474	-	**(156)**	(14)
Total nonoperating revenues (expenses)	123,026	163,042	(3,489)	**282,579**	(1,725)
Income (loss) before capital contributions and transfers	134,405	275,462	(7,307)	**402,560**	(4,164)
Capital Contributions	6,009	52,692	-	**58,701**	-
Transfers in	-	-	7,489	**7,489**	-
Transfers out	(9,800)	-	-	**(9,800)**	-
Changes in net assets	130,614	328,154	182	**458,950**	(4,164)
Net assets (deficit), beginning of period	1,432,186	3,497,311	(73,865)	**4,855,632**	(4,276)
Correction of prior year error	522,439	29,558	8,193	**560,190**	-
Net assets, beginning of year, as restated	1,954,625	3,526,869	(65,672)	**5,415,822**	(4,276)
Net assets (deficit), end of period	$ 2,085,239	$ 3,855,023	$ (65,490)	**$ 5,874,772**	$ (8,440)

Change in net assets	**458,950**
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	**(1,555)**
Change in net assets of business-type activities	**$ 457,395**

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008
(In Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	**Total**	Internal Service Fund
Cash flow from operating activities					
Cash received from user charges	$ 292,033	$ 382,013	$ 52,643	**$ 726,689**	$ 139,059
Cash payments to employees for services	(94,310)	(81,162)	(24,442)	**(199,914)**	(117,554)
Cash payments to suppliers for goods and services	(83,436)	(70,774)	(26,285)	**(180,495)**	(19,516)
Net cash provided by (used in) operating activities	114,287	230,077	1,916	**346,280**	1,989
Cash flows from noncapital financing activities					
Cash advanced to other funds	(19,407)	-	-	**(19,407)**	-
Transfers in	-	-	7,489	**7,489**	-
Transfers out	(9,800)	-	-	**(9,800)**	-
Net cash provided by (used in) noncapital financing activities	(29,207)	-	7,489	**(21,718)**	-
Cash flows from capital and related financing activities					
Capital contributions	58,577	41,841	-	**100,418**	-
Proceeds from Municipal Option Sales Tax	125,252	-	-	**125,252**	-
Principal repayments of long-term debts	(233,125)	(470,575)	(6,237)	**(709,937)**	55
Acquisition, construction and improvements of capital assets	(455,164)	(420,710)	(353)	**(876,227)**	(443)
Passenger and customer facility charges	-	204,536	-	**204,536**	-
Proceeds from sale of capital assets	-	-	-	**-**	(14)
Accounts payable from restricted assets	-	(5,293)	-	**(5,293)**	-
Proceeds from bond/note issuances	262,312	53,237	-	**315,549**	-
Interest paid on revenue bonds	(147,302)	(147,116)	(3,531)	**(297,949)**	(1,831)
Net cash provided by (used in) capital and related financing activities	(389,450)	(744,080)	(10,121)	**(1,143,651)**	(2,233)
Cash flows from investing activities					
Interest on investments	45,669	105,541	42	**151,252**	120
Purchases and sales of nonpooled investments, net	284,925	440,384	-	**725,309**	-
Net change in investment in pooled funds	(7,809)	(61,624)	674	**(68,759)**	-
Net cash provided by (used in) investing activities	322,785	484,301	716	**807,802**	120
Net change in cash and cash equivalents	18,415	(29,702)	-	**(11,287)**	(124)
Cash and cash equivalents, beginning of period	16,095	51,311	2	**67,408**	124
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 34,510	$ 21,609	$ 2	**$ 56,121**	$ -

Continued

CITY OF ATLANTA, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008
(In Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	**Total**	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 11,379	$ 112,420	$ (3,818)	**$ 119,981**	$ (2,439)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	71,392	102,948	6,742	**181,082**	635
Changes in assets and liabilities					
Receivables - net of allowance	(1,170)	(4,194)	(2,258)	**(7,622)**	-
Inventories	(693)	84	-	**(609)**	-
Due from other funds	14,097	-	-	**14,097**	945
Prepaid expenses and other assets	-	116	(33)	**83**	-
Due (from) other governmental units, net	20,308	-	-	**20,308**	-
Investment in Joint Venture	(547)	-	-	**(547)**	-
Accounts payable and accrued expenses	21,564	17,893	(1,544)	**37,913**	2,715
Other Liabilities	-	810	-	**810**	(1,058)
Claims payable	(22,881)	-	-	**(22,881)**	-
Deposits and advances	838	-	-	**838**	-
Due to other funds	-	-	2,827	**2,827**	1,191
Net cash provided by (used in) operating activities	$ 114,287	$ 230,077	$ 1,916	**$ 346,280**	$ 1,989
Supplemental schedule of non-cash financing activities:					
Appreciation of capital appreciation bonds	$ -	$ 4,206	$ -	**$ 4,206**	$ -

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2008

(In Thousands)

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents	$ 166,013	$ 197
Investments in pooled investment fund	-	34,864
Investments:		
Equities	939,164	578
U. S. government and agency obligations	446,489	-
Corporate bonds	219,985	-
Other	143,770	-
Total Investments	1,749,408	578
Securities lending collateral investment pool	301,822	-
Due from brokers for securities sold	11,618	-
Other receivables	29,080	-
Due from other funds	19,569	-
Total assets	$ 2,277,510	$ 35,639
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 16,627	$ 35,639
Other liabilities	38,546	-
Due to other funds	23,122	-
Liability for securities lending agreement	301,822	-
Total liabilities	380,117	35,639
Net Assets		
Held in trust for pension benefits		
(See Schedule of Funding Progress on page 112)	1,897,393	-
Total net assets	$ 1,897,393	$ -

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year Ended June 30, 2008

(In Thousands)

	Pension Trust Funds
Additions	
Employer contributions	$ 147,092
Employee contributions	25,471
Refunds and other	995
Investment income:	
Net change in fair value of investments	(125,814)
Investment income	54,129
Securities lending income	1,277
Less: Investment expenses	(8,005)
Net investment loss	(78,413)
Total Additions	95,145
Deductions	
Benefit payments	146,250
Refunds	1
Administrative expenses	10,398
Total Deductions	156,649
Change in net assets	(61,504)
Net assets held in trust for pension benefits:	
Beginning of period	1,933,547
Correction of prior period error	25,350
Beginning of period, as restated	1,958,897
End of period	$ 1,897,393

The accompanying notes are an integral part of the statements.

Component Units

City of Atlanta and Fulton County Recreation Authority - Established to account for the acquisitions, construction, maintenance, and operation of an athletic stadium, an athletic coliseum, and the Atlanta Zoo.

Atlanta Development Authority – Established to promote the revitalization and growth of the City of Atlanta through a comprehensive and centralized program focusing on community development and redevelopment.

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Net Assets
June 30, 2008
(In Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	**Totals**
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,927	$ 43,115	**$ 46,042**
Restricted cash	-	12,026	**12,026**
Short-term investments	2,409	3,925	**6,334**
Receivables:			
Accounts	1,006	-	**1,006**
Pledges	1,286	-	**1,286**
Notes receivable	-	-	**-**
Other receivable	-	660	**660**
Total receivables	2,292	660	**2,952**
Due from other governmental units and agencies	-	1,478	**1,478**
Inventories	260	-	**260**
Prepaid expenses and other assets	282	2,517	**2,799**
Total current assets	8,170	63,721	**71,891**
Restricted assets:			
Cash and cash equivalents	37,112	-	**37,112**
Investments	12,348	30,035	**42,383**
Mortgage loans receivable	-	5,592	**5,592**
Bond issues costs and discounts	2,187	7,343	**9,530**
Other restricted assets	-	35,288	**35,288**
Total restricted assets	51,647	78,258	**129,905**
Property and equipment - at cost:			
Land	22,497	10,573	**33,070**
Construction-in-progress	389	629	**1,018**
Land improvements	927	3,271	**4,198**
Buildings and improvements	288,604	53,986	**342,590**
Other property and equipment	24,799	2,685	**27,484**
	337,216	71,144	**408,360**
Less accumulated depreciation	(118,745)	(9,355)	**(128,100)**
Property and equipment, net	218,471	61,789	**280,260**
Total assets	$ 278,288	$ 203,768	**$ 482,056**

The accompanying notes are an integral part of the statements.

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	**Totals**
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	$ 3,497	$ 2,149	**$ 5,646**
Accrued interest payable	-	-	**-**
Notes and loans payable	-	-	**-**
Other liabilities	8	-	**8**
Total current liabilities	3,505	2,149	**5,654**
Liabilities payable from restricted assets:			
Current maturities of long-term debt	4,336	7,925	**12,261**
Accrued interest payable	-	3,322	**3,322**
Other liabilities	28,044	1,297	**29,341**
Deferred revenues	2,153	4,017	**6,170**
Total liabilities payable from restricted assets	38,038	18,710	**56,748**
Long-term liabilities:			
Long-term debt, excluding current maturities	159,022	145,224	**304,246**
Due to primary government	-	30,000	**30,000**
Other liabilities	-	800	**800**
Total liabilities	197,060	194,734	**391,794**
NET ASSETS			
Investment in capital assets, net of related debt	55,300	(14,086)	**41,214**
Restricted for grant programs	21,426	12,346	**33,772**
Unrestricted	4,502	10,774	**15,276**
Total net assets	$ 81,228	$ 9,034	**$ 90,262**

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Activities
For the Year Ended June 30, 2008
(In Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
					Business-type Activities		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	TOTALS
Business-type activities							
Atlanta Fulton County Recreation Authority	$ 37,546	$ 41,217	$ 17,811	$ -	$ 21,482	$ -	$ 21,482
Atlanta Development Authority	35,115	10,617	11,542	-	-	(12,956)	(12,956)
Total Business-type activities	72,661	51,834	29,353	-	21,482	(12,956)	8,526
Total Component Units	$ 72,661	$ 51,834	$ 29,353	$ -	21,482	(12,956)	8,526
General revenues:							
Other taxes					3,837	-	3,837
Investment income					5,631	-	5,631
Other					-	15,369	15,369
Total General revenues					9,468	15,369	24,837
Change in net assets					30,950	2,413	33,363
Net assets - beginning of period, as previously reported					50,278	6,621	56,899
Net assets - end of period					**$ 81,228**	**$ 9,034**	**$ 90,262**

The accompanying notes are an integral part of the statements.

Notes to

Financial Statements

City of Atlanta, Georgia
Notes to Financial Statements

Contents

	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity	39
B. Government-Wide and Fund Financial Statements	42
C. Measurement Focus and Basis of Accounting	43
D. Assets, Liabilities and Net Assets or Equity	46
E. New Accounting Pronouncements	52
F. Use of Estimates	52
II. Stewardship, Compliance and Accountability	
A. Budgets and Budgetary Accounting	52
B. Excess of Expenditures Over Appropriations	54
C. Deficit Fund Equity	54
III. Detailed Notes on All Funds	
A. Deposits and Investments	55
B. Property Taxes, LOST, MOST, and Car Rental tax	61
C. Capital Assets	63
D. Interfund Receivables, Payables, and Transfer	64
E. Leases	65
F. Note Payable	69
G. Long-Term Obligations	71
H. Reserved Net Assets and Restricted Assets	92
IV. Other Information	
A. Risk Management	93
B. Employee Retirement Systems and Pension Plans	94
C. Commitments and Contingent Liabilities	103
D. Prior Period Adjustments	108
E. Subsequent Events	110

THIS PAGE IS INTENTIONALLY LEFT BLANK

I. Summary of Significant Accounting Policies

The accounting principles of the City of Atlanta ("City") conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental entities. The Governmental Accounting Standards Board ("GASB") is the standards-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The Financial Reporting Entity

The City is a municipal corporation governed by the Mayor and the City Council. In evaluating how to define the City for financial reporting purposes, the management of the City has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The concept underlying the definition of the reporting entity is that elected officials are accountable. The component units discussed below are included because of the significance of their operational or financial relationships with the City.

All blended component units have a June 30 year end. All discretely presented component units have a December 31 year end with the exception of the Atlanta Development Authority, which has a June 30 fiscal year end.

Blended Component Units

The Urban Design Commission ("UDC"), Keep Atlanta Beautiful ("KAB"), Atlanta Public Safety and Judicial Facilities Authority ("APSJFA"), Atlanta CoRA, Inc. ("ACoRA"), and Solid Waste Management Authority ("SWMA") are governed by boards appointed by the Mayor and/or the City Council who have the ability to impose their will on UDC, KAB, APSJFA and SWMA. Although they are legally separate from the City, UDC, KAB, APSJFA, ACoRA and SWMA are reported as if they are a part of the primary government because their primary purpose is to provide services to the City. The general funds of each of these entities are reported as special revenue funds of the City. APSJFA and SWMA's capital project funds are reported as capital project funds of the City.

APSJFA was established in 2005 to initiate projects relating to the acquisition, construction, equipping, operation, maintenance, and repairing of municipal corporation, judicial, detention or public safety facilities. APSFJA began financial activities during the year ended June 30, 2008.

A. Reporting Entity, continued

In December 2001, the City completed an application to become a Renewal Community ("RC"), and in January 2002; the Department of Housing and Urban Development ("HUD") awarded the City the RC status. As a result of the City being awarded an RC status, the City's designation as an Empowerment Zone was terminated. At the time of the RC designation, the City's EZ program had an estimate of $53 million of unspent grant funds. The City petitioned the U.S. Department of Health and Human Services' Office of Community Service for permission to continue the use of the EZ Social Service Block Grant Title XX funds and the request was granted until December 31, 2009.

The RC statute required the City to form a coordinating responsible authority ("CoRA") to develop, submit and implement the strategic plan or course of action that met the RC statute. The City formed ACoRA as an independent non-profit Georgia corporation and a cooperative agreement transferring the responsibility of administering the remaining $53 million EZ funds was executed between ACoRA and the City.

UDC and KAB did not have any financial activity during the year ended June 30, 2008. Separate financial statements are not prepared for the blended component units.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the Atlanta Fulton County Recreation Authority ("Recreation Authority") and the Atlanta Development Authority ("ADA"). They are reported in a separate column to emphasize that they are legally separate from the City. The Recreation Authority is accounted for as a proprietary fund type. ADA has both governmental and business-type activities which are accounted for as such.

Recreation Authority - Created in 1961, the principal activities of the Recreation Authority include the maintenance and oversight of an athletic stadium (the "Stadium"), an athletic coliseum (the "Arena"), and the Atlanta Zoo ("Zoo"), in which the Recreation Authority acts as lessee under a leasehold interest granted by the City. The Mayor appoints the majority of the governing body of the Recreation Authority. The City has a two-thirds interest in the Recreation Authority. Fulton County's one-third interest is reported as minority interest in the accompanying financial statements. The separate financial statements which comprise the Recreation Authority may be obtained from the Atlanta Fulton County Recreation Authority, 755 Hank Aaron Drive, Atlanta, Georgia 30315.

The City and Fulton County ("County"), by contractual agreement with the Recreation Authority, will fund any deficiencies in principal and interest payments on the applicable revenue bonds issued for construction of the Arena and the Zoo in accordance with their proportionate ownership interest noted above. When these revenue bonds have been fully paid, the Recreation Authority will convey fee simple title of the Arena to the City and the County based on their proportionate shares noted above. There were no such deficiencies during the fiscal year that required funding by the City or County.

The financial statements of the Recreation Authority consolidate the operations of the Stadium, Zoo and Arena.

A. Reporting Entity, continued

ADA - ADA was created effective January 1, 1997, to promote the revitalization and growth of the City through a comprehensive and centralized program focusing on community development and redevelopment. It combined many previously separate organizations which were performing similar economic development functions. The Mayor and City Council are responsible for appointing the members of the Board of Directors of ADA and have the ability to impose their will on ADA. The separate financial statements of ADA may be obtained from the Atlanta Development Authority, 86 Pryor St. S.W., Suite 300, Atlanta, Georgia 30303.

Joint Venture

The Atlanta-Fulton County Water Resource Commission ("Commission") is a joint venture between the County and the City for the construction and operation of a water treatment plant accounted for under the equity method of accounting. The Commission is governed by a seven-member management commission, three members are appointed by the City, three by the County, and one independent member is elected by majority vote of the other members. The City and County also approve the annual budget of the Commission.

Under the terms of the amended Joint Venture Agreement, the City and the County equally share the costs of all capital expenditures. Capital contributions are recorded during the year in which the additions to capital assets are accrued, whether paid or recorded as a liability, including retainage. The City and the County each contributed $1,751,000 during the fiscal year ended June 30, 2008. These capital costs are reflected as Investment in the Joint Venture.

The costs of operations of the plant are paid directly by the County as incurred. The County is subsequently reimbursed by the City for its pro rata share of the cost of operations, net of personnel costs paid by the City. The costs of operations, including personnel cost, are allocated between the City and the County on the basis of water delivered to each. The City's share of those operating costs was $2,991,000 for the year ended June 30, 2008. The costs are reflected in operating costs.

A. Reporting Entity, continued

Financial information for the Commission summarized below is as of and for the year ended December 31, 2007 (in thousands):

Total assets (net property, plant, and equipment)	$181,076
Total fund net assets	$169,143
Total operating revenue	$ 8,584
Total operating expenses	$ 10.642
Net loss	$ (2,408)

The separate financial statements of the Commission may be obtained from the Commission at 9750 Spruill Rd., Alpharetta, Georgia 30022.

Atlanta Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in metropolitan Atlanta, is a member of the Atlanta Regional Commission ("ARC)" and is required to pay annual dues thereto. During the fiscal year ended June 30, 2008, the City paid approximately $372,720 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from the Atlanta Regional Commission at 40 Courtland St. NE; Atlanta, Georgia 30303.

Related Organizations

The City is also responsible for appointing a majority of the members of the boards of the Atlanta Housing Authority and the First Source Job Program but the City's accountability for these organizations does not extend beyond making appointments.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user fees and charges for support. City activities are reported separately from certain legally separate component units for which the City is financially accountable.

B. Government-Wide and Fund Financial Statements, continued

The statement of activities demonstrates the degree to which the 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 applicants who use, or directly benefit from goods, services, or privileges 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. Taxes and other items not meeting the definition of program revenues are reported instead as *general revenues*.

Interfund activity has been eliminated from the government-wide financial statements except for charges between the governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, as part of fiduciary funds, while on the accrual basis do not have a measurement focus since they do not report equity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

C. Measurement Focus and Basis of Accounting, continued

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial transactions of the City, except those required to be accounted for in another fund.

The *Capital Projects Fund (Annual Bond Fund only)* is used to account for capital project activities funded by General Obligation Bonds, which are issued pursuant to special referenda, or annual issues authorized by the City of Atlanta Charter. The annual issues of $8 million are allocated equally between the City and the Atlanta Independent School System.

The *Debt Service Fund* is used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than certificates of participation and the debt of the tax allocation districts funds and enterprise funds). Bond ordinances require the City to account for debt service transactions in separate funds, restrict the flow of cash between such funds, and comply with various other covenants. For financial statement reporting, the various debt service funds have been combined.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses, for enterprise funds, not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

The *Department of Watershed Management Fund* accounts for all activities associated with the provision and management of clean water, wastewater and stormwater systems, and water pollution control services to individuals, organizations and other governmental units within and around the City.

The *Department of Aviation Fund* accounts for the activities of the William B. Hartsfield – Maynard H. Jackson Atlanta International Airport.

Additionally, the City reports the following fund types:

Internal Service Funds account for the activities of Motor Transport Services, as well as group insurance transactions related to the provision of life, accident, and medical insurance benefits through outside insurance companies for permanent employees and retirees of the City.

C. Measurement Focus and Basis of Accounting, continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Fiduciary Fund Types

The *trust funds* account for activities in which the City acts as trustee for an individual or organization. Additionally, these funds account for *pension trust funds* which accumulate resources for pension benefit payments to members of the Plans and their beneficiaries.

The *Agency Fund* accounts for various taxes, bond deposits and other receipts held in escrow for individuals, outside organizations, other governments and/or other funds.

D. Assets, Liabilities and Net Assets or Equity

1. Cash Equivalents

The City considers all highly liquid debt securities with an original maturity of three months or less to be cash equivalents.

2. Investments

Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of a corporation of the U.S. Government, and the Georgia Fund 1 (a local government investment pool maintained by the State of Georgia). The City invests in repurchase agreements only when collateralized by U.S. Government or agency obligations.

By statute, up to 55% of the cost basis of the investment portfolio for the pension plans may consist of U.S. corporate equity securities. Additionally, in accordance with authorized investment laws, the City, in its pension funds, can invest in various mortgage-backed securities, such as collateralized mortgage obligations ("CMOs") and government backed mortgage securities. These are separately identified in the disclosure of custodial credit risk (see Note III. A.)

Investments, other than repurchase agreements, are carried at fair value, based on quoted market prices, and include any accrued interest. Repurchase agreements are valued at their amortized cost.

The City maintains a pooled investment fund. All investments, except those held in debt service, special revenue, pension funds, various capital project funds, and for construction projects of enterprise funds, are held in this fund. This fund is not considered a separate accounting entity for financial reporting purposes; instead, each participating fund's equity in the pooled investment fund is recorded as investments in the pooled fund on the accompanying combined balance sheet. Investment income of this pooled fund is allocated to each participating fund based on that fund's recorded equity in the pooled fund.

The Georgia Fund 1 is a stable net asset value investment pool managed by the State of Georgia (Office of Treasury and Fiscal Services) and is not registered with the SEC. The fund operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered a 2a-7 like pool. The fair value of the participant shares is computed weekly with pool earnings distributed on a monthly basis based on equivalent shares owned by participants based on $1.00 per share.

Separate financial statements of the Georgia Fund 1 may be obtained from the Office of Treasury and Fiscal Services, 200 Piedmont Avenue, Suite 1202, West Tower, Atlanta Georgia 30334-5527.

The activity related to certain short-term investments of the component units is reported as a net change in the investment balance in the cash flow statements as their turnover is quick and their maturities are generally short-term.

D. Assets, Liabilities and Net Assets or Equity, continued

3. Materials and Supplies

Materials and supplies are stated at cost (substantially first-in, first-out) which is not in excess of market. Inventories are accounted for using the consumption method.

4. Prepaid Items

Payments for services that benefit future periods are recorded as prepaid expenses in accordance with the consumption method. This method is also used for budgetary purposes; accordingly, no reservation of fund balance is required.

5. Restricted Assets

Restricted assets represent amounts which are required to be maintained pursuant to City ordinances relating to the passenger and customer facility charges (Department of Aviation only); construction, renewal and extension and sinking funds; funds received for specific purposes pursuant to U. S. government grants; municipal option sales tax (Department of Watershed Management only); various reserves required under certain bond agreements; and investments related to a state wide municipal lease pool agreement (General Fund only).

The City's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks, and similar items) used in governmental and business-type activities of the City are recorded in the statement of net assets at historical cost (or estimated historical cost). This capitalization included infrastructure that could be identified and has been acquired since July 1, 1980. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years. Donated capital assets are recorded at their estimated fair value at the date of donation.

D. Assets, Liabilities and Net Assets or Equity, continued

Expenses for replacements, maintenance, repairs, and betterments which do not materially prolong the life of the related asset are charged to expenditures/expenses when incurred.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

Governmental-type activities:	
Buildings	20-50 years
Building improvements	20 years
Furniture and equipment	3-10 years
Vehicles	5-8 years
Infrastructure	25-50 years
Business-type activities:	
Department of Aviation:	
Runways, taxiways, and other land improvements	15-35 years
Terminal and maintenance buildings and other structures	15-35 years
Other property and equipment	2-20 years
Department of Watershed Management:	
Water and wastewater plant and treatment facilities	50-75 years
Water collection and distribution system	75 years
Wastewater system	67 years
Stormwater drainage system	75 years
Machinery, equipment, and other	4-10 years
Sanitation:	
Buildings	20-25 years
Equipment	5-20 years
Parks and Recreational Facilities:	
Buildings	40 years
Other property and equipment	15-20 years
Underground Atlanta:	
Parking garage	30 years
Buildings	15 – 30 years
Machinery, equipment, and other	5 years
Internal Service Fund:	
Buildings	40 years
Other property and equipment	3-8 years
City of Atlanta and Fulton County Recreation Authority (as a discretely presented component unit):	
Buildings and improvements	7-30 years
Other property and equipment	3- 20 years
Atlanta Development Authority (as a discretely presented component unit):	
Buildings and improvements	26-30 years
Furniture and equipment	3-5 years

D. Assets, Liabilities and Net Assets or Equity, continued

The City has elected not to capitalize works of art and historical treasures based on its policy that these items are not held for financial gain. They will be preserved and any proceeds from the sale of the items will be used to acquire other collections.

Interest is capitalized on proprietary fund assets constructed with the proceeds of tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project against interest earned on invested proceeds over the same period. The Department of Watershed Management and the Department of Aviation capitalized $93,074,000 and $14,799,000, respectively, in net interest costs during the year ended June 30, 2008.

7. Compensated Absences

City employees can accrue a maximum of 25 to 45 days of annual leave, depending upon the length of service, and 20 days of compensatory leave. Vested or accumulated vacation expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term debt in the government-wide financial statements. Amounts are reported in governmental funds only to the extent they have matured. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Employees can accrue unlimited amounts of sick leave. Sick leave can be taken only due to personal illness or, in certain cases, illness of family members. Depending on City Council's approval and the availability of funds, employees may be paid in cash each year for a portion of their sick leave accrual in excess of a stated base accumulation. No accrued liability is recorded for sick pay accumulated since the amount which ultimately may be paid is not determinable.

8. Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However claims and judgments, the noncurrent portion of capital leases, compensated absences, health and dental claims, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

D. Assets, Liabilities and Net Assets or Equity, continued

Bond discounts and issuance costs in the government-wide financial statements are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond discounts are presented as other assets in the financial statements. Gains and losses from refundings of government-wide and proprietary fund types are deferred and amortized over the shorter of the life of the new or old debt on a straight-line basis.

9. Reservations of Net Assets / Fund Balances

The unreserved fund balances for governmental funds represent the amount available for future operations. The reserved fund balances for governmental funds represent the amounts that have been legally identified for specific purposes. Unreserved net assets for proprietary funds represent the net assets available for future operations or distribution. Reserved net assets for proprietary funds represent the net assets that have been legally restricted for specific purposes. The following reservations have been established by the City:

- *Net Assets - Reserved for Capital Projects and Debt Service* - This portion of net assets represents various restricted assets of the Enterprise Funds, less liabilities payable from such assets that are not available for appropriation.

- *Fund Balance - Reserved for Encumbrances, Special Programs and Capital Improvements* - This portion of fund balance represents various restricted assets or resources of the City which have been encumbered or appropriated for purchase orders or contractual obligations.

- *Fund Balance - Reserved for Debt Service* - This portion of fund balance represents resources of the City which have been formally set aside for future debt service payments.

10. Net Assets Classifications

Equity for government-wide and proprietary fund statements is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

D. Assets, Liabilities and Net Assets or Equity, continued

11. Grants From Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, employment, construction programs, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in the governmental and proprietary funds. All grant contributions in the proprietary funds are for the purpose of construction activities, principal debt service reimbursements or land or easement acquisitions. Accordingly, they are recorded in the statement of revenues, expenses, and changes in net assets as a separate line item after non-operating revenues and expenses as capital contributions. For all funds, a grant receivable is recorded when the City has met all applicable eligibility requirements.

12. General Services Costs

The City allocates a portion of general services costs (such as purchasing, accounting, budgeting, personnel administration, and certain other costs based on allocation methods determined by an independent study) to the Department of Aviation, the Department of Watershed Management, the Sanitation Fund, and the Internal Service Fund in order to more fully reflect the actual cost of operating these Proprietary Funds. For the year ended June 30, 2008, such allocated expenses amounted to $12,642,000 for the Department of Aviation, $ 23,027,000 for the Department of Watershed Management, $7,255,000 for the Sanitation Fund, and $4,523,000 for the Internal Service Fund.

Costs allocated to the Community Development Fund are based upon a negotiated indirect cost rate, determined by an independent study. The City's indirect cost rate is based upon the prior year's cost calculation, documented in the Cost Allocation Plan. Such expenditures charged to Community Development for the year ended June 30, 2008 amounted to approximately $499,000.

The reimbursement of these costs to the General Fund is recorded as a reduction in expenditures.

E. New Accounting Pronouncements

The City will adopt the following new accounting pronouncement in future years:

In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which provides accounting guidance regarding recognition and disclosure of certain pollution remediation obligations and sets forth methods for measuring and reporting pollution remediation liabilities. Application of this statement is effective for the City's fiscal year ending June 30, 2009.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which provides additional guidance to state and local governments to determine whether and when intangible assets should be considered capital assets for financial reporting purposes. The statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. This statement establishes guidance on recognizing internally generated computer software as an intangible asset, as well as guidance specific to intangible assets related to amortization. It also provides guidance on determining the useful life of intangible assets when the length of their life is limited by contractual or legal provisions. Application of this statement is effective for the City's fiscal year ending June 30, 2010.

The impact of these pronouncements on the City's financial statements has not been determined.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenditures/expenses and disclosures. Actual results could differ from those estimates.

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

The City is required to adopt a balanced budget each year and maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. Annual budgets are adopted for the General Fund; the Community Development, Emergency Telephone System, Intergovernmental Grant, Tax Allocation Districts and Other Special Revenue all within the Special Revenue Funds; and the Debt Service Fund with the level of legal budgetary control established at the department level by City Council. The capital projects funds adopt project-length budgets.

The amounts of anticipated revenues and appropriated expenditures for the annual budget are controlled by the City Charter and various ordinances adopted by the City Council.

A. Budgets and Budgetary Accounting, continued

The accompanying Statement (Schedules) of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Comparison (Budgetary Basis) - General, Special Revenue Funds as defined above and Debt Service Fund, presents comparisons of the legally adopted budget, and legally adopted interdepartmental transfers of appropriations, with actual operating results on a budgetary basis. Since the legally adopted budget is on a cash basis, which differs significantly from GAAP, the actual data is similarly presented on a cash basis for comparison purposes; however, other financing sources are separately displayed and budgeted as such. A reconciliation from the cash basis to GAAP basis is also presented in each statement.

The responsibility for revenue anticipations and specified appropriations is fixed by law by the Budget Commission, which is composed of the Mayor, the Chief Financial Officer, the Chair of the City Council Finance Committee, and two other members of City Council. The Budget Commission may not anticipate in any year an amount in excess of 99% of the normal revenues of the City actually collected during the previous year (unless tax rates or fees are increased) plus any accumulated cash surplus carried forward from the previous year. Grant revenues are anticipated in the Community Development and Intergovernmental Grant Funds in the year the grant is awarded to the City, although the funds may not be received in the same year. Grant revenue is; therefore, not considered to be over-anticipated until the activity for which the funds were granted is completed and actual revenues are less than anticipated revenues.

After the initial annual budget is adopted, it may be amended for interdepartmental transfers of appropriations with the approval of City Council. Intradepartmental transfers of appropriations among individual budgetary accounts may be initiated by a department head with the approval of the Chief Operating Officer, the Chair of the City Council Finance Committee, and the Chief Financial Officer.

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the City in excess of original anticipations, and these amounts are anticipated by the Budget Commission and subsequently appropriated by City Council. During the year ended June 30, 2008, supplemental anticipations and appropriations occurred as legal amendments to the budget were adopted in accordance with the procedures described above. Budget amounts in the accompanying financial statements, if any, reflect these budget amendments.

Encumbrance accounting, under which purchase orders and contracts are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. All appropriations, except for the General Fund's reserved fund balance, construction, bond proceed funds, and Special Revenue funds, lapse at the end of the year, but are considered during the following year's budgeting process. Contractually encumbered appropriations and certain unencumbered appropriations in the General Fund do not lapse, but are carried forward to the ensuing budget year as budgetary amendments.

B. Excess of Expenditures Over Appropriations

The City did not have any excess expenditures over appropriations for the fiscal year ended June 30, 2008.

C. Deficit Fund Equity

The following funds reported deficits in fund balance at June 30, 2008:

- Sanitation Fund had an accumulated deficit of $54,569,000 due to deficiencies in operating revenues. Billed rates, billing methodologies, and operating costs are being evaluated in order to eliminate the negative net assets in future periods.

- Underground Atlanta Fund had an accumulated deficit of $13,341,000 due to deficiencies in operating revenue. The management company of the Underground project has plans to revitalize the Underground and provide positive operating results in the future.

- Emergency Telephone System had an accumulated deficit of $33,521,000 due to increased public safety expenditures. The City plans to increase the General fund appropriations to fund the Emergency Telephone System. Additionally, plans are being made to better manage the costs of E-911 operations.

III. Detailed Notes on All Funds

A. Deposits and Investments

Pooled Cash and Investments Held in City Treasury

The City maintains a cash and investment pool that is available for use by all funds. Each participating fund's portion of this pool is displayed on the accompanying financial statements as "Investment in pooled investments fund".

Investments Authorized by the Georgia State Code Section 36-83-4 and the City of Atlanta Investment Policy

The City has adopted an investment policy (the "Policy") to minimize the inherent risks associated with deposits and investments. The primary objective of the Policy is to invest funds to provide for the maximum safety of principal.

Identified below are the investment types that are authorized for the City by the Policy. The Policy also identifies certain provisions of the Official Code of Georgia ("OCGA") that address interest rate risk, credit risk and concentration of credit risk. The Policy governs all governmental and business-type activities for the City, but does not govern the City of Atlanta Pension Plans.

The City's investments are limited to U.S. Government guaranteed securities and U.S. government agency securities which are limited to issues of the Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank System ("FHLBS"), Federal Home Loan Mortgage Corporation ("FHLMC"), and Federal National Mortgage Association ("FNMA"). Under the Policy, the City restricts investments in eligible obligations to discount notes and callable or non-callable fixed-rate securities with a fixed principal repayment amount.

The City also invests in fully collateralized repurchase agreements provided the City has on file a signed Master Repurchase Agreement, approved by the City Attorney, detailing eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination. It also requires the securities being purchased by the City to be assigned to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City; and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the state of Georgia, and is rated no less than A or its equivalent by two nationally recognized rating services.

Under the Policy, the City's investment portfolio, in aggregate, is to be diversified to limit its exposure to interest rate, credit and concentration risks by observing the above limitations.

A. Deposits and Investments, continued

Investments in Employee Retirement Plans

The City has three defined benefit pension plans for full-time employees, the General Employees' Pension Plan, the Police Officers' Pension Plan and the Firefighters' Pension Plan (the "Plans"). Each Plan is administered by its own Board of Trustees. The Board is ultimately responsible for making all decisions with regard to the administration of the respective Plans, including the management of Plan assets, and for carrying out the investment policy on behalf of the respective Plans.

The Plans' investments are managed by various investment managers under contracts with the respective Plans who have discretionary authority over the assets managed by them, within the investment guidelines, established by the respective Boards. The investments are held in trust by the Plans' custodians in the Plans' name. These assets are held exclusively for the purpose of providing benefits to members of the plans and their beneficiaries.

Identified below are the investment types authorized by the respective Boards for each of the Plans. The investment policies also identify certain provisions addressing interest rate risk, credit risk and concentration of credit risk.

The Plans, by policy, are to invest their cash in domestic equities, domestic fixed income securities and cash equivalents. These instruments consist of common and preferred stock, obligations of the U.S. government and agencies (GNMA, FHLMC, and FNMA securities and CMO's), corporate bonds, and certificates of deposit. The Plans have strict limitations on the amounts managers are allowed to invest in any one issuer in all classes of securities. The Plans also invest in repurchase agreements which must be fully collateralized by U.S. government or agency guaranteed securities.

Respective Board policies permit the Plans to engage in securities lending transactions with an authorized agent, provided that the securities are fully collateralized at least 102% and that collateral is received prior to the release of the securities by the custodian.

INVESTMENT RISK DISCLOSURES

Governmental and Business-Type Activities

Interest Rate Risk. Interest rate risk is the risk that changes in market rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Additionally, the fair values of the investments may be highly sensitive to interest rate fluctuations. By policy, the City establishes maximum maturity dates by investment type in order to limit interest rate risk. The City manages its exposure to interest rate risk by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion is maturing or coming close to maturing evenly over time, as necessary to provide the cash flow and liquidity needs for operations.

A. Deposits and Investments, continued

The City has the ability and generally has the intention to hold all investments until their respective maturity dates. The average maturity of the City's pooled cash and investments governed by the Policy as of June 30, 2008, was approximately six months. If it becomes necessary or strategically prudent for the City to sell a security prior to maturity, the Policy allows for occasional restructuring of the portfolio to minimize the loss of market value and/or to maximize cash flows.

Credit Risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not specify a minimum bond rating for investments.

As of June 30, 2008, the City had the following fixed income investments (in thousands), with the corresponding credit ratings and maturities.

		Maturity					
Type of Investments	Credit Rating	Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years	Over 5 Years	Carrying Value
U.S. Government Obligations	Aaa/AAA	13,000	45,877	75,317	538,474	-	672,668
U.S. Government Treasuries	Exempt	-	44,007	65,517	184,658	-	294,182
State Pool	AAA	280,609	-	-	-	-	280,609
CD's	Exempt	-	4,733	18,300	-	-	23,033
Money Markets	AAA	912,751	-	-	-	-	912,751
GIC's	*	-	29,733	-	459,589	132,972	622,294
		$ 1,206,360	$ 124,350	$ 159,134	$ 1,182,721	$ 132,972	$ 2,805,537

*All Guaranteed Investment Contracts (GIC's) are fully collateralized by U.S. Government Obligations or Agency securities.

Custodial Credit Risk. 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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risks for *investments*, is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City requires that all uninsured collected balances plus accrued interest in depository accounts be collateralized and that the market value of collateralized pledged securities must be at least 110% of the deposit balances, and 102% for repurchase agreements. As a result, the City had no deposits with custodial risks as of June 30, 2008. All investments of the City are either held by the City or by a counterparty in the City's name, therefore, the City's investments had no custodial risks as of June 30, 2008.

A. Deposits and Investments, continued

Concentration Credit Risk. The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the OCGA.

Investments in any one issuer that represent 5% or more of total investments by ***reporting unit*** were as follows as of June 30, 2008:

Issuer	Investment Type	Investments
Department of Aviation		
Societe Generale	GIC	11.5%
Morgan Stanley	GIC	5.6%

The City is a voluntary participant in the Georgia Local Government Investment Pool (Georgia Fund 1) that is managed by the Office of Treasury and Fiscal Services. As of June 30, 2008, the City's investment in the Georgia Fund 1 is approximately $280,591,000. The total amount recorded by all public agencies in Georgia Fund 1 at that date is approximately $11,666,287,000.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates could adversely affect an investment's or deposit's fair value. The City is not exposed to this risk and its investment policy does not provide for investments in foreign currency denominated securities.

A. Deposits and Investments, continued

Pension Trust Fund Activities

Interest Rate and Credit Risks. As of June 30, 2008, the City's Pension Plans had the following fixed income investments, with the corresponding credit ratings and maturities (in thousands):

Type of Investments	Credit Rating	Maturity: Under 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 Years	Fair Value
U.S.Government Agencies	AAA	$ 2,724	$ 25,336	$ 15,671	$ 42,721	$ 213,545	$ 299,997
U.S. Treasury Securities	Exempt	$ 1,028	$ 5,974	$ 10,047	$ 28,180	$ 19,101	$ 64,330
U.S. Government Obligations	A+/AAA	$ -	$ -	$ 8	$ 2,342	$ 40,211	$ 42,561
Corporate Bonds	AA/A-	$ 10,319	$ 27,349	$ 33,967	$ 55,602	$ 61,344	$ 188,581
Corporate Bonds	B+/BBB	$ 1,173	$ 8,505	$ 6,520	$ 21,395	$ 22,155	$ 59,748
CMO's	AAA	$ 23	$ 176	$ 616	$ 27,034	$ 74,265	$ 102,114
CMO's	NR	$ -	$ -	$ -	$ -	$ 1,430	$ 1,430
Private Placement Trust	A-	$ -	$ -	$ -	$ 575	$ 3,351	$ 3,926
		$ 15,267	$ 67,340	$ 66,829	$ 177,849	$ 435,402	$ 762,687

Securities Lending Transactions

At June 30, 2008, the Plans had no credit risk exposure to borrowers because the amounts the Plans owed the borrowers exceed the amounts the borrowers owed the Plans. The contract with the Plans' custodians requires them to indemnify the Plans if the custodians fail to recover borrowed securities and distributions made during the term of the loans. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

All securities loans can be terminated on demand by either the Plans or the borrower, with the borrower returning equivalent securities to the Plans within a specified period of time.

Custodial Risk. The Pension Plans had no deposits or investments with custodial risk as of June 30, 2008.

Concentration Credit Risk. There were no investments in any one issuer that represent 5% or more of total investments for the combined *Pension Plans* as of June 30, 2008.

Investments in any one issuer that represent 5% or more of total investments *by individual plan* are as follows:

Issuer	Investment Type	% of Total Investments
General Employees' Pension Plan:		
ISHARES	Equities	5.79%
FHLMC	Federal Agency Security	8.44%
FNMA	Federal Agency Security	12.49%
US Government	US Government Security	5.41%
Police Officers' Pension Plan:		
Northern Trust Corp	Equities	15.98%
Northern Trust Bank N.A.	Equities	12.58%
US Government	US Government Security	11.18%
COLTV	Equities	11.14%
NTGI	Equities	5.11%
Fire Fighters' Pension Plan:		
FHLMC	Federal Agency Security	7.73%
FNMA	Federal Agency Security	7.20%

A. Deposits and Investments, continued

Foreign Currency Risk. The Plans' policies state the portfolio will consist of domestic equities, domestic fixed income and cash equivalents. At June 30, 2008, the Plans were not in compliance with the provisions of its policy requirements for authorized investment purchases. As of June 30, 2008, the Plans had investments in foreign equity securities totaling $4,434,000 .

Although all the foreign equity securities are American Depository Receipts, this does not eliminate the foreign currency risk involved in purchasing foreign securities.

The following table provides the value in U.S. dollars by foreign currency denominations and investment type for all Pension Plan investments denominated in foreign currencies (in thousands).

Currency	Short Term	Debt	Equity	Total
Canada	$ -	$ 339	$ 1,123	1,462
Netherlands	-	-	291	291
Puerto Rico	-	-	73	73
Israel	-	-	57	57
Total International Region -USD	-	-	2,314	2,314
Total Securities subject to Foreign Currency Risk	$ -	$ 339	$ 3,858	$ 4,197
United States	$ 155,384	$ 879,103	$ 845,349	$ 1,879,836
Total US dollars Securities				
Total International & US Investment Securites	$ 155,384	$ 879,442	$ 849,207	$ 1,884,033

B. Property Taxes, Local Option Sales Taxes, Municipal Options Sales Tax, and Car Rental Taxes

Property taxes include amounts levied against all real, public utility, and tangible property. The City shares a common tax base with the Atlanta Independent School System, portions of Fulton and DeKalb counties, and a hospital authority. Property taxes are normally levied and billed by July 1, on the assessed value, as of January 1, (lien date), of all real and personal property located in the City. Taxes are due within 45 days of the date billed. The distribution of the City's 2007 levy (tax rate per $1,000 assessed taxable value) to its funds and to the Atlanta Independent School System (which operates as a separate legal entity and is not included in the City's financial reporting entity) is as follows:

Millage Rate	
General Fund	7.090%
General Obligation Bond Sinking Fund:	
City Bonds	1.330
School Bonds	.054
Park Improvement Fund (included in Capital Projects Funds)	.500
Board of Education for operations	22.460
Special Tax District/DeKalb County	.956
	32.390%

The City's annual tax millage rates are established in May or June after receipt of the certified tax digest from the Fulton County Board of Tax Assessors. The millage rate is based on the anticipated tax digest submitted to the State of Georgia on May 30. The tax digest is based on real and tangible assessed property values as of January 1. The tax assessment is the responsibility of Fulton County.

Assessed values are established by the Tax Assessors' Office at 40% of appraised market value as required by the State of Georgia. A revaluation of all property is done annually, based on statistical analysis. That valuation in 2007 resulted in an assessed value, prior to freeport exemption, of approximately $25,277,064,707.

Tax bills are normally sent to property owners in July. Fulton County acts as the City's agent in billing and collecting property taxes levied for property within the City limits and in Fulton County. DeKalb County acts as the City's agent in billing and collecting property taxes levied for property within the City limits and in DeKalb County. The billing and collection fees due to the Counties are withheld from cash remitted to the City and are reported as a reduction to property tax revenue. Such fees amounted to approximately $1,806,769 in 2008. Real and tangible property taxes are payable to the Counties on August 15th and, if not paid, become delinquent on August 16th. Public utility taxes are due in December and, if not paid before December 20th, become delinquent. Once taxes become delinquent, the Tax Commissioner's Office adds penalties to the original tax and sends past due notices. The delinquent taxpayer then has 30 days to remit payment. After the 30 day period, the Tax Commissioners' Office may begin procedures to sell the property for the collection of the past due tax. The collection period for the City is typically from July 1 to December 31, with pursuance of delinquent taxes early in the following calendar year.

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, and Car Rental Taxes, continued

A 1% local option sales tax is levied in Fulton County and the City receives a percentage of that amount based on a pre-defined formula. This amount is collected by the State of Georgia and remitted to the City on a two-month lag. The tax law requires an offsetting reduction in property tax during each subsequent year of assessment equal to the amount of sales tax revenue received in the prior year.

See Note Section IV-C- CSO – Consent Decree regarding the levy of a 1% Municipal Option Sales Tax.

A 3% excise tax on all rental motor vehicles was implemented in June 1996. This car rental tax is intended to be used to promote industry trade, commerce, and tourism and to fund various capital outlay projects throughout the City. The capital outlay projects include infrastructure improvements necessary for the City to continue building a community that is stable, diverse and economically feasible.

C. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2008 follows (in thousands):

	Balance at June 30, 2007, As restated (Note IV.D)	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2008
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 108,905	$ 6,352	$ 640	$ -	$ 114,617
Construction in progress	212,888	89,555	-	(52,708)	249,735
Total capital assets not being depreciated	321,793	95,907	640	(52,708)	364,352
Capital assets being depreciated:					
Land improvements	24,682	92	-	-	24,774
Buildings and building improvements	348,117	23,480	-	-	371,597
Other property and equipment	144,194	13,762	7,308	37,464	188,112
Infrastructure	792,578	-	-	15,244	807,822
Total capital assets being depreciated	1,309,571	37,334	7,308	52,708	1,392,305
Totals at historical cost	1,631,364	133,241	7,948	-	1,756,657
Less: Accumulated Depreciation					
Land improvements	13,373	1,205	-	-	14,578
Buildings and building improvements	85,144	8,333	-	-	93,477
Other property and equipment	84,213	12,213	6,918	-	89,508
Infrastructure	444,980	18,346	-	-	463,326
Total accumulated depreciation	627,710	40,097	6,918	-	660,889
Governmental activities capital assets, net	$ 1,003,654	$ 93,144	$ 1,030	$ -	$ 1,095,768
Business-type activities:					
Capital assets not being depreciated					
Land	$ 1,051,585	$ 649	$ 68,849	$ -	$ 983,385
Construction in progress	2,576,436	856,967	-	(152,812)	3,280,591
Total capital assets not being depreciated	3,628,021	857,616	68,849	(152,812)	4,263,976
Capital assets being depreciated					
Land improvements	1,968,667	-	87,930	119,100	1,999,837
Buildings and other structures	4,808,150	151,972	733	33,695	4,993,084
Other property and equipment	315,986	47,535	5,692	17	357,846
Total capital assets being depreciated	7,092,803	199,507	94,355	152,812	7,350,767
Totals at historical cost	10,720,824	1,057,123	163,204	-	11,614,743
Less: Accumulated Depreciation					
Land improvements	749,277	52,150	-	-	801,427
Buildings and other structures	1,831,446	131,766	653	-	1,962,559
Other property and equipment	223,283	19,336	5,164	-	237,455
Total accumulated depreciation	2,804,006	203,252	5,817	-	3,001,441
Business-type activities capital assets, net	$ 7,916,818	$ 853,871	$ 157,387	$ -	$ 8,613,302

C. Capital Assets, continued

Depreciation expense was charged to governmental funds as follows (in thousands):

General government	$ 7,528
Police	3,574
Fire	4,955
Corrections	215
Public Works	20,231
Parks, Recreation and Cultural Affairs	3,594
Total	$ 40,097

D. Interfund Receivables, Payables, and Transfers

During the course of its operations, the City makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not occurred as of year end, balances of interfund amounts receivable or payable have been recorded. Interfund receivable and payable balances as of June 30, 2008, are as follows (in thousands):

	Due from other funds	Due to other funds
General Fund	$ 174,252	$ 180,886
Capital projects fund	15,666	68,804
Debt service fund	38,724	1,583
Nonmajor governmental funds	3,180	68,166
Department of Watershed Management	141,200	-
Department of Aviation	21	-
Nonmajor enterprise funds	10	47,520
Internal Service Fund	-	2,541
Fiduciary funds	19,569	23,122
Total Primary Government	$ 392,622	$ 392,622

Of the above, there is a portion considered long-term. The Department of Watershed Management has agreed on a repayment plan of amounts owed to them by various governmental funds. (See Note IV. E)

	Due from Component Units	Due to Primary Government
Department of Watershed Management	$ 30,000	-
Atlanta Development Authority	-	30,000
Total	$ 30,000	30,000

During the year ended June 30, 2008, the Department of Watershed Management advanced funds to a component unit for future work on a consent decree project.

D. Interfund Receivables, Payables, and Transfers, continued

Transfers for the year ended June 30, 2008, are as follows (in thousands):

	Transfers In	Transfers Out
General fund	$ 9,802	$ 36,837
Capital projects fund	17,793	215
Nonmajor governmental funds	11,856	88
Department of Watershed Management	-	9,800
Nonmajor enterprise funds	7,489	-
Total	$ 46,940	$ 46,940

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Leases

Department of Aviation – Tenants and concession agreements

The Department leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants at the Airport under various operating leases which terminate no later than 2015. The total cost of the facilities described above which are leased to various tenants is $2,351,000,000 with a carrying value of approximately $1,075,171,000. Depreciation expense for the year ended June 30, 2008, on the facilities was approximately $62,015,000. Certain of the leases provide for fixed and variable rental payments, and all are generally designed to allow the Department to meet its debt service requirements and recover certain operating and maintenance costs. Rental receipts related to the terminal are based on the cost of the facilities. In addition, certain of the agreements under which the Department receives revenue from the operation of concessions at the Airport, provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

At June 30, 2008, minimum future rentals and fees to be received under non-cancelable leases or concession agreements are as follows (in thousands):

2009	$ 279,816
2010	285,412
2011	61,100
2012	62,322
2013	63,568
2014-2015	130,976
Total	$ 883,194

E. Leases, continued

The agreement covering the operation of the parking lot does not provide for a minimum fee and is therefore not included in the above table. Revenue from parking is solely a function of parking receipts and was approximately $105,653,000 for the year ended June 30, 2008.

The City and most of the airlines serving the airport have entered into agreements relating to the use of the airfields and the Central Passenger Terminal Complex that extend to 2010. Currently, the management of the airport is in negotiations with the signatory airlines regarding the terms of the business arrangements that will replace these agreements.

Department of Watershed Management – Capital Lease Obligations

The Department has entered into several lease agreements as lessee for power generators. These lease agreements qualify as capital leases for accounting purposes and the lease payments are reflected as capital lease obligations at the present value of the aggregate payments due over the remaining life of the leases. Included in machinery and equipment is $28,592,000 of equipment acquired under capital leases. The accumulated amortization on this equipment is $15,683,000 as of June 30, 2008, and is recorded as a component of depreciation expense. Amortization expense was $2,019,000 for the fiscal year ended June 30, 2008.

The present values of the future minimum capital lease payments as of June 30, 2008, are as follows (dollars in thousands):

2009	$ 2,847
2010	2,835
2011	2,598
2012	2,533
2013	2,532
2014 - 2017	5,925
Total minimum payments	$ 19,270
Less amounts representing interest	(3,630)
Present value of minimum capital Lease payments	$ 15,640

E. Leases, continued

Governmental Activities – Capital Lease Obligations

The City has entered into a lease agreement as lessee for the Traffic Court (City Court) building. This lease agreement qualifies as a capital lease for accounting purposes. Included in capital assets is $55,195,000 for the Traffic Court building. Accumulated depreciation at June 30, 2008, amounted to $ 5,609,000.

The present value of the future minimum lease payments are as follows (in thousands):

2009	$3,940
2010	3,939
2011	3,928
2012	3,927
2013	3,923
2014 – 2018	19,584
2019 – 2023	19,495
2024 – 2028	15,517
Total minimum payments	$ 74,253
Less amounts representing interest	(27,173)
Present value of minimum capital lease payments	$ 47,080

The City has entered into a lease agreement as lessee for the Parking Deck. This lease agreement qualifies as a capital lease for accounting purposes. Included in capital assets is $23,480,000 for the Parking Deck. Accumulated Depreciation at June 30, 2008, amounted to $588,000.

The present value of the future minimum lease payments are as follows (in thousands):

2009	$ 1,620
2010	1,621
2011	1,617
2012	1,617
2013	1,620
2014 - 2018	8,105
2019 - 2023	8,087
2024 - 2028	8,097
2029 – 2031	6,484
Total minimum payments	$ 38,868
Less amounts representing interest	(15,388)
Present value of minimum capital lease payments	$ 23,480

E. Leases, continued

The City also entered into a lease agreement for 43 Fire Trucks (Fire Apparatus). This lease agreement qualifies as a capital lease for accounting purposes. Included in capital assets, other property and equipment, is $14,247,000 for Fire Trucks acquired under capital lease. Accumulated depreciation at June 30, 2008, amounted to $11,713,000.

The present value of future minimum lease payments are as follows (in thousands):

2009	$ 1,679
2010	1,679
Total minimum payments	3,358
Less amounts representing interest	(274)
Present value of minimum capital lease payments	$ 3,084

General Fund

For its General Fund, the City has entered into several lease agreements for operating purposes. These lease agreements qualify as operating leases for accounting purposes.

The future minimum lease payments are as follows (in thousands):

2009	$ 2,564
2010	2,564
2011	2,564
Total minimum payments	$ 7,692

F. Notes Payable

Department of Aviation

In July 2005, the City authorized the issuance of Airport General Revenue Commercial Paper Notes, Series 2005A-1 (AMT) and Series 2005A-2 (Non-AMT) up to the amount of $350,000,000 (the "Series 2005A Notes") and Airport Passenger Facility Charge and Subordinate Lien General Revenue Commercial Paper Notes, Series 2005B-1 (AMT) and 2005B-2 (Non-AMT) up to the amount of $200,000,000 (the "Series 2005B Notes"). A portion of the authorized notes were issued to finance on an interim basis a portion of the capital improvements for the Hartsfield-Jackson Atlanta International Airport. General revenues are pledged as security for payment on the Series 2005A Notes and PFC Revenues and a subordinate pledge of General Revenues secure the Series 2005B Notes. The Series 2005A Notes and the Series 2005B Notes do not constitute a debt, liability, or obligation of the City, or a pledge of the faith and credit or taxing power of the City. The Series 2005A Notes and the Series 2005B Notes are not considered a long-term obligation of the City of Atlanta Department of Aviation and may be repaid and reissued as often as necessary to affect the purposes set out in the respective program. The Series 2005A Notes and Series 2005B Notes when due, are secured by an irrevocable, direct pay letter of credit issued by a consortium of four banks. The Notes will have varying maturities of not more than 270 days and bear interest at a market rate at the date issued not to exceed 12% per annum. The irrevocable direct pay letter of credit expires on November 30, 2015.

Short-term debt activities for the year ended June 30, 2008, were as follows (in thousands):

	Balance at June 30, 2007	Additions	Reductions	Balance at June 30, 2008
Commercial paper notes	$ 21,875	$75,507	$22,270	$75,112

Interest rates on Series 2005A Notes and the Series 2005B Notes issued during the year ended June 30, 2008, ranged from 1.60% to 3.80%.

F. Notes Payable, continued

Department of Watershed Management

Commercial Paper Notes

In March 2006, the City authorized the issuance of Water and Wastewater Commercial Paper Notes, Series 2006, up to the amount of $600,000,000. These notes were issued to finance on an interim basis a portion of the multi-phase, long-term capital improvement program of the Department and to pay the costs associated with the issuance of the notes. Revenue of the Department is pledged as security for the payment on the notes, which is junior and subordinate to the pledge of revenue securing the Department's long term debt. The notes do not constitute a debt, liability, or obligation of the City's governmental funds, or a pledge of the faith and credit or taxing power of the City. These notes are considered a short term obligation of the Department and may be repaid and reissued as often as necessary to affect the purposes set out in the program. Repayment of the notes, when due, are secured by an irrevocable, direct pay letter of credit in the amount of $600,000,000 issued on a several but not joint basis by four banks. The notes have varying maturities of not more than 270 days and bear interest at a market rate at the date issued not to exceed 12% per annum. The irrevocable, direct pay letter of credit expires on February 14, 2009.

Short-term debt activities for the year ended June 30, 2008, were as follows (in thousands):

	Balance at June 30, 2007	Additions	Reductions	Balance at June 30, 2008
Commercial paper notes	$123,400	$123,495	$123,400	123,495

The interest rate on notes issued during the fiscal year ended June 30, 2008, ranged from 1.85% to 3.35%.

G. Long-Term Obligations

Changes in long-term debt during the fiscal year ended June 30, 2008, follow (in thousands):

	Balance at June 30, 2007, As Restated (Note IV. D)	Additions	Reductions	Balance at June 30, 2008	Due within One Year
Governmental activities:					
Long-term debt					
General obligation and annual bonds	$ 276,510	$ 36,820	$ (16,415)	$ 296,915	$ 17,200
Discounts and premium, net	8,769	5,787	(1,145)	13,411	1,062
SWMA revenue refunding bonds	22,060	20,265	(22,060)	20,265	1,030
Less: Deferred amount on refunding	-	(507)	36	(471)	36
Limited obligation bonds	538,240	85,495	(83,530)	540,205	9,610
Discounts and premium, net	(1,658)	-	195	(1,463)	141
Less: Deferred amount on refunding	-	(15,302)	900	(14,402)	900
Section 108 loans	8,200	-	(1,480)	6,720	545
Capital leases	4,499	23,480	(1,415)	26,564	2,073
Notes Payable	-	17,000	-	17,000	1,493
Certificates of participation					
1990 GMA lease pool	9,055	-	(3,273)	5,782	3,273
1998 GMA lease pool	32,444	-	-	32,444	-
2002 COPS	48,550	-	(1,470)	47,080	1,540
Installment sale program	69,160	-	(5,165)	63,995	5,420
Total long-term debt	1,015,829	173,038	(134,822)	1,054,045	44,323
Other long-term liabilities					
Vacation and compensatory payable	25,051	9,691	(6,250)	28,492	21,156
Health and dental claims payable	4,575	51,173	(51,167)	4,581	4,581
General claims payable	36,745	13,617	(17,729)	32,633	9,835
OPEB liability	-	56,859	(13,168)	43,691	13,000
Arbitrage rebate	131	677	(15)	793	793
Workers' compensation	22,308	4,964	(3,981)	23,291	5,457
Total other long-term liabilities	88,810	136,981	(92,310)	133,481	54,822
Total long-term liabilities	$ 1,104,639	$ 310,019	$ (227,132)	$ 1,187,526	$ 99,145

G. Long-Term Obligations, continued

	Balance at June 30, 2007, As Restated (Note IV. D)	Additions	Reductions	Balance at June 30, 2008	Due within One Year
Business-type activities					
Long-term debt					
Department of Aviation:					
Facilities revenue bonds	$ 2,890,473	$ -	$ (470,575)	$ 2,419,898	$ 51,522
Issuance discounts and premium	(574)	-	(462)	(1,036)	-
Department of Watershed Management:					
System revenue bonds	2,518,555	106,795	(130,775)	2,494,575	26,300
Plus: premium on bonds	37,402	(107)	(1,590)	35,705	-
GEFA notes payable	72,834	81,710	(2,471)	152,073	3,297
Capital lease obligation	17,721	-	(2,081)	15,640	1,997
Nonmajor funds:					
Revenue bonds					
(Underground Atlanta)	57,055	-	(4,445)	52,610	4,710
Total long-term debt	5,593,466	188,398	(612,399)	5,169,465	87,826
Other long-term liabilities:					
Arbitrage rebate	7,441	1,578	(7,471)	1,548	-
Landfill postclosure liability	29,703	-	(1,932)	27,771	961
General Claims Payable	51,183	16,395	(35,548)	32,030	5,857
Workers' compensation	20,113	1,370	(2,191)	19,292	4,519
Total other long-term liabilities	108,440	19,343	(47,142)	80,641	11,337
Total long-term liabilities	$ 5,701,906	$ 207,741	$ (659,541)	$ 5,250,106	$ 99,163
Component Units					
Long-term debt:					
Atlanta Fulton County Recreation Authority	$ 259,111	$ (79)	$ (95,674)	$ 163,358	$ 4,041
Atlanta Downtown Development Auth.					
Revenue and other bonds	111,439		(1,007)	110,432	2,069
Other liabilities	20,904	33,724	(11,911)	42,717	5,856
Total long-term debt	$ 391,454	$ 33,645	$ (108,592)	$ 316,507	$ 11,966

For the governmental activities, other long-term liabilities are primarily liquidated by the general fund.

Governmental-type Activities

General Obligation Bonds are direct general obligations secured by the full faith and credit of the City. Principal and interest are payable through the general and debt service funds from an ad valorem tax levied on all taxable property within the City.

G. Long-Term Obligations, continued

A summary of governmental-type activities long-term debt as of June 30, 2008, is as follows (in thousands):

General Obligation Bonds:	
1993 Refund Issue, $42,755, 4.40% - 4.70%, due December 1, 2008	$ 1,585
1997 Infrastructure Issue, $41,360, 5.00% - 5.125%, December 1, 2008	1,810
1998 Refunding Issue, $94,305, 4.00% - 5.00%, due December 1, 2023	80,380
2001 Infrastructure Issue, $61,220, 4.00% - 5.00%, due December 1, 2021	18,045
2004 Issue, $47,500, 5.00%, due December 1, 2021	33,390
2005 Issue, $85,980, 3% - 4.125%, due December 1, 2025	83,920
2008 Public Improvement Issue, $36,820, 4% , due December 1, 2021	36,820
	255,950
Annual G.O. Bond Issues:	
1997 Issue, $8,000, 5.00% - 5.125%, due December 1, 2008	145
1998 Issue, $8,000, 4.25% - 4.90%, due December 1, 2011	1,320
1999 Issue, $8,000, 5.125% - 5.8%, due December 1, 2010	375
2000 Issue, $8,000, 4.75% - 5.5%, due December 1, 2012	550
2001 Issue, $8,000, 4.00% - 5.00%, due December 1, 2022	2,555
2002 Issue, $8,000, 3.00% - 5.00%, due December 1, 2022	6,595
2003 Issue, $8,000, 3.60% - 4.60%, due December 1, 2023	6,800
2004 Issue, $8,000, 3.00% - 4.40%, due December 1, 2024	7,265
2005 Issue, $8,000, 4.00% - 4.5%, due December 1, 2025	7,420
2007 Issue, $8,000, 4.00% - 4.5%, due December 1, 2025	7,940
	40,965
SWMA Revenue Bonds:	
Series 2008 Refunding, $20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority, due December 1, 2021	20,265
Loan Pools/Installment Sales/Certificates of Participation:	
1990 GMA Loan Pool, $25,090, variable, due November 30, 2009	5,782
1998 GMA Loan Pool, $32,444, 4.75%, due November 30, 2028	32,444
1998 Installment Sale Program, $103,130, 3.10% - 5.00%, due December 1, 2023	63,995
2002 COPS, $55,195, 4.00% - 5.125%, due December 1, 2026	47,080
	149,301
Limited Obligation Bonds:	
Section 108 Loans, $23,375, 5.40% - 7.96%, due August 1, 2019	6,720
2000 Park Imp Rev 21,400, 4.300%-5.600%, due Dec 1, 2010	3,900
2001 Westside Project, $14,995, 1.398%, due December 1, 2021	12,590
2005A Westside Project, $72,350, variable, due December 1, 2023	63,905
2005B Westside Project, $10,215, variable, due December 1, 2023	9,780
2005A Eastside Project, $9,480, variable, due December 1, 2016	9,480
2005B Eastside Project, $38,000, variable, due December 1, 2030	38,000
2005A Park Imp Rev, $75,510, 4.00%-5.00%, due Dec. 1, 2025	72,940
2005B Park Imp Rev, $12,650, 4.00%-4.50%, due Dec. 1, 2020	12,605
2006 Atlantic Station, $166,515, 3.5% due, December 1, 2024	166,515
2006 Princeton Lakes Project,$21,000, variable, due January 1, 2031	20,895
2007 Atlanta Public Safety Authority, $50,000, 4.00% - 5.00%, due December 1, 2026	48,385
2007 Refunding Issue Atlantic Station, $85,495, 4.75% - 5.00%, due December 1, 2024	81,210
	546,925
Notes Payable:	
Series 2008, Atlanta Public Safety Judicial Facilities Authority, $17,000, 4.40%, due February 1, 2018	17,000
Total general long-term debt	$ 1,030,406

G. Long-Term Obligations, continued

In February 2008, the City issued General Obligation Public Improvement Bonds, Series 2008A, in the aggregate principal amount of $36,820,000 for the purpose of (a) acquiring, constructing, reconstructing, renovating, repairing, improving and equipping of public sidewalks, public plazas and greenspace, bridges, viaducts and related improvements, including, but not limited to, bicycle lanes and transit stops, public traffic control devises and other related public improvements, and (b) paying costs incident to issuing the Series 2008A Bonds.

The City participates in a lease pool arrangement with 29 other local governments through the Georgia Municipal Association, Inc. ("GMA"). GMA issued Certificates of Participation ("COPs") in 1990 and 1998 which are governed by a master lease agreement. The purpose of the COPs is to fund the purchase of eligible capital assets that are leased back to each of the participating governments. The City's interest in this arrangement functions similar to a line of credit whereby eligible capital assets may be purchased up to the City's share. The lease of eligible capital assets decreases the City's net available credit and repayments of principal increase the City's net available credit. Lease terms are generally between three and five years from the date the equipment is purchased. The agreements terminate upon the financial due date of the COPs in 2020 and 2028, respectively.

Advance Refunding

In June 2008, the Solid Waste Management Authority of the City of Atlanta issued $20,265,000 in Revenue Refunding Bonds, Series 2008, to (a) refund all Solid Waste Management Authority of the City of Atlanta (Georgia) Revenue Bonds (Landfill Closure Project), Series 1996 (the "Refunded Bonds"), that were outstanding in the principal amount of $21,040,000, and (b) pay costs of issuance related to the Bonds. As a result, the Refunded Bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The net carrying amount of the old debt exceeded the reacquisition price by $507,000. This amount is being netted against the new debt and amortized over the remaining life of the Refunded Bonds, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments by $1,366,000 and resulted in an economic gain of $1,323,000.

In September 2007, the City issued $85,495,000 in Tax Allocation Refunding Bonds (Atlantic Station Project), Series 2007 for the purpose of (a) refunding the City's Tax Allocation Bonds (Atlantic Station Project), Series 2001 currently outstanding in the aggregate principal amount of $73,060,000 (the "Series 2001 Bonds"), (b) establishing a debt service reserve fund for the Series 2007 Bonds, and (c) paying costs incident to issuing the Series 2007 Bonds and refunding the Series 2001 Bonds. As a result, the Refunded Bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The net carrying amount of the Series 2001 Bonds exceeded the reacquisition price by $15,137,000. This amount is being netted against the new debt and amortized over the remaining life of the Refunded Bonds, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments by $7,411,000 and resulted in an economic gain of $6,304,000.

G. Long-Term Obligations, continued

Arbitrate Rebate

The arbitrage rebate liability, on all City issued obligations, is treated as a claim or judgment upon occurrence. Certain City long-term debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the Federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. At June 30, 2008, the City calculated the arbitrage rebate liability to be $1,548,000 on business type activities long-term debt and $793,000 on governmental activities long-term debt.

Business-type Activities

Revenue bonds are payable solely from revenues generated by enterprise fund activities. The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of a flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. As of June 30, 2008, the City believes it was in compliance with all such significant financial limitations and restrictions.

The Department of Watershed Management issued $106,795,000 of Water and Wastewater Revenue Bonds Series 2008 to provide resources for the redemption of the Water and Wastewater Revenue Bonds Series 2001C-ARC. The Revenue Bonds Series 2001C-ARC were refunded and called for redemption during June 2008, at 100 percent of the principal amount, plus accrued interest. Sufficient funds were deposited with a Paying Agent to execute the refunding of the Series 2001C-ARC Revenue Bonds. These Bonds are deemed paid and no longer outstanding at June 30, 2008.

The reacquisition price exceeded the net carrying amount of the old debt by $1,639,000. This amount is being amortized over the remaining life of the refunded debt, which is the same life of the new debt issued. The current refunding was undertaken to convert the bond's interest rate reset mode from a 35 day auction reset rate to a weekly reset rate. The weekly reset rate makes it easier to remarket the variable rate bonds. The economic gain of the current refunding cannot be reasonably estimated based on the nature of the auction rate mode market.

During the fiscal year 2008, the Department of Aviation strategically reacted to the downturn in the market by early redeeming $402,675,000 of the following bond principals:

- $38,550,000 for Series 2004E1 and E2, $89,350,000 for Series 2004K1,
- $89,350,000 for Series 2004K2, $89,400,000 for Series 2004K3,
- $44,400,000 for Series 2004K and $51,625,000 for Series 2004I.

G. Long-Term Obligations, continued

Department of Aviation

Long-term debt at June 30, 2008, consists of the following (in thousands):

General Revenue Bonds	
Airport Facilities Revenue Bonds, Series 1990, at 7.25%, Capital Appreciation Term Bonds, due January 1, 2010	$ 28,218
Airport Facilities Revenue Refunding Bonds, Series 1996 at 5.25% - 6.50%, due serially through 2010	7,915
Airport General Revenue and Refunding Bonds, Series 2000A, 2004B and 2004C, at 4.75% - 6.25%, due serially through 2021	536,680
Airport General Revenue Refunding Bonds, Series 2003RF-A, at 2.0% - 5.0%, due serially through 2014	41,805
Variable Rate Airport General Revenue and Refunding Bonds, Series 2003RF-B-1, RF-B-2, RF-B-3, RF-C-1, RF-C-2, RF-C-3, at weekly modal variable interest rate, due serially through 2014	490,170
Airport General Revenue and Refunding Bonds, Series 2003RF-D, at 4.325% - 5.25%, due serially through 2019	108,140
Airport General Revenue Bonds, Series 2004A, combination serial (at 5.25% - 5.375%) and term bond (5.125%) through 2033	164,165
Airport General Revenue Bonds, Series 2004B, at 5.25%, term bond due January 1, 2033	58,655
Airport General Revenue and Refunding Bonds, Series 2004F and Series 2004G, at 4.0% - 5.25%, due serially through 2029	128,465
	1,564,213
Passenger Facility Charge (PFC) Bonds	
PFC and Subordinate Lien General Revenue Bonds, Series 2004C, at 5.0%, a term bond due January 1, 2033	293,070
PFC and Subordinate Lien General Revenue Bonds, Series 2004D-1, 2004D-2 ,2004E-1 and 2004E-2, variable auction rate, due serially through 2024	100,100
PFC and Subordinate Lien General Revenue Bonds, Series 2004J, at 4.0% - 5.25%, due serially through 2029	235,860
	629,030
Customer Facility Charge (CFC) Bonds	
City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Series 2006A at 5.497% - 5.965% (Conduit Debt)	205,500
City of College Park Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4% - 4.69% (Conduit Debt)	21,155
	226,655
Total bonds	2,419,898
Less:	
Current maturities	(51,522)
Unamortized discounts/premiums, net	(1,036)
Total long-term obligations	$ 2,367,340

G. Long-Term Obligations, continued

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

Department of Aviation

Objective of Interest Rate Swaps - The Department's strategy is to use interest rate swaps as a tool to achieve a lower cost of borrowing when compared to a traditional fixed-rate bond financing and as a hedge against variable interest rate exposure.

General - The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Department, or the Counterparty, may terminate the swap if the other party fails to perform under the terms of the contract. A termination of any swap agreement may result in the Department or the City making or receiving a termination payment. If at the time of termination the swap has a negative fair value, the Department would be liable to the Counterparty for a payment equal to the swap's market fair value.

Swaps One and Two - On June 17, 2003, the City entered into an interest rate swap with Goldman Sachs Mitsui Marine Derivative Products, L.P. and JP Morgan Chase Bank (Counterparties) in connection with its Variable Rate Airport General Revenue Refunding Bonds (Series 2003RF-B-1, RF-B-2, RF-B-3, RF-C-1, RF-C-2 and RF-C-3). The objective was to lower borrowing costs by synthetically fixing interest rates on the subject bonds.

Term - The swaps, with a combined notional amount of $490.17 million, became effective on June 26, 2003. The notional amount decreases over time, matching the outstanding balance of the variable rate debt. The first notional decrease for both is January 1, 2016, with the final maturity of January 1, 2030. Under the terms of the swap agreements, the Department will pay the Counterparties a fixed annual interest rate of 3.009%. The Department will receive from the Counterparties a variable payment based on the SIFMA Municipal Swap Index for the first year of the swap and thereafter based on a percentage equal to 67.5% of the monthly LIBOR-BBA (U.S. Dollars).

The Department will also pay the interest rate resulting from the periodic remarketing of the 2003 variable rate bonds. As of June 30, 2008, rates were as follows:

Interest rate swaps:	Terms	Rates
Fixed payment to counterparty	Fixed	3.009%
Variable payment from counterparty	67.5% of LIBOR-BBA (2.4625%)	1.662%
Net interest rate swap payments (receipts)		1.347%
Variable rate bond coupon payments	Weekly	6.013%
Synthetic interest rate on bonds		7.360%

G. Long-Term Obligations, continued

Fair Value - As of June 30, 2008, the combined fair value of the two swaps was positive $7,360,000, indicating the amount that the counterparties would be required to pay the City to terminate the swap agreements. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Swap Payments and Associated Debt - As of June 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30,	Variable Rate Bonds Principal	Variable Rate Bonds Interest	Interest Rate Swaps, Net	Total
2009	$ -	$ 29,473	$ 6,602	$ 36,075
2010	-	29,473	6,602	36,075
2011	-	29,473	6,602	36,075
2012	-	29,473	6,602	36,075
2013	-	29,473	6,602	36,075
2014-2018	22,170	145,426	32,577	200,173
2019-2023	117,015	133,030	29,800	279,845
2024-2028	242,500	77,300	17,316	337,116
2029-2030	108,485	9,837	2,203	120,525
Total	$ 490,170	$ 512,958	$ 114,906	$1,118,034

Credit Risk - As of June 30, 2008, the fair value of the swaps represent the Department's credit exposure to the Counterparties. Should the Counterparties fail to perform in accordance with the terms of the swap agreements, the Department faces a maximum possible loss equivalent to the swaps' $7,360,000 fair value. As of June 30, 2008, the Counterparties were rated as follows by Moody's and S&P:

	Moody's	S&P
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aaa	AAA
JP Morgan Chase Bank	Aaa	AA

Basis Risk - As noted above, the swap exposes the Department to basis risk should the relationship between SIFMA and/or LIBOR and the variable rates converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized.

G. Long-Term Obligations, continued

Termination Risk - The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination event". That is, the swap may be terminated by the Department if the Counterparty has one or more outstanding issues or rated unsecured, unenhanced senior debt or long term deposits and none of such issues has at least two ratings of at least (i)" BAA1" or higher as determined by Moody's, (ii) BBB+ or higher as determined by S&P, (iii)"BBB+" or higher from Fitch, or (iv) an equivalent investment grade rating determined by a nationally-recognized rating service acceptable to both parties. The Department or the Counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Department would be liable to the Counterparty for a payment equal to the swap's fair value.

Swaps Three and Four - On October 24, 2007, the City entered into a forward starting interest rate swap with Bear Stearns Capital Markets Inc. and UBS Loan Finance, LLC (Counterparties) in connection with the Airport General Revenue Refunding Bonds (Series 2000A and 2000B). The objective is to lock in savings and to synthetically fix the cost of borrowing on one or more series of bonds expected to be issued in 2010 for the purpose of currently refunding all or a portion of its outstanding bonds.

Term - The forward starting swaps, with a combined notional amount of $455.9 million, will become effective on January 1, 2010. The notional amount decreases over time, expecting to match the 2010 variable rate bonds. The swap notional amounts amortize beginning January 1, 2011, with the final maturity of January 1, 2021 and 2030, respectively. Under the terms of Swaps Three and Four, the Department will pay the Counterparty a fixed annual interest rate of 3.814% and 4.10255%, respectively. The Department will receive from the Counterparties a variable payment based on the SIFMA Municipal Swap Index.

Fair Value - As of June 30, 2008, the combined fair value of the two swaps was negative $3,277,000, indicating the amount that the Department would be required to pay the Counterparties to terminate the swap agreements. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Credit Risk - As of June 30, 2008, the Department was not exposed to credit risk because the Swaps had a negative fair value. However, should interest rates change and the fair market value of the Swaps become positive, the Department would be subject to credit risk in the amount of the Swap's fair value. In addition, should the Counterparties fail to perform in accordance with the terms of the swap agreements, the Department would face a maximum possible loss equivalent to the swaps' positive fair value.

G. Long-Term Obligations, continued

As of June 30, 2008, the Counterparties were rated as follows by Moody's and S&P:

	Moody's	S&P
JP Morgan Chase & Co.	AA-	Aa2
UBS Loan Finance, LLC	NR	AA-

Basis Risk - As noted above, the swaps expose the Department to basis risk should there be a mismatch between the SIFMA Municipal Swap Index and the variable rate on the 2010 bonds. This mismatch would result in a change in the synthetic rate on the 2010 bonds. If a mismatch occurs, the expected cost savings may not be realized.

Termination Risk - The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination event". That is, the swaps may be terminated by the Department if the Counterparty's long-term, senior, unsecured, unsubordinated debt fails to be rated (i)" Baa2" or higher as determined by Moody's, (ii) BBB or higher as determined by S&P. The Department or the Counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the 2010 variable rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Department would be liable to the Counterparty for a payment equal to the swap's fair value.

G. Long-Term Obligations, continued

Department of Watershed Management

Long-term debt at June 30, 2008 consists of the following (in thousands):

Revenue Bonds	
Water and Wastewater Revenue Bonds, $1,096,140 Series 1999A, 5.0% - 5.50%, due serially through 2038	$ 703,205
Water and Wastewater Revenue Bonds, $415,310 Series 2001A, variable rate demand, due serially through 2039	415,310
Water and Wastewater Revenue Bonds, Series $335,640 2001B, variable rate demand, due serially through 2038	330,930
Water and Wastewater Revenue Bonds, $105,705 Series 2001C, variable rate demand, due serially through 2041	105,705
Water and Wastewater Revenue Bonds, $849,330 Series 2004, Combination serial (2.5%-5.75%) and term bonds (5%) through 2043	832,630
Water and Wastewater Revenue Bonds, $106,795 Series 2008, variable rate demand, due serially through 2041	106,795
	2,494,575
Less: Current maturities	(26,300)
Unamortized discounts and premium costs	35,705
Total revenue bonds	2,503,980
Other Debt:	
Georgia Environmental Facilities Authority (GEFA) $4,669 Loan, 3%, due serially through 2023	3,907
Georgia Environmental Facilities Authority (GEFA) $19,006 Loan, 3.82%, due serially through 2035	18,086
Georgia Environmental Facilities Authority (GEFA) $19,034 Loan, 3.92%, due serially through 2036	18,520
Georgia Environmental Facilities Authority (GEFA) $19,021 Loan, 4.12%, due serially through 2038	18,886
Georgia Environmental Facilities Authority (GEFA) $30,738 Loan, 3.00%, due serially through 2028	30,520
Georgia Environmental Facilities Authority (GEFA) $31,053 Loan, 3.00%, due serially through 2028	30,837
Georgia Environmental Facilities Authority (GEFA) $31,409 Loan, 3.00%, due serially through 2037	31,317
	152,073
Less: Current maturities	(3,297)
Total other debt	148,776
Total long-term debt	$ 2,652,756

The proceeds of the GEFA loan were used to finance a portion of the cost associated with the Department's Clean Water Atlanta Program (See Note IV-D-CSO Decree).

G. Long-Term Obligations, continued

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

Department of Watershed Management

The City is a party to interest rate swap agreements that are not recorded in the financial statements. Following are disclosures of key aspects of the agreements.

Objective of Interest Rate Swaps - The Department's strategy is to use swaps as a tool to achieve an overall lower cost of capital, increase the diversity of the capital structure and better match the asset to liability portfolio by matching variable rate obligations with the large amount of the Department's short-term, variable rate assets. Also, the Department uses swaps to convert fixed-rate debt to variable-rate debt without incurring refinancing costs.

General - The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Department, or the Counterparty, may terminate the swap if the other party fails to perform under the terms of the contract. A termination of any swap agreement may result in the Department or the City making or receiving a termination payment. If at the time of termination the swap has a negative fair value, the Department would be liable to the Counterparty for a payment equal to the swap's fair value.

Swap One - On March 5, 2001, the City entered into an interest rate swap option agreement with UBS AG (Counterparty) in which it agreed to essentially convert, at the financial institution's request, $145,000,000 of the Department's Water and Wastewater Revenue Bonds, Series 1999, from 5% fixed rate bonds to floating rate bonds in which the interest rate is based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The option for conversion began in 2005. The Department will continue to service the debt at the fixed rate. For entering into this agreement, the Department received a nonrefundable $2,700,000 commitment fee which has been deferred and is being amortized over the life of the agreement.

Swap Two - Also, on March 5, 2001, the City entered into a similar interest rate swap option agreement with the Counterparty which it agreed to essentially convert, at the Counterparty's request, $71,850,000 of the Department's Water and Wastewater Revenue Bonds, Series 1999, from 5% fixed rate bonds to floating-rate bonds in which the interest rate is based on the SIFMA Municipal Swap Index. The option for conversion began in 2004 and the Department received a nonrefundable $4,800,000 commitment fee which has been deferred and is being amortized over the life of the agreement.

Term - The swaps, with a total notional amount of $216,850,000, became effective on May 1, 2005 and May 1, 2004 respectively. The notional amount decreases over time. The first notional decrease is November 1, 2023 and November 1, 2022 respectively, with the final maturity for both of November 1, 2038. Under the terms of the Swap One agreement, the Department will pay the Counterparty a variable interest rate equal to the SIFMA Municipal Swap Index. Under the terms of the Swap Two agreement, the Department will pay the Counterparty the greater of a variable annual interest rate equal to the SIFMA Municipal Swap Index less 6.56 basis points or the fixed rate (5.00%). The Department will receive from the Counterparty for both a fixed rate of 5.00%.

G. Long-Term Obligations, continued

As of June 30, 2008, rates for the Water and Wastewater Revenue Bonds, Series 1999 and Swap One were as follows:

	Rates
Interest rate swap:	
Fixed payment from Counterparty	-5.00%
Variable payment to Counterparty	1.55%
Net interest rate swap payments (receipts)	-3.45%
Fixed rate bond coupons	5.00%
Synthetic interest rate on bonds	1.55%

As of June 30, 2008, rates for the Water and Wastewater Revenue Bonds, Series 1999 and SWAP Two were as follows:

	Rates
Interest rate swap:	
Fixed payment from Counterparty	-5.00%
Variable payment to Counterparty	5.00%
Net interest rate SWAP payments (receipts)	0.00%
Fixed rate bond coupons	5.00%
Synthetic interest rate on bonds	5.00%

Fair Value – As of June 30, 2008, Swap One had a positive fair value of $2,394,000 and Swap Two had a negative fair value of $4,462,000. A positive fair value indicates the amount that the Counterparty is required to pay the Department to terminate Swap One. A negative fair value indicates the amount that the Department would be required to pay the Counterparty to terminate the Swap Two. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

G. Long-Term Obligations, continued

Swap Payments and Associated Debt - As of June 30, 2008, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments will vary.

1999 Series

Year Ending June 30,	Fixed Rate Bonds Principal	Fixed Rate Bonds Interest	Interest Rate Swaps, Net	Total
2009	$ 17,110	$ 36,550	$ (5,002)	$ 48,658
2010	19,640	35,661	(5,002)	50,299
2011	20,560	34,627	(5,002)	50,185
2012	21,625	33,467	(5,002)	50,090
2013	22,830	32,244	(5,002)	50,072
2014-2018	134,145	140,416	(25,013)	249,548
2019-2023	174,700	98,183	(25,013)	247,870
2024-2028	68,345	64,938	(21,865)	111,418
2029-2033	87,220	45,585	(15,009)	117,796
2034-2038	111,320	20,885	(6,259)	125,946
2039	25,710	643		26,353
Total	$ 703,205	$ 543,199	$ (118,169)	$1,128,235

Credit Risk - The fair value of swaps is a result of changes in interest rates. As of June 30, 2008, Swap One has a positive fair value of $2,394,000. The Department is exposed to a credit risk in the amount of the swap's fair value. As of June 30, 2008, Swap Two has a negative fair value of $4,642,000. As a result, the Department is not exposed to a credit risk. However, should interest rates change and the fair market value of the swap become positive, the Department would be exposed to a credit risk in the amount of the swap's fair value.

As of June 30, 2008, the Counterparty Aa2 by Moody's and AA+ by Standard and Poor's.

Termination Risk - If the Counterparty to the swaps defaults, or if the swaps are terminated, the Department and the City will be exposed to the rates established in each bond issue. The Counterparty to the interest rate swap agreements is a large international brokerage and insurance firm, and accordingly, the Department believes there is little risk of Counterparty nonperformance. In regard to Swap One, the Counterparty owns the right to cancel the agreement beginning November 1, 2009 and semi-annually thereafter. In regard to Swap Two, the Counterparty owns the right to cancel beginning March 5, 2011 and every 5 years thereafter. If the Swaps are terminated, the fixed rate bonds would no longer carry a synthetic variable interest rate. Also, if at the time of termination the swap has a negative fair value, the Department would be liable to the Counterparty for a payment equal to the swap's fair value.

G. Long-Term Obligations, continued

Swap Three and Four – In December 2001, the Ctiy entered into two interest rate swap agreements. These swap agreements are associated with the Department's Water and Wastewater Revenue Bonds Series 2001B and 2001 C with a notional amount of $335,640,000 and $105,705,000, respectively. Swap Three, with the notional amount of $335,640,000 became effective on January 3, 2002 and will mature on November 1, 2038. Swap Four, with the notional amount of $105,705,000, became effective on January 3, 2002 and will mature on November 1, 2041.

Term - The swaps, with a combined total notional amount of $441,345,000, became effective on January 3, 2002. The notional amount decreases over time, matching the outstanding balance of the variable rate debt. The first notional decrease is November 1, 2002 and November 1, 2040 respectively, with the final maturity of November 1, 2038 and November 1, 2041 respectively. Under the terms of both swap agreements, the Department will pay the Counterparty a fixed annual interest rate equal to 4.09%. Under the terms of the Swap Three agreement, the Department will receive from the Counterparty a variable interest rate equal to the lesser of the SIFMA Municipal Swap Index or the variable bond rate to May 1, 2009 and will receive 67% of one month LIBOR to the maturity date. Under the terms of the Swap Four agreement, the Department will receive from the Counterparty a variable interest rate equal to the SIFMA Municipal Swap Index.

As of June 30, 2008, the rates for the Water and Wastewater Revenue Bonds, Series 2001B Bonds and Swap Three were as follows:

	Rates
Interest rate swap:	
Fixed payment to Counterparty	4.09%
Variable payment from Counterparty	-1.55%
Net interest rate swap payments (receipts)	2.54%
Variable rate bond coupons	1.80%
Synthetic interest rate on bonds	4.34%

As of June 30, 2008, rates for the Water and Wastewater Revenue Bonds, Series 2001C and Swap Four were as follows:

	Rates
Interest rate swap:	
Fixed payment to Counterparty	4.09%
Variable payment from Counterparty	-1.55%
Net interest rate SWAP payments (receipts)	2.54%
Variable rate bond coupons	1.85%
Synthetic interest rate on bonds	4.39%

G. Long-Term Obligations, continued

Fair Value - As of June 30, 2008, Swap Three had a negative fair value of $50,181,000. Swap Four had a negative fair value of $3,224,000. A negative fair value indicates the amount that the Department would be required to pay the Counterparty to terminate Swap Three or Swap Four. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Swap Payments and Associated Debt - As of June 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments will vary.

2001 Series

Year Ending	Variable Rate Bonds		Interest Rate	
June 30,	Principal	Interest	Swaps, Net	Total
2009	$ 400	$ 7,909	$ 11,080	$ 19,389
2010	420	7,901	11,070	19,391
2011	440	7,894	11,058	19,392
2012	460	7,885	11,047	19,392
2013	475	7,877	11,035	19,387
2014-2018	2,725	39,245	54,972	96,942
2019-2023	3,375	38,972	54,578	96,925
2024-2028	78,345	35,410	48,599	162,354
2029-2033	96,985	27,548	37,269	161,802
2034-2038	120,060	17,817	23,243	161,120
2039-2042	132,950	6,059	6,640	145,649
Total	$ 436,635	$ 204,517	$ 280,591	$ 921,743

Credit Risk - The fair value of the swaps is a result of changes in the interest rates. As of June 30, 2008, Swap Three and Swap Four had negative fair values of $50,181,000 and $3,224,000, respectively. As a result, the Department is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps become positive, the Department would be exposed to credit risks in the amount of the swap's fair value.

As of June 30, 2008, the Counterparty was rated Aa2 by Moody's and AA+ by Standard and Poor's.

G. Long-Term Obligations, continued

Basis risk - The interest rate swaps expose the Department to basis risk should the relationship between LIBOR and SIFMA Municipal Swap Index converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized.

Termination Risk - The swap agreement for the Water and Wastewater Revenue Bonds, Series 2001B Bonds allows the Counterparty to terminate the agreement by providing 30 days written notice if the arithmetic mean of the SIFMA Municipal Swap Index has exceeded 7% in the preceding 180 days. The swap agreement for the Water and Wastewater Revenue Bonds, Series 2001C Bonds allowed the Counterparty the one-time option to terminate on November 1, 2006 at no cost. The Counterparty did not exercise this option.

Interest Rate Risk - The interest rate swap option agreements increase the interest rate risk of the Department, however management believes it will achieve an overall lower cost of capital by entering into the agreements, that it increases the diversity of the capital structure of the Department, and better matches the asset to liability portfolio by matching variable rate obligations with the large amount of the Department's short-term, variable rate assets.

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

Downtown Development Authority of the City of Atlanta

The Authority is a party to an interest rate swap agreement that is not recorded in the financial statements. Following are disclosures of key aspects of the agreement.

Objective of Interest Rate Swaps - The Authority's strategy is to use interest rate swaps as a tool to achieve a lower cost of borrowing when compared to a traditional fixed-rate bond financing and as a hedge against variable interest rate exposure.

General - The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Authority, or the Counterparty, may terminate the swap if the other party fails to perform under the terms of the contract. A termination of any swap agreement may result in the Authority or the City making or receiving a termination payment. If at the time of termination the swap has a negative fair value, the Authority would be liable to the Counterparty for a payment equal to the swap's fair value.

On September 10, 1998, the Authority entered into an interest rate swaption with Ambac Financial Services, Limited Partnership. The Counterparty paid the City $4.3 million in an up front premium in exchange for the option to enter into a swap where the City would pay a fixed rate and receive a variable rate based on the bond floating amount. The swaption was exercised on July 9, 2002 to synthetically convert the Authority's Series 2002 Variable Rate Refunding Bonds to a fixed rate. The objective was to lower borrowing costs by synthetically fixing interest rates on the subject bonds.

G. Long-Term Obligations, continued

Term - The swap, with a total notional amount of $70.01 million, became effective on July 9, 2002. The notional amount decreases over time, matching the outstanding balance of the variable rate debt. The first notional decrease was October 1, 2003, with the final maturity of October 1, 2016. Under the terms of the swap agreement, the Authority will pay the Counterparties a fixed annual interest rate of 5.48%. The Authority will receive from the Counterparties for both a variable payment based on the actual variable rate on the related bonds.

The Authority will also pay the interest rate resulting from the periodic remarketing of the 2002 variable rate bonds. As of June 30, 2008, rates were as follows:

Interest rate swaps:	Terms	Rates
Fixed payment to counterparty	Fixed	5.48%
Variable payment from counterparty	Bond Rate	3.22%
Net interest rate swap payments (receipts)		2.26%
Variable rate bond coupon payments	Weekly	3.22%
Synthetic interest rate on bonds		5.48%

Fair Value – As of June 30, 2008, the fair value of the swap was negative $5,452,000 indicating the amount that the Authority would be required to pay the Counterparty to terminate the swap agreements. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Swap Payments and Associated Debt - As of June 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending	Variable Rate Bonds		Interest Rate	
June 30,	Principal	Interest	Swaps, Net	Total
2009	$ 4,710	$ 1,631	$ 1,135	$ 7,476
2010	4,995	1,438	1,026	7,459
2011	5,305	1,268	909	7,482
2012	5,545	1,090	787	7,422
2013	5,905	902	657	7,464
2014-2017	26,150	1,562	1,218	28,930
Total	$ 52,610	$ 7,891	$ 5,732	$ 66,233

G. Long-Term Obligations, continued

Credit Risk –As of June 30, 2008, the Authority had no credit exposure to the Counterparty since the fair value was negative. Should the Counterparty fail to perform in accordance with the terms of the swap agreement, the Authority faces a maximum possible loss equivalent to the swaps' $5,452,000 fair value. As of June 30, 2008, the Counterparties were rated as follows by Moody's and Standard and Poor's:

	Moody's	S&P
Ambac Financial Services, Limited Partnership	A3	A

Termination Risk – The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Authority or the Counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the Swap is terminated, the variable rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the Counterparty for a payment equal to the swap's fair value.

See discussion below on "Underground Atlanta Project" for additional information.

Sanitation Fund

State and federal laws and regulations require the City to place final covers on its four landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. The City has landfill sites at Cascade Road, Key Road, Gun Club Road, and East Confederate Road. All City landfills were certified by the State of Georgia as closed during 2001 and only postclosure care costs will be incurred in the future. Although postclosure care costs will be paid over the remaining number of postclosure years, the City accrued a liability for those costs as the landfills were accepting waste. The $27,771,000 reported as the landfill postclosure costs liability at June 30, 2008, represents the cumulative amount of postclosure costs expected to be incurred over the required 30 year monitoring period which began in 2001. These amounts are estimates calculated by the management of the City of what it would cost to perform all postclosure care. Actual costs may differ from estimates due to inflation, changes in technology or regulations. Postclosure care costs will be funded by future sanitary charges of the Sanitation Fund or from future contributions from the General Fund if necessary.

Underground Atlanta Project

The Underground Atlanta Project ("Project") is a restored historical section of downtown Atlanta containing bars, restaurants, and retail shops. In order to fund the Project, in 1986, DDA issued approximately $85,000,000 in revenue bonds. During 1992 and again in 2002, DDA issued refunding bonds amounting to $86,015,000 and $71,625,000, respectively.

Under a related agreement, the City leases from the DDA that portion of the Project representing land and buildings formerly owned by the City and conveyed to DDA to facilitate completion of the Project (the commercial facilities). Lease payments are equal to the principal and interest payments on the revenue bonds. Upon retirement of the revenue bonds, title to the public facilities reverts to the City.

G. Long-Term Obligations, continued

Under an agreement with a private management company, the City receives revenues from the Project based on certain formulas applied to earnings of the Project. The City's contract with DDA requires the City to exercise its power of taxation to the extent necessary to pay the bonds should revenues paid to the City by the Project, together with any other funds available, not be sufficient to pay the revenue bonds. Accordingly, the portion of the Project related to the revenue bonds of DDA is a part of the City's reporting entity and is included in an Enterprise Fund titled "Underground Atlanta." This fund also includes all City transactions related to the Project, such as Project revenues earned by the City.

At June 30, 2008, the DDA had outstanding $52,610,000 in aggregate principal.

In 1999, the City entered into an operating sublease agreement with another private company to operate and manage the Project. The property lease and the land parcels transferred to the City were valued by a third party to be $8,000,000 and $3,000,000, respectively, which were recorded as assets of Underground and for which the property lease value is being amortized over the life of the lease.

G. Long-Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2008 (including unamortized bond premiums of $5,372,000 for the Recreation Authority) (in thousands).

	Governmental Activities									
Year Ended	General Obligations		Annual Bonds		SWMA Revenue Bonds		Limited Obligations		Certificates of Participation	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	15,050	12,399	2,150	1,686	-	931	13,515	25,896	10,233	5,789
2010	15,775	11,150	2,095	1,601	1,030	945	15,885	25,217	9,804	5,200
2011	15,770	10,443	2,195	1,515	1,215	899	19,080	24,401	7,650	4,734
2012	12,305	9,836	2,170	1,427	1,275	837	22,175	23,466	8,000	4,373
2013	13,030	9,255	2,115	1,339	1,335	772	23,870	22,390	8,370	3,967
2014-2018	77,565	35,806	10,105	5,463	7,745	2,789	135,710	93,809	34,850	14,488
2019-2023	91,380	14,296	13,905	3,045	7,665	717	164,970	57,803	20,640	7,473
2024-2028	15,075	482	6,230	396	-	-	102,445	19,842	17,310	1,600
2029-2033	-	-	-	-	-	-	29,550	6,439	32,444	2,416
2034-2038	-	-	-	-	-	-	13,005	946	-	-
	$ 255,950	$ 103,667	$ 40,965	$ 16,472	$ 20,265	$ 7,890	$ 540,205	$ 300,209	$ 149,301	$ 50,040

	Governmental Activities		Business-Type Activities							
Year Ended	Section 108 Loans		Aviation		GA Environmental Facilities		Watershed Management		Underground Atlanta	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	545	344	62,028	117,745	3,297	5,043	26,300	121,117	4,710	2,754
2010	1,060	350	65,086	115,382	3,408	4,933	29,400	119,820	4,995	2,488
2011	1,090	290	54,675	112,664	3,523	4,818	30,560	118,395	5,305	2,206
2012	1,135	227	66,105	109,424	3,641	4,699	32,255	116,808	5,545	1,909
2013	710	174	69,440	106,034	3,764	4,577	33,670	115,056	5,905	1,595
2014-2018	1,740	422	402,540	478,008	20,810	20,894	197,685	546,108	26,150	2,954
2019-2023	440	35	504,730	367,476	24,572	17,132	256,270	485,964	-	-
2024-2028	-	-	685,235	245,448	51,586	12,156	329,165	410,613	-	-
2029-2033	-	-	475,745	58,540	12,816	5,548	418,415	316,856	-	-
2034-2038	-	-	34,314	705	24,660	2,408	526,440	203,202	-	-
2039-2043	-	-	-	-	-	-	565,820	67,353	-	-
2044-2048	-		-	-	-	-	48,595	1,215	-	-
2049-2053	-	-	-	-	-	-	-	-	-	-
	$ 6,720	$ 1,842	$ 2,419,898	$ 1,711,426	$ 152,077	$ 82,208	$ 2,494,575	$ 2,622,507	$ 52,610	$ 13,906

	Component Units			
Year Ended	Recreation Authority		Atlanta Development Authority	
June 30	Principal	Interest	Principal	Interest
2009	4,335	10,673	2,069	6,139
2010	4,580	10,429	2,257	6,035
2011	4,480	10,166	2,471	5,921
2012	5,120	9,889	2,665	5,794
2013	5,410	9,597	2,899	5,656
2014-2018	32,475	39,717	15,941	25,906
2019-2023	44,015	31,089	20,650	21,018
2024-2028	56,795	15,201	27,280	14,399
2029-2033	11,520	781	17,865	7,864
2034-2038	-	-	16,335	2,903
	$ 168,730	$ 137,542	$ 110,432	$ 101,635

Defeased Debt

The City has defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the City's government-wide and proprietary fund financial statements. At June 30, 2008, the City has $120,315,000 in defeased Various Purpose General Obligation Bonds, $438,690,000 in defeased Airport Extension and Improvement Bonds, and $330,580,000 in defeased Water and Wastewater Revenue Bonds. At June 30, 2008, the unamortized losses on the defeased bonds were $92,848,000 and $34,826,000 for the Airport Extension and Improvement Bonds and the Water and Wastewater Revenue Bonds, respectively.

H. Reserved Net Assets and Restricted Assets

The various bond covenants require certain reservations of Net Assets of the Department of Aviation. Reserved Net Assets at June 30, 2008 are as follows (in thousands):

	Department of Aviation
Passenger and customer facility charges	$ 383,694
Debt service and debt service reserve	114,869
Total	$ 498,563

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources that can be used only to service outstanding debt. Other assets are restricted by bond ordinances for capital purposes. The General Fund, because of covenants required by various Certificates of Participation is required to keep certain reserve balances. This includes the investment account established by the 1998 Georgia Municipal Association Certificates of Participation related to the 1998 lease pool, as discussed further in Note III. G. related to long-term obligations. Restricted assets of the enterprise funds at June 30, 2008 are as follows (in thousands):

	Department of Watershed Mgt.	Department of Aviation	Total
Renewal and Extension Funds:			
Accounts receivable	$ -	$ 11,427	$ 11,427
Passenger Facility Charges Fund:			
Investments	-	335,570	335,570
Cash	-	2,809	2,809
Accounts receivable	-	28,168	28,168
Interest receivable	-	4,333	4,333
Customer Facility Charge Fund:			
Investments	-	11,723	11,723
Cash	-	4,606	4,606
Accounts receivable	-	2,126	2,126
			-
CONRAC and APM Funds:			-
Investments	-	182,743	182,743
Interest receivable		-	-
Construction Funds:			
Projects:			
Investments	288,252	666,551	954,803
Debt reserve:			
Investments	152,845	-	152,845
Sinking Funds:			
Cash	18,363	128	18,491
Investments	84,007	92,887	176,894
Total	$ 543,467	$ 1,343,071	$ 1,886,538

IV. Other Information

A. Risk Management

General

The City purchases property insurance in the amount of $250 million, subject to a $50,000 deductible. This coverage protects City owned facilities for covered perils, such as fire, flood and earthquake. There is also a separate property insurance policy for the Airport with a limit of $1 billion, subject to a $250,000 deductible.

Insurance requirements are imposed on contractors and consultants that do business with the City. They are generally asked to maintain certain types of insurance coverages including, but not limited to general liability, workers' compensation, automobile liability, performance and payment bonds and professional liability.

There has not been any material change to the insurance coverages from the previous year. Settlement claims have not exceeded commercial coverage in any of the past three years.

Self-insurance

The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. These claims liabilities are accounted for in the general fund and the applicable enterprise funds. Claims generated by a governmental funds expected to be paid subsequent to one year are recorded only in the government-wide financial statements.

Workers' Compensation

The City's workers' compensation liability is calculated by an outside actuary. Liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated including amounts for claims incurred but not yet reported. The calculation of the present value of future workers' compensation liabilities, as calculated by the outside actuary, is based on a discount rate of 3.5 % and 4.0% for 2008 and 2007, respectively.

Health and Dental Insurance

In 2005, the City moved from fully insured medical and dental plans to a self insured plan for the Blue Cross Blue Shield Point of Service. In addition, the CIGNA dental plan is now self insured. The Kaiser HMO, OHS dental access plan and Spectra vision plan remain fully insured. The City's health and dental liability is calculated by an outside actuary firm. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

A. Risk Management, continued

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2007 and the year ended June 30, 2008 were as follows (in thousands):

		Beginning of period	Period claims and changes in estimates	Claim payments	End of period
Workers' compensation:					
2007	$	43,868	6,146	(7,593)	42,421
2008	$	42,421	6,913	(6,752)	42,582
Health and Dental claims:					
2007	$	4,371	47,641	(47,437)	4,575
2008	$	4,575	51,173	(51,167)	4,581
General claims liability:					
2007	$	29,060	23,228	(15,543)	36,745
2008	$	36,745	13,617	(17,729)	32,633

The City participates in the State Subsequent Injury Trust Fund, a public entity managed by the State of Georgia. The pool is designed to provide the insurance coverage for employees who are hired with previous medical conditions. Historically, premiums have not been significant.

B. Employee Retirement Systems and Pension Plans

Pension Plans

The City maintains one agent multiple-employer defined benefit pension plan, entitled the General Employees' Pension Plan, two single-employer defined benefit pension plans, entitled the Firefighters' Pension Plan and the Police Officers' Pension Plan, and one single-employer defined contribution pension plan, entitled the General Employees' Defined Contribution Plan. The funding methods and determination of benefits payable were established by the legislative acts creating such plans, as amended, and in general, provide that the pension funds are to be accumulated from employee contributions, City contributions, and income from the investment of accumulated funds.

The plans are administered by separate boards of trustees which include an appointee of the Mayor, the Chief Financial Officer, a member of City Council, and members elected from active and retired employees of the respective plans.

B. Employee Retirement Systems and Pension Plans, continued

Prior to July 1, 2001, all permanent employees of the City, excluding sworn personnel of the Police and Fire Departments and including employees of the Atlanta Independent School System (the "School System") who are not covered under the Teachers Retirement System of Georgia, were eligible to participate in the General Employees' Pension Plan. In addition, certain School System employees, employed prior to July 1, 1979, also participate in the City's General Employees' Pension Plan (the "Plan"). The City has no obligation to pay any costs related to retirement benefits of employees of the School System. The financial information herein relates only to City obligations for City employees and retirees.

Effective July 1, 2001, all new, permanent employees of the City, excluding sworn personnel of the Police and Fire Departments, are only eligible to participate in the newly created Defined Contribution Plan. During 2002 persons employed prior to July 1, 2001 were given the option of transferring to the Defined Contribution Plan. As of December 31, 2002, employees previously participating in the General Employees' Defined Benefit Plan did not have the option of transferring the new Defined Contribution Plan. Sworn personnel of the Police and Fire Departments are eligible to participate in the Police Officers' and Firefighters' plans, respectively.

Effective September 1, 2005, classified employees and certain non-classified employees pay grade 18 and below enrolled in the Defined Contribution Plan had a one-time option of transferring to the General Employee's Pension Plan. Classified employees and certain non-classified employees pay grade 18 and below not covered by either the Police Officers or Firefighters' Pension Plans, hired after September 1, 2005 are required to become members of the General Employee's Pension Plan.

Complete financial statements for all Plans, except the General Employees' Defined Contribution Plan, can be obtained at the following address:

City of Atlanta
68 Mitchell Street, S.W.
Suite 1600
Atlanta, Georgia 30335

Separate financial statements have not been prepared for the General Employees' Defined Contribution Plan.

Defined Benefit Plans

The City's defined benefit plans provide retirement benefits based on the average of the highest 36 months earnings based on the following percentages:

- General employees – 2.5% for each year of service to a maximum of 32 years.
- Firefighters – 3% for each year of service to a maximum of 26.67 years.
- Police Officers – 3% for each year of service to a maximum of 26.67 years.

For General employees the percentage increased from 2.0% to 2.5% for each year of service with no maximum years and for Firefighters the percentage increased from 2.0% to 3.0% for each year of service prior to March 31, 2001 plus 3% for each year of service subsequent to

B. Employee Retirement Systems and Pension Plans, continued

March 31, 2001 with no maximum years based on ordinances approved by City Council on September 6, 2005 and signed by the Mayor on September 12, 2005.

Normal retirement, after 10 years of service (decreased from 15 years of service by City Council on September 6, 2005 and approved by the Mayor on September 12, 2005.), is available at age 60 for City Employees and at age 55 for Police and Fire employees. In addition, City employees in the General employee Pension Fund, Police and Fire are eligible to retire after 30 years of service, at any age. Cost-of-living increases are awarded annually, up to a 3% maximum increase. Partial vesting percentages based on years of creditable service and provisions for early retirement are included in the plans. Benefits also may be payable at termination, death, or disability.

The 30 and out provision was approved for General employees by City Council on November 7, 2005 and approved by the Mayor on November 14, 2005. The same provision for Police was adopted by City Council on October 17, 2005 and approved by the Mayor on October 25, 2005.

All modifications to the pension plans must be supported by actuarial analysis and receive the recommendations of the City Attorney, the Chief Financial Officer, and the boards of trustees of each plan. Each pension law modification must be adopted by at least two-thirds vote of City Council and approved by the Mayor.

In addition, the City has been given special constitutional authority by the State to supplement benefits for retired employees as long as such adjustments are funded by the City.

The City's practice is to have actuarial valuations of its defined benefit pension plans performed every two years by an enrolled actuary. The membership at the latest actuarial valuation date of January 1, 2007, in the three defined benefit plans and related current period payrolls are as follows (dollars in thousands):

	General Employees	Firefighters	Police Officers	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3,436	863	1,204	5,503
Current active employees				
Fully vested	2,232	566	783	3,581
Partially vested	697	137	333	1,167
Not vested	582	294	619	1495
Total membership	6,947	1,860	2,939	11,746

The payroll and covered payroll for the year ended June 30, 2008 are as follows:

Total current period payroll	$189,941	$48,776	$92,087	$330,804
Total current period covered payroll	$155,185	$45,686	$77,168	$278,039

B. Employee Retirement Systems and Pension Plans, continued

Funding Policy

The City's funding policy for its defined benefit plans is to contribute a percentage of each plan's covered employee payroll as developed in the actuarial valuation for the individual plan. Active participants are required to contribute 7% of base pay (or 8% if participant has a covered beneficiary). The City's contribution percentage is the actuarially determined amount necessary to fund plan benefits after consideration of employee contributions. The City makes an additional contribution of 1% of payroll, which effectively decreases the employees' required contribution percentage to 6% (or 7% if participant has a covered beneficiary), but has no effect on the overall required contribution. The City is not obligated to continue the 1% supplemental contribution for any specified period of time.

The actuarially determined annual required contribution amount is the sum of the annual normal cost (determined under the entry age normal actuarial cost method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payrolls. For the year ended June 30, 2008, the amortization period used in computing the annual required contribution was at a rate that approximated the 13 years remaining on the 45 year amortization adopted in 1978 The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the actuarial accrued liability.

On September 6, 2005, the City Council passed an ordinance extending the amortization period from 14 years to 19 years which was signed by the Mayor on September 12, 2005.

The required contribution percentages, developed in the most recent (January 1, 2007) actuarial valuations for the plans, to cover pension liabilities and the actual 2008 contribution amounts are (dollars in thousands):

	General Employees	Firefighters	Police Officers
Normal cost	15.24%	26.53%	28.14%
Amortization of the unfunded actuarial accrued liability	32.74%	46.66%	35.15%
Total required contributions as a percentage of covered payroll	47.98%	73.19%	63.29%
2008 actual employee contributions			
Dollar amount	$12,004	$3,385	$5,445
Percent of covered payroll	7.74%	7.41%	7.06%
2008 actual City contributions			
Dollar amount	$70,335	$26,373	$45,730

With respect to the General Employees' Pension Plan, which is a multiple-employer plan, the City's actuarially determined contribution required above is only that of the City's portion.

B. Employee Retirement Systems and Pension Plans, continued

The actual City contributions shown above include amounts used to fund retiree supplemental cost of living increases and other minimum benefits. These amounts are components of the City's contributions for purposes of meeting its actuarially determined funding requirements.

Annual Pension Cost

The City's annual pension cost for the year ended June 30, 2008, were as follows for the respective plans:

General Employees	$	70,335
Firefighters	$	26,373
Police Officers	$	45,730

These amounts equaled the required and actual contributions for each of the respective plans.

The City's annual pension cost and net pension obligation for the current year ended June 30, 2008 and each of the two preceding years were as follows (dollars in thousands).

Plan/Period		Annual Pension Cost (APC)		Percentage of APC Contributed		Net Pension Obligation
General Employees:						
Year Ended 12/31/05		$ 51,773		100%		$ -
Six Months Ended 6/30/06		$ 29,799		100%		$ -
Year Ended 6/30/07		$ 59,780		100%		$ -
Year Ended 6/30/08		$ 70,335		100%		$ -
Firefighters:						
Year Ended 12/31/05		$ 14,040		100%		$ -
Six Months Ended 6/30/06		$ 8,120		100%		$ -
Year Ended 6/30/07		$ 27,502		100%		$ -
Year Ended 6/30/08		$ 26,373		100%		$ -
Police Officers:						
Year Ended 12/31/05		$ 25,271		100%		$ -
Six Months Ended 6/30/06		$ 15,221		100%		$ -
Year Ended 6/30/07		$ 47,365		100%		$ -
Year Ended 6/30/08		$ 45,730		100%		$ -

The actuarial cost method used for funding purposes and to calculate the actuarial accrued liability is the Entry Age Normal Cost Method. This method is one of the approved methods for such plans in Georgia, and provides for contributions estimated to be a level percentage of future payroll. The unfunded actuarial accrued liability for funding purposes, effective with the January 1, 2006 actuarial report is to be amortized over a closed period of 19 years as a level percentage of estimated future payroll, with a remaining amortization period of 17 years, in accordance with State of Georgia guidelines. (See comment above regarding approval of this change by the City Council). The net pension obligation could not be distributed to the various proprietary funds and is thus all recorded as long-term debt in the government-wide financial statements. Other actuarial assumptions used to perform the most recent (January 1, 2007 calculations for funding purposes are:

B. Employee Retirement Systems and Pension Plans, continued

	General Employees	Firefighters	Police Officers
Rate of return on investments	8%	7.75%	7.75%
Projected salary increases for			
Inflation	4.50%	3.00%	3.00%
Merit or seniority and productivity	.75 – 4.5%	1.00%	1.00%
Post-retirement benefit increases	3%	3.00%	3.00%

The following schedule (derived from the most recent actuarial valuation reports) reflects accounting policies, liabilities, and funding provisions for the City's three plans as of June 30, 2008:

	General Employees	Firefighters	Police Officers
Basis of accounting	Accrual	Accrual	Accrual
Asset valuation			
Reporting	Fair Value	Fair Value	Fair Value
Actuarial valuation	Fair Value	Fair Value	Fair Value
Internal loans	None	None	None
Non-governmental individual investment in excess of 5% of net assets	See Note III.A.	See Note III.A.	See Note III.A.

Funded Status and Funding Progress

As of January 1, 2006, the most recent actuarial valuation date, the General Employees Pension Plan was 52.56 percent funded. The actuarial accrued liability for benefits was $1.3 billion, and the actuarial value of assets was $702 million, resulting in an unfunded actuarial accrued liability (UAAL) of $634 million. The covered payroll (annual payroll of active employees covered by the plan) was $154 million, and the ratio of the UAAL to the covered payroll was 4.12 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information for all plans about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Defined Contribution Plan

The City's General Employees' Defined Contribution Plan provides funds at retirement for employees of the City and in the event of death, provides funds for their beneficiaries, through an arrangement by which contributions are made to the Plan by employees and the City. The current mandatory contribution requirement of the City is 6% of employee payroll. Employees also make a pretax contribution of 6% plus have the option to contribute amounts up to the amount legally limited for retirement contributions. All modifications to the Plan, including contribution requirements, must receive the recommendations and advice from the offices of the Chief Financial Officer and the City Attorney, respectively. Each pension law modification must be adopted by at least two-thirds vote of the City Council and approved by the Mayor.

B. Employee Retirement Systems and Pension Plans, continued

All new employees, hired after July 1, 2001, who previously would have been enrolled in the General Employees' Defined Benefit Plan, were enrolled in the General Employees' Defined Contribution Plan. During 2002, persons employed prior to July 1, 2001 were given the option to transfer to the Defined Contribution Plan.

Effective September 1, 2005, classified employees and certain non-classified employees pay grade 18 and below then enrolled in the Defined Contribution Plan had the one-time option of transferring to the General Employee's Pension Plan. Classified employees and certain non-classified employees pay grade 18 and below, not covered by either the Police Officers or Firefighters' Pension Plans, hired after September 1, 2005 are required to become members of the General Employee's Pension Plan.

As of June 30, 2008 there were 1,828 participants in the Defined Contribution Plan. The covered payroll for employees in the Plan was $1,828 Employee contributions for the year ended June 30, 2008 were $4,637 and employer contributions were $4,654 or 11.2% of covered payroll.

The Defined Contribution Plan uses the accrual basis of accounting. Investments are reported at fair value, based on quoted market prices and there were no nongovernmental individual investments that exceeded 5% of the net assets of the Plan.

Condensed financial statement information for the Defined Contribution Plan for the year ended June 30, 2008 is shown below (in thousands):

Current assets:	
Investments	$ 34,396
Total assets	$ 34,396
Current liabilities:	
Due to other funds	638
Total current liabilities	$ 638
Additions:	
Employer contributions	4,654
Employee contributions	4,637
Net Investment income (loss)	(758)
Total additions	8,533
Deductions:	
Benefit Payments	3,252
Administrative expenses	9,088
Total deductions:	12,340
Change in Net Assets held in trust for pension benefits	(3,807)
Net Assets held in trust for pension benefits:	
Beginning of period	37,565
End of period	$ 33,758

B. Employee Retirement Systems and Pension Plans, continued

Postretirement Benefits

Plan Description: The City of Atlanta Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees, dependents and their beneficiaries. The Plan was established by legislative acts and functions in accordance with existing City laws. OPEB of the City includes health, dental, and vision care and life insurance. Separate financial statements are not prepared for the Plan.

Funding Policy: The City is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amounts necessary to provide current benefits to retirees, eligible dependents and beneficiaries. For the fiscal year ended June 30, 2008, the City made $18.9 million pay-as-you-go payments on behalf of the Plan. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed $20.6 million through their required contributions.

Annual OPEB Cost and Net OPEB Obligation: The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined using the Projected Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the elements of the City's OPEB cost for the year, the amount actually contributed on behalf of the Plan, and changes in the City's net OPEB obligation to the Plan for the year ended June 30, 2008 (in thousands):

Annual Required Contribution	$ 83,159
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (expense)	83,159
Payments Made	(18,932)
Increase in Net OPEB Obligation	64,227
Net OPEB Obligation - Beginning of Year	-
Net OPEB Obligation - End of Year	$ 64,227

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended June 30, 2008 were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
6/30/2008	83,159	22.77%	$ 64,227

B. Employee Retirement Systems and Pension Plans, continued

Funded Status and Funding Progress: As of June 30, 2007, the most recent (initial) actuarial valuation date, the Plan was 0% funded. The unfunded actuarial accrued liability (UAAL) for benefits was $1.1 billion. The covered payroll was $280 million, and the ratio of the UAAL to the covered payroll was 16.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The determined actuarial valuations of OPEB provided under the Plan incorporated the use of various assumptions including demographic and salary increases among others. Amounts determined regarding the funded status of the Plan and the annual required contributions of the City are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule funding progress, shown as required supplementary information following the notes to the financial statement, presents the results of the OPEB valuation as of June 30, 2007, the schedule will eventually provide additional multiyear trend information about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.5 percent investment rate of return (net of administrative expenses) and an annual medical cost trend rate of 11 percent initially, reduced by decrements to an ultimate trend rate of 5 percent after ten years. Both rates include a 3 percent inflation assumption. Currently there are no assets set aside that are legally held exclusively for OPEB. The UAAL is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008, was twenty-nine years.

Deferred Compensation Plan

The City has adopted a deferred compensation plan in accordance with the 1997 revisions of Section 457 of the Internal Revenue Code. The plan, available to all City employees, allows an employee to voluntarily defer up to 25% of his/her gross compensation, not to exceed certain limits per year. Each participant selects one of three providers to administer the investment of the deferred funds. Administrative costs of the plan are deducted from the participants' accounts. The plan assets are held in custodial accounts for the exclusive benefit of the plan participants and their beneficiaries, and are therefore not included in the City's financial statements.

C. Commitments and Contingent Liabilities

Litigation

The City is subject to various suits and proceedings arising in the ordinary conduct of its affairs and has been named as defendant in numerous lawsuits. The City has accrued amounts related to litigation where an outcome unfavorable to the City is probable and the amount can be reasonably estimated. The City has been named as defendant in several other suits and actions claiming personal and property damages. In the opinion of the City Attorney, all suits and actions now pending, or likely to be filed, will be resolved without a material effect on the financial position of the City.

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Construction and Commitments

At June 30, 2008, the total estimated costs on committed projects are $386,335,000 and $354,786,000 for the Department of Aviation and Department of Watershed Management, respectively.

Department of Watershed Management

Commitments

In July 1968, the City and DeKalb County, Georgia (DeKalb County) entered into an agreement (the "Clayton Agreement") providing for the construction of a 120-MGD water pollution control facility to be known as the R.M. Clayton Water Reclamation Center (the "Plant"). Pursuant to the Clayton Agreement, the City agreed to assume responsibility for the financing, construction, operation, and maintenance of the Plant. The Clayton Agreement gives DeKalb County the right to use 25 MGD or 20.8% of the plant capacity. The Agreement with Dekalb County was amended June 9, 1987 to increase DeKalb County's capacity in the Plant to 50 MGD which is 48.54% of the 103 MGD capacity.

C. Commitments and Contingent Liabilities, continued

In 1977 DeKalb County entered into an agreement for 2.62 MGD or 5.82% capacity rights in the South River Water Reclamation Center and 2.6 MGD or 12.38% capacity rights in the Intrenchment Creek Water Reclamation Center.

Additional capital improvements may be made to the Plants upon the determination by the Department that excessive flows or loads are impairing the efficient operation of the City's sewer system, improved processes are available, and that additional improvements are necessary or desirable for the efficient operation of the Department or to comply with applicable laws. In any such event, the Department and DeKalb County have agreed to share the costs of such capital improvements generally upon the basis of relative sewerage flow contributed by the City and DeKalb County, respectively.

DeKalb County, Fulton County, the City of Hapeville, the City of Forest Park, the City of East Point, and the City of College Park (collectively "the municipalities") share in the costs of the operation and maintenance of the plants based upon the ratio that their sewerage flow bears to the total flows to the plants. The municipalities' shares of the operation and maintenance costs for the plants for the year ended June 30, 2008 was $23,403,000. These payments are treated as operating revenue for the Department.

The municipalities have agreed to share in the capital improvement costs made to certain plants with their share being based on their portion of the sewerage flow. There were no capital improvement costs for the plants charged to the municipalities in Fiscal Year 2008. These charges, when earned, are treated as nonoperating revenue and are included in capital contributions. The amounts receivable from those municipalities is included in the amount due from other governmental units in the accompanying financial statements.

Consent Decrees for Wastewater System

The Department is subject to two related consent decrees the City entered into to resolve alleged violations of the Federal Clean Water Act and the Georgia Water Quality Control Act. On October 10, 1995, the Upper Chattahoochee Riverkeeper Fund, Inc. (the "Riverkeeper"), brought suit against the City pursuant to the citizen suit provision of the Clean Water Act seeking injunctive relief and the assessment of civil penalties. Subsequently, the United States of America, acting at the request and on behalf of the Environmental Protection Agency (EPA), and the State of Georgia, at the request of the Georgia Environmental Protection Division (EPD), also filed a complaint against the City alleging violations of the Clean Water Act and seeking similar relief. The actions were consolidated.

C. Commitments and Contingent Liabilities, continued

The plaintiffs alleged that the City violated the terms of its permits which authorize discharge of wastewater from the City's Combined Sewer Overflows (CSO) Control Facilities and its wastewater treatment facilities. In 1998, the plaintiffs and the City agreed to the entry of a consent decree relating to the CSO Control Facilities. On December 20, 1999, the First Amended Consent-Decree (the "FACD") was entered with the United States District Court for the Northern District of Georgia. The United States, the State of Georgia, and the City are the parties to the FACD. Because claims brought by Riverkeeper were resolved under the CSO Consent Decree, Riverkeeper is not a party to the FACD.

First Amended Consent Decree

The FACD resolved allegations regarding the City's wastewater treatment facilities, inter-jurisdictional requirements, and the City's sewerage collection and transmission system. For the wastewater treatment facilities, the FACD requires the City to: continue its ongoing wastewater treatment facilities Capital Improvement Program to complete upgrades at the R.M. Clayton, Utoy Creek, Intrenchment Creek, and South River Water Reclamation Centers; install and implement a maintenance management system, revise the current operations program, and implement upgrades to the current laboratory information system; and review its Interjurisdictional agreements to address over-loading and pretreatment issues. All capital improvements, upgrades, and repairs under the FACD must be completed by July 1, 2014. There are many milestones, however, along the way that must be completed on schedule.

CSO Consent Decree

With respect to the October 10, 1995, action brought against the City by the Riverkeeper, the court dismissed allegations regarding the phosphorus reduction program and common law nuisance claims, but found that the City violated Federal and State water pollution laws with regard to the City's operation of its Tanyard Creek, Proctors Creek/North Avenue, and Proctor Creek/Greensferry CSO treatment facilities. As mentioned, the City and the citizen plaintiffs settled the lawsuit in what is referred to as the CSO Consent Decree (EPA and the EPD also joined). The CSO Consent Decree requires the City to study the performance of the existing CSO treatment facilities, evaluate treatment alternatives that may be necessary for meeting State water quality standards, and improve the performance, maintenance, operation, and management of the existing treatment facilities. The City has completed its CSO Remedial Measures Report and has received EPA/EPD's authorization to proceed with partial sewer separation of 27% of the combined sewer service area and consolidated storage and treatment to meet water quality standards and to resolve the CSO problems.

In 2002, the City put in place a technical review panel - the Mayor's Clean Water Advisory Panel - to study the City's plans to address the CSO remedial plan and make recommendations. In October 2002, the panel recommended a plan that consolidated the partial separation of 27% of the combined sewers over the six basins provided by the Authorized Plan into complete separation of the combined sewers in two basins and one sub-basin at an estimated cost of $753 million. The City is currently executing its remedial plan with all projects under construction or in the

C. Commitments and Contingent Liabilities, continued

construction bid phase. Under the CSO Consent Decree the deadline for completion of any new or additional capital improvement is November 7, 2007. On July 5, 2007, the City received a one year extension on completion of the West CSO Tunnel Project by the EPD and the EPA.

The City is actively seeking federal and state grants, loans and other sources of funding to perform the tasks outlined in the Clean Water Atlanta ("CWA") Program. Key elements of the comprehensive funding and financing plan include:

Municipal Option Sales Tax ("MOST") - Effective October 1, 2004, a 1% municipal sales and use tax is being collected for retail sales and use occurring in the incorporated city limits of Atlanta. Proceeds from this tax are specifically for funding renovations to the City's water and sewer system. MOST is estimated to provide $70 million per year. The MOST was approved by the City of Atlanta residents in the July 2004 general election for a period not to exceed four years and for raising not more than $750,000,000. Up to two extensions, of four years each, can be approved by a vote of City of Atlanta residents. During the February 2008 general election, the City of Atlanta residents will vote for an extension of four years. Proceeds from the MOST for the year ended June 30, 2008, were $127,470,000 of which $21,802,000 was receivable from the Georgia Department of Revenue at June 30, 2008.

Federal Appropriation – Some small Federal grants have been obtained and efforts to secure additional federal grants continue.

State GEFA Loans - The State of Georgia passed legislation to provide up to $50 million per year in low interest Georgia Environmental Facilities Authority ("GEFA") loans to the City. The City is pursuing the maximum loan amount for each year of the CWA Program. For the year ended June 30, 2008, the City received GEFA loans in the amounts of $81,710,000 in permanent financing. At June 30, 2008, the City had $152,073,000 of short and long-term loans outstanding to GEFA.

In January 2004, the Atlanta City Council approved annual increases to the current water and wastewater rates to support revenue bonds financing of the five year portion (2004-2008) of the CWA Capital Improvement Program. The new, graduated three tiered rate structure is intended to minimize, to the extent possible, the impact of rate increases on ratepayers to maintain affordability and to permit water conservation. In 2005, the rates were adjusted downward from originally approved rates, due to the additional revenues received through the MOST tax. The current rates are summarized below. In addition to the rates shown below, each water and wastewater bill includes a $.15 per 100 cubic feet (CF) security surcharge.

C. Commitments and Contingent Liabilities, continued

Graduated Monthly Wastewater Rate Structure

Water Consumption	2004	2005	2006	2007	2008
0-3 ccf	$ 4.90	$ 4.95	$ 4.46	$ 4.90	$ 7.04
4-6 ccf	$ 5.61	$ 5.67	$ 6.24	$ 6.86	$ 9.83
Above 7 ccf	$ 6.45	$ 6.52	$ 7.17	$ 7.89	$ 13.29

Graduated City Monthly Water Rates Structure

Water Consumption	2004	2005	2006	2007	2008
0-3 ccf	$ 1.93	$ 1.95	$ 1.17	$ 1.29	$ 2.76
4-6 ccf	$ 2.21	$ 2.23	$ 2.45	$ 2.70	$ 3.88
Above 7 ccf	$ 2.54	$ 2.56	$ 2.82	$ 3.10	$ 5.23

Consent Orders for Drinking Water System

The City is subject to two administrative Consent Orders issued by the Georgia Department of Natural Resources Environmental Protection Division. They are dated December 9, 1997, and March 21, 2003. These Orders require capital improvement at the Chattahoochee and Hemphill Treatment Plants, as well as operational improvement to ensure compliance with Georgia Rules for Safe Drinking water. While the City is in substantial compliance with the provisions of both Orders, certain aspects of the capital program remain to be completed.

Project Types	Total 2008-2014 CIP (In Millions)
Wastewater Projects:	
CSO Consent Decree	$ 39
First Amended Decree	1,407
Regulatory	70
R&E Fund Projects	117
Subtotal	1,633
Water Projects:	
Consent Order	42
Non-Consent Order	936
Subtotal	978
Grand total	$ 2,611

C. Commitments and Contingent Liabilities, continued

Purchase Option

During 2006, the Atlanta Fulton County Recreation Authority ("Recreation Authority") granted an option to the City to purchase a certain real property and improvements owned by Recreation Authority for an option price of $30,000,000. The option may be exercised at any time after the earlier of (1) expiration of the term of the operating agreement dated November 15, 1997 between Recreation Authority, the City, Fulton County, and Arena Operations, LLC; or (2) payment in full of Recreation Authority (Downtown Revenue Bonds) Taxable Series 1997. The option will expire on January 12, 2096. Upon expiration of the option period all of the City's rights to demand conveyance of the property and improvements will expire and the Recreation Authority will keep the option price and the City will have no further obligations. The purchase option is reflected as a deferred cost in the City's financial statements.

D. Prior Period Adjustments

Capital Assets

The City performed a physical inventory count of its capital assets as of June 30, 2007, with the assistance of a professional appraisal firm. The physical inventory count revealed the following:

- Unrecorded capital assets acquired in previous periods
- Assets recorded with an incorrect normal cost (estimate of the original cost of an asset by estimating the current replacement costs and reverse trending back to the date of acquisition).
- Assets improperly reported as capital assets under governmental activities.
- Assets being reported which were previously disposed of or unable to be located.

The table below shows the understated or overstated value of gross capital assets and accumulated depreciation at the government-wide level:

GOVERNMENT-WIDE	GROSS CAPITAL ASSET VALUE	ACCUMULATED DEPRECIATION	TOTAL NET ASSET INCREASE (DECREASE)
Governmental activities	$ (1,057,949,000)	$ 881,055,000	$ (176,894,000)
Business activities	793,090,000	(287,144,000)	505,946,000
Total	$ (264,859,000)	$ 593,911,000	$ 329,052,000

The table below details the above information at the fund level:

FUND	GROSS CAPITAL ASSET VALUE	ACCUMULATED DEPRECIATION	TOTAL NET ASSET INCREASE (DECREASE)
Department of Watershed Management	$ 807,344,000	$ (284,905,000)	$ 522,439,000
Civic Center	5,909,000	(4,830,000)	1,079,000
Parks & Recreational Facilities	(8,828,000)	5,418,000	(3,410,000)
Sanitation	(11,335,000)	(2,827,000)	(14,162,000)
Total	$ 793,090,000	$ (287,144,000)	$ 505,946,000

D. Prior Period Adjustments, continued

The net assets at the beginning of the year have been restated to properly record this activity and the amount is reflected as a correction of prior period errors in the Statement of Activities and the respective Statements of Revenue, Expense, and Changes in Net Assets for the proprietary funds.

Atlanta Fulton County Recreation Authority Revenue Bonds

In 2005, the Atlanta Fulton County Recreation Authority ("Recreation Authority") issued revenue bonds, Series 2005A & 2005B in the amount of $75,510,000 and $12,650,000, respectively. These bonds were issued to finance projects that include the acquisition, construction, equipping, maintenance and operation of recreation centers and areas owned and operated by the City. Prior to the 2005A & B issuances, AFCRA issued Series 2000 revenue bonds, which had an outstanding principal balance of $5,600,000 as of July 1, 2007.

These bonds were recorded on the financial statements of Recreation Authority until December 31, 2006. During fiscal year 2008, it was determined that the bonds should be reported on the City's financial statements. Due to the difference in year-ends, the City had to account for the bonds as of January 1, 2007, resulting in a prior period adjustment in the amount of $49,894,000.

The net assets at the beginning of the year have been restated to record this activity and the amount is reflected as a correction of prior period errors in the Statement of Activities and Statement of Revenue, Expense, and Changes in Net Assets.

Interfund Receivable

During the course of this year's close out, it was determined there was insufficient documentation to support an interfund receivable in the general fund from the General Employees Pension Fund in the amount of $25,350,000. Therefore, under general accepted accounting principles (GAAP) a decision was made to write the receivable off as uncollectible. The net assets at the beginning of the year have been restated to record this activity and the amount is reflected as a correction of prior period errors in the Statement of Activities and Statement of Revenue, Expense, and Changes in Net Assets. A corresponding adjustment to the net assets at the beginning of the year for the General Employees Pension Fund is reflected as a correction of prior period errors in the Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets.

Passenger Facility Charges

Since the inception of the PFC program in 1997, PFC revenue was recorded on a cash basis. In order to correct this error and begin properly recording PFC revenue on an accrual basis, an adjustment of $29,558,000 is reflected as a correction of prior period errors in the Statement of Revenue, Expense, and Changes in Net Assets.

D. Prior Period Adjustments, continued

Passenger Facility Charges

Since the inception of the PFC program in 1997, PFC revenue was recorded on a cash basis. In order to correct this error and begin properly recording PFC revenue on an accrual basis, an adjustment of $29,558,000 is reflected as a correction of prior period errors in the Statement of Revenue, Expense, and Changes in Net Assets.

Sanitation Revenue

Solid waste service charges are levied on a calendar year basis on or around July 1 but are effective as of January 1 of each year (retroactive). The sanitation revenues were understated in previous years due to ½ of the fiscal year revenues being recorded in the subsequent year, resulting in an increase in revenues of $24,686,000 for 2007. A restatement of beginning fund balance is reflected as a correction of prior year error in the Statement of Revenue, Expense, and Changes in Net Assets.

The following table summarizes all prior period adjustments as of June 30, 2008,

	TOTAL NET ASSET INCREASE (DECREASE)
Governmental Activities	$ (230,660,000)
Business-Type Activities	560,190,000
Fiduciary Activities	25,350,000
Total	$ 354,880,000

E. Subsequent Events

In August 2008, the City issued Tax Allocation Bonds (Westside Project), Series 2008 in the aggregate principal amount of $63,760,000 for the purpose of paying redevelopment costs as defined in the Redevelopment Powers including without limitation, (i) clearing, grading and otherwise preparing property for redevelopment, (ii) real property assembly costs, (iii) environmental remediation of property, (iv) design, construction and installation of utilities such as water, sewer, storm drainage, electric, gas and telecommunications, (v) design, construction and installation of streets, sidewalks, bikeways, curbs, gutters, and other public works.

In October 2008, the City issued Tax Allocation Bonds (BeltLine Project), Series 2008 in the aggregate amount of $65,016,000 for the purpose of financing certain redevelopment costs made to achieve the redevelopment of a redevelopment area, including, without limitation, (i) acquisition and development of parks and greenspace within the BeltLine TAD, (ii) preservation, protection, renovation and creation of open spaces or green spaces within the BeltLine TAD, (iii) development, construction, reconstruction, repair, demolition, alteration, or expansion of structures, equipment, and facilities for mass transit.

E. Subsequent Events, continued

On March 13, 2006, the City entered into a declaration and agreement concerning development, easements and real covenants with Ponce Park, LLC for the sale of City Hall East to Ponce Park, LLC (Phase II). On November 28, 2005, the City had entered into an agreement of purchase and sale with Ponce Park, LLC (Phase I) for the sale of the parking lot associated with City Hall East for $6.0 million. City Hall East currently houses the headquarters for the Atlanta Police Department, the

Atlanta Fire Department and the City's 911 Center. The Parks, Recreation and Cultural Affairs department also has administrative offices in City Hall East. The City currently has under construction a new public safety building and is exploring various alternatives for the other City departments currently housed in City Hall East. There is currently no scheduled closing date for the sale of City Hall East.

Subsequent to year end, the City entered into several Lease/Purchase Agreements with Wachovia Bank, N.A., totaling $9,974,000, for furniture, fixtures and equipment related to the Public Safety Facility Headquarters and the Public Safety Annex.

On January 12, 2009, the Administration of the City and the Department of Watershed Management ("Department") executed a Memorandum of Understanding relating to the General Fund and the Department to acknowledge the amounts owed to the Department by the General Fund and to establish a payment plan. The amount owed by the General Fund as of June 30, 2008, was $23,353,000, which represented past water and wastewater service charges incurred by other departments of the City of $13,127,000, overcharges of indirect costs to the Department of $7,867,000, and construction projects completed by the Department on behalf of the General Fund of $2,369,000. These amounts owed will be repaid by the General Fund in the amount of $4,000,000 per year plus interest on the outstanding balance commencing on July 1, 2010. Additionally, the repayment provides that the excess of $9,800,000 in payments in lieu of taxes and franchise fees that the City currently charges the Department will be used to further reduce this obligation beginning on June 30, 2009. The Memorandum also establishes that current water charges to the various departments of the City will be paid on a monthly basis.

On December 23, 2008, the Administration of the City and the Department of Watershed Management ("Department") executed another Memorandum of Understanding relating to the General Fund and the Department to establish a repayment plan for amounts borrowed by various governmental funds from Department's equity in the Cash Pool. As of June 30, 2008, the amount owed to the Department was $116,199,000. The amount will be repaid by the General Fund in the amount of $10,000,000 per year plus interest until paid in full.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Required Supplementary Information

CITY OF ATLANTA, GEORGIA

Required Supplementary Information

Schedule of Funding Progress for Pension Plans
(Amounts in thousands)

Plan/Valuation Date	Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Accrued Liabilities	Current Year Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
General Employees						
1/1/2002	$ 726,180	$ 1,059,876	$ 68.52%	$ 333,696	$ 175,752	189.87%
1/1/2004	681,159	1,110,501	61.34%	429,342	160,767	267.06%
1/1/2006	702,178	1,335,974	52.56%	633,796	153,984	411.60%
Firefighters						
1/1/2002	326,620	370,291	88.21%	43,671	39,447	110.71%
1/1/2004	321,908	417,092	77.18%	95,184	38,303	248.50%
1/1/2006	334,290	572,812	58.36%	238,522	47,818	498.81%
Police Officers						
1/1/2002	448,676	541,209	82.90%	92,533	68,056	135.97%
1/1/2004	440,212	617,501	71.29%	177,289	63,274	280.19%
1/1/2006	464,368	839,384	55.32%	375,016	78,229	479.38%

Schedule of Funding Progress for OPEB
(Amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	AAL Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered
6/30/2007	$ -	1,125,648	1,125,648	0.00%	$ 280,031	401.97%

THIS PAGE IS INTENTIONALLY LEFT BLANK

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purpose.

Community Development Fund - Established to account for the revenue and expenditure provided under the Title I of the Housing and Community Development Act of 1974 which provides for development of viable urban communities, including decent housing and suitable living environments and expansion of economic opportunities, principally for persons of low and moderate incomes.

Emergency 9-1-1 Fund - Established to account for the revenues and expenditures associated with the operation and management of the emergency 9-1-1 system.

Intergovernmental Grant Fund - Established to account for the revenues and expenditures for miscellaneous grants except for those recorded in the Department of Aviation, Water and Wastewater System Fund, and the Community Development Funds.

Tax Allocation Districts – Established by the law creating the district to account for the proceeds of bonds issued to develop a specific area and to account for the collection of the tax increments created by that development for repayment of the bonds and other projects. The Districts include:

Atlantic Station
Westside
Northwest Atlanta
Princeton Lake
Eastside
Hollowell/M.L.King
Atlanta Beltine
Campbellton Road
Metropolitan Parkway
Stadium Neighborhoods

Other Special Revenue – Accounts for other restricted monies (expendable trust funds) that are classified as Special Revenue Funds. Established to account for activities in which the city acts as trustee for an individual organization, or other governmental units. These funds include:

Home Investment Trust Fund
Rental Rehabilitation Fund
Section 108 Loan Fund
Trust Fund

Capital Projects Funds

Capitals projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund and trust funds.

Park Improvement Fund – For permanent improvements to parks, the zoo, and recreation facilities funded by an ad valorem tax levy.

Special Assessment Fund – For the accumulation and expenditures of resources for various public improvements, which are financed through assessment to individual property owners.

General Government Capital Outlay Fund – Established to record the acquisition, construction or improvement of capital assets which are funded by working capital obtained from certificates of participation and funds allocated from general government resources (transfers): dedicated taxes or a combination of financing sources which are not funded by the issuance of general obligation bonds.

Solid Waste Management Authority Fund – Established to account for the revenues and expenditures associated with the operation and management of debt financings related to post closure costs of City landfills. The Solid Waste Management Authority, a blended component unit of the City, is legally separate from the City, and is governed by a board appointed by the Mayor and City Council.

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2008
(In Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Other Special Revenue
ASSETS					
Cash, Unrestricted	$ 3,458	$ -	$ 19,242	-	$ 9,215
Cash, Restricted				41,209	
Investments in pooled investment fund	-	30	-	-	46,784
Investments	-	-	-	-	2,088
Receivables					
Taxes	-	-	-	-	-
Accounts	943	2,170	9,623	-	1,451
Other	-	-	-	-	-
Due from other governmental units and agencies	1,017	-	3,932	-	791
Due from other funds	17	-	858	-	351
Restricted investments	-	-	-	71,633	-
Investment in escrow	-	-	-	-	-
Total assets	$ 5,435	$ 2,200	$ 33,655	$ 112,842	$ 60,680
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 661	$ 109	$ 4,049	$ 9,904	$ 2,005
Accrued salaries, vacation, and compensatory pay	24	- 120	41	-	22
Contract retentions	39	-	130	-	7
Due to other governments	-	-	-	4,634	-
Due to other funds	1,890	35,492	26,370	101	1,080
Unearned revenue	-	-	-	-	-
Total liabilities	2,614	35,721	30,590	14,639	3,114
Fund balances:					
Reserved for:					
Encumbrances	3,679	3,105	8,553	-	7,122
Programs	-	-	14,356	-	50,444
Capital Projects	-	-	-	98,203	-
Unreserved	(858)	(36,626)	(19,844)	-	-
Total fund balances	2,821	(33,521)	3,065	98,203	57,566
Total liabilities and fund balances	$ 5,435	$ 2,200	$ 33,655	$ 112,842	$ 60,680

Capital Projects Funds				
Park Improvement	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	**Total Nonmajor Governmental Funds**
$ -	$ -	$ 2,040	$ 105	**$ 34,060**
				41,209
3,268	2,294	-	-	**52,376**
1	-	1,521	-	**3,610**
756	-	-	-	**756**
-	2	-	142	**14,331**
-	-	-	-	**-**
-	-	-	-	**5,740**
-	-	2	1,952	**3,180**
-	-	39,504	1,073	**112,210**
-	-	1	-	**1**
$ 4,025	$ 2,296	$ 43,068	$ 3,272	**$ 267,473**
$ 374	$ -	$ 95	$ -	**$ 17,197**
				$ -
15	-	1	-	**223**
3	-	202	-	**381**
-	-	-	-	**4,634**
-	-	3,233	-	**68,166**
723	-	-	-	**723**
1,115	-	3,531	-	**91,324**
-	330	3,941	496	**27,226**
-	-	-	-	**64,800**
2,910	1,966	35,596	2,776	**141,451**
-	-	-	-	**(57,328)**
2,910	2,296	39,537	3,272	**176,149**
$ 4,025	$ 2,296	$ 43,068	$ 3,272	**$ 267,473**

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2008
(In Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Other Special Revenue
Revenues:					
Property taxes	$ -	$ -	$ -	49,087	$ -
Charges for current services	-	12,303	-	-	2,004
Charges for special assessments	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	3,819
Investment income	162	72	259	4,624	2,419
Intergovernmental revenues:				-	
U.S. Government grants	7,688	-	24,487	-	2,534
State and local governments	-	-	6,740	-	5,888
Total intergovernmental revenues	7,688	-	31,227	-	8,422
Other	334	-	1,270	-	1,800
Total revenues	8,184	12,375	32,756	53,711	18,464
Expenditures:					
Current:					
General government:					
Executive Offices	1,541	-	6,076	-	365
Personnel and human services	-	-	-	-	15
City Council	-	-	-	-	50
Nondepartmental	-	1,374	13	41,089	813
Courts and judicial agencies	-	-	407	-	25
Finance	1,309	-	292	-	115
Housing, planning and development	3,679	-	12,616	-	3,953
Total general government	6,529	1,374	19,404	41,089	5,336
Police	-	17,404	7,829	-	1,569
Fire	-	244	571	-	3
Corrections	43	-	231	-	1,235
Public Works	866	-	2,663	-	3,219
Parks, Recreation, and Cultural Affairs	158	-	463	-	2,446
Debt service:					
Principal payments	105	-	-	6,735	1,375
Interest payments	171	-	-	14,823	352
Bond issuance costs	-	-	-	3,642	8
Total debt service	276	-	-	25,200	1,735
Total expenditures	7,872	19,022	31,161	66,289	15,543
Excess (Deficiency) of revenues over (under) expenditures	312	(6,647)	1,595	(12,578)	2,921
Other financing sources (uses):					
Transfers in (out)	-	7,225	860	-	1,562
Proceeds from sale of assets	807			-	5,248
Proceeds from long-term debt	-	-	-	-	-
Premium on bonds sold	-	-	-	1,939	-
Discount on sale of bonds	-	-	-	-	-
Proceeds from refunding debt	-	-	-	85,495	-
Payment of refunded of debt	-	-	-	(84,521)	-
Total other financing sources (uses)	807	7,225	860	2,913	6,810
Revenues and other sources over (under) expenditures and other uses	1,119	578	2,455	(9,665)	9,731
Fund balances, beginning of period	1,702	(34,099)	610	107,868	47,835
Correction of prior period error	-	-	-	-	-
Fund balances, beginning of period, as restated	1,702	(34,099)	610	107,868	47,835
Fund balances, end of period	$ 2,821	$ (33,521)	$ 3,065	$ 98,203	$ 57,566

Capital Projects Funds

Park Improvement	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	Totals
$ 9,522	$ -	$ -	$ -	$ **58,609**
865	-	-	-	**15,172**
-	117	6,094	-	**6,211**
-	-	-	-	**3,819**
236	107	1,833	97	**9,809**
-	-	-	-	**34,709**
269	-	-	-	**12,897**
269	-	-	-	**47,606**
-	-	3	-	**3,407**
10,892	224	7,930	97	**144,633**
-	-	30	-	**8,012**
-	-	-	-	**15**
-	-	-	-	**50**
346	-	6	-	**43,641**
-	-	-	-	**432**
15	-	-	-	**1,731**
-	5	2,854	-	**23,107**
361	5	2,890	-	**76,988**
-	-	-	-	**26,802**
-	-	625	-	**1,443**
-	-	-	-	**1,509**
-	-	4,102	218	**11,068**
3,199	-	437	-	**6,703**
2,120	-	-	1,020	**11,355**
4,280	-	-	1,101	**20,727**
2	-	-	-	**3,652**
6,402	-	-	2,121	**35,734**
9,962	5	8,054	2,339	**160,247**
930	219	(124)	(2,242)	**(15,614)**
-	-	-	2,121	**11,768**
-	-	-	-	**6,055**
-	-	-	-	**-**
-	-	-	1,391	**3,330**
-	-	-	-	**-**
-	-	-	20,265	**105,760**
-	-	-	(21,656)	**(106,177)**
-	-	-	2,121	**20,736**
930	219	(124)	(121)	**5,122**
1,980	2,077	26,405	3,393	**157,771**
-	-	13,256	-	**13,256**
1,980	2,077	39,661	3,393	**171,027**
$ 2,910	$ 2,296	$ 39,537	$ 3,272	$ **176,149**

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds - Tax Allocation Districts

Combining Balance Sheet
June 30, 2008
(In Thousands)

	Atlantic Station	Westside	Northwest Atlanta	Princeton Lake	Eastside
ASSETS					
Cash, Restricted	$ 469	$ 23,424	$ 4,054	$ 1,150	$ 11,568
Restricted investments	20,856	14,029	4,038	8,903	18,399
Total assets	$ 21,325	$ 37,453	$ 8,092	$ 10,053	$ 29,967
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 297	$ 4,077	$ 1	$ -
Due to other governments	-	-	-	-	4,634
Due to other funds	-	90	11	-	-
Total liabilities	-	387	4,088	1	4,634
Fund balances:					
Reserved for:					
Programs	-	-	-	-	-
Capital Projects	21,325	37,066	4,004	10,052	25,333
Total fund balances	21,325	37,066	4,004	10,052	25,333
Total liabilities and fund balances	$ 21,325	$ 37,453	$ 8,092	$ 10,053	$ 29,967

Hollowell/ M.L.King	Atlanta Beltline	Campellton Road	Metropolitan Parkway	Stadium Neighborhoods	**Total**
$ 103	$ 283	$ 76	$ 63	$ 19	$ 41,209
-	5,408	-	-	-	71,633
$ 103	$ 5,691	$ 76	$ 63	$ 19	$ 112,842
$ -	$ 5,529	$ -	$ -	$ -	$ 9,904
-	-	-	-	-	4,634
-	-	-	-	-	101
-	5,529	-	-	-	14,639
-	-	-	-	-	$ -
103	162	76	63	19	98,203
103	162	76	63	19	98,203
$ 103	$ 5,691	$ 76	$ 63	$ 19	$ 112,842

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds - Tax Allocation Districts

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2008
(In Thousands)

	Atlantic Station	Westside	NW Atlanta	Princeton Lake	Eastside
Revenues:					
Property taxes	$ 14,192	$ 12,087	$ 3,442	$ 1,707	$ 7,347
Investment income	910	1,659	238	656	1,001
Total revenues	15,102	13,746	3,680	2,363	8,348
Expenditures:					
Current:					
General government:					
General government:	268	15,182	4,079	6,610	4,901
Total general government	268	15,182	4,079	6,610	4,901
Debt service:					
Principal payments	4,285	2,345	-	105	-
Interest payments	8,326	2,699	-	1,155	2,643
Bond issuance costs	3,003	627	-	4	8
Total debt service	15,614	5,671	-	1,264	2,651
Total expenditures	15,882	20,853	4,079	7,874	7,552
Excess (Deficiency) of revenues over (under) expenditures	(780)	(7,107)	(399)	(5,511)	796
Other financing sources (uses):					
Premium on bonds sold	1,939	-			
Discount on sale of bonds	-	-	-	-	-
Proceeds from refunding debt	85,495	-	-	-	-
Payment of refunded of debt	(84,521)	-	-	-	-
Total other financing sources	2,913	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	2,133	(7,107)	(399)	(5,511)	796
Fund balances, beginning of period	19,192	44,173	4,403	15,563	24,537
Fund balances, end of period	$ 21,325	$ 37,066	$ 4,004	$ 10,052	$ 25,333

Hollowell/ M.L.King	Atlanta Beltline	Campellton Road	Metropolitan Parkway	Stadium Neighborhoods	**Total**
$ 111	$ 10,017	$ 84	$ 72	$ 28	**$ 49,087**
1	158	1	-	-	**4,624**
112	10,175	85	72	28	**53,711**
9	10,013	9	9	9	**41,089**
9	10,013	9	9	9	**41,089**
-	-	-	-	-	**6,735**
-	-	-	-	-	**14,823**
-	-	-	-	-	**3,642**
-	-	-	-	-	**25,200**
9	10,013	9	9	9	**66,289**
103	162	76	63	19	**(12,578)**
-	-	-	-	-	**1,939**
-	-	-	-	-	**-**
-	-	-	-	-	**85,495**
-	-	-	-	-	**(84,521)**
-	-	-	-	-	**2,913**
103	162	76	63	19	**(9,665)**
-	-	-	-	-	**107,868**
$ 103	$ 162	$ 76	$ 63	$ 19	**$ 98,203**

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2008
(In Thousands)

	Other Special Revenue Funds				
	Expendable Trust	Rental Housing Rehabilitation	Home Investment Partnership	Section 108 Loan Trust	**Total Other Special Revenue**
ASSETS					
Cash	$ 3,242	$ 3	$ 677	$ 5,293	$ 9,215
Investments in pooled investment fund	46,784	-	-	-	46,784
Investments	286	-	-	1,802	2,088
Receivables					
Taxes	-	-	-	-	-
Accounts	32	-	1,419	-	1,451
Other	-	-	-	-	-
Due from other governmental units and agencies	-	-	242	549	791
Due from other funds	-	-	351	-	351
Restricted investments	-	-	-	-	-
Investment in escrow	-	-	-	-	-
Total assets	$ 50,344	$ 3	$ 2,689	$ 7,644	$ 60,680
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,972	$ -	$ 33	$ -	$ 2,005
Accrued salaries, vacation, and compensatory pay	17	-	5	-	22
Contract retentions	-	-	-	7	7
Due to other governments	-	-	-	-	-
Due to other funds	5	-	1,005	70	1,080
Deferred revenues	-	-	-	-	-
Total liabilities	1,994	-	1,043	77	3,114
Fund balances:					
Reserved for:					
Encumbrances	1,643	-	2,707	2,772	7,122
Programs	46,707	3	(1,061)	4,795	50,444
Capital Projects	-	-	-	-	-
Unreserved	-	-	-	-	-
Total fund balances	48,350	3	1,646	7,567	57,566
Total liabilities and fund balances	$ 50,344	$ 3	$ 2,689	$ 7,644	$ 60,680

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2008
(In Thousands)

	Other Special Revenue Funds				
	Expendable Trust	Rental Housing Rehabilitation	Home Investment Partnership	Section 108 Loan Trust	**Total Other Special Revenue**
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Charges for current services	2,004	-	-	-	2,004
Charges for special assessments	-	-	-	-	-
Fines, forfeitures and penalties	3,819	-	-	-	3,819
Investment income	2,070	-	92	257	2,419
Intergovernmental revenues:				-	
U.S. Government grants	-	-	1,984	550	2,534
State and local governments	5,888	-	-	-	5,888
Total intergovernmental revenues	5,888	-	1,984	550	8,422
Other	1,800	-	-	-	1,800
Total revenues	15,581	-	2,076	807	18,464
Expenditures:					
Current:					
General government:					
Executive Offices	333	-	32	-	365
Personnel and human services	15	-	-	-	15
City Council	50	-	-	-	50
Nondepartmental	484	-	327	2	813
Courts and judicial agencies	25	-	-	-	25
Finance	-	-	115	-	115
Housing, planning and development	2,141	1	1,811	-	3,953
Total general government	3,048	1	2,285	2	5,336
Police	1,569	-	-	-	1,569
Fire	3	-	-	-	3
Corrections	1,235	-	-	-	1,235
Public Works	3,219	-	-	-	3,219
Parks, Recreation, and Cultural Affairs	2,446	-	-	-	2,446
Debt service:					
Principal payments	-	-	-	1,375	1,375
Interest payments	-	-	-	352	352
Bond issuance costs	-	-	-	8	8
Total debt service	-	-	-	1,735	1,735
Total expenditures	11,520	1	2,285	1,737	15,543
Excess (Deficiency) of revenues over (under) expenditures	4,061	(1)	(209)	(930)	2,921
Other financing sources (uses):					
Transfers in (out)	1,204	-	358	-	1,562
Proceeds from sale of assets	5,207		41	-	5,248
Total other financing sources (uses)	6,411	-	399	-	6,810
Revenues and other sources over (under) expenditures and other uses	10,472	(1)	190	(930)	9,731
Fund balances, beginning of period	37,878	4	1,456	8,497	47,835
Fund balances, end of period	$ 48,350	$ 3	$ 1,646	$ 7,567	$ 57,566

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Community Development Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. government grants	$ 21,147	$ 31,232	$ 8,576	$ (22,656)
Investment Income	63	63	162	99
Other income				
Total revenues	21,210	31,295	8,738	(22,557)
EXPENDITURES				
Current:				
General government:				
Executive offices	3,214	6,112	1,537	4,575
Finance	8,124	10,240	1,431	8,809
Planning and community development	7,676	10,622	2,864	7,758
Total general government	19,014	26,974	5,832	21,142
Public safety:				
Fire	37	37	-	37
Corrections	116	116	43	73
Total public safety	153	153	43	110
Public works	211	141	-	141
Parks, recreation, and cultural affairs	3,926	5,021	854	4,167
Department of watershed management	867	1,667	866	801
Debt Service:				-
Bond principal payments	-	-	105	(105)
Interest on Bonds	-	-	171	(171)
Total expenditures	24,171	33,956	7,871	26,085
Excess (deficiency) of revenues over (under) expenditures	(2,961)	(2,661)	867	$ 3,528
OTHER FINANCING SOURCES (USES):				
Proceeds from general long-term debt	288	288	807	519
Total other financial sources and uses	288	288	807	519
Excess of revenues and other sources over expenditures and other uses	(2,673)	(2,373)	1,674	$ 4,047
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	(555)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(2,673)	(2,373)	1,119	
Fund balance - beginning	(2,981)	(386)	1,702	
Fund balance - ending	$ (5,654)	$ (2,759)	$ 2,821	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Other Revenue				
Charges for Services	$ 28	$ 12,371	$ 10,941	$ (1,430)
Miscellaneous				
Investment income	-	42	42	-
Fines and Forfeits				-
Other Revenue	-	-	-	-
Total revenues	28	12,413	10,983	(1,430)
EXPENDITURES				
Current:				
Fire	-	244	244	-
Police Services	-	19,355	17,404	1,951
Bond interest payments	-	12	12	-
Total expenditures	-	19,611	17,660	1,951
Excess (deficiency) of revenues over (under) expenditures	28	(7,198)	(6,677)	$ 521
OTHER FINANCING SOURCES (USES):				
Proceeds from Bonds	-	-	-	-
Discount on bonds				-
Transfers in	-	7,224	7,225	(1)
Transfers out	-	-	-	-
	-	7,224	7,225	(1)
Excess (deficiency) of revenues over (under) expenditures	28	26	548	$ 520
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	30	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	28	26	578	
Fund balance - beginning	(3,684)	(6,517)	(34,099)	
Fund balance - ending	$ (3,656)	$ (6,491)	$ (33,521)	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Intergovernmental Grant Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. Government grants	$ 102,466	$ 123,816	$ 27,876	$ (95,940)
State of Georgia grants	13,346	18,856	6,822	(12,034)
Investment Income	36	60	258	198
Other income	946	2,164	2,101	(63)
Total revenues	116,794	144,896	37,057	(107,839)
EXPENDITURES				
Current:				
General government:				-
Executive offices	14,958	25,419	6,155	(19,264)
City Council	4	4	(4)	(8)
Courts and judicial agencies	373	705	415	(290)
Finance	881	1,160	312	(848)
Planning and community development	69,590	74,285	12,550	(61,735)
Total general government	85,806	101,573	19,428	(82,145)
Public safety:				
Police	9,474	17,917	8,055	(9,862)
Fire	570	2,547	571	(1,976)
Corrections	168	168	222	54
Total public safety	10,212	20,632	8,848	(11,784)
Public works	11,582	12,382	2,595	(9,787)
Parks, recreation, and cultural affairs	3,704	4,100	463	(3,637)
Department of watershed management	95	263	67	(196)
Total expenditures	111,399	138,950	31,401	(107,549)
				-
Excess (deficiency) of revenues over				-
(under) expenditures	5,395	5,946	5,656	$ (290)
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,395	5,946	5,656	$ (290)
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	5,395	5,946	5,656	
Fund balance - beginning	(33,370)	(132,629)	610	
Fund balance - ending	$ (27,975)	$ (126,683)	$ 6,266	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Atlantic Station TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	$ 831	$ 451	$ 14,192	$ 13,741
Miscellaneous				
Investment income	342	342	909	567
Other Revenue	-	-	-	-
Total revenues	1,173	793	15,101	14,308
EXPENDITURES				
Current:				
Fire	1,891	1,891	231	1,660
Finance	3,122	3,122	-	3,122
Nondepartmental	15,372	17,905	15,650	2,255
Debt Service:				
Bond principal payments	-	84,521	84,521	-
Total expenditures	20,385	107,439	100,402	7,037
Excess (deficiency) of revenues over (under) expenditures	(19,212)	(106,646)	(85,301)	$ 21,345
OTHER FINANCING SOURCES (USES):				
Proceeds from Bonds	-	85,495	85,495	-
Discount on bonds	-	1,939	1,939	-
	-	87,434	87,434	-
Excess (deficiency) of revenues over (under) expenditures	(19,212)	(19,212)	2,133	$ 21,345
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(19,212)	(19,212)	2,133	
Fund balance - beginning	(37,762)	130,894	19,192	
Fund balance - ending	$ (56,974)	$ 111,682	$ 21,325	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Westside TAD Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes				
Taxes, Current Property Increment	$ 1,486	$ 1,491	$ 12,087	$ 10,596
Miscellaneous				
Investment income	36	36	1,659	1,623
Total Revenues	1,522	1,527	13,746	12,219
EXPENDITURES				
Current:				
Public Works	-	1,389	377	1,012
City Council	-	1,000	400	600
Finance	13,528	15,912	8,258	7,654
Nondepartmental	14,973	12,589	5,909	6,680
Debt Service:				
Bond principal payments	-	2,345	2,345	-
Interest payments	-	2,699	2,699	-
Bond issuance costs	-	627	627	-
Total debt service	-	5,671	5,671	-
Total expenditures	28,501	36,561	20,615	15,946
Excess (deficiency) of revenues over (under) expenditures	(26,979)	(35,034)	(6,869)	$ 28,165
OTHER FINANCING SOURCES (USES):				
Proceeds from Bonds				
Transfer Out	-	-	-	-
Total other financial sources and uses	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(26,979)	(35,034)	(6,869)	28,165
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded	-	-	59	
To record effect of net change in unrecorded	-	-	(297)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(26,979)	(35,034)	(7,107)	
Fund balance - beginning	(75,721)	(238,853)	44,173	
Fund balance - ending	$ (102,700)	$ (273,887)	$ 37,066	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	NW Atlanta TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	$ -	$ 1	$ 3,442	$ 3,441
Miscellaneous				
Investment income	-	-	238	238
Total Revenues	-	1	3,680	3,679
EXPENDITURES				
Current:				
Nondepartmental	4,403	4,403	4,079	324
Total expenditures	4,403	4,403	4,079	324
Excess (deficiency) of revenues over (under) expenditures	(4,403)	(4,402)	(399)	$ 4,003
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(4,403)	(4,402)	(399)	
Fund balance - beginning	(1,786)	(1,798)	4,403	
Fund balance - ending	$ (6,189)	$ (6,200)	$ 4,004	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Princeton Lakes TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	$ 847	$ 848	$ 1,328	$ 480
Miscellaneous				
Investment income	-	-	656	656
Other Income	-	-	379	379
Total Revenues	847	848	2,363	1,515
EXPENDITURES				
Current:				
Finance	14,345	14,345	6,577	7,768
Nondepartmental	1,007	1,008	36	972
Debt Service:				-
Bond Interest payments	1,059	1,164	1,260	(96)
Total expenditures	16,411	16,517	7,873	8,644
Excess (deficiency) of revenues over under expenditures	(15,564)	(15,669)	(5,510)	$ 10,159
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	(1)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(15,564)	(15,669)	(5,511)	
Fund balance - beginning	(19,319)	(17,699)	15,563	
Fund balance - ending	$ (34,883)	$ (33,368)	$ 10,052	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year Ended June 30, 2008
(In Thousands)

	Eastside TAD Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes				
Taxes, Current Property Increment	$ 3,580	$ 3,581	$ 7,347	$ 3,766
Miscellaneous				
Investment income	-	-	1,001	1,001
Other Revenues	47,480	47,480	-	(47,480)
Total Revenues	51,060	51,061	8,348	(42,713)
EXPENDITURES				
Current:				
Finance	68,766	73,262	6,641	66,621
Nondepartmental	21	22	30	(8)
Debt Service:				-
Bond Interst payments	7,424	2,929	881	2,048
Total expenditures	76,211	76,213	7,552	68,661
Excess (deficiency) of revenues over under expenditures	(25,151)	(25,152)	796	$ 25,948
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(25,151)	(25,152)	796	
Fund balance - beginning	(58,359)	(46,225)	24,537	
Fund balance - ending	$ (83,510)	$ (71,377)	$ 25,333	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year Ended June 30, 2008
(In Thousands)

	Hollowell -MLK TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	$ -	$ 9	$ 111	$ 102
Miscellaneous				
Investment income	-	-	1	1
Other Revenues				-
Total Revenues	-	9	112	103
EXPENDITURES				
Current:				
Nondepartmental	-	9	9	-
Total expenditures	-	9	9	-
Excess (deficiency) of revenues over under expenditures	-	-	103	$ 103
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	-	-	103	
Fund balance - beginning				
Fund balance - ending	$ -	$ -	$ 103	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year Ended June 30, 2008
(In Thousands)

	Beltline TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	$ -	$ 8,969	$ 10,017	$ 1,048
Miscellaneous				
Investment income	-	-	158	158
Other Revenues				-
Total Revenues	-	8,969	10,175	1,206
EXPENDITURES				
Current:				
Finance	-	8,969	4,484	4,485
Nondepartmental	-	-	-	-
Debt Service:				-
Bond principal payments				-
Total expenditures	-	8,969	4,484	4,485
Excess (deficiency) of revenues over under expenditures	-	-	5,691	$ 5,691
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	(5,529)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	-	-	162	
Fund balance - beginning				
Fund balance - ending	$ -	$ -	$ 162	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year Ended June 30, 2008
(In Thousands)

	Campbellton Road TAD Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes				
Taxes, Current Property Increment	$ -	$ 19	$ 84	$ 65
Miscellaneous				
Investment income	-	-	1	1
Other Revenues				-
Total Revenues	-	19	85	66
EXPENDITURES				
Current:				
Nondepartmental	-	19	9	10
Total expenditures	-	19	9	10
Excess (deficiency) of revenues over under expenditures	-	-	76	$ 76
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	-	-	76	
Fund balance - beginning				
Fund balance - ending	$ -	$ -	$ 76	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year Ended June 30, 2008
(In Thousands)

	Metropolitan Parkway TAD Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes				
Taxes, Current Property Increment	$ -	$ 19	$ 72	$ 53
Miscellaneous				
Investment income	-	-	-	-
Other Revenues				
Total Revenues	-	19	72	53
EXPENDITURES				
Current:				
Nondepartmental	-	19	9	10
Total expenditures	-	19	9	10
Excess (deficiency) of revenues over under expenditures	-	-	63	$ 63
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	-	-	63	
Fund balance - beginning				
Fund balance - ending	$ -	$ -	$ 63	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year Ended June 30, 2008
(In Thousands)

	Stadium Neighborhoods TAD Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Taxes				
Taxes, Current Property Increment	$ -	$ 19	$ 28	$ 9
Miscellaneous				
Investment income	-	-	-	-
Other Revenues				-
Total Revenues	-	19	28	9
EXPENDITURES				
Current:				
Nondepartmental	-	19	9	10
Total expenditures	-	19	9	10
Excess (deficiency) of revenues over under expenditures	-	-	19	$ 19
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	-	-	19	
Fund balance - beginning				
Fund balance - ending	$ -	$ -	$ 19	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Expendable Trust Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Intergovernmental revenues-				
State of Georgia grants	$ 61	$ 600	$ 401	$ (199)
Other income				-
Interest Income	1	24	2,071	2,047
Fine and Forfeiture	1,694	2,057	5,014	2,957
Other Revenue	3,149	12,318	15,095	2,777
Total revenues	4,905	14,999	22,581	7,582
EXPENDITURES				
Current:				
General government:				
Executive offices	667	913	258	655
Personnel and human resources	97	113	15	98
City council	54	107	50	57
Courts and judicial agencies	841	1,094	25	1,069
Finance	143	143	-	143
Planning and community development	9,424	13,079	2,146	10,933
Procurement	4	4	3	1
Total general government	11,230	15,453	2,497	12,956
Public safety:				
Police	6,608	6,586	1,568	5,018
Fire	53	198	3	195
Corrections	5,871	6,728	1,235	5,493
Total public safety	12,532	13,512	2,806	10,706
Public works	6,060	6,292	1,156	5,136
Parks, recreation, and cultural affairs	7,171	11,689	2,594	9,095
Department of watershed management	2,627	2,767	2,785	(18)
Nondepartmental expenditures	4,300	4,300	187	4,113
Total expenditures	43,920	54,013	12,025	41,988
Excess (deficiency) of revenues over (under) expenditures	(39,015)	(39,014)	10,556	$ 49,570
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	32	
To record effect of net change in unrecorded liabilities	-	-	(116)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(39,015)	(39,014)	10,472	
Fund balance - beginning	(43,670)	378	37,878	
Fund balance - ending	$ (82,686)	$ (38,636)	$ 48,350	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Rental Rehabilitaion Trust Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Interest Income	$ -	$ -	$ (1)	$ (1)
Total revenues	-	-	(1)	(1)
EXPENDITURES				
Planning and community development	5	5	-	5
Procurement				-
Law				-
Total general government	5	5	-	5
Total expenditures	5	5	-	5
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	(1)	$ 4
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-		
To record effect of net change in unrecorded liabilities	-	-		
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(5)	(5)	(1)	
Fund balance - beginning	(553)	5	4	
Fund balance - ending	$ (558)	$ (0)	$ 3	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Home Investment Trust Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Intergovernmental revenues-				
U.S. Government grants	$ 16,686	$ 19,416	$ 1,701	$ (17,715)
State of Georgia grants	-	-	-	-
Other income				-
Interest Income	31	(62)	92	154
Other Revenue	-	-	-	-
Total revenues	16,717	19,354	1,793	(17,561)
EXPENDITURES				
Current:				
General government:				
Executive offices	470	1,835	147	1,688
Finance	2,490	2,895	143	2,752
Planning and community development	14,854	16,513	1,711	14,802
Total general government	17,814	21,243	2,001	19,242
Nondepartmental expenditures	-	-	1	(1)
Total expenditures	17,814	21,243	2,002	19,241
Excess (deficiency) of revenues over (under) expenditures	(1,097)	(1,889)	(209)	$ 1,680
Other Financing Sources				
Proceeds from general long-term debt	-	-	41	(41)
Transfer in	-	494	358	136
Total other financial sources and uses	-	494	399	95
Excess (deficiency) of revenues over (under) expenditures	(1,097)	(1,395)	190	$ 1,775
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	-	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(1,097)	(1,395)	190	
Fund balance - beginning	(1,658)	14	1,456	
Fund balance - ending	$ (2,755)	$ (1,381)	$ 1,646	

CITY OF ATLANTA, GEORGIA

Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Section 108 Loan Trust Fund			
	Original Budgeted Amounts	**Final Budgeted Amounts**	**Actual Amounts**	**Variance with Final Budget**
REVENUES				
Intergovernmental revenues-				
U.S. Government grants	$ 162	$ 162	$ 550	$ 388
Other income				
Interest Income	95	140	257	117
Other Revenue	-	-	-	-
Total revenues	257	302	807	505
EXPENDITURES				
Current:				
Finance	4,543	4,543	-	4,543
Planning and community development	3,292	3,292	8	3,284
Total general government	7,835	7,835	8	7,827
Public works	588	588	-	588
Parks, recreation, and cultural affairs	37	37	-	37
Department of watershed management	37	37	-	37
Department of Administration				-
Nondepartmental expenditures	245	290	-	290
Debt service fund:				
Bond Principal Payment	-	-	1,375	(1,375)
Interest on Bond	-	-	352	(352)
Total Debt Service	-	-	1,727	(1,727)
Total expenditures	8,742	8,787	1,735	7,052
Excess (deficiency) of revenues over (under) expenditures	(8,485)	(8,485)	(928)	$ 7,557
Reconciliation to GAAP basis:				
To record effect of net change in unrecorded assets	-	-	-	
To record effect of net change in unrecorded liabilities	-	-	(2)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(8,485)	(8,485)	(930)	
Fund balance - beginning	(9,398)	82	8,497	
Fund balance - ending	$ (17,883)	$ (8,403)	$ 7,567	

CITY OF ATLANTA, GEORGIA

Debt Service Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008
(In Thousands)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Property taxes	$ -	$ 30,553	$ 30,553	$ -
Miscellaneous Expenses				
Investment income	-	1,978	1,978	-
Total revenues	-	32,531	32,531	-
EXPENDITURES				
Current:				
Nondepartmental	36,450	68,981	29,120	39,861
Total expenditures	36,450	68,981	29,120	39,861
Excess of revenues and other sources over (under) expenditures and other uses	(36,450)	(36,450)	3,411	$ 39,861
Reconciliation to GAAP basis:				
To record effect of net changes in unrecorded assets	-	-	2,497	
To record effect of net changes in unrecorded liabilities	-	-	(591)	
Excess (deficiency) of revenues over (under) expenditures - GAAP basis	(36,450)	(36,450)	5,317	
Fund balance - beginning	(11)	-	40,162	
Fund balance - ending	$ (36,461)	$ (36,450)	$ 45,479	

THIS PAGE IS INTENTIONALLY LEFT BLANK

Nonmajor Proprietary Funds

Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for good or services.

Operations of enterprise funds are designed to be self-supporting. The Department of Watershed Management, Department of Aviation, Sanitation Services, Parks and Recreation Facilities Underground Atlanta Project and Civic Center are accounted for as enterprise funds. The latter four were determined to be nonmajor proprietary funds and are presented herein.

Sanitation Fund – Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

Parks and Recreation Facilities Fund - Established to account for the financial activities of the Cyclorama.

Underground Atlanta – Established to account for the City's portion of a major public/private downtown economic development project paid for by public funds, and expenses associated with project.

Civic Center- Established to account for the fiscal activities of the Boisfeuillet Jones Atlanta Civic Center.

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Net Assets
June 30, 2008
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Civic Center	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	$ -	$ 2	$ -	$ -	**$ 2**
Investments in Pooled Investment Fund	-	-	-	322	**322**
Receivables:					
Accounts	38,178	-	5	-	**38,183**
Less allowance for doubtful accounts	(12,319)	-	-	-	**(12,319)**
Total receivables	25,859	-	5	-	**25,864**
Due from other funds	10	-	-	-	**10**
Total current assets	25,869	2	5	322	**26,198**
Property and equipment - at cost:					
Land	-	-	21,621	-	**21,621**
Construction-in-progress	-	-	-	49	**49**
Land improvements	1,327	-	-	5,366	**6,693**
Buildings and other structures	2,184	1,024	57,821	4,357	**65,386**
Other property and equipment	22,160	139	12,670	547	**35,516**
Less accumulated depreciation	(20,445)	(849)	(60,401)	(8,099)	**(89,794)**
Property and equipment, net	5,226	314	31,711	2,220	**39,471**
Other assets	-	28	8,251	-	**8,279**
Total assets	$ 31,095	$ 344	$ 39,967	$ 2,542	**$ 73,948**
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	$ 1,329	$ 45	$ 241	$ 44	**$ 1,659**
Accrued salaries and vacation,	766	69	-	111	**946**
Current maturities of long-term debt	-	-	4,710	-	**4,710**
Current portion of other long-term liabilities	3,056	-	-	-	**3,056**
Due to other funds	46,866	24	457	173	**47,520**
Total current liabilities	52,017	138	5,408	328	**57,891**
Long-term liabilities :					
Long-term debt, excluding current maturities shown above	-	-	47,900	-	**47,900**
Accrued workers' compensation	6,837	-	-	-	**6,837**
Landfill postclosure costs	26,810	-	-	-	**26,810**
Total long-term liabilities	33,647	-	47,900	-	**81,547**
Total liabilities	85,664	138	53,308	328	**139,438**
Net Assets:					
Investment in capital assets, net of related debt	5,226	314	(16,189)	2,220	**(8,429)**
Unreserved (deficit)	(59,795)	(108)	2,848	(6)	**(57,061)**
Total net assets (deficit)	(54,569)	206	(13,341)	2,214	**(65,490)**
Total liabilities and net assets	$ 31,095	$ 344	$ 39,967	$ 2,542	**$ 73,948**

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2008
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Civic Center	**Total**
Operating revenues:					
Charges for services	$ 49,688	$ 384	$ -	$ 266	**$ 50,338**
Rentals, admissions, and concessions	80	125	2,563	1,231	**3,999**
Total operating revenues	49,768	509	2,563	1,497	**54,337**
Operating expenses:					
Salaries and employee benefits	21,258	518	-	957	**22,733**
Utilities	105	45	57	422	**629**
Materials and supplies	363	16	-	64	**443**
Repairs, maintenance, and other contractual services	77	27	1,100	140	**1,344**
Motor equipment service	8,503	1	-	39	**8,543**
Engineering and consultant fees	7,292	124	1,404	5	**8,825**
General services	8,485	58	19	250	**8,812**
Program services and other	-	74	7	3	**84**
Total operating expenses	46,083	863	2,587	1,880	**51,413**
Operating income (loss) before depreciation/amortization	3,685	(354)	(24)	(383)	**2,924**
Depreciation and amortization	1,496	23	4,543	680	**6,742**
Operating income (loss)	2,189	(377)	(4,567)	(1,063)	**(3,818)**
Nonoperating revenues (expenses):					
Interest expense	(91)	(13)	(3,405)	(22)	**(3,531)**
Investment income (loss)	-	29	1	12	**42**
Total nonoperating revenues (expenses)	(91)	16	(3,404)	(10)	**(3,489)**
Income (loss) before transfers	2,098	(361)	(7,971)	(1,073)	**(7,307)**
Transfers in/(out)	-	-	7,489	-	**7,489**
Net income (loss)	2,098	(361)	(482)	(1,073)	**182**
Beginning of the period	(67,191)	3,977	(12,859)	2,208	**(73,865)**
Correction of prior year error	10,524	(3,410)	-	1,079	**8,193**
Beginning of year, as restated	(56,667)	567	(12,859)	3,287	**(65,672)**
Net assets (deficit), end of period	$ (54,569)	$ 206	$ (13,341)	$ 2,214	**$ (65,490)**

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2008
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Civic Center	**Total**
Cash flow from operating activities					
Cash received from user charges	$ 47,450	$ 521	$ 3,015	$ 1,657	**$ 52,643**
Cash payments to employees for services	(23,072)	(468)	-	(902)	**(24,442)**
Cash payments to suppliers for goods and services	(22,420)	(304)	(2,654)	(907)	**(26,285)**
Net cash provided by (used in) operating activities	1,958	(251)	361	(152)	**1,916**
Cash flows from noncapital financing activities					
Transfers in (out)	-	-	7,489	-	**7,489**
Net cash provided by (used in) noncapital financing activities	-	-	7,489	-	**7,489**
Cash flows from capital and related financing activities					
Payments on landfill postclosure costs	(1,792)	-	-	-	**(1,792)**
Principal paid on bonds	-	-	(4,445)	-	**(4,445)**
Interest paid on bonds	(91)	(13)	(3,405)	(22)	**(3,531)**
Acquisition of capital assets	(75)	(25)	(1)	(252)	**(353)**
Net cash provided by (used in) capital and related financing activities	(1,958)	(38)	(7,851)	(274)	**(10,121)**
Cash flows from investing activities					
Net change in investment in pooled funds	-	260	-	414	**674**
Interest on investments	-	29	1	12	**42**
Net cash provided by (used in) investing activities	-	289	1	426	**716**
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents, beginning of period	-	2	-	-	**2**
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ -	$ 2	$ -	$ -	**$ 2**
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 2,189	$ (377)	$ (4,567)	$ (1,063)	**$ (3,818)**
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and depreciation	1,496	23	4,543	680	**6,742**
Increase (decrease) in receivables	(2,313)	34	9	12	**(2,258)**
Increase (decrease) in other assets	(5)	(28)	-	-	**(33)**
Increase (decrease) in accounts payable	207	35	(81)	4	**165**
Increase (decrease) in other liabilities	(1,814)	50	-	55	**(1,709)**
Increase (decrease) in due to other funds	2,198	12	457	160	**2,827**
Net cash provided by (used in) operating activities	$ 1,958	$ (251)	$ 361	$ (152)	**$ 1,916**

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

PENSION TRUST FUNDS

General Employee's Defined Benefits Pension Fund – To account for the operations of the defined benefits pension plan covering general officers and employees of the City.

General Employees' Defined Contribution Pension Fund – To account for the operation of the defined contribution pension plan covering general officers and employees of the City.

Firefighter's Pension Fund – To account for the operations of the defined benefit pension plan covering fire fighting employees of the City.

Police Officer's Pension Fund – To account for the operations of the defined benefit pension plan covering sworn police employees of the City.

AGENCY FUNDS

Agency Fund – To account for various taxes, bond deposits and other receipts held in escrow for individuals, outside organizations, other governments or other funds.

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Plan Net Assets
June 30, 2008
(In Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	**Totals**
ASSETS					
Current assets:					
Cash and cash equivalents	$ 31,650	$ -	$ 50,451	$ 83,912	**$ 166,013**
Investments:					
Equities	413,741	34,396	242,377	248,650	**939,164**
U. S. governemnt and agency obligations	257,144	-	80,913	108,432	**446,489**
Corporate bonds	125,349	-	50,869	43,767	**219,985**
Other	9,359	-	14,527	119,884	**143,770**
Total Investments	805,593	34,396	388,686	520,733	**1,749,408**
Securities lending collateral investment pool	137,012	-	98,060	66,750	**301,822**
Due from brokers for securities sold	3,449	-	5,602	2,567	**11,618**
Other receivables	9,160	-	8,951	10,969	**29,080**
Due from other funds	5,182	-	3,947	10,440	**19,569**
Total assets	$ 992,046	$ 34,396	$ 555,697	$ 695,371	**$ 2,277,510**
LIABILITIES AND NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Current liabilities:					
Accounts payable	$ 4,839	$ -	$ 4,767	$ 7,021	**$ 16,627**
Due to brokers for securities purchased	5,206	-	28,793	4,547	**38,546**
Due to other funds	16,423	638	6,061	-	**23,122**
Liability for securities lending agreement	137,012	-	98,060	66,750	**301,822**
Total current liabilities	163,480	638	137,681	78,318	**380,117**
Net Assets Held in Trust for Pension Benefits:	$ 828,566	$ 33,758	$ 418,016	$ 617,053	**$ 1,897,393**

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Changes in Plan Net Assets
For the Year Ended June 30, 2008
(In Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	**Totals**
Additions:					
Employer contributions	$ 70,335	$ 4,654	$ 26,373	$ 45,730	**$ 147,092**
Employee contributions	12,004	4,637	3,385	5,445	**25,471**
Refunds and other	995	-	-	-	**995**
Investment income:					
Net depreciation in fair value of investments	(57,629)	(1,412)	(28,336)	(38,437)	**(125,814)**
Investment income	26,484	654	11,988	15,003	**54,129**
Securities lending income	494	-	477	306	**1,277**
Less: Investment expenses	(2,308)	-	(3,149)	(2,548)	**(8,005)**
Net investment income	(32,959)	(758)	(19,020)	(25,676)	**(78,413)**
Total additions	50,375	8,533	10,738	25,499	**95,145**
Deductions:					
Benefit payments	77,314	3,252	28,582	37,102	**146,250**
Refunds	1	-	-	-	**1**
Adminstrative expenses	109	9,088	636	565	**10,398**
Total deductions	77,424	12,340	29,218	37,667	**156,649**
Net increase in net assets held in trust for pension benefits	(27,049)	(3,807)	(18,480)	(12,168)	**(61,504)**
Net assets held in trust for pension benefits:					
Beginning of period	830,265	37,565	436,496	629,221	**1,933,547**
Correction of prior period error	25,350	-	-	-	**25,350**
Beginning of period, as restated	855,615	37,565	436,496	629,221	**1,958,897**
End of period	$ 828,566	$ 33,758	$ 418,016	$ 617,053	$ 1,897,393

CITY OF ATLANTA, GEORGIA
Agency Fund

Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2008

(In Thousands)

ASSETS

	Balance, Beginning of Period	Additions	Deductions	Balance, End of Period
Assets:				
Cash and cash equivalents	$ 201	$ 26	$ (30)	**$ 197**
Investments in pooled investment fund	46,914	30,857	(42,907)	**34,864**
Investments:				
Equities	571	7	-	**578**
Total Investments	571	7	-	**578**
Total Assets	$ 47,686	$ 30,890	$ (42,937)	**$ 35,639**

LIABILITIES

Liabilities:				
Accounts payable	$ 47,686	$ 30,890	$ (42,937)	**$ 35,639**
Total Liabilities	$ 47,686	$ 30,890	$ (42,937)	**$ 35,639**

THIS PAGE IS INTENTIONALLY LEFT BLANK

Statistical Section

(Unaudited)

Cash Basis
(unless otherwise noted)

The financial information presented provides detailed data on the financial, economic, and physical characteristics of the City. These tables cover multiple fiscal years and provide financial report users with a broader and more complete understanding of the City and its financial affairs.

City of Atlanta, Georgia
Statistical Section

Contents

Financial Trends (Schedule 1 through 5)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Schedule 6 through 12)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Schedule 13 through 17)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Schedule 18 through 19)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Schedule 20 through 22)

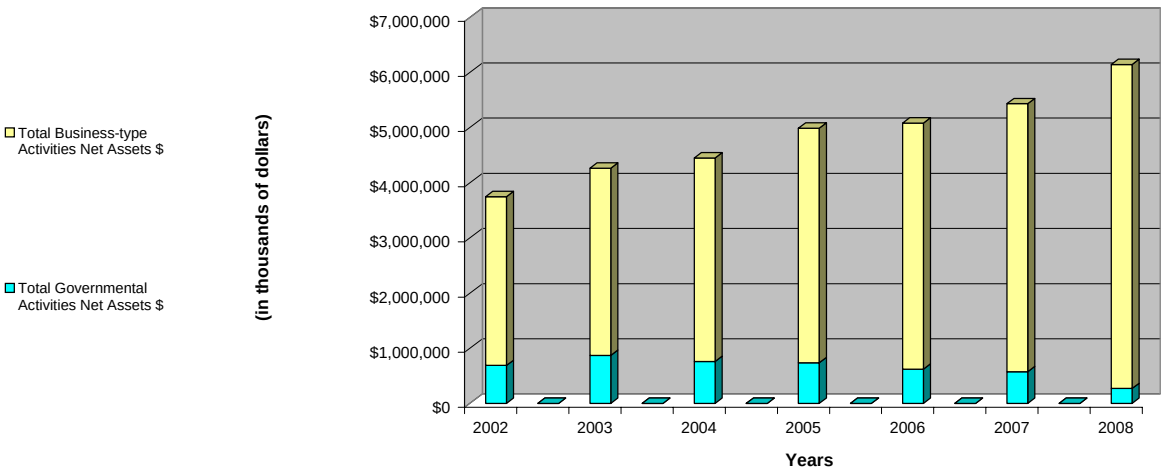
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

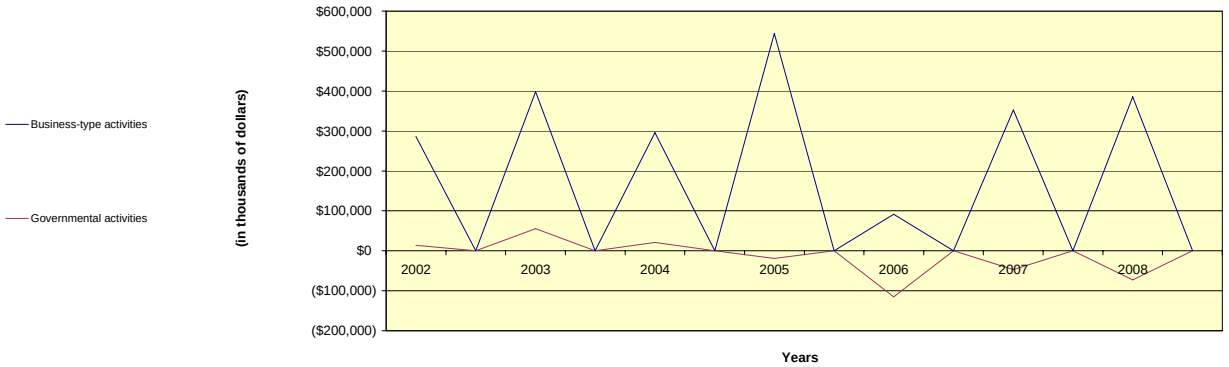
Schedule 1
Net Assets by Component
Last Seven Periods
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Period						
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Governmental Activities							
Invested in capital assets, net of related debt	$ 521,789	$ 712,791	$ 541,003	$ 543,166	$ 482,373	$ 488,569	$ 237,415
Restricted for							
Debt service	21,863	27,470	37,556	39,818	36,532	40,162	45,479
Programs	122,999	74,521	69,511	207,039	173,138	113,914	87,259
Capital projects	104,291	97,799	139,431	104,529	127,021	137,651	219,921
Unrestricted	(84,288)	(41,942)	(26,666)	(159,662)	(199,434)	(207,696)	(320,542)
Total Governmental Activities Net Assets	$ 686,654	$ 870,639	$ 760,835	$ 734,890	$ 619,630	$ 572,600	$ 269,532
Business-type Activities							
Invested in capital assets, net of related debt	$ 1,900,982	$ 2,638,247	$ 2,826,354	$ 3,237,337	$ 3,177,702	$ 3,466,892	$ 4,484,709
Restricted							
Debt service	4,549	(8,041)	528,879	76,817	104,864	40,253	114,869
Programs	-	-	-	-	-	-	-
Capital projects	700,154	429,754	-	565,012	565,012	565,012	383,694
Unrestricted	453,896	333,029	329,966	373,465	612,037	787,003	888,594
Total Business-type Activities Net Assets	$ 3,059,581	$ 3,392,989	$ 3,685,199	$ 4,252,631	$ 4,459,615	$ 4,859,160	$ 5,871,866
Primary Government							
Invested in capital assets, net of related debt	$ 2,422,771	$ 3,351,038	$ 3,367,357	$ 3,780,503	$ 3,660,075	$ 3,955,461	$ 4,722,124
Restricted							
Debt service	26,412	19,429	566,435	116,635	141,396	80,415	160,348
Programs	122,999	74,521	69,511	207,039	173,138	113,914	87,259
Capital projects	804,445	527,553	139,431	669,541	692,033	702,663	603,615
Unrestricted	369,608	291,087	303,300	213,803	412,603	579,307	568,052
Total Primary Government Activities Net Assets	$ 3,746,235	$ 4,263,628	$ 4,446,034	$ 4,987,521	$ 5,079,245	$ 5,431,760	$ 6,141,398



Schedule 2
Changes in Net Assets
Last Seven Fiscal Periods
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal						
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
EXPENSES							
Governmental Activities							
General government	$ 189,386	$ 169,284	$ 167,074	$ 207,529	$ 113,068	$ 264,221	$ 234,198
Police	140,204	133,349	134,950	150,007	97,514	222,490	219,614
Fire	65,275	66,354	63,714	69,425	35,715	86,775	94,871
Corrections	37,627	32,245	35,107	39,028	20,921	45,178	50,714
Public works	65,136	63,336	68,675	81,954	45,231	47,707	79,823
Parks, recreation and cultural affairs	31,527	30,062	32,739	37,611	10,768	20,387	48,626
Interest on long-term debt	25,602	22,709	22,101	33,429	19,546	40,949	43,734
Total Governmental Activities Expenses	**554,757**	**517,339**	**524,360**	**618,983**	**342,763**	**727,707**	**771,580**
Business-type Activities							
Watershed Management	233,704	233,542	228,554	232,514	140,848	334,755	326,279
Aviation	233,459	240,687	303,703	230,933	126,399	315,104	386,316
Other	52,080	55,478	60,828	60,064	31,500	62,898	62,630
Total Business-type Activities Expenses	**519,243**	**529,707**	**593,085**	**523,511**	**298,747**	**712,757**	**775,225**
Total Primary Government Expenses	$ **1,074,000**	$ **1,047,046**	$ **1,117,445**	$ **1,142,494**	$ **641,510**	$ **1,440,464**	$ **1,546,805**
Program Revenues							
Governmental activities							
Charges for services							
General government	$ 36,528	$ 38,326	$ 77,014	$ 77,279	$ 72,668	$ 85,490	$ 93,169
Public safety	20,823	21,850	27,619	32,311	1,747	36,849	31,989
Public works	4,203	4,410	3,876	5,084	2,857	9,907	5,090
Parks recreation and cultural affairs	1,500	1,574	1,622	2,431	568	1,787	1,667
Operating grants and contributions	55,071	30,933	48,194	51,365	21,182	48,620	49,832
Total Governmental Activities Program Revenues	**118,125**	**97,093**	**158,325**	**168,470**	**99,022**	**182,653**	**181,747**
Business-type Activities							
Charges for services							
Watershed Management	202,729	206,343	252,007	242,573	113,377	302,273	319,087
Aviation	244,997	247,845	273,575	289,478	147,221	330,228	386,206
Other	54,270	41,250	51,756	53,736	3,519	53,050	54,337
Capital grants and contributions	197,531	283,779	229,610	254,797	141,741	259,916	250,113
Total Business-type Activities Revenues	**699,527**	**779,217**	**806,948**	**840,584**	**405,858**	**945,467**	**1,009,743**
Primary Government Revenues	817,652	876,310	965,273	1,009,054	504,880	1,128,120	1,191,490
Net (expense) revenue							
Governmental activities	(436,632)	(420,246)	(366,035)	(450,513)	(243,741)	(545,054)	(589,833)
Business-type activities	180,284	249,510	213,863	317,073	107,111	232,710	234,518
Total Primary Government Net Expense	$ **(256,348)**	$ **(170,736)**	$ **(152,172)**	$ **(133,440)**	$ **(136,630)**	$ **(312,344)**	$ **(355,315)**
GENERAL REVENUES and OTHER CHANGES in NET ASSETS							
Governmental Activities							
Taxes							
Property taxes levied for general purposes	$ 183,604	$ 194,935	$ 198,875	$ 127,738	$ 8,739	$ 125,999	$ 141,913
Property taxes levied for debt service	-	-	-	54,278	1,522	61,736	89,628
Local option sales tax	94,773	101,218	83,518	90,488	50,460	111,978	104,101
Public utilities franchise taxes	47,300	42,350	46,809	37,534	8,488	39,364	16,230
Business taxes	106,656	113,092	38,262	79,571	38,234	97,662	126,005
Federal and state aid not restricted for specific purposes		537	542	4,723	334	4,229	4,461
Investment income	10,348	7,904	5,022	13,171	9,312	23,920	18,302
Gain on Sale of Assets	-	-	-	-	-	-	5,764
Other	14,106	22,330	9,657	21,814	11,398	26,822	8,710
Transfers	(6,682)	(7,023)	4,208	2,349	(5)	6,314	2,311
Total Governmental Activities	$ **450,105**	$ **475,343**	$ **386,893**	$ **431,666**	$ **128,482**	$ **498,024**	$ **517,425**
Business-Type Activities							
Property taxes levied for debt service	-	-	20,449	-	-	-	
Local option sales tax	-	-	-	102,171	59,035	120,954	127,470
Investment income	85,392	86,905	44,452	145,900	40,831	91,596	96,244
Other	-	-	-	-	-	(39,401)	1,474
Transfers	6,682	7,023	(4,208)	(2,349)	5	(6,314)	(2,311)
Total Business-type Activities	**92,074**	**93,928**	**60,693**	**245,722**	**99,871**	**166,835**	**222,877**
Total Primary Government	$ **542,179**	$ **569,271**	$ **447,586**	$ **677,388**	$ **228,353**	$ **664,859**	$ **740,302**
Change in Net Assets							
Governmental activities	13,473	55,097	20,858	(18,847)	(115,259)	(47,030)	(72,408)
Business-type activities	272,358	343,438	274,556	562,795	206,982	399,545	457,395
Total Primary Government	$ **285,831**	$ **398,535**	$ **295,414**	$ **543,948**	$ **91,723**	$ **352,515**	$ **384,987**

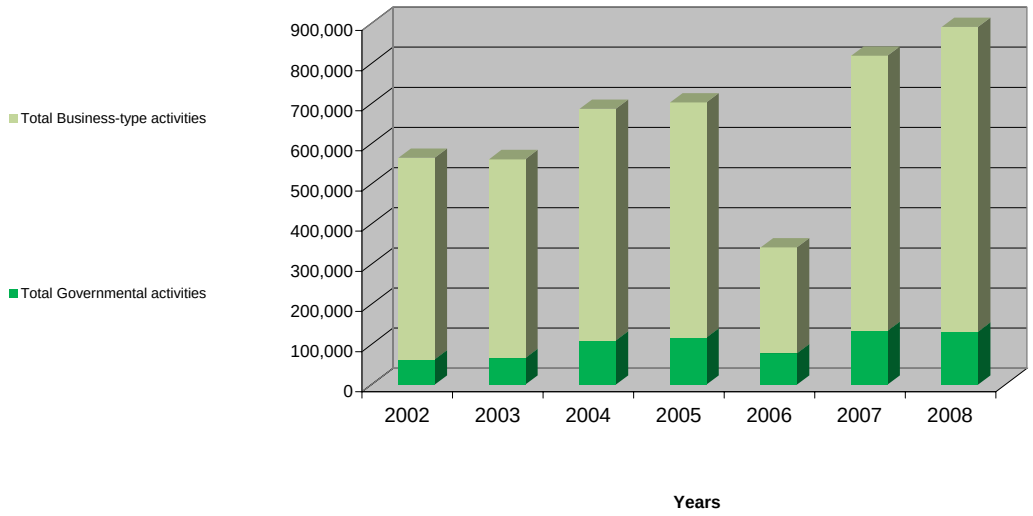


Schedule 3
Program Revenues by Function/Program
Last Seven Fiscal Periods
(accrual basis of accounting)

	Program Revenues						
	2002	2003	2004	2005	2006	2007	2008
Function/Program							
Primary Government							
Governmental activities:							
Charges for Services							
General government	$ 36,528	$ 38,326	$ 77,014	$ 77,279	$ 72,668	$ 85,490	$ 93,169
Police	14,920	15,655	19,135	22,417	1,374	19,103	15,258
Fire	43	46	416	346	1	316	258
Corrections	5,860	6,149	8,068	9,548	372	17,430	16,473
Public works	4,203	4,410	3,876	5,084	2,857	9,907	5,090
Parks, Recreation,and Cultural Affairs	1,501	1,574	1,622	2,431	568	1,787	1,667
Total Governmental activities	**$ 63,055**	**$ 66,160**	**$ 110,131**	**$ 117,105**	**$ 77,840**	**$ 134,033**	**$ 131,915**
Operating Grants	**$ 55,071**	**$ 30,933**	**$ 48,194**	**$ 51,365**	**$ 21,182**	**$ 48,620**	**$ 49,832**
Business-type activities:							
Charges for Services							
Watershed Management	202,729	$ 206,343	$ 252,007	$ 242,573	$ 113,377	$ 302,273	$ 319,087
Aviation	244,997	247,845	273,575	289,478	147,221	330,228	386,206
Other**	54,270	41,250	-	-	-	-	-
Sanitation**	-	-	47,219	49,351	663	47,951	49,768
Parks and Recreational Facilities**	-	-	539	564	386	522	509
Underground Atlanta**	-	-	2,651	2,414	1,507	2,509	2,563
Civic Center**	-	-	1,347	1,407	963	2,068	1,497
Total Business-type activities	**$ 501,996**	**$ 495,438**	**$ 577,338**	**$ 585,787**	**$ 264,117**	**$ 685,551**	**$ 759,630**
Total Primary Government	**$ 620,122**	**$ 592,531**	**$ 735,663**	**$ 754,257**	**$ 363,139**	**$ 868,204**	**$ 941,377**

Notes: * The City changed its year-end from 12/31 to 06/30, therefore 2006 revenue shown is for 6 months only

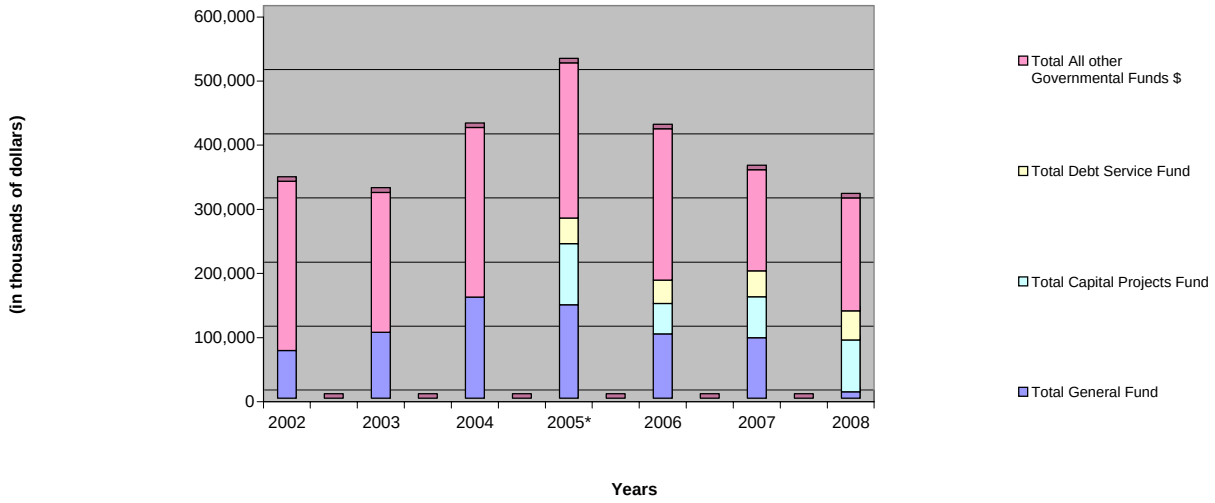
**Prior to 2004, non-major Business-type activities were classified as "Other".



Schedule 4
Fund Balances, Governmental Funds
Last Seven Fiscal Periods
(modified accrual basis of accounting)
(amounts expressed in thousands)

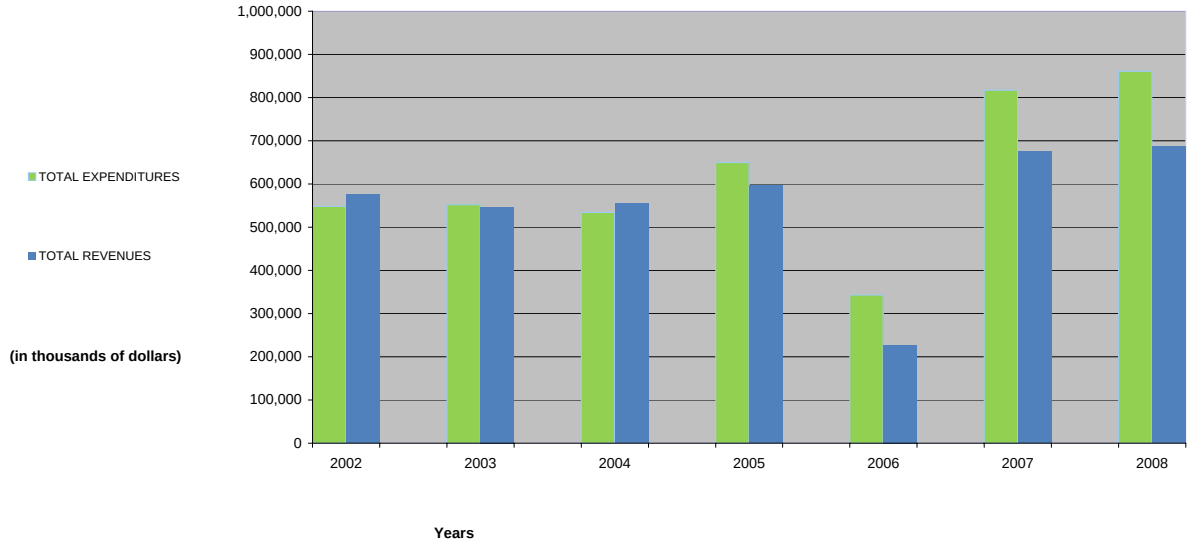
	Fiscal Period						
	2002	**2003**	**2004**	**2005***	**2006**	**2007**	**2008**
General Fund							
Reserved	$ 24,002	$ 6,433	$ 6,353	$ 5,783	$ 7,602	$ 2,614	$ 4,367
Unreserved	50,380	96,504	151,349	140,193	92,947	91,808	5,763
Total General Fund	**74,382**	**102,937**	**157,702**	**145,976**	**100,549**	**94,422**	**10,130**
Capital Projects Fund							
Reserved	$ -	$ -	$ -	$ 95,129	$ 47,397	$ 64,163	$ 73,703
Unreserved	-	-	-	-	-	-	6,936
Total Capital Projects Fund	**-**	**-**	**-**	**95,129**	**47,397**	64,163	80,639
Debt Service Fund							
Reserved	$ -	$ -	$ -	$ 39,818	$ 36,532	$ 40,162	$ 45,479
Total Debt Service Fund	**-**	**-**	**-**	**39,818**	**36,532**	**40,162**	**45,479**
All Other Governmental Funds							
Reserved	263,874	218,285	285,892	251,298	245,160	177,862	233,477
Unreserved, reported in							
Special revenue funds	-	-	(21,416)	(9,240)	(9,240)	(20,091)	(57,328)
Total All other Governmental Funds	**$ 263,874**	**$ 218,285**	**$ 264,476**	**$ 242,058**	**$ 235,920**	**$ 157,771**	**$ 176,149**

* Prior to 2005, the General Fund was considered the only major governmental fund. The capital projects fund and the debt service fund were included in all other governmental funds.



Schedule 5
Changes in Fund Balances, Governmental Funds
Last Seven Fiscal Periods
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Period						
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
REVENUES							
Property taxes	$ 182,035	$ 193,244	$ 192,927	$ 179,685	$ 10,261	$ 195,048	$ 227,563
Local option sales taxes	94,773	94,374	83,518	90,488	50,460	111,978	104,101
Public utility, alcoholic beverages and other taxes	113,625	100,347	106,449	122,015	8,488	137,922	142,235
Licenses and permits	52,403	50,516	54,327	58,285	38,234	76,915	69,127
Charges for current services	24,060	23,951	24,761	21,576	65,235	23,482	27,729
Fines, forfeitures and penalties	20,390	19,908	18,504	17,895	6,727	14,710	18,323
Investment income	10,301	7,917	4,934	12,926	9,312	23,468	18,182
Intergovernmental revenues and contributions							
Federal revenues	39,201	23,067	31,659	30,480	334	28,784	34,709
State and local grants and contributions	16,408	4,181	16,991	20,500	21,182	24,065	17,358
Other	-	-	542	4,723	-	-	-
Building rentals and contributions	8,552	6,981	10,394	11,339	5,877	18,926	18,962
Other	14,106	22,330	9,657	26,584	11,398	19,844	8,710
TOTAL REVENUES	**575,854**	**546,816**	**554,663**	**596,496**	**227,508**	**675,142**	**686,999**
EXPENDITURES							
Current							
General government	175,110	163,041	173,027	231,207	113,068	290,882	285,698
Police	123,021	124,811	142,958	149,450	97,514	225,815	230,571
Fire	54,677	61,473	61,011	67,486	35,715	83,506	87,559
Corrections	34,591	31,111	35,283	38,678	20,921	44,456	47,711
Public works	26,369	25,989	34,506	59,679	45,231	48,393	69,004
Parks, recreation and cultural affairs	26,436	26,766	33,006	42,764	10,768	44,939	53,542
Capital outlay	56,335	68,164	15,330	-	-	-	-
Debt service							
Principal	26,672	27,567	13,348	26,573	-	36,290	39,293
Interest	25,602	22,709	25,646	32,706	19,546	40,949	42,879
Bond issuance costs	(599)	137	31	723		1,996	4,438
TOTAL EXPENDITURES	**548,214**	**551,768**	**534,146**	**649,266**	**342,763**	**817,226**	**860,695**
Excess of Revenues Over (Under) Expenditures	**27,640**	**(4,952)**	**20,517**	**(52,770)**	**(115,255)**	**(142,084)**	**(173,696)**
Other Financing Sources (Uses)							
Proceeds from borrowing	76,840	12,001	58,553	145,809	-	58,000	53,820
Capital leases	-	-	-	7,097	-	-	23,480
Premium on bonds sold	-	-	3,576	6,221	-	2,548	5,787
Discount on bonds sold	-	-	-	(1,581)	-	(77)	-
Refunding bonds issued	-	-	-	85,980	-	-	105,760
Payment ro refunded bond escrow agent	-	-	-	(85,605)	-	-	(106,177)
Sale of asset	-	-	-	1,600	7,036	9,304	6,794
Transfers in (out)	(6,682)	(7,013)	3,322	1,149	(5)	19,280	2,311
Total Other Financing Sources (Uses)	**70,158**	**4,988**	**65,451**	**160,670**	**7,031**	**89,055**	**91,775**
Correction of a Prior Year Error	**-**	**(17,069)**	**14,988**	**(6,108)**	**-**	**-**	**37,800**
NET CHANGE IN FUND BALANCE	**$ 97,798**	**$ (17,033)**	**$ 100,956**	**$ 101,792**	**$ (108,224)**	**$ (53,029)**	**$ (44,121)**
Debt service as a percentage of noncapital expenditures	11.7%	11.6%	8.1%	10.2%	6.0%	10.7%	11.2%



Schedule 6
Assessed Value and Estimated Actual Value of Taxable Property
Last Seven Fiscal Periods
(amounts expressed in thousands)

Fiscal Period Ended	Residential Property	Commercial Property	Industrial Property	Other Property[1]	Less Tax-exempt Property[2]	Total Taxable Assessed Value	Total Direct Tax Rate
December 31, 2002	$ 8,567,121,679	$ 6,901,913,667	$ 366,881,480	$ 1,662,085,635	$ 188,994,248	$ 15,646,922,578	32.64
December 31, 2003	9,578,478,978	7,104,858,403	323,814,720	1,590,030,109	160,151,146	16,847,000,955	32.08
December 31, 2004	10,282,698,452	7,433,699,007	308,725,135	1,626,457,946	1,732,722,383	16,292,400,211	31.00
December 31, 2005	10,842,205,309	7,255,025,020	618,322,584	1,590,005,363	186,756,118	18,528,796,795	30.09
June 30, 2006	11,954,278,920	8,069,483,015	699,409,813	1,621,488,855	1,720,017,791	19,003,153,957	32.13
June 30, 2007 (3)	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520	21,836,306,067	31.61
June 30, 2008 (4)	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	25,985,445,821	30.49

Notes: (1) Other Property consist of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Mobile Homes, etc… .

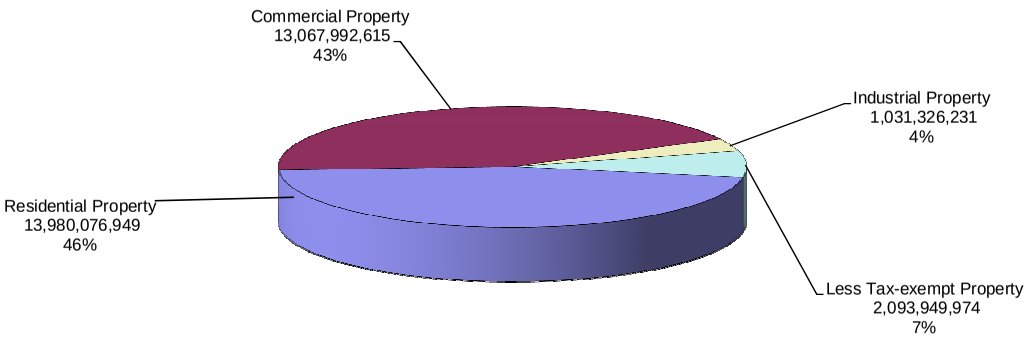
(2) Tax Exempt Property consist of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc… .

(3) Source : Dekalb County Digest dated (5/12/07) and Fulton County Preliminary Digest dated (5/20/2007)

(4) Source: Dekalb County Digest dated (7/31/08) and Fulton County Digest dated (7/22/08)

Source: Assessed values are established by the Fulton County Board of Tax Assessors on January 1 of each year at 40% of the market vlaue as required by State Law.

2008



Schedule 7
Direct and Overlapping Property Tax Rates
Last Seven Fiscal Periods
(per $1,000 of assessed value)

	City Direct Rates					
Fiscal Period Ended	**General Levy**	**School Levy**	**Parks Levy**	**City Bond Levy**	**School Bond Levy**	**Total Direct Tax Rate**
December 31, 2002	$ 9.020	$ 21.670	$ 0.500	$ 1.340	$ 0.110	32.640
December 31, 2003	8.710	21.460	0.500	1.300	0.110	32.080
December 31, 2004	8.250	20.870	0.500	1.270	0.110	31.000
December 31, 2005	7.640	20.420	0.500	1.430	0.100	30.090
June 30, 2006	7.530	22.640	0.500	1.410	0.054	32.134
June 30, 2007	7.090	22.640	0.500	1.330	0.054	31.614
June 30, 2008	7.120	21.640	0.500	1.180	0.050	30.490

	Overlapping Rates					
	Atlanta/DeKalb County	**Downtown Improvement District**	**Fulton County, Georgia**			
Fiscal Period Ended	**Special Tax District**	**Special Tax District(1)**	**County Levy**	**County Bond Levy**	**Georgia State Levy**	**Total**
December 31, 2002	$ 1.300	$ 2.500	$ 12.530	$ 0.280	$ 0.250	13.060
December 31, 2003	1.140	3.600	12.050	0.270	0.250	12.570
December 31, 2004	1.050	4.200	11.590	0.070	0.250	11.910
December 31, 2005	2.050	5.000	11.580	0.060	0.250	11.890
June 30, 2006	0.991	5.000	11.407	0.063	0.250	11.720
June 30, 2007	0.956	5.000	10.281	0.057	0.250	10.588
June 30, 2008	0.830	5.000	10.280	-	0.250	10.530

(1) **Notes: Tax imposed by property owners in the district pursuant to state authorization.**

Schedule 8
City of Atlanta, Georgia
Principal Property Tax Payers
Last Ten Fiscal Periods

		1999						2000			
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	312,435,314	1	2.42%		Bell South	Communication Service	286,831,346	1	2.06%
Coca-Cola Company	Marketing and Manufacturing	155,802,140	2	1.21%		Coca-Cola Company	Marketing and Manufacturing	153,553,900	2	1.10%
Georgia Power Company	Utility Service	152,322,369	3	1.18%		Georgia Power Company	Utility Service	141,211,989	4	1.01%
Georgia Pacific Company	Pulp and Paper Manufacturing	81,202,870	5	0.63%		Post Apartment Homes	Residential Real Estate	102,632,380	5	0.74%
Corporate Property	Commercial Real Estate					Georgia Pacific Company	Pulp and Paper Manufacturing	87,939,530	6	0.63%
AT & T	Communication Service	135,061,777	4	1.05%		CSC Associates	Commercial Real Estate	79,021,340	7	0.57%
CSC Associates	Commercial Real Estate	79,010,070	6	0.61%		SunTrust Plaza Association	Commercial Real Estate			
Atlanta Marriott	Commercial Real Estate/Hospitality					Atlanta Center LTD	Commercial Real Estate			
Sprint	Communcation Service	33,365,121	8	0.26%		AT & T	Communication Service	152,203,166	3	1.09%
MCI Telecom	Communcation Service	27,328,391	10	0.21%		One Ninety One Peachtree Association	Commercial Real Estate	76,173,610	8	0.55%
Norfolk Southern	Commercial Real Estate/Hospita	29,011,609	9	0.22%		Overseas Partners	Commercial Real Estate	66,264,020	9	0.48%
One Ninety One Peachtree Associatio	Commercial Real Estate	76,178,120	7	0.59%		Sumito Life Realty, Inc	Commercial Real Estate	63,874,410	10	0.46%
Total		1,081,717,781		8.38%		Total		1,209,705,691		8.69%

		2001			2002			2003			2004		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	$ 281,517,922	1	1.79%	296,305,165	1	1.69%	311,493,227	1	1.69%	155,936,542	1	0.79%
Coca-Cola Company	Marketing and Manufacturing	148,094,220	2	0.94%	175,126,510	2	1.00%	162,670,820	2	0.88%	154,860,290	2	0.79%
Georgia Power Company	Utility Service	128,918,917	3	0.82%	125,185,211	3	0.72%	138,389,311	3	0.75%	57,103,706	10	0.29%
Post Apartment Homes	Residential Real Estate	107,210,390	4	0.68%	111,937,620	4	0.64%	116,171,210	4	0.63%	120,304,178	3	0.61%
Georgia Pacific Company	Pulp and Paper Manufacturing	84,593,910	7	0.54%	91,552,200	5	0.52%	90,792,750	5	0.49%	97,673,647	4	0.50%
CSC Associates	Commercial Real Estate	86,918,820	5	0.55%	87,329,610	6	0.50%	87,338,740	6	0.47%	87,321,645	6	0.44%
SunTrust Plaza Association	Commercial Real Estate				76,491,240	7	0.44%	82,038,220	7	0.44%	81,513,618	9	0.41%
Atlanta Center LTD	Commercial Real Estate				63,761,840	10	0.36%	58,083,570	10	0.31%			
AT & T	Communication Service	86,760,614	6	0.55%									
One Ninety One Peachtree Associatio	Commercial Real Estate	81,836,440	8	0.52%	73,646,450	8	0.42%	76,478,710	8	0.41%	82,035,928	8	0.42%
Overseas Partners	Commercial Real Estate	76,491,240	9	0.49%									
Sumito Life Realty, Inc	Commercial Real Estate	68,531,100	10	0.44%	68,164,600	9	0.39%	63,170,490	9	0.34%			
Peachtree TSG Associates LLC	Commercial Real Estate										93,540,108	5	0.48%
Trizec Alliance Center LLC	Commercial Real Estate										83,957,286	7	0.43%
Total		$ 1,150,873,573		7.32%	1,169,500,446		6.68%	1,186,627,048		6.41%	1,014,246,948		5.16%

		2005			2006			2007*			2008**		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	$ 386,047,492	1	1.90%	266,293,651	1	1.29%	244,693,204	1	1.11%			
Georgia Power Company	Utility Service	154,932,948	2	0.76%	184,395,886	2	0.89%	197,766,434	2	0.89%			
Development Authority of Fulton	Government							181,620,042	3	0.82%			
Coca-Cola Company	Marketing and Manufacturing	139,188,340	3	0.69%	137,147,337	3	0.66%	172,011,442	4	0.78%			
Post Apartment Homes	Residential Real Estate	117,829,980	4	0.58%	128,834,887	4	0.62%	154,997,343	5	0.70%			
BF ATL, LLC	Commercial Real Estate							135,349,359	6	0.61%			
SunTrust Plaza Association	Commercial Real Estate	77,663,640	10	0.38%	92,735,881	7	0.45%	115,924,129	7	0.52%			
Georgia Pacific Company	Pulp and Paper Manufacturing	92,889,700	5	0.46%	97,202,770	6	0.47%	104,165,251	8	0.47%			
GA Promenade LLC	Residential Real Estate							84,941,760	9	0.38%			
Hines One Atlantic Center LP	Commercial Real Estate				83,443,109	10	0.40%	83,995,120	10	0.38%			
CSC Associates	Commercial Real Estate	86,232,080	6	0.42%	107,004,930	5	0.52%						
One Ninety One Peachtree Associatio	Commercial Real Estate	82,034,230	7	0.40%	84,919,630	9	0.41%						
Peachtree TSG Associates LLC	Commercial Real Estate	80,353,590	9	0.40%									
Trizec Alliance Center LLC	Commercial Real Estate	81,144,630	8	0.40%	85,674,219	8	0.42%						
Total		$ 1,298,316,630		6.39%	1,267,652,300		6.15%	1,475,464,084		6.67%			

* 2007 Based on Net Assessed Value of $22,123,606,732
**Final 2008 taxable assessed values for principal tax payers will not be available until the end of fiscal year 2009.

Schedule 9
City of Atlanta, Georgia
Property Tax Levies and Collections
Last Seven Fiscal Periods
(amounts expressed in thousands)

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Period Ended	**Taxes Levies for the Fiscal Year**	**Amount(1)**	**Percentage of Levy**	**Collections in Subsequent Years**	**Amount**	**Percentage of Levy**
December 31, 2002	$ 173,920,120	$ 158,225,729	90.98%	$ 15,105,557	$ 173,331,286	99.66%
December 31, 2003	178,909,014	166,815,658	93.24%	11,462,115 (2)	178,277,773	99.65%
December 31, 2004	180,733,587	170,502,285	94.34%	9,752,408 (2)	180,254,693	99.74%
December 31, 2005	178,703,068	160,301,279	89.70%	17,909,963 (2)	178,211,242	99.72%
June 30, 2006	6,750,195	6,750,195	100.00%	-	6,750,195	100.00%
June 30, 2007	179,606,933	164,976,460	91.85%	11,685,144 (2)	176,661,604	98.36%
June 30, 2008	182,020,745	173,030,142	95.06%	-	173,030,142	95.06%

(1) Does not include tax revenues retained by Fulton and Dekalb County for administrative expenses, therefore the collection rate shown is slightly less than actual.
(2) Adjusted to Collection in Subsequent Year

Schedule 10
City of Atlanta, Georgia
Taxable Sales by Category
Last Seven Fiscal Periods
(in thousands of dollars)

Local Option Sales Tax	Fiscal Period						
	2002	2003	2004	2005	2006**	2007***	2008
Food	$ -	$ 15,663,417	$ 17,085,817	$ 18,227,462	$ 21,181,670	$ 12,524,653	$ 21,765,330
Apparel	-	3,128,059	3,391,724	3,657,878	4,043,395	2,503,914	4,191,287
General	-	9,028,363	9,378,994	9,816,473	10,542,134	6,748,029	10,710,270
Automotive	-	7,798,800	8,576,677	8,986,665	10,704,116	6,322,706	11,180,684
Home	-	8,746,596	9,656,318	11,420,684	12,488,531	7,223,408	11,335,795
Lumber	-	5,525,925	6,215,037	6,590,849	7,436,668	4,228,072	6,228,429
Miscellaneous Services	-	10,505,516	10,144,407	10,575,829	12,396,264	6,765,846	12,651,427
Manufacturers	-	2,155,805	2,614,909	3,025,195	4,333,126	2,195,509	3,636,616
Utilities	-	7,331,954	7,679,384	8,016,539	9,234,770	5,247,921	9,691,811
Miscelleaneous	-	6,686,294	7,965,956	8,228,806	8,651,981	6,688,032	11,774,540
Total	**$ 0.00**	**$ 76,570,729.10**	**$ 82,709,223.66**	**$ 88,546,378.26**	**$ 101,012,654.89**	**$ 60,448,089.82**	**$ 103,166,189**
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%

Municipal Option Sales Tax (1)	Fiscal Period						
	2002	2003	2004	2005	2006	2007	2008
Food	$ -	$ -	$ 1,244,484	$ 20,262,057	$ 12,415,988	$ 26,529,627	$ 27,367,773
Apparel	-	-	329,493	5,268,202	3,200,528	6,232,358	6,537,725
General	-	-	560,254	9,817,354	5,876,141	10,818,855	10,801,409
Automotive	-	-	185,286	2,951,697	3,770,532	4,125,484	5,190,562
Home	-	-	723,835	13,940,445	1,686,685	16,480,009	15,614,925
Lumber	-	-	453,282	6,870,413	8,952,687	8,107,471	7,926,075
Miscellaneous Services	-	-	857,201	13,772,985	3,472,644	17,745,384	19,228,289
Manufacturers	-	-	132,360	2,827,119	8,352,696	3,680,987	4,804,876
Utilities	-	-	534,743	9,725,057	1,730,697	11,045,370	11,307,471
Miscelleaneous	-	-	578,069	11,969,607	5,573,612	15,347,660	16,126,286
Total	**$ -**	**$ -**	**$ 5,599,006.15**	**$ 97,404,934.98**	**$ 55,032,209.38**	**$ 120,113,205.98**	**$ 124,905,391**
City direct sales tax rate	**N/A**	**N/A**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**

Note: (1) Effective October 1, 2004, the City began collecting a 1% Municipal Option Sales Tax (MOST) for retail sales and use occurring within the incorporated city limits of Atlanta

Source: Georgia Department of Revenue;Local Government Division
**2006 data represents the 2006 Calanedar year
***2007 reprecents six months of activity, January through June 2007

Schedule 11
City of Atlanta, Georgia
Direct and Overlapping Sales Tax Rates
Last Seven Fiscal Periods

Fiscal Year	City Direct Rate	Fulton County
2002	0.00%	7.00%
2003	0.00%	7.00%
2004	0.00%	7.00%
2005	1.00%	7.00%
2006	1.00%	7.00%
2007	1.00%	7.00%
2008	1.00%	7.00%

Source: Commodity Report, Georgia Department of Revenue

Schedule 12
City of Atlanta, Georgia
Principal Sales Tax Remitters
Last Six Fiscal Periods

Tax Remitters	2003 Number of Filers	2003 Percentage of Total	2003 Tax Liability	2003 Percentage of Total	2004 Number of Filers	2004 Percentage of Total	2004 Tax Liability	2004 Percentage of Total	2005 Number of Filers	2005 Percentage of Total	2005 Tax Liability	2005 Percentage of Total
Food			$		6092	18.89%	$ 1,244,484	22.23%	6092	18.89%	$ 20,262,057	20.80%
Apparel					1845	5.72%	329,493	5.88%	1845	5.72%	5,268,202	5.41%
General					3442	10.67%	560,254	10.01%	3442	10.67%	9,817,354	10.08%
Automotive					1946	6.04%	185,286	3.31%	1946	6.04%	2,951,697	3.03%
Home					4856	15.06%	723,835	12.93%	4856	15.06%	13,940,445	14.31%
Lumber					453	1.40%	453,282	8.10%	453	1.40%	6,870,413	7.05%
Miscellaneous Services					2119	6.57%	857,201	15.31%	2119	6.57%	13,772,985	14.14%
Manufacturers					892	2.77%	132,360	2.36%	892	2.77%	2,827,119	2.90%
Utilities					710	2.20%	534,743	9.55%	710	2.20%	9,725,057	9.98%
Miscelleaneous					9889	30.67%	578,069	10.32%	9889	30.67%	11,969,607	12.29%
Total	0	0%	$ 0	0%	32,244	100%	$ 5,599,006	100%	32,244	100%	$ 97,404,935	100%

Tax Remitters	2006 Number of Filers	2006 Percentage of Total	2006 Tax Liability	2006 Percentage of Total	2007 Number of Filers	2007 Percentage of Total	2007 Tax Liability	2007 Percentage of Total	2008 Number of Filers	2008 Percentage of Total	2008 Tax Liability	2008 Percentage of Total
Food	6092	18.89%	$ 12,415,988	22.56%	6092	18.89%	$ 26,529,627	22.09%	6092	18.89%	$ 27,367,773	21.91%
Apparel	1845	5.72%	3,200,528	5.82%	1845	5.72%	6,232,358	5.19%	1845	5.72%	6,537,725	5.23%
General	3442	10.67%	5,876,141	10.68%	3442	10.67%	10,818,855	9.01%	3442	10.67%	10,801,409	8.65%
Automotive	1946	6.04%	3,770,532	6.85%	1946	6.04%	4,125,484	3.43%	1946	6.04%	5,190,562	4.16%
Home	4856	15.06%	1,686,685	3.06%	4856	15.06%	16,480,009	13.72%	4856	15.06%	15,614,925	12.50%
Lumber	453	1.40%	8,952,687	16.27%	453	1.40%	8,107,471	6.75%	453	1.40%	7,926,075	6.35%
Miscellaneous Services	2119	6.57%	3,472,644	6.31%	2119	6.57%	17,745,384	14.77%	2119	6.57%	19,228,289	15.39%
Manufacturers	892	2.77%	8,352,696	15.18%	892	2.77%	3,680,987	3.06%	892	2.77%	4,804,876	3.85%
Utilities	710	2.20%	1,730,697	3.14%	710	2.20%	11,045,370	9.20%	710	2.20%	11,307,471	9.05%
Miscelleaneous	9889	30.67%	5,573,612	10.13%	9889	30.67%	15,347,660	12.78%	9889	30.67%	16,126,286	12.91%
Total	32,244	100%	$ 55,032,209	100%	32,244	100%	$ 120,113,206	100%	32,244	100.00%	$ 124,905,391	100.00%

Note: Effective October 1, 2004, the City began collection 1% Municipal Option Sale Tax (MOST) for retail sales and use within the incorporated city limits of Atlanta

Source: Georgia Department of Revenue, Local Government Division

Schedule13
City of Atlanta, Georgia
Ratio of Outstanding Debt by Type
Last Seven Fiscal Periods
(amounts expressed in thousands, except per capita)

	Governmental Activities									
						Certificates of Participation				
Fiscal Period Ended	General Obligation Debt*	SWMA Revenue Refunding Bonds	Limited Obligation Bonds*	Section 108 Loans	Capital Leases	1990 GMA Lease Pool	1998 GMA Lease Pool	2002 Certificates of Participation	Citywide Radio System	Installment Sale Program
December 31, 2002	$ 238,510	$ 25,710	$ 91,500	$ 14,660	$ -	$ 597	$ 18,476	$ 53,785	$ 5,065	$ 87,610
December 31, 2003	239,360	24,855	91,500	12,965	-	-	15,827	52,560	-	83,280
December 31, 2004	290,365	23,965	90,935	11,250	-	3,053	32,444	51,280	-	78,780
December 31, 2005	283,865	23,035	218,740	9,515	5,835	10,054	32,444	49,950	-	74,080
June 30, 2006	283,865	23,035	406,255	9,515	5,835	11,800	32,444	49,950	-	74,080
June 30, 2007	276,510	22,060	396,675	8,200	4,499	9,055	32,444	48,550	-	69,190
June 30, 2008	296,915	20,265	540,205	6,720	2,820	5,782	32,444	47,080	-	63,995

	Business-Type Activities												
	Department of Aviation			Water & Wastewater System Fund									
Fiscal Period Ended	Facilities Revenue Bonds*	Bond Anticipation Notes	Issuance Discounts and Refunding Losses	System Revenue Bonds	Premium on Bonds	Issuance Discounts and Refunding Losses	GEFA Notes Payable	Capital Lease Obligation	Sanitation Fund Capital Lease Obligation	Underground Atlanta Revenue Bonds	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
December 31, 2002	$ 1,682,273	$ -	$ -	$ 1,673,966	$ -	$ -	$ -	$ 25,579	$ 5,075	$ 71,625	$ 3,994,431	26.66%	$ 9,331
December 31, 2003	1,442,984	395,000	(116,676)	1,718,110	-	(41,544)	-	23,944	-	69,190	4,011,355	26.77%	9,224
December 31, 2004	2,927,307	-	1,521	2,558,000	39,867	-	-	22,299	3,217	65,330	6,199,613	40.50%	14,023
December 31, 2005	2,805,127	-	662	2,542,765	38,881	-	23,373	20,520	2,205	61,280	6,202,331	38.22%	13,734
June 30, 2006	2,984,043	-	(19)	2,542,765	38,388	-	23,106	19,614	1,134	61,280	6,567,090	37.93%	14,542
June 30, 2007	2,890,474	-	(575)	2,518,555	37,402	-	95,701	17,651	-	57,055	6,483,446	35.20%	14,357
June 30, 2008	2,419,898		(1,037)	2,494,575	33,433	(34,856)	152,073	15,710	-	52,610	6,148,632	33.38%	13,310

(*) Net of any discount or premium

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit D-1 for personal income and population data.

Schedule 14
City of Atlanta, Georgia
Ratio of General Bonded Debt Outstanding
Last Seven Fiscal Periods
(amounts expressed in thousands, except per capita)

Fiscal Period Ended	General Obligation Debt *	SWMA Revenue Refunding Bonds	Limited Obligation Bonds*	Section 108 Loans	Capital Leases	Total	Percentage of Actual Taxable Value of Property	Per Capita
December 31, 2002	$ 238,510	$ 25,710	$ 91,500	$ 14,660	$ -	$ 535,913	3.43%	$ 1,238
December 31, 2003	239,360		91,500	12,965	-	495,492	2.94%	1,139
December 31, 2004	290,365	23,965	90,935	11,250	-	582,072	3.57%	1,317
December 31, 2005	283,865	23,035	218,740	9,515	5,835	707,518	3.82%	1,567
June 30, 2006	283,865	23,035	406,235	9,515	5,835	895,013	4.71%	1,982
June 30, 2007	276,510	22,060	399,985	8,200	4,499	711,254	3.26%	1,575
June 30, 2008	296,915	20,265	540,205	6,720	2,820	866,925	3.34%	1,877

* Net of any discount or premium.

Note: Details regarding the City's outstanding debt can be found in the notes to the financials statements.
(a) Information not available - See Footnote III B - Property Taxes

Schedule 15
City of Atlanta, Georgia
Direct and Overlapping Governmental Activities Debt
Last Seven Fiscal Periods
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
2002	$ 492,075	55.70%	$ 274,093
2003	474,841	55.19%	262,048
2004	606,651	58.31%	353,731
2005	720,722	65.77%	473,999
2006	720,722	65.77%	473,999
2007	707,593	66.88%	473,246
2008	761,811	62.11%	473,154

Sources: Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when taking into consideration the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used by the City's capital leases and other debt.

Schedule 16
City of Atlanta, Georgia
Legal Debt Margin Information
Last Seven Fiscal Periods
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008
Debt limit	$ 2,073,582,315	$ 2,198,052,425	$ 2,278,113,865	$ 2,349,127,724	$ 2,657,777,842	$ 2,464,044,067	$ 2,943,835,276
Total net debt applicable to limit	238,510,000	239,360,000	290,365,000	239,360,000	302,654,250	673,185,000	699,290,000
Legal debt margin	$ 1,835,072,315	$ 1,958,692,425	$ 1,987,748,865	$ 2,109,767,724	$ 2,355,123,592	$ 1,790,859,067	$ 2,244,545,276

SCHEDULE 17A
City of Atlanta, Georgia
Department of Aviation
Schedule of Revenue Bond Coverage
Last Ten Fiscal Periods

				Debt Service Requirements (5)				
Period (4)	Operating Revenue[1]	Current Operating Expenses[2]	Net Revenue available for Debt Service	Principal	Interest[3]	Net Swap Payments & Liquidity Fees (6)	Total	% Coverage
1999	243,875,000	65,241,000	178,634,000	35,905,000	47,251,000	-	83,156,000	2.15
2000	254,699,000	76,383,000	178,316,000	42,670,000	49,787,000	-	92,457,000	1.93
2001	257,119,000	84,788,000	172,331,000	48,110,000	43,270,000	-	91,380,000	1.89
2002	250,917,000	93,131,000	157,786,000	50,775,000	49,932,000	-	100,707,000	1.57
2003	250,460,000	95,629,000	154,831,000	49,937,000	53,418,000	5,487,000	108,842,000	1.42
2004	273,088,000	99,841,000	173,247,000	52,183,000	40,362,000	10,990,000	103,535,000	1.67
2005	289,349,000	103,949,000	185,400,000	33,935,000	64,167,000	5,470,000	103,572,000	1.79
2006	331,049,000	134,846,000	196,203,000	37,487,000	49,661,000	(321,000)	86,827,000	2.26
2007	356,446,000	146,868,000	209,578,000	37,487,000	56,186,000	(1,186,000)	92,486,000	2.27
2008	393,579,000	166,894,000	226,685,000	40,906,000	70,131,000	3,275,000	114,312,000	1.98

(1) Represents total operating revenues on a cash basis; beginning in 2006, parking revenues are reported on a gross basis.
(2) Represents total operating expenses on a cash basis; beginning in 2006, parking expenses are included in the Operating Expense amount.
(3) Net of capitalized interest.
(4) Periods 1999 through 2006 are each 12 month periods beginning January 1and ending December 31; Period 2007 and 2008 are 12 month periods beginning July 1 and ending June 30.
(5) Debt Service Requirements have been amended and are re-calculated per the requirements of the Master Bond Ordinance (dated March 20, 2000) as amended.
(6) Per the Master Bond Ordinance, net SWAP payments and liquidity fees are included in the debt service requirements.

Schedule 17B
City of Atlanta, Georgia
Department of Watershed Management
Schedule of Revenue Bond Coverage
Last Ten Fiscal Periods

				Debt Service Requirements			
Period	Operating Revenue[1]	Current Operating Expenses[2]	Net Revenue available for Debt Service	Principal[3]	Interest	Total	Coverage Ratio
1999	$ 182,946	$ 107,984	$ 74,962	$ 8,365	$ 25,872	$ 34,237	2.19
2000	$ 208,463	$ 125,968	$ 82,495	$ 10,000	$ 30,959	$ 40,959	2.01
2001	$ 185,957	$ 121,102	$ 64,855	$ 10,000	$ 29,334	$ 39,334	1.65
2002	$ 240,954	$ 121,732	$ 119,222	$ 0	$ 42,420	$ 42,420	2.81
2003	$ 227,441	$ 137,284	$ 90,157	$ 325	$ 69,667	$ 69,992	1.29
2004	$ 287,778	$ 133,146	$ 154,632	$ 9,375	$ 82,284	$ 91,659	1.69
2005	$ 385,697	$ 159,081	$ 226,616	$ 10,655	$ 81,519	$ 92,174	2.46
2006	$ 189,844	$ 96,345	$ 93,499	$ 0	$ 61,842	$ 61,842	1.51
2007	$ 435,715	$ 240,848	$ 194,867	$ 24,210	$ 128,435	$ 152,645	1.28
2008	$ 460,285	$ 236,316	$ 223,969	$ 27,647	$ 126,285	$ 153,932	1.45

(1) Total operation revenue plus investment income and sales tax
(2) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation and amortization, and contingent liability.
(3) Annual debt service includes sinking fund requirements of the Water and Sewerage Revenue Fund, this excluding capitalized interest

Schedule 18
City of Atlanta, Georgia
Demographic and Economic Statistics
Last Seven Years

Fiscal Year Ended	Population[1]	Personal Income (thousands of dollars)[2]	Per Capita Personal income[3]	Median Age[4]	Educational Attainment[5]	School Enrollment[6]	Unemployment Rate[7]
December 31, 2002	428,100	$ 149,831	$ 32,925	32.3	83.6	55,640	7.9%
December 31, 2003	432,900	153,070	32,739	34.0	82.9	53,485	7.7%
December 31, 2004	434,900	162,297	33,838	33.8	81.7	51,358	7.4%
December 31, 2005	442,100	173,159	34,825	34.7	82.9	50,188	5.9%
June 30, 2006	451,600	184,186	35,846	34.7	82.9	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	82.9	49,707	4.5%
June 30,2008	461,956	* 196,683	36,309*	32*	87.0	51,377*	5.9%

[1]Atlanta Regional Commission - re-benchmarked to U.S. Census 2000 estimate for year ending 2007.

[2]U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2007 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta.

[3]U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2005 for Atlanta MSA

[4]U.S. Census Bureau, American Community Survey data for city of Atlanta; data limited to household population, excludes institutions, college dormitories, & other group quarters; data available through 2005

[5]U.S. Census Bureau, American Community Survey for city of Atlanta, % of population that attained high school degree or higher educational degrees; data based on population 25 years and over and limited to household population, excludes institiutions, college dormitories, & other group quarters; data available through 2007

[6]Georgia Department of Education - Enrollment as of March of each fiscal year end

[7]U.S. Department of Labor, Bureau of Labor Statistics; city of Atlanta data for fiscal year 2008 is through June 2008. This figure is inclusive of Atlanta-Sandy Springs-Marietta.

* Figures taken from First Multiple Listing Service and are specific to the City of Atlanta

Schedule 19
City of Atlanta, Georgia
Principal Employers
Last Six Years

2002				2003			
Employer[1]	Type of Business	Employees	Percentage of Total City Employment	Employer[1]	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,851	1.99%	International Business Machine Corp.	Technology Services	3,683	1.90%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,245	1.68%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,352	1.73%
Efficiency Plus Consultants	Consulting	3,200	1.65%	Efficiency Plus Consultants	Consulting	3,200	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,181	1.64%	The Coca-Cola Company	Marketing and Manufacturing	3,095	1.60%
Cable News Network, Inc.	Media	2,055	1.06%	Cable News Network, Inc.	Media	2,087	1.08%
Atlanta Journal and Constitution	Media	1,423	0.73%	Atlanta Journal and Constitution	Media	1,664	0.86%
Tenet Healthsystem, Inc.	Healthcare	1,336	0.69%	Tenet Healthsystem, Inc.	Healthcare	1,400	0.72%
Turner Entertainment Networks	Entertainment	1,019	0.53%	Turner Entertainment Networks	Entertainment	1,029	0.53%
Atlanta Marriott Marquis Hotel	Hospitality	1,000	0.52%	Turner Broadcasting System, Inc.	Media/Entertainment	912	0.47%
Turner Broadcasting System, Inc.	Media/Entertainment	943	0.49%	Skanska USA Building, Inc.	Construction-related Services	793	0.41%
Total		21,253	10.97%	Total		21,215	10.95%

2004				2005			
Employer[1]	Type of Business	Employees	Percentage of Total City Employment	Employer[1]	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,864	1.97%	International Business Machine Corp.	Technology Services	3,697	1.81%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,358	1.71%	The Coca-Cola Company	Marketing and Manufacturing	3,096	1.52%
The Coca-Cola Company	Marketing and Manufacturing	3,062	1.56%	Accenture LLP	Consulting	3,000	1.47%
Cable News Network, Inc.	Media	1,953	0.99%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	2,434	1.19%
Atlanta Journal and Constitution	Media	1,407	0.72%	Cable News Network, Inc.	Media	1,922	0.94%
Tenet Healthsystem, Inc.	Healthcare	1,377	0.70%	Allied Barton Security Services	Security Services	1,896	0.93%
Turner Entertainment Networks	Entertainment	1,067	0.54%	Tenet Healthsystem, Inc.	Healthcare	1,410	0.69%
Turner Broadcasting System, Inc.	Media/Entertainment	974	0.50%	Turner Broadcasting System, Inc.	Media/Entertainment	1,351	0.66%
Atlanta Spirit, Inc.	Sports	797	0.41%	Turner Entertainment Networks	Entertainment	1,118	0.55%
Air Serv Corp.	Transportation	767	0.39%	Atlanta Journal and Constitution	Media	1,017	0.50%
Total		18,626	9.49%	Total		20,941	10.26%

2006				2007			
Employer[1]	Type of Business	Employees	Percentage of Total City Employment	Employer[1]	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	4,225	2.00%	The Coca-Cola Company	Marketing and Manufacturing	3,029	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,178	1.51%	Allied Barton Security Services	Security Services	2,395	1.30%
Allied Barton Security Services	Security Services	2,148	1.02%	Accenture LLP	Consulting	2,100	1.14%
Cable News Network, Inc.	Media	1,924	0.91%	Cable News Network, Inc.	Media	1,809	0.98%
Air Serv Corp.	Transportation	1,721	0.82%	Turner Broadcasting System, Inc.	Media/Entertainment	1,710	0.93%
Accenture LLP	Consulting	1,700	0.81%	Air Serv Corp.	Transportation	1,391	0.76%
Turner Broadcasting System, Inc.	Media/Entertainment	1,528	0.72%	Turner Entertainment Networks	Entertainment	1,290	0.70%
Tenet Healthsystem, Inc.	Healthcare	1,408	0.67%	Tenet Healthsystem, Inc.	Healthcare	1,279	0.69%
Turner Entertainment Networks	Entertainment	1,054	0.50%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,106	0.60%
Atlanta Journal and Constitution	Media	1,036	0.49%	Earthlink, Inc.	Internet	1,106	0.60%
Total		19,922	9.44%	Total		17,215	9.35%

2008***			
Employer[1]	Type of Business	Employees	Percentage of Total City Employment
The Coca-Cola Company	Marketing and Manufacturing		
Allied Barton Security Services	Security Services		
Accenture LLP	Consulting		
Cable News Network, Inc.	Media		
Turner Broadcasting System, Inc.	Media/Entertainment		
Air Serv Corp.	Transportation		
Turner Entertainment Networks	Entertainment		
Tenet Healthsystem, Inc.	Healthcare		
Georgia-Pacific Corporation	Pulp and Paper Manufacturing		
Earthlink, Inc.	Internet		
Total		0	0.00%

*Employee data from City of Atlanta, Office of Revenue, Business License division
**Atlanta city total employment data from U.S. Department of Labor, Bureau of Labor Statistics
***2008 data will not be available until after February 15. This is the renewal due date for all businesses.

Schedule 20
City of Atlanta, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Seven Fiscal Periods

	Fiscal Period						
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
General Government							
Mayors Office	2	4	4	4	4	4	3
City Council	48	48	48	49	49	46	42
Finance	183	200	187	200	239	233	210
Planning	346	303	310	322	354	388	295
Procurement	0	39	49	50	56	56	50
Human Resources	59	50	49	53	73	74	73
Police							
Officers	1,481	1,478	1,558	1,585	1,647	1,780	1,836
Civilian	443	441	466	473	483	527	543
Fire							
Officers	914	899	949	976	1,005	1,054	1,070
Civilian	61	61	63	65	67	83	49
Corrections	507	321	454	551	615	620	560
Public Works							
Streets	624	438	354	358	358	416	399
Refuse collection	508	426	418	418	418	453	452
Parks, Recreation and Cultural Affairs	90	331	341	346	405	405	441
Water/Wastewater	655	591	1,064	1,133	1,351	1,547	1,964
Aviation		451	488	593	606	633	690
Total full-time equivalent employees	**5,921**	**6,081**	**6,802**	**7,176**	**7,730**	**8,319**	**8,677**

Sources: Department of Human Resources and MSO (Police and Fire)

Schedule 21
City of Atlanta, Georgia
Operating Indicators by Function/Program
Last Seven Fiscal Periods

	Fiscal Period						
	2002	2003	2004	2005	2006	2007	2008
Function/Program							
Police							
Arrests	49,450	46,722	41,107	38,609	39,954	59,374	142,361
Parking violations	67,883	38,808	54,730	39,619	37,339	42,668	79,546
Traffic violations	156,182	133,730	136,043	115,573	102,878	113,925	102,264
Fire							
Emergency responses	51,017	48,303	49,450	58,334	41,886	24,847	54,756
Fires extinguished	2,999	2,546	2,464	2,247	1,620	1,235	2,263
Inspections	12,324	12,867	11,961	9,996	9,317	7,261	7,200
Refuse collection							
Refuse collected (tons per day)	169,000	168,363	153,630	-	11,428	720	198,954
Other public works							
Miles of streets resurfaced	41	49	43	81	64	78	-
Potholes repaired	N/A	6,422	6,251	3,710	1,158	1,944	1,953
Parks and recreation							
Athletic field permits issued	90	84	85	46	59	59	185
Community center admissions	57,000	57,000	57,500	58,000	59,000	64,900	56,458
Water							
New connections	N/A	N/A	N/A	25,989	27,288	15,716	2,057
Water main breaks	N/A	N/A	204	224	154	241	329
Average daily consumption (thousands of gallons)	107,600,000	106,400,000	107,900,000	106,600,000	107,600,000	113,875,000	101,655,000
Peak daily consumption (thousands of gallons)	138,100,000	142,500,000	141,000,000	132,700,000	138,100,000	144,908,000	143,530,000
Wastewater							
Average daily sewage treatment (thousands of gallons)	132,200,000	145,300,000	135,700,000	144,500,000	132,000,000	128,337,000	119,900,000
Aviation							
Number of passengers served	75,858,500	79,086,792	83,606,583	86,583,210	42,546,000	85,037,680	87,700,000

Sources: Various city departments

Schedule 22
City of Atlanta, Georgia
Capital Asset Statistics by Function/Program
Last Seven Fiscal Periods

	Fiscal Period						
	2002	2003	2004	2005	2006	2007	2008
Function/Program							
Police							
Stations	10	10	10	10	10	10	10
Zone offices	6	6	6	6	6	6	6
Patrol units	387	416	355	355	355	338	336
Fire stations	34	34	34	35	35	36	37
Refuse collection							
Collection trucks	66	66	66	66	83	83	73
Parks and recreation							
Acreage	2,850	2,835	3,354	3,533	3,533	3,682	3,748
Playgrounds	111	110	105	101	101	101	105
Baseball/softball diamonds	81	81	81	82	82	82	82
Soccer/football fields	5	5	5	5	5	5	21
Community centers	38	33	49	49	49	49	41
Water							
Water mains (miles)	2,414	2,414	2,424	2,424	2,424	2,424	2,766
Storage capacity (thousands of gallons)	247	247	247	247	247	247	247
Wastewater							
Sanitary sewers (miles)	2,000	2,000	2,000	2,000	2,000	2,000	2,259
Storm sewers (miles)							
Treatment capacity (thousands of gallons)	131.8 MGD	156.1 MGD	135 MGD	154MGD	170MGD	181.7MGD	181.7MGD
Aviation							
Number of Runways	4	4	4	4	5	5	5
Number of Feet for each Runway:							
9R 27L 9,000 feet or 2,743 meters							
9L 27R 11,889 feet or 3,624 meters							
8R 27L 10,000 feet or 3,048 meters							
8L 26R 9,000 feet or 1,743 meters							
10-28 9,000 feet or 2,743 meters							

Sources: Various city departments