

City of Atlanta, GA



Comprehensive Annual Financial Report For the Year Ended June 30, 2011

Kasim Reed
Mayor





CITY OF ATLANTA, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011

Kasim Reed
Mayor

J. Anthony “Jim” Beard
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

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Introductory Section

Atlanta



CITY OF ATLANTA

KASIM REED
MAYOR

55 TRINITY AVENUE, S.W.
ATLANTA, GEORGIA 30303-0300

TEL (404) 330-6100

December 28, 2011

The Honorable Caesar Mitchell, City Council President
The Honorable Members of the Atlanta City Council
The Citizens of the City of Atlanta

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (“CAFR”) of the City of Atlanta, Georgia (the “City”) for the fiscal year ended June 30, 2011. 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 generally accepted accounting principles 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 CAFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures rests with management. We believe that the data, as presented, is accurate in all material respects, presents fairly the City’s financial position and results of operations, as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, 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’s financial statements that are conformance with GAAP. The cost of internal controls should never outweigh their benefits. The City’s 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.

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, 2011, are free of material misstatement. The independent audit involves 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, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This report and other historical audited financial statements, prior year(s) fiscal operating budgets, as well as Official Statements of several of the City's previous bond debt issues, may also be accessed via the Internet at www.atlantaga.gov.

The City's CAFR for the fiscal year ended June 30, 2011 is presented in three sections:

The **Introductory Section** includes this transmittal letter, the Government Finance Officers Association of the United States and Canada ("GFOA") Certificate of Achievement, the City's Organization Chart and the list of Elected and Appointed Officials.

The **Financial Section** is prepared in accordance with GAAP and includes the MD&A, the basic financial statements, including the notes, and the Required Supplementary Information. The basic financial statements, include the government-wide financial statements that present an overview of the City's overall financial operations and the fund financial statements that present the financial information of each of the City's major funds, as well as the combining and individual fund statements and schedules. The Independent Auditors' Report on the basic financial statements is also included in this section.

The **Statistical Section** includes select unaudited financial, economic and demographic data depicting historical information on the City, including debt statistics, tax rates and extensions, assessed valuation of property, along with other information that would be of interest to potential bond investors, creditors and other readers.

CITY OF ATLANTA GOVERNMENT OVERVIEW

The City, incorporated in 1847, is located in the north-central part of the state, which is the top growth area in Georgia 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 420,003 in the City and 5,376,295 in the Atlanta Metropolitan area, according to the United States Census Bureau (July 1, 2008 estimates). 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 for Council Members or for 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.

PRIMARY CITY FUNCTIONS

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, and solid waste collection and disposal. The City's Joint Operations Command Center (JOC) ensures that essential personnel from the Atlanta Police Department, Atlanta Fire and Rescue Department,

Department of Public Works, Department of Parks and other key operational agencies can monitor weather, traffic, and reports of power outages and fallen trees ensuring a rapid and coordinated response to weather events or other events affecting public safety. 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 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. The City engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses. 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, 2011, 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, Atlanta Housing Opportunity, Inc., and the Atlanta Development Authority (ADA), all of which are included as part of the CAFR. Certain organizations are not included with the scope of this report since they are established by the Constitution of the State of Georgia or state laws and are administered independent of the City of Atlanta. These include the Atlanta Independent School System (School System) and the Atlanta Housing Authority (AHA).

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 obligations 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 were products of TAD bonds and further strengthen the City's core business districts. Public transportation initiatives like the Atlanta Streetcar and the Atlanta BeltLine will also play a vital role in ensuring continued building and investing in the City.

ECONOMIC CONDITION AND OUTLOOK

As the nation and the State of Georgia emerge from the Great Recession that began in 2008, the City continues to maintain a conservative fiscal posture due to a slow economic recovery. Unemployment and consumer spending are expected to continue to challenge any meaningful economic growth over the short-term. The jobs lost due to the recession may not be fully recovered until 2015 or beyond. Consumer spending will remain under pressure due to continued economic uncertainty and economists are increasingly warning of the possibility of a second recession.

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.

The City is a major national and international transportation hub, and 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 will continue to support the City’s revenue base.

MAJOR INITIATIVES AND FINANCIAL PLANNING

Priorities 2011-2012

<div style="border: 1px solid #4f81bd; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <p style="text-align: center; margin: 0;">Public Safety</p> <ul style="list-style-type: none"> - Drive APD Strategic Plan - 15% crime reduction - Add 100 Police Officers - Expand COPS approach - Build camera network and monitoring center - Drive AFR Strategic Plan </div>	<div style="border: 1px solid #4f81bd; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <p style="text-align: center; margin: 0;">Fiscal Stability</p> <ul style="list-style-type: none"> - Ensure sustainable fiscal position - Build reserve to \$75+ Million - Obtain long term infrastructure and public safety funding - Free up unused assets (trust funds, leases etc) - Drive reduction in settlements </div>	<div style="border: 1px solid #4f81bd; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <p style="text-align: center; margin: 0;">Youth Development</p> <ul style="list-style-type: none"> - Develop Centers of Hope (COH) Programming - Implement COH Pilots in select locations to transform rec. centers - Initiate plan to ensure all children receive a high quality education - Harness civic engagement </div>
<div style="border: 1px solid #4f81bd; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <p style="text-align: center; margin: 0;">Economic Development</p> <ul style="list-style-type: none"> - Hire new ADA President - Refresh Economic Dev. Plan - Focus on jobs, wages and neighborhood development - Develop long term water plan - 5 year plan for Atlanta Beltline </div>	<div style="border: 1px solid #4f81bd; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <p style="text-align: center; margin: 0;">City Infrastructure</p> <ul style="list-style-type: none"> - Develop airport capacity plan - Create new long range DWM strategic plan - Begin infrastructure renewal plan - Increase collaboration across all City divisions and agencies - Launch Office of Intl. Affairs - Drive to “top 10 “in Sustainability </div>	<div style="border: 1px solid #4f81bd; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <p style="text-align: center; margin: 0;">Merit and Excellence</p> <ul style="list-style-type: none"> - Implement organizational and pay in class study - Design and implement new Citywide training programs - Improve safety training and compliance - Rating meetings for top 5 layers - Aggressively recruit/retain talent </div>

As part of the Youth Development priority, the fiscal 2011 budget included \$3.7 million to transform all 33 of the city's recreation centers into "Centers of Hope" for Atlanta's youth. Additionally, a multi-million dollar renovation of D.H Stanton Park is nearing completion. The renovation represents the City’s commitment to revitalizing blighted and neglected areas to provide a safe and compelling environment for families.

The City of Atlanta recently launched its first Sustainability Plan, “Power to Change,” with the goal of becoming a top-ten city in the nation for sustainability. SHINE will directly impact the City’s target to reduce greenhouse gas emissions 25 percent by 2020, 40 percent by 2030, and 80 percent by 2050. The addition of a solar electric vehicle charging station at Atlantic Station is one of a number of initiatives that will make Atlanta one of the Top 10 sustainable cities in the United States and be better stewards of the environment.

During fiscal year 2011, in the face of ongoing economic weakness, the City continued to improve its fiscal stability. Strong cost control, targeted investment and conservative revenue projections resulted in a General Fund operating surplus. Over the last 2 fiscal years the City's General Fund has produced over \$100 million in operating surplus, which has allowed \$29 million to be invested the Capital Projects Fund and a \$76 million increase in unassigned (discretionary) fund balance. Pension benefits reform completed during FY11 is expected to produce nearly \$277 million in savings to the City over the next ten years.

AWARDS

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, 2010. This was the 26th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City 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.

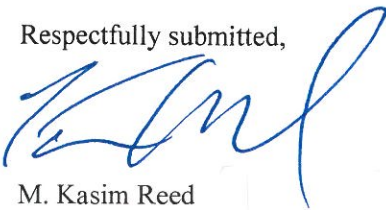
OTHER INFORMATION

Acknowledgements

The preparation and completion of this CAFR represents the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to the Department of Finance's staff, the City's other operating and supporting departments, as well as the certified public accounting firm of Banks, Finley, White & Co. for making this report possible.

This CAFR reflects our ongoing commitment to the citizens of the City of Atlanta, the Atlanta City Council and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully submitted,



M. Kasim Reed
Mayor



J. Anthony "Jim" Beard, CTP
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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

City of Atlanta Officials

Executive



Mayor..... Kasim Reed

Legislative

President of Council Ceasar C. Mitchell

Members of Council:

District 1	Carla Smith	District 7	Howard Shook
District 2	Kwanza Hall	District 8	Yolanda Adrean
District 3	Ivory Lee Young, Jr.	District 9	Felicia Moore
District 4	Cleta Winslow	District 10	C.T. Martin
District 5	Natalyn Mosby Archibong	District 11	Keisha Bottoms
District 6	Alex Wan	District 12	Joyce Sheperd

Members of Council-At-Large:

Post 1 Michael Julian Bond
 Post 2 Aaron Watson
 Post 3 H. Lamar Willis

Administrative

Chief Operating Officer

Peter T. Aman

Chief of Staff

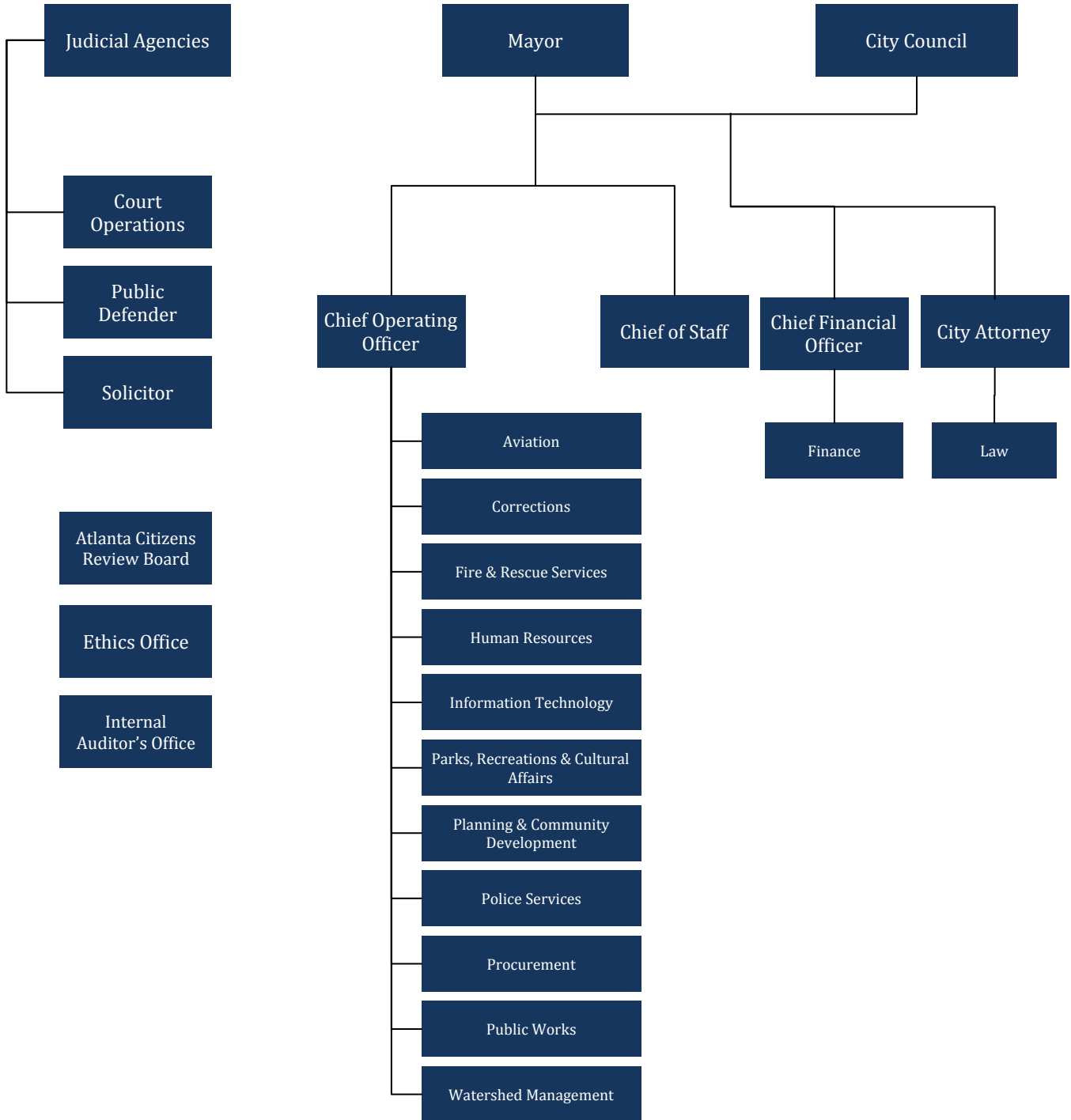
Candace L. Byrd

Chief Financial Officer

J. Anthony “Jim” Beard

Director City Council Staff	Robert Barger
Commissioner of Parks Recreation & Cultural Affairs	George Dusenbury
Aviation General Manager	Louis E. Miller
City Attorney	Cathy Hampton
Chief Judge, Municipal Court	Crystal A. Gaines
Court Administrator	Christopher T. Patterson
Commissioner of Watershed Management	Jo Ann Macrina
Municipal Clerk	Rhonda D. Johnson
Chief Information Officer, Interim	Michael Dogan
Ethics Officer	Virginia Looney
Chief of Police	George N. Turner
Chief of Corrections, Interim	Patrick Labat
Commissioner of Human Resources	Yvonne Cowser Yancy
Fire Chief	Kelvin J. Cochran
Commissioner of Public Works	Richard Mendoza
Commissioner of Planning and Community Development	James E. Shelby
Chief Procurement Officer	Adam Smith
City Internal Auditor	Leslie Ward
Citizens Review Board, Executive Director	Cristina Beamud

CITY ORGANIZATIONAL STRUCTURE





Financial Section

Atlanta

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, 2011, 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, the Atlanta Development Authority and the Atlanta Housing Opportunity, Inc. representing all of the City's discretely presented component units, which collectively represent total assets of approximately 3.9% and 1.8% of net assets as of June 30, 2011 and total revenues of approximately 4.5% 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of the General Fund and the Municipal Option Sales Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards* our report on consideration of the City'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 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.



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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress on pages 3 through 17 and 103, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the information is fairly stated in all material respects in relation to the basic financial statements 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.

Bauer, Finley, White & Co.

December 28, 2011.

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, 2011, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2011 with the year ended June 30, 2010. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on pages i-v of this report.

Overview of the Financial Statements

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

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2011 by \$7.0 billion. This amount represents the City's net assets. Of this amount, \$886.0 million in unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$383.3 million or 5.8% year over year.
- As of the close of 2011, the City's governmental funds reported combined ending fund balances of \$472.6 million. The unassigned General Fund balance of \$73.2 million is available for spending at the City's discretion, and represents approximately 16% of General Fund expenditures.
- The City's long-term debt, including capital leases, at June 30, 2011 totaled \$7.3 billion, a net increase of \$513.9 million or 7.5% from the prior year's balance of \$6.8 billion.

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 City'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 designed 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 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., Atlanta Development Authority, and the Atlanta Housing Opportunity, Inc., 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. Other blended component units of the City include Urban Design Commission, Atlanta Public Safety and Judicial Facilities Authority and Solid Waste Management Authority. 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 twenty seven 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 municipal option sales tax fund, which are considered to be major funds. Data from the other twenty four 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, Parking Deck 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 internal service funds to account for the maintenance and operation of its fleet of vehicles and its group insurance fund for employees and retirees. Because these services benefit both governmental and business-type functions, the net assets and change in net assets have been allocated between governmental activities and business-type 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, and the Department of Watershed Management, which are considered to be major funds of the City. 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 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 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.

Financial Analysis - Government-wide Statements

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, assets exceeded liabilities by \$7.0 billion at the close of the year ended June 30, 2011. Table 1 summarizes the major categories of assets, liabilities and net assets for governmental activities, business-type activities, and the government as a whole.

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**Table 1. City of Atlanta Net Assets, Year Ended June 30, 2011 and June 30, 2010
(in thousands):**

	Total Primary Government					
	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-11	As of 30-Jun-10	As of 30-Jun-11	As of 30-Jun-10	As of 30-Jun-11	As of 30-Jun-10
Current and other assets	\$ 589,855	\$ 612,376	\$ 3,488,360	\$ 3,004,480	\$ 4,078,215	\$ 3,616,856
Capital assets, net of depreciation	<u>1,080,061</u>	<u>1,052,908</u>	<u>10,263,526</u>	<u>9,749,370</u>	<u>11,343,587</u>	<u>10,802,278</u>
Total assets	<u>1,669,916</u>	<u>1,665,284</u>	<u>13,751,885</u>	<u>12,753,850</u>	<u>15,421,802</u>	<u>14,419,134</u>
Long-term liabilities						
Current	163,026	265,075	714,418	536,205	877,445	801,280
Non-Current	<u>1,174,445</u>	<u>1,185,583</u>	<u>6,386,098</u>	<u>5,831,777</u>	<u>7,560,543</u>	<u>7,017,359</u>
Total liabilities	<u>1,337,471</u>	<u>1,450,657</u>	<u>7,100,516</u>	<u>6,367,982</u>	<u>8,437,987</u>	<u>7,818,639</u>
Net assets						
Invested in capital assets, net of related debt	58,841	97,291	4,879,760	5,092,956	4,938,602	5,190,247
Restricted	391,715	377,690	767,474	571,529	1,159,189	949,219
Unrestricted	<u>(118,111)</u>	<u>(260,354)</u>	<u>1,004,136</u>	<u>721,383</u>	<u>886,025</u>	<u>461,029</u>
Total net assets	<u>\$ 332,445</u>	<u>\$ 214,627</u>	<u>\$ 6,651,370</u>	<u>\$ 6,385,868</u>	<u>\$ 6,983,815</u>	<u>\$ 6,600,495</u>

As of June 30, 2011, the City is able to report positive balances for the government as a whole, as well as for its governmental activities and business-type activities, respectively.

By far the largest portion of the City's net assets, \$4.9 billion (70.7%) 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; 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.

An additional portion of the City's net assets, \$1.2 billion (16.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$886 million (12.7%) in unrestricted net assets may be used to meet the government's ongoing obligations of the City.

For business-type activities, the City reported a positive balance of \$ 1.0 billion in unrestricted net assets and for governmental activities, the City reported a negative balance of \$118.1 million in unrestricted net assets. The City reported a positive balance of \$73.2 million in unassigned General Fund fund balance at the end of the fiscal year. The unassigned fund balance represents the spendable resources available for governmental activities, without restriction. The major contributing factors to the difference between unassigned fund balance and unrestricted net assets are changes in accounts receivable, operating losses in the internal service fund operations, charges related to post-employment benefits and expenses related to workers compensation and vacation obligations.

Government-wide

Revenue for the City in fiscal year 2011, which totaled slightly over \$2.0 billion, increased by \$113.7 million or 6.0% when compared to the year ended June 30, 2010. Property taxes during fiscal year 2011 decreased by \$14.1 million or 4.2%, mostly due to changes in the assessed value of the tax digest. Other taxes increased by \$26.2 million or 7.5% mainly due to rate increases for alcohol and business licenses, as well as revenue discovery efforts targeted in these same areas. Charges for services increased for both governmental and business-type activities and were up \$19.3 million (19.1%) and \$62.8 million (7.5%) respectively. Investment loss increased by \$31.3, including a \$91.6 million unrealized loss recorded for the Department of Watershed in connection with interest rate SWAP investments. In fiscal 2010, investment loss included termination fees of approximately \$80 million for several SWAP instruments within the Departments of Aviation and Watershed Management.

Total expenses for the City were \$1.6 billion in fiscal year 2011, up \$19.7 million or 1.2% when compared to fiscal year 2010. Total expenses for governmental activities, excluding transfers, reflect a reduction of \$8.0 million or 1.1% year-over-year. Continued use of effective financial forecasting tools enabled the City to manage overall costs for all departments. Expenses for business-type activities increased by \$27.1 million, or 3.0% year-over-year. The increase in expenses for business-type activities was mainly due to increased interest expense during fiscal 2011; lower construction-in-progress for the Department of Watershed resulted in lower capitalized interest costs, and an increase in outstanding debt resulted in higher interest cost for the Department of Aviation (see Long Term Debt section on page 15). Operating expenses for business-type activities were essentially flat year-over-year.

The City's net assets increased by \$383.3 million, or 5.8%, during the current period. The majority of the increase is attributable to charges for services within the business-type activities, capital grants and contributions within both governmental and business-type activities and overall cost containment measures government-wide.

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Table 2. City of Atlanta's Changes in Net Assets, Year Ended June 30, 2011 and June 30, 2010 (in thousands):

	Governmental Activities		Business-type Activities		Total	
	Year Ended 30-Jun-11	Year Ended 30-Jun-10	Year Ended 30-Jun-11	Year Ended 30-Jun-10	Year Ended 30-Jun-11	Year Ended 30-Jun-10
Revenues						
Program revenues						
Charges for services	\$ 120,684	\$ 101,361	\$ 901,150	\$ 838,355	\$ 1,021,834	\$ 939,716
Operating grants and contributions	60,013	78,533	-	-	60,013	78,533
Capital grants and contributions	40,930	-	241,456	201,492	282,386	201,492
General revenues						
Property taxes	320,371	334,445	-	-	320,371	334,445
Other taxes	376,514	350,345	-	-	376,514	350,345
Investment Income (loss)	3,825	3,962	(68,499)	(37,323)	(64,674)	(33,361)
Other	6,391	17,947	-	-	6,391	17,947
Total revenues	<u>928,728</u>	<u>886,593</u>	<u>1,074,108</u>	<u>1,002,524</u>	<u>2,002,835</u>	<u>1,889,116</u>
Expenses:						
General government:	239,306	260,414	-	-	239,306	260,414
Police	197,598	187,800	-	-	197,598	187,800
Fire	83,596	79,190	-	-	83,596	79,190
Corrections	25,520	29,301	-	-	25,520	29,301
Public Works	54,442	50,056	-	-	54,442	50,056
Parks, Recreation and Cultural Affairs	41,939	39,976	-	-	41,939	39,976
Nondepartmental	-	-	-	-	-	-
Interest on long-term debt	47,629	51,274	-	-	47,629	51,274
Water and Wastewater System	-	-	444,133	404,630	444,133	404,630
Department of Aviation	-	-	437,659	448,980	437,659	448,980
Sanitation	-	-	36,383	37,298	36,383	37,298
Other	-	-	11,311	11,435	11,311	11,435
Total Expenses	<u>690,029</u>	<u>698,011</u>	<u>929,486</u>	<u>902,343</u>	<u>1,619,515</u>	<u>1,600,354</u>
Increase (decrease) in net assets before transfers	238,698	188,582	144,622	100,181	383,320	288,762
Extraordinary Loss	-	(2,231)	-	(26,840)	-	(29,070)
Special Items	-	-	-	-	-	-
Transfers in(out)	(120,880)	(119,590)	120,880	119,590	-	-
Increase (decrease) in net assets	117,818	66,761	265,502	192,931	383,320	259,692
Net Assets, Beginning of Period as previously reported	214,627	205,658	6,385,868	6,192,937	6,600,495	6,398,596
Correction of Prior Year Error	-	(57,792)	-	-	-	(57,792)
Net Assets, Beginning of Period as restated	<u>214,627</u>	<u>147,866</u>	<u>6,385,868</u>	<u>6,192,937</u>	<u>6,600,495</u>	<u>6,340,803</u>
Net Assets, End of Period	<u>\$ 332,445</u>	<u>\$ 214,627</u>	<u>\$ 6,651,370</u>	<u>\$ 6,385,868</u>	<u>\$ 6,983,815</u>	<u>\$ 6,600,495</u>

Governmental Activities - A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2011 (in thousands):

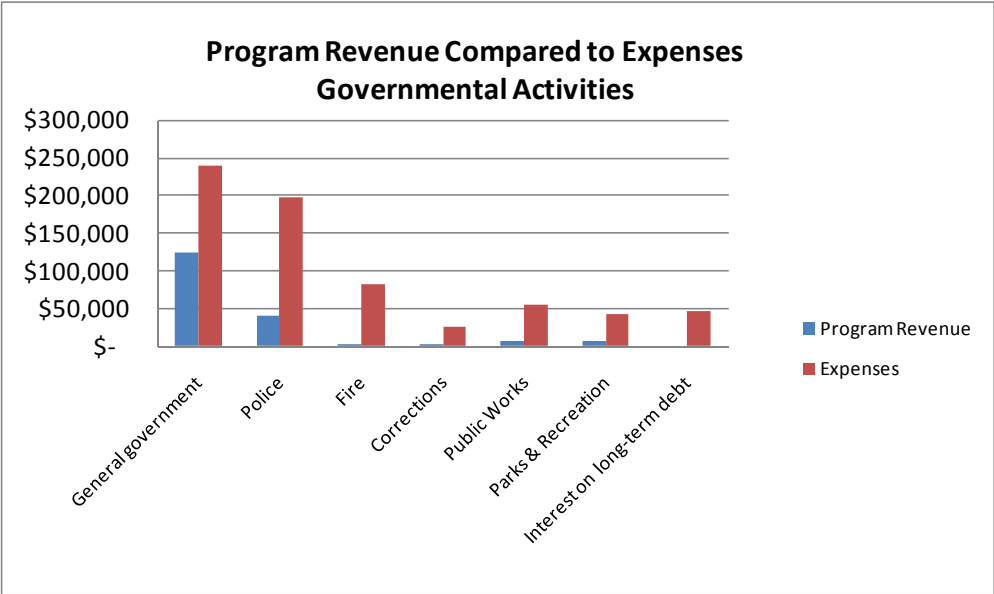
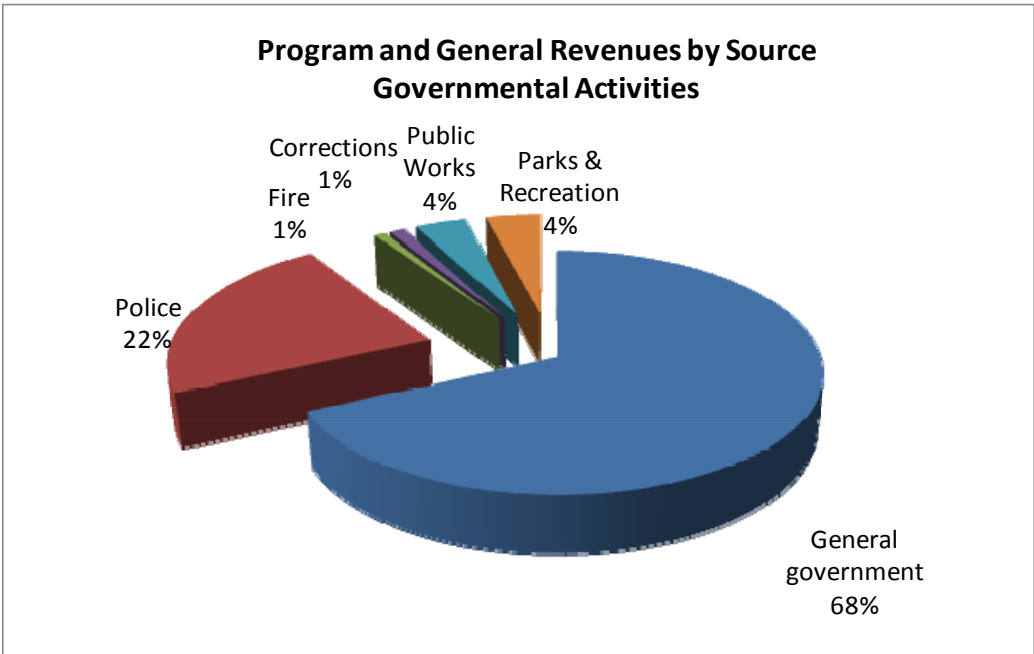


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2011 (in thousands):



Business-type activities - The net assets of the City’s business-type activities increased by \$ 265.5 million, representing growth of 4.2 % since June 30, 2010. This growth is attributable to the operations of the Departments of Aviation and Watershed Management. 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, 2011 (in thousands):

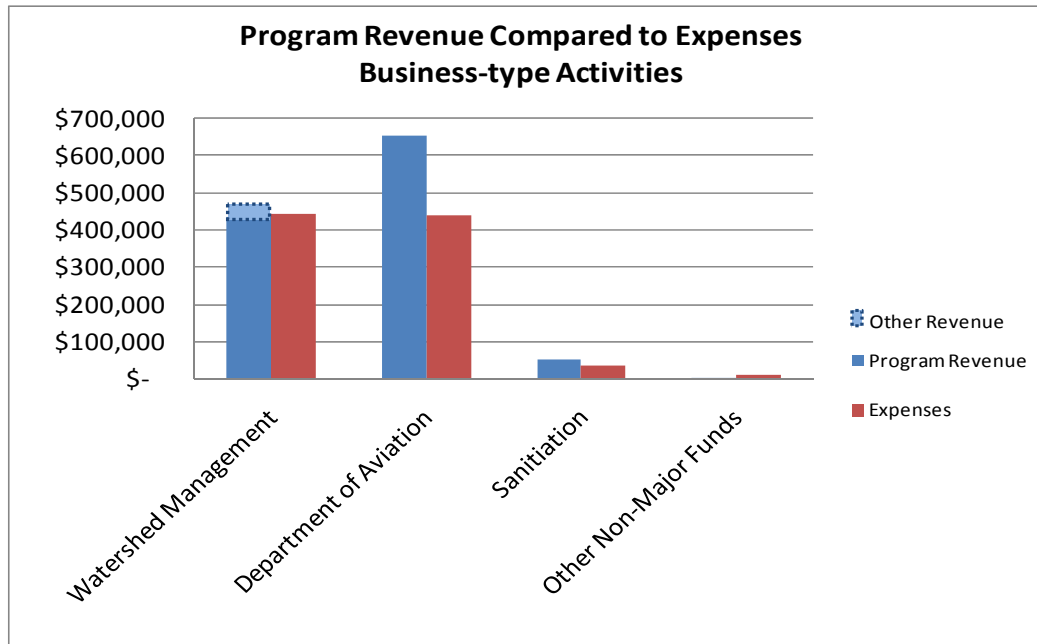
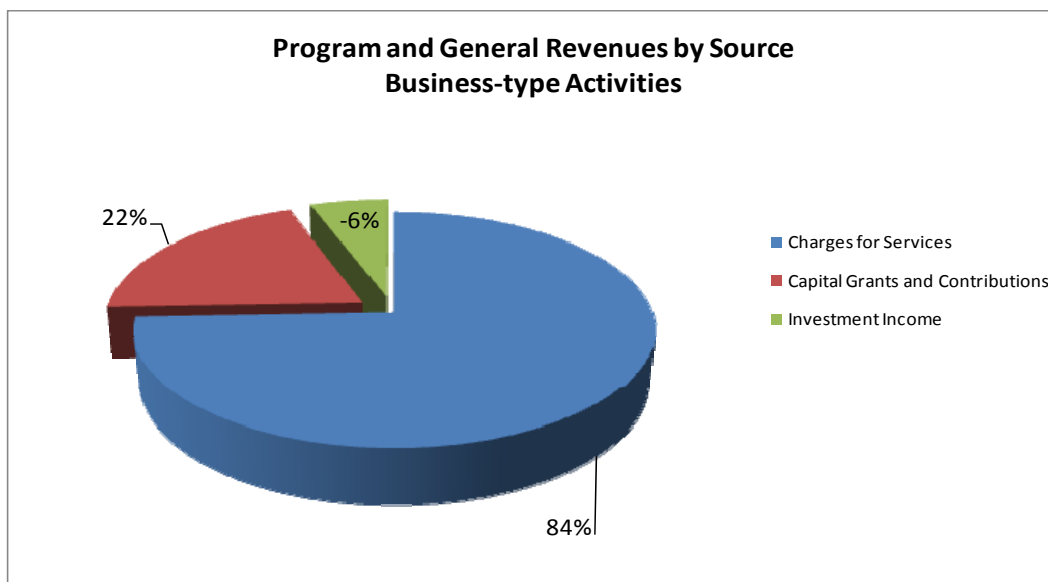


Figure 4. Program Revenues for Business-type Activities, Year Ended June 30, 2011 (in thousands):



Business-type activities financial analysis:

Department of Watershed Management (DWM) The DWM's Net Assets for the twelve month period ended June 30, 2011 increased by \$18.1 million or 0.8% as compared to the same period ended June 30, 2010.

Table 3. Department of Watershed Management Revenues and Expenses – Year Ended June 30, 2011 and June 30, 2010 (in thousands):

	Year Ended June 30	
	2011	2010
REVENUES		
Total operating revenues	\$ 433,183	\$ 380,413
Non-operating revenues	(81,316)	12,287
Transfers, net	110,828	110,528
Total revenues	<u>\$ 462,695</u>	<u>\$ 503,228</u>
EXPENSES		
Total operating expenses	\$ 219,949	\$ 219,274
Depreciation expenses	91,575	88,782
Non-operating expenses	133,057	111,541
Extraordinary Item	-	26,840
Total expenses	<u>\$ 444,581</u>	<u>\$ 446,436</u>
Change In Net Assets	<u>\$ 18,114</u>	<u>\$ 56,791</u>

Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by \$52.8 million or 13.9% to \$433.2 million. An increase in Water and Sewer Service revenue was due primarily to a rate increase which became effective July 1, 2010. Transfer revenue includes the Municipal Option Sales Tax (MOST); for fiscal year 2011 the MOST transfer totaled \$109.9 million compared with \$109.1 million in fiscal year 2010. Total revenues for the year ended June 30, 2011 decreased \$40.5 million or 8.1% to \$462.7 million, including an unrealized loss on investments related to interest rates swaps of \$91.6 million.

Total expenses were down \$1.9 million or 0.4% to \$444.6 million. Total operating expenses for the year ended June 30, 2011 were down slightly, \$675 thousand or 0.3%, compared to the year ended June 30, 2010. The increase in operating revenue and the slight decrease in operating expenses, resulted in an operating margin increase of \$52.1 million or 32.3%.

Non-operating expenses, which consist primarily of interest expense, totaled \$133.0 million, up \$21.5 million compared to 2010. Lower construction-in-progress balances resulted in a year-over-year reduction in capitalized interest of \$25.1 million. The \$26.8 million extraordinary item in 2010 relates to costs incurred to recover from flood damage.

Department of Aviation (DOA) The DOA's Net Assets for the year ended June 30, 2011 increased by \$229.1 million or 5.5%, as compared to the same period ended June 30, 2010.

Table 4. Department of Aviation Revenues and Expenses – Year Ended June 30, 2011 and June 30, 2010 (in thousands):

	<u>Year Ended June 30</u>	
	<u>2011</u>	<u>2010</u>
REVENUES		
Operating revenues	\$ 411,213	\$ 400,799
Investment income	13,798	(38,382)
Other income	243,699	205,729
Transfers, net	194	-
Total revenues	<u>\$ 668,904</u>	<u>\$ 568,146</u>
EXPENSES		
Operating expenses	\$ 203,375	\$ 210,169
Interest expenses	84,010	64,572
Depreciation and amortizations	152,395	174,124
Total expenses	<u>\$ 439,780</u>	<u>\$ 448,865</u>
Change In Net Assets	<u>\$ 229,124</u>	<u>\$ 119,281</u>

Total revenues for the year ended June 30, 2011 of \$668.9 million were up \$100.8 million or 17.7% year over year. Operating revenues are diverse and consist primarily of inside concessions, parking, car rentals, landing fees, terminal rentals, reimbursed operating expenses, and other revenues. Total operating revenues increased \$10.4 million, or 2.6% in comparison to fiscal year 2010.

Non-operating revenues consist of investment income and revenues from passenger facility charges (PFC's) and customer facility charges (CFC's). PFC and CFC net revenues increased 3% year-over-year in total. Investment income increased by \$52.2 million during fiscal year 2011 due mainly to the absence of \$58 million in SWAP termination fees paid during fiscal year 2010. Additionally there were more federally funded projects in fiscal year 2011 resulting in an increase of capital contributions of approximately \$30.1 million.

Total expenses for the year ended June 30, 2011 were \$439.8 million. Total expenses consist of operating, non-operating, depreciation and amortization expense. Operating expenses for the period were \$203.4 million or 46.2% of total expenses, and reflect a decrease of \$6.8 million or 3.2% over June 30, 2010. Interest expense increased by approximately \$19.4 million compared to 2010. The net increase of approximately \$623.3 in bonds payable generated a gross increase in interest expense. The increase in bonds payable combined with CONRAC (rental car facility) being placed in-service during fiscal year 2010, resulted in a lower amount of capitalized interest recorded during the current fiscal year. Offsetting the interest expense increase is a decrease of approximately \$21.7 million in depreciation and amortization. During 2010, certain one-time adjustments were made to assets to reflect appropriate levels of accumulated depreciation, with the net effect of increasing depreciation expense.

The restricted portion of the DOA's net assets represents bond reserve funds that are restricted under the bond ordinance related to aviation debt, and PFCs restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Also included are the 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 DOA's ongoing capital and operating obligations. The balance in unrestricted net assets at June 30, 2011 increased by \$188.9 million or 43.4% to \$624.4 million compared to \$435.5 million at June 30, 2010.

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 *unassigned 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, 2011, the City's governmental funds reported combined ending fund balances of \$472.6 million, an increase of \$70.2 million or 17.5%. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2011, the City has an unassigned fund balance of \$44.6 million.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$73.2 million, while total fund balance within the general fund reached \$94.3 million. The remainder of the General Fund fund balance is comprised of nonspendable, \$7.8 million, restricted, \$6.4 million, and assigned, \$6.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The capital projects fund expended \$34.5 million during fiscal 2011 on various public works projects as well as fleet purchases. There was a net increase in its fund balance during fiscal year 2011 of \$7.3 million resulting in an overall fund balance for the year of \$21.6 million. In fiscal year 2011, the capital projects fund received transfers totaling \$29.1 million from the general fund, in accordance with city ordinances, to offset certain costs absorbed in prior years by the capital projects fund.

The Municipal Option Sales Tax (MOST) fund is a special revenue fund used to report a 1% sales and use tax. These proceeds are subsequently transferred to the Department of Watershed Management (DWM) to be used for operations, debt service or renovations to the City's water and sewer system. Collections for fiscal year 2011 totaled \$110.0 million as compared with \$109.1 during the fiscal year 2010.

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

General Fund Budgetary Highlights

The General Fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds, is mostly comprised of general tax revenues, and provides basic city services such as Police, Fire & Rescue, and Parks & Recreation Services.

Total 2011 General Fund revenues were \$545.0 million, 2% higher than the final budgetary revenue anticipations of \$534.3, excluding fund balance appropriations of \$9.9 million. Modest over-collections in property and other taxes helped offset this amount and contributed to the positive budget variance of \$10.7 million. Including the fund balance amount, actual revenue was \$0.8 million more than anticipations (see page 26).

Total 2011 General Fund expenditures were \$478.4 million, \$76.8 million or 13.8% less than the final budgeted expenditures. The 2011 budget included General Fund payments totaling \$14 million in principal to the Department of Watershed Management under the a Memorandum of Understanding as debt service; however, the payments are properly recorded as balance sheet entries and do not impact expenditures. Additionally, there was \$9.8 million in debt service budgeted and paid by the General Fund, but transferred to a non-major enterprise fund (Underground). Finally, as a matter of policy, the General Fund budget includes 5% of revenue anticipations to be set aside as a fund balance reserve.

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets (before reductions for debt service) for its governmental and business type activities as of June 30, 2011 totaled \$11.3 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 net increase in the City’s investment in capital assets for the twelve month period ended June 30, 2011 was \$541.3 million or 5.0 %.

Major capital asset events during the year ended June 30, 2011 included the following:

- Buildings, improvements and equipment increased by \$70.1 million primarily due to construction in progress being completed on various projects at the DWM and the DOA, as well as the donation of building and land to the City by a local corporation with a total fair value of \$40 million.
- Construction in progress increased by a net \$547 million due mostly to additions to various DWM and DOA projects of \$779 million, offset by the close-out of various DWM and DOA projects totaling \$245.7 million.
- Depreciation expense during the fiscal year totaled \$300 million

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

Table 5. Capital Assets Schedule Fiscal 2011

	Total Primary Government					
	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-11	As of 30-Jun-10	As of 30-Jun-11	As of 30-Jun-10	As of 30-Jun-11	As of 30-Jun-10
Land	\$ 148,482	\$ 124,085	\$ 996,543	\$ 981,324	\$ 1,145,025	\$ 1,105,409
Land improvements	8,137	9,958	1,469,824	1,542,868	1,477,961	1,552,826
Buildings and building improvements	393,149	379,743	5,807,267	5,750,560	6,200,416	6,130,303
Other property and equipment	87,939	94,420	85,843	103,881	173,782	198,301
Infrastructure	321,845	337,845	-	-	321,845	337,845
Construction in progress	<u>120,509</u>	<u>106,857</u>	<u>1,904,048</u>	<u>1,370,738</u>	<u>2,024,557</u>	<u>1,477,595</u>
Total	<u>\$ 1,080,061</u>	<u>\$ 1,052,908</u>	<u>\$ 10,263,526</u>	<u>\$ 9,749,370</u>	<u>\$ 11,343,587</u>	<u>\$ 10,802,278</u>

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, increased by \$513.9 million during the current twelve-month period. The increase is primarily attributed to the Airport General Revenue Bonds Series 2010A, \$177.9 million in aggregate principal and the Airport Passenger Facility Charge Subordinate Lien General Revenue Bonds Series 2010B, \$409.8 million in aggregate principal. General and limited obligation debt decreased by \$31.6 million and Department of Watershed Management debt, including GEFA notes payable, decreased by \$50.3 million. Capital lease obligations for government-wide decreased by \$8.8 million during the current fiscal year.

Table 6. Long-Term Debt Schedule Fiscal 2011

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
General obligation and annual bonds	\$ 244,965	\$ 260,490	\$ -	\$ -	\$ 244,965	\$ 260,490
Premium on bonds	10,112	14,779	-	-	10,112	14,779
SWMA revenue refunding bonds	18,020	19,235	-	-	18,020	19,235
Less: Deferred amount on refunding	(362)	(398)	-	-	(362)	(398)
Limited obligation bonds	634,595	648,150	-	-	634,595	648,150
Discount on bonds	2,538	(132)	-	-	2,538	(132)
Less: Deferred amount on refunding	(13,531)	(14,212)	-	-	(13,531)	(14,212)
Section 108 loans	4,025	5,115	-	-	4,025	5,115
Other General Long-term Obligations	93,678	103,062	-	-	93,678	103,062
Notes Payable	12,590	14,083	-	-	12,590	14,083
Water and Wastewater Revenue Bonds	-	-	3,163,655	3,202,025	3,163,655	3,202,025
Premium on bonds	-	-	24,675	25,830	24,675	25,830
Other	-	-	10,920	18,120	10,920	18,120
GEFA notes payable	-	-	141,823	145,353	141,823	145,353
Airport Facilities Revenue Bonds	-	-	2,801,655	2,235,572	2,801,655	2,235,572
Issuance discount and refunding losses	-	-	55,478	(1,737)	55,478	(1,737)
Underground Atlanta	-	-	-	-	-	-
Capital Leases:						
General fund	76,567	83,396	-	-	76,567	83,396
Water and Wastewater System	-	-	9,643	11,603	9,643	11,603
Parking Deck	-	-	21,685	22,305	21,685	22,305
Underground Atlanta	-	-	35,895	42,090	35,895	42,090
Total	\$ 1,083,197	\$ 1,133,568	\$ 6,265,429	\$ 5,701,161	\$ 7,348,626	\$ 6,834,729

The City’s underlying ratings for its bond issuances at June 30, 2011 were as follows:

Table 7. City of Atlanta Bond Ratings, Fiscal 2011

CITY OF ATLANTA			
MUNICIPAL BOND RATINGS			
BOND TYPE	MUNICIPAL CREDIT RATING		
	Moody's	Standard &	Fitch
	Investors	Poor's	
	Service		
GENERAL OBLIGATIONS BONDS			
Underlying Rating	Aa2	A	
WATER AND WASTEWATER REVENUE BONDS			
Underlying Rating	A1	A	A
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 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's outstanding general obligation debt. See the Legal Debt Margin Information in the Statistical Section of this report.

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

Economic Factors and Next Year's Budgets and Rates

The City continues to manage its activities through the remnants of an historical recession that started in the fall of 2008. The City's ability to persevere in these tough conditions is the result of a reliable 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, health, education, finance, insurance and real estate, and manufacturing sectors.

The 2011-2012 economic outlook for Atlanta remains for the City to see slow but steady recovery; however, it will continue to struggle with an unemployment rate that exceeds both the state and national averages. Key sectors that are critical to the rebound are construction, business service, and retail trade. The City is seeing a gradual rise in tourism and travel which is also providing positive signs of an overall recovery.

Property tax, sales tax and building permits continue to be monitored closely as the economy recovers. These are key indicators for the City in projecting overall revenue performance in fiscal year 2012. Based on the City's internal financial reporting and forecasting processes, administration and management are able to respond quickly to changing economic and business cycles.

Highlights of the fiscal year 2012 budget include:

- General Fund revenue anticipation of \$550.6 million, with no changes to the property tax millage rate and assuming a 97% collection rate. This compares to \$559.5 million in 2011.
- Department of Watershed Management revenue anticipation of \$514 million, as compared to \$480 million in 2011. The increase is attributable to a 12% rate increase effective July 1, 2011.
- Department of Aviation revenue anticipation of \$406 million, flat compared to 2011.

The fiscal 2012 budget includes funding for an additional 100 sworn police officers to bring the City closer to the goal of 2,000 sworn officers. The budget also includes more than \$27 million to be added to the City's reserves, which would put the General Fund fund balance over \$100 million. The City will also be supporting the Neighborhood Planning Units (NPU's) by allocating \$100 thousand to support community leaders by covering small expenses like photocopying, stamps and other materials needed to facilitate resident engagement.

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 the City's Chief Financial Officer, 11100 City Hall Tower, 68 Mitchell St., SW, Atlanta, Georgia 30303.

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Basic Financial Statements

Atlanta

CITY OF ATLANTA, GEORGIA

Statement of Net Assets

June 30, 2011

(In Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 84,048	\$ 31,606	\$ 115,654	\$ 17,134
Restricted cash	147,776	245,150	392,926	46,413
Investments in pooled investment fund	105,743	709,285	815,028	-
Investments	3,816	-	3,816	10,469
Receivables (net of allowances for uncollectables)	66,357	95,814	162,171	6,953
Due from other governments	13,877	27,489	41,366	5,484
Internal balances	(74,450)	74,450	-	-
Inventories	-	23,264	23,264	240
Other restricted assets	-	84,707	84,707	-
Prepaid expenses and other assets	3,312	934	4,246	5,416
Total current assets	<u>350,476</u>	<u>1,292,699</u>	<u>1,643,176</u>	<u>92,109</u>
Noncurrent assets:				
Restricted cash	-	-	-	33,907
Restricted investments	181,982	1,906,860	2,088,842	8,578
Capital assets:				
Land and construction in progress	268,991	2,900,590	3,169,581	153,314
Other capital assets, net of depreciation	489,225	7,362,935	7,852,160	202,692
Infrastructure, net of depreciation	321,845	-	321,845	-
Investments in joint venture	-	81,345	81,345	-
Investments in escrow	9,417	-	9,417	-
Due from component unit	-	25,000	25,000	32,216
Other assets	47,980	182,456	230,436	32,798
Total noncurrent assets	<u>1,319,440</u>	<u>12,459,186</u>	<u>13,778,626</u>	<u>526,110</u>
Total Assets	<u>1,669,916</u>	<u>13,751,885</u>	<u>15,421,802</u>	<u>618,218</u>
LIABILITIES				
Current liabilities				
Accounts payable	38,857	12,561	51,418	6,924
Accrued expenses and vacations	5,830	21,093	26,923	-
Claims payable	24,220	15,288	39,508	-
Contract retentions	1,354	-	1,354	-
Due to other governments	9,458	-	9,458	1,154
Other liabilities	-	5,097	5,097	6,185
Unearned revenues	12,583	-	12,583	5,799
Liabilities payable from restricted assets	-	207,962	207,962	32,000
Notes payable	-	314,348	314,348	-
Current portion of long-term debt	54,074	125,662	179,736	21,100
Current portion of other liabilities	9,432	3,249	12,681	-
Current portion of capital leases	7,218	9,158	16,376	-
Total current liabilities	<u>163,026</u>	<u>714,418</u>	<u>877,445</u>	<u>73,162</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	952,556	6,068,824	7,021,380	362,334
Noncurrent portion of capital leases	69,349	58,066	127,415	-
Deferred revenue	-	-	-	-
OPEB liabilities	111,768	96,152	207,920	-
Due to primary government	-	-	-	54,516
Other long-term liabilities	40,772	163,056	203,828	-
Total non-current liabilities	<u>1,174,445</u>	<u>6,386,098</u>	<u>7,560,543</u>	<u>416,850</u>
Total Liabilities	<u>1,337,471</u>	<u>7,100,516</u>	<u>8,437,987</u>	<u>490,012</u>
NET ASSETS				
Invested in capital assets, net of related debt	58,841	4,879,760	4,938,601	95,511
Restricted for:				
Debt service	265,371	349,001	614,372	-
Programs	76,517	-	76,517	62,382
Capital projects	49,827	418,473	468,300	-
Unrestricted	(118,112)	1,004,136	886,024	(29,686)
Total Net Assets	<u>\$ 332,445</u>	<u>\$ 6,651,370</u>	<u>\$ 6,983,815</u>	<u>\$ 128,207</u>

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Activities

For the Year Ended June 30, 2011

(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		TOTALS	Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	\$ 239,306	\$ 94,307	\$ 29,532	\$ 40,930	\$ (74,537)	\$ -	\$ (74,537)	
Police	197,598	19,228	20,574	-	(157,796)	-	(157,796)	
Fire	83,596	496	842	-	(82,258)	-	(82,258)	
Corrections	25,520	2,003	-	-	(23,517)	-	(23,517)	
Public Works	54,442	2,383	4,200	-	(47,859)	-	(47,859)	
Parks, Recreation and Cultural Affairs	41,939	2,267	4,865	-	(34,807)	-	(34,807)	
Interest on long-term debt	47,629	-	-	-	(47,629)	-	(47,629)	
Total Governmental activities	690,029	120,684	60,013	40,930	(468,403)	-	(468,403)	
Business-type activities:								
Watershed Management	444,133	433,183	-	139	-	(10,810)	(10,810)	
Aviation	437,659	411,213	-	241,317	-	214,870	214,870	
Sanitation	36,383	51,985	-	-	-	15,602	15,602	
Parks and Recreational Facilities	534	487	-	-	-	(47)	(47)	
Underground Atlanta	7,252	1,941	-	-	-	(5,311)	(5,311)	
Parking Deck	1,464	740	-	-	-	(724)	(724)	
Civic Center	2,061	1,601	-	-	-	(460)	(460)	
Total Business-type activities	929,486	901,150	-	241,456	-	213,121	213,120	
Total Primary Government	\$ 1,619,516	\$ 1,021,834	\$ 60,013	\$ 282,386	(468,403)	213,121	(255,283)	
Component Units	\$ 84,555	\$ 54,649	\$ 12,587	\$ 20,421				\$ 3,102

General revenues:

Taxes:

Property Taxes Levied for general purposes	190,406	-	190,406	-
Property Taxes Levied for debt service	129,965	-	129,965	-
Local and Municipal Option Sales Tax	203,887	-	203,887	4,803
Public Utility Franchise Taxes	72,450	-	72,450	-
Business Taxes	100,177	-	100,177	-
Investment income (loss)	3,825	(68,499)	(64,674)	990
Gain on sale of assets	6,391	-	6,391	-
Other	-	-	-	1,259
Total General revenues	707,101	(68,499)	638,602	7,052
Transfers	(120,880)	120,880	-	-
Total general revenues, special items and transfers	586,221	52,382	638,602	7,052
Change in net assets	117,818	265,502	383,320	10,154
Net assets - beginning of period	214,627	6,385,868	6,600,495	118,052
NET ASSETS - END OF PERIOD	\$ 332,445	\$ 6,651,370	\$ 6,983,815	\$ 128,207

The accompany notes are an integral part of the statements

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CITY OF ATLANTA, GEORGIA

Balance Sheet
Governmental Funds
June 30, 2011
(In Thousands)

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Municipal Option Sales Tax (MOST)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 29	\$ 1,557	\$ -	\$ 82,224	\$ 83,810
Cash and cash equivalents, restricted	-	-	-	147,775	147,775
Investments in pooled investment fund	63,423	447	98	39,639	103,607
Investments	1,323	-	372	2,121	3,816
Receivables:					
Taxes	11,247	-	14,155	15,865	41,267
Accounts	19,211	-	-	1,855	21,066
Due from other governments	-	-	-	13,877	13,877
Due from other funds	132,200	-	-	34	132,234
Restricted investments	-	49,532	-	132,450	181,982
Other assets	3,312	-	-	-	3,312
Investments in escrow	9,417	-	-	-	9,417
TOTAL ASSETS	<u>\$ 240,162</u>	<u>\$ 51,536</u>	<u>\$ 14,625</u>	<u>\$ 435,840</u>	<u>\$ 742,163</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 27,775	\$ 360	\$ -	\$ 8,328	\$ 36,463
Accrued liabilities, vacation, and compensatory pay	4,503	-	-	569	5,072
Contract retentions	-	996	-	358	1,354
Notes payable	-	-	-	-	-
Due to other governments	-	-	-	9,458	9,458
Due to other funds	100,051	28,548	14,625	46,673	189,897
Deferred revenue	11,947	-	-	2,741	14,688
Unearned revenue	1,536	-	-	11,047	12,583
Total Liabilities	<u>145,812</u>	<u>29,904</u>	<u>14,625</u>	<u>79,174</u>	<u>269,515</u>
Fund Balances (Deficit):					
Nonspendable	7,834	-	-	-	7,834
Restricted	6,388	21,632	-	385,327	413,347
Assigned	6,912	-	-	-	6,912
Unassigned	73,216	-	-	(28,661)	44,555
Total fund balances	<u>94,350</u>	<u>21,632</u>	<u>-</u>	<u>356,666</u>	<u>472,648</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 240,162</u>	<u>\$ 51,536</u>	<u>\$ 14,625</u>	<u>\$ 435,840</u>	<u>\$ 742,163</u>

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, 2011
 (In Thousands)

Total fund balances \$ 472,648

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:

	\$	14,570	
Accounts receivable			
Allowance for uncollectible receivables		(12,182)	2,388

Other liabilities are not recognized as current year revenues and, therefore, are classified as deferred in the above funds 14,688

Capital assets used in governmental activities are not financial resources and therefore are not reported in the above funds:

		268,991	
Land and construction in progress			
Cost of Capital Assets		1,739,183	
Less: Accumulated Depreciation		(928,113)	1,080,061

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 47,979

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 (15,930) (15,930)

Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in the above funds.

		(244,965)	
General obligation and annual bonds			
SWMA revenue refunding bonds		(18,020)	
Limited obligation bonds		(634,596)	
Capital Leases		(76,567)	
Other General Long-term Obligations		(97,703)	
Unamortized premiums (discounts) and deferred refunding on bond issues		1,243	
Vacation pay		(20,236)	
Notes Payable		(12,590)	
OPEB obligation		(111,768)	
Health, Dental and General claims payable		(29,861)	
Workers' compensation		(24,327)	(1,269,389)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 332,445

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011
(In Thousands)

	General Fund	Capital Projects Fund	Municipal Option Sales Tax (MOST)	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 191,460	\$ -	\$ -	\$ 129,965	\$ 321,425
Local and municipal option sales taxes	93,912	-	109,975	-	203,887
Public utility, alcoholic beverage and other taxes	125,547	-	-	47,050	172,597
Licenses and permits	63,133	-	-	756	63,889
Charges for current services	4,728	-	-	12,584	17,312
Fines, forfeitures and penalties	20,196	-	-	2,172	22,368
Investment income	2,169	32	-	1,618	3,819
Intergovernmental revenues and contributions:					
Federal revenues	-	-	-	43,437	43,437
State and local grants and contributions	-	-	-	16,576	16,576
Building rentals and concessions	6,276	-	-	877	7,153
Other	5,468	260	-	4,267	9,995
Total revenues	512,889	292	109,975	259,302	882,458
EXPENDITURES					
Current:					
General government:	112,837	345	-	102,473	215,655
Police	153,513	4,577	-	31,219	189,309
Fire	73,535	238	-	835	74,608
Corrections	20,932	-	-	2,997	23,929
Public Works	27,517	20,376	-	3,729	51,622
Parks, Recreation and Cultural Affairs	25,341	8,561	-	9,897	43,799
Debt Service:					
Principal payments	19,595	-	-	29,560	49,155
Interest payments	13,006	441	-	35,462	48,909
Bond issuance costs	-	2	-	1,431	1,433
Total Expenditures	446,276	34,540	-	217,603	698,419
Excess (deficiency) of revenues over expenditures	66,613	(34,248)	109,975	41,699	184,039
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	419	-	-	6,670	7,089
Transfers in (out)	(45,115)	41,537	(109,975)	(7,327)	(120,880)
Total Other Financing Sources (Uses)	(44,696)	41,537	(109,975)	(657)	(113,791)
Net change in fund balances	21,917	7,289	-	41,042	70,248
Fund Balance:					
Beginning of the period	72,433	14,343	-	315,624	402,400
FUND BALANCE, END OF PERIOD	\$ 94,350	\$ 21,632	\$ -	\$ 356,666	\$ 472,648

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, 2011
(In Thousands)

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

Net change in fund balance - total governmental funds	\$	70,248
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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	\$ (1,727)	(1,727)
----------------	------------	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the above funds

673

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	44,261	
Contribution of Capital Assets	40,930	
Disposal of assets	(698)	
Depreciation Expense	<u>(57,338)</u>	27,155

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	-	
Proceeds from capital leases	-	
Payment of refunded debt	-	
Proceeds from long-term debt	-	
Payments on long-term debt	49,155	
Capitalization of issuance costs, premiums and discounts	1,430	
Amortization of issuance costs, premiums and discounts	<u>1,280</u>	51,864

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.

(2,799)

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	5,114	
Compensated absences	982	
OPEB liability	(30,433)	
Long-term workers' compensation	<u>(3,259)</u>	<u>(27,596)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 117,818

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, 2011
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property taxes	\$ 185,391	\$ 185,391	\$ 191,460	\$ 6,069
Local option sales tax	100,580	100,580	93,912	(6,668)
Sales, public utility, alcoholic beverage, and other taxes	110,082	110,082	125,547	15,465
Licenses and permits	66,019	66,019	63,133	(2,886)
Charges for services:				
Recreation fees and other	5,587	5,587	4,728	(859)
Fines, forfeitures, and penalties	20,213	20,213	20,196	(17)
Revenues from use of money and property:				
Investment income	1,300	1,300	2,169	869
Building rentals and concessions	8,190	8,190	6,276	(1,914)
Other income	46,880	46,880	37,622	(9,258)
	<u>\$ 544,242</u>	<u>\$ 544,242</u>	<u>\$ 545,043</u>	<u>\$ 801</u>
Total revenues	<u>\$ 544,242</u>	<u>\$ 544,242</u>	<u>\$ 545,043</u>	<u>\$ 801</u>

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, 2011
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
General government:				
Executive offices	\$ 19,253	19,254	17,286	\$ 1,968
Personnel and human resources	2,678	2,678	2,358	320
City council	6,755	6,754	5,831	923
Courts and judicial agencies	8,369	8,369	7,957	412
Finance	10,373	10,373	9,462	911
Nondepartmental expenditures	120,307	120,307	89,749	30,558
Planning and community development	8,485	8,485	7,889	596
Law	4,575	4,575	4,459	116
Total general government	<u>180,795</u>	<u>180,795</u>	<u>144,991</u>	<u>35,804</u>
Public safety:				
Police	161,657	161,518	153,513	8,005
Fire	74,076	74,076	73,535	541
Corrections	21,851	21,851	20,932	919
Total public safety	<u>257,584</u>	<u>257,445</u>	<u>247,980</u>	<u>9,465</u>
Public works	21,306	21,306	27,517	(6,211)
Parks, recreation, and cultural affairs	28,674	28,674	25,341	3,333
Debt service				
Bond principal payments	32,985	32,985	19,595	13,390
Interest on bonds	34,040	34,040	13,006	21,034
Total debt service	<u>67,025</u>	<u>67,025</u>	<u>32,601</u>	<u>34,424</u>
Total expenditures	<u>555,384</u>	<u>555,245</u>	<u>478,430</u>	<u>76,815</u>
Excess of revenues over expenditures (under) expenditures	<u>(11,142)</u>	<u>(11,003)</u>	<u>66,613</u>	<u>87,454</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	10,842	10,703	(45,115)	(55,818)
Proceeds from sale of assets	300	300	419	119
Total other financial sources and uses	<u>11,142</u>	<u>11,003</u>	<u>(44,696)</u>	<u>(55,699)</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>21,917</u>	<u>\$ 31,755</u>
Fund balance, beginning of period				
Beginning of the period	72,433	72,433	72,433	
End of period	<u>\$ 72,433</u>	<u>\$ 72,433</u>	<u>\$ 94,350</u>	

The accompanying notes are an integral part of the statements

CITY OF ATLANTA, GEORGIA
Municipal Option Sales Tax (MOST) Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(In Thousands)

	Municipal Option Sales Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Public utility, alcoholic beverage and other taxes	\$ 106,000	\$ 106,000	\$ 109,975	\$ 3,975
Investment Income	-	-	-	-
Other income	-	-	-	-
Total revenues	106,000	106,000	109,975	3,975
EXPENDITURES				
Current:				
OTHER FINANCING SOURCES (USES):				
Transfer in (out)	(106,000)	(106,000)	(109,975)	(3,975)
Total other financial sources and uses	(106,000)	(106,000)	(109,975)	(3,975)
Excess of revenues and other sources over expenditures and other uses	-	-	-	-
Fund balance - beginning	-	-	-	
Fund balance - ending	\$ -	\$ -	\$ -	

The accompanying notes are an integral part of the statements

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CITY OF ATLANTA, GEORGIA

Statement of Net Assets

Proprietary Funds

June 30, 2011

(In Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 18,757	\$ 12,849	\$ -	\$ 31,606	\$ 238
Restricted cash	4,720	240,430	-	245,150	-
Investments in pooled investment fund	292,692	408,308	8,284	709,284	2,136
Receivables:					
Accounts	110,206	19,823	34,183	164,212	1,235
Less allowance for doubtful accounts	(60,575)	(8,892)	(3,871)	(73,338)	-
Interest	4,940	-	-	4,940	-
Total receivables	<u>54,571</u>	<u>10,931</u>	<u>30,312</u>	<u>95,814</u>	<u>1,235</u>
Due from other governments	27,489	-	-	27,489	-
Due from other funds	27,488	194	652	28,334	-
Inventories	18,405	4,859	-	23,264	-
Prepaid expenses	211	723	-	934	-
Restricted assets	<u>48,489</u>	<u>36,218</u>	<u>-</u>	<u>84,707</u>	<u>-</u>
Total current assets	<u>492,822</u>	<u>714,512</u>	<u>39,248</u>	<u>1,246,582</u>	<u>3,609</u>
Noncurrent assets:					
Restricted Investments	577,517	1,329,343	-	1,906,860	-
Due from other funds	86,223	-	-	86,223	-
Capital assets:					
Land	113,569	583,098	21,621	718,288	136
Land purchased for noise abatement	-	278,255	-	278,255	-
Construction in progress	383,300	1,520,747	-	1,904,047	-
Land improvements	12,072	2,514,575	6,693	2,533,340	29
Buildings and other structures	5,685,972	2,391,374	88,866	8,166,212	5,507
Other property and equipment	200,429	157,861	34,754	393,044	6,555
Less accumulated depreciation	<u>(1,789,559)</u>	<u>(1,840,196)</u>	<u>(99,906)</u>	<u>(3,729,661)</u>	<u>(11,134)</u>
Capital assets, net	<u>4,605,783</u>	<u>5,605,714</u>	<u>52,028</u>	<u>10,263,525</u>	<u>1,093</u>
Investment in joint venture	81,345	-	-	81,345	-
Due from component units	25,000	-	-	25,000	-
Deferred Outflow of Resources	8,807	-	-	8,807	-
Other assets	<u>55,263</u>	<u>109,972</u>	<u>8,414</u>	<u>173,649</u>	<u>-</u>
Total noncurrent assets	<u>5,439,938</u>	<u>7,045,029</u>	<u>60,443</u>	<u>12,545,410</u>	<u>1,093</u>
Total Assets	<u>\$ 5,932,760</u>	<u>\$ 7,759,541</u>	<u>\$ 99,691</u>	<u>\$ 13,791,992</u>	<u>\$ 4,702</u>

The accompanying notes are an integral part of the statements.

	Business Activities - Enterprise Funds				Governmental
	Department of		Other	Total	Activities
	Watershed	Department of	Nonmajor		Internal Service
Management	Aviation	Funds		Fund	
LIABILITIES					
Liabilities:					
Current liabilities					
Accounts payable	\$ 6,942	\$ 5,020	\$ 600	\$ 12,562	\$ 2,394
Accrued expenses, vacations, and compensatory pay	7,396	12,355	1,342	21,093	758
Claims payable	13,395	1,893	-	15,288	-
Deposits and advance	5,097	-	-	5,097	-
Due to other funds	-	-	31,653	31,653	24,837
Current maturities of other debt	3,647	-	-	3,647	-
Current maturities of capital leases	2,033	-	7,125	9,158	-
Termination fee on interest rate swaps	7,200	-	-	7,200	-
Current portion of other liabilities	1,699	348	1,202	3,249	-
	<u>47,409</u>	<u>19,616</u>	<u>41,922</u>	<u>108,947</u>	<u>27,989</u>
Current liabilities payable from restricted assets:					
Accounts payable	14,794	49,604	-	64,398	-
Accrued interest payable	29,210	76,662	-	105,872	-
Contract retention	14,729	21,177	-	35,906	-
Deposits and advances	-	1,786	-	1,786	-
Commercial paper notes payable	-	314,348	-	314,348	-
Current maturities of long-term debt	46,085	68,730	-	114,815	-
	<u>104,818</u>	<u>532,307</u>	<u>-</u>	<u>637,125</u>	<u>-</u>
Total current liabilities payable from restricted assets					
Total current liabilities	<u>152,227</u>	<u>551,923</u>	<u>41,922</u>	<u>746,073</u>	<u>27,989</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,280,422	2,788,402	-	6,068,824	-
Capital lease obligations, excluding current maturities	7,611	-	50,455	58,066	-
Other postemployment benefit liability	55,168	31,619	9,365	96,152	-
Contract retention, excluding current portion	-	23,015	-	23,015	-
Accrued workers' compensation	6,646	1,361	4,701	12,708	-
Termination fee on interest rate swaps	3,720	-	-	3,720	-
Interest rate SWAP	100,439	-	-	100,439	-
Landfill postclosure costs	-	-	23,174	23,174	-
Total noncurrent liabilities	<u>3,454,006</u>	<u>2,844,397</u>	<u>87,695</u>	<u>6,386,098</u>	<u>-</u>
Total Liabilities	<u>3,606,233</u>	<u>3,396,320</u>	<u>129,617</u>	<u>7,132,171</u>	<u>27,989</u>
NET ASSETS (Deficit)					
Invested in capital assets, net of related debt	1,913,991	2,971,321	(5,552)	4,879,760	1,093
Restricted for:					
Debt service	-	349,001	-	349,001	-
Capital projects	-	418,473	-	418,473	-
Unrestricted	412,536	624,426	(24,375)	1,012,587	(24,380)
Total net assets (deficit)	<u>\$ 2,326,527</u>	<u>\$ 4,363,221</u>	<u>\$ (29,926)</u>	<u>\$ 6,659,821</u>	<u>\$ (23,287)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(8,451)</u>	
Net assets of business-type activities				<u>\$ 6,651,370</u>	

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011
(In Thousands)

	Business Activities - Enterprise Funds			Total	Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Operating revenues:					
Charges for services	\$ 430,698	\$ 231,169	\$ 51,347	\$ 713,214	\$ 141,904
Rentals, admissions and concessions	-	139,022	4,200	143,222	-
Other	2,485	41,022	1,207	44,714	671
Total operating revenues	<u>433,183</u>	<u>411,213</u>	<u>56,754</u>	<u>901,150</u>	<u>142,575</u>
Operating expenses:					
Salaries and employee benefits	96,762	82,482	19,712	198,956	124,488
Utilities	22,918	9,627	707	33,252	556
Supplies and materials	18,352	2,888	968	22,208	14,215
Repairs, maintenance and other contractual services	13,106	85,945	921	99,972	2,139
Motor equipment services	5,591	-	6,210	11,801	4
Engineering and consultant fees	9,631	-	7,152	16,783	488
General services	51,292	15,300	3,462	70,054	4,924
Programs services and other costs	2,297	7,133	-	9,430	9
Total operating expenses	<u>219,949</u>	<u>203,375</u>	<u>39,132</u>	<u>462,456</u>	<u>146,823</u>
Operating income (loss) before depreciation and amortization	213,234	207,838	17,622	438,694	(4,248)
Depreciation and amortization	91,575	152,395	4,120	248,090	406
Operating income (loss)	<u>121,659</u>	<u>55,443</u>	<u>13,502</u>	<u>190,604</u>	<u>(4,654)</u>
Non-operating revenues (expenses):					
Investment income (loss), net of capitalized interest	9,240	13,798	97	23,135	6
Unrealized gain (loss) on derivative instrument	(91,633)	-	-	(91,633)	-
Interest expense	(133,057)	(84,010)	(3,370)	(220,437)	(229)
Passenger facility charges	-	172,673	-	172,673	-
Customer facility charges	-	19,265	-	19,265	-
Other revenue (expenses)	938	2,382	-	3,320	-
Total nonoperating revenues (expenses)	<u>(214,512)</u>	<u>124,108</u>	<u>(3,273)</u>	<u>(93,678)</u>	<u>(223)</u>
Income (loss) before capital contributions, special items and transfers	(92,853)	179,551	10,229	96,926	(4,877)
Capital Contributions	139	49,379	-	49,518	-
Transfers in (out)	110,828	194	9,858	120,880	-
Change in net assets	18,114	229,124	20,087	267,324	(4,877)
Net assets (deficit), beginning of period	2,308,413	4,134,097	(50,013)	6,392,497	(18,410)
Net assets (deficit), end of period	<u>\$ 2,326,527</u>	<u>\$ 4,363,221</u>	<u>\$ (29,926)</u>	<u>\$ 6,659,821</u>	<u>\$ (23,287)</u>
			Change in net assets	267,324	
			Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	(1,822)	
			Change in net assets of business-type activities	<u>\$ 265,502</u>	

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, 2011

(In Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Cash flows from operating activities					
Cash received from user charges	\$ 417,634	\$ 407,173	\$ 55,681	\$ 880,488	\$ 141,886
Cash received from interfund services provided	14,303	-	-	14,303	-
Cash payments to employees for services	(82,199)	(72,332)	(20,331)	(174,862)	(124,523)
Cash payments to suppliers for goods and services	(104,769)	(124,976)	(27,435)	(257,180)	(15,716)
Cash payments to general government for ad valorem taxes and franchise fees	(11,436)	-	-	(11,436)	-
Net cash provided by (used in) operating activities	233,533	209,865	7,915	451,313	1,647
Cash flows from noncapital financing activities					
Non-capital grants and donations	938	-	-	938	-
Disbursement for extraordinary item	-	-	-	-	-
Transfers in (out)	113,145	-	9,858	123,003	-
Net cash provided by (used in) noncapital financing activities	114,083	-	9,858	123,941	-
Cash flows from capital and related financing activities					
Capital contributions	139	48,400	-	48,539	-
Principal repayments of long-term debts	(45,013)	(858,161)	(6,815)	(909,989)	-
Acquisition, construction and improvements of capital assets	(207,984)	(474,498)	(1,661)	(684,143)	-
Passenger and customer facility charges	-	191,231	-	191,231	-
Proceeds from sale of capital assets	-	-	-	-	-
Accounts payable from restricted assets	-	1,033	-	1,033	-
Proceeds from bond/note issuances	-	1,646,949	-	1,646,949	-
Refunding of revenue bonds	-	-	-	-	-
Proceeds from refunded bonds as capital lease	-	-	-	-	-
Arbitrage Liability	-	-	-	-	-
Interest paid on revenue bonds	(186,422)	(105,431)	(1,689)	(293,542)	(229)
Net cash provided by (used in) capital and related financing activities	(439,280)	449,523	(10,164)	79	(229)
Cash flows from investing activities					
Interest on investments	18,244	17,578	96	35,918	6
Purchases of nonpooled investments	(38,050)	(1,758,421)	-	(1,796,471)	-
Sales of nonpooled investments	294,731	1,195,337	-	1,490,068	-
SWAP Termination payments	(7,200)	-	-	(7,200)	-
Net change in investment in pooled funds	(179,124)	34,342	(7,705)	(152,487)	(1,410)
Net cash provided by (used in) investing activities	88,601	(511,164)	(7,609)	(430,172)	(1,404)
Net change in cash and cash equivalents	(3,063)	148,224	-	145,161	15
Cash and cash equivalents, beginning of period	26,540	105,055	-	131,595	223
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 23,477	\$ 253,279	\$ -	\$ 276,756	\$ 238

Continued

CITY OF ATLANTA, GEORGIA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011
(In Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by					
(used in) operating activities:					
Operating income (loss)	\$ 121,659	\$ 55,443	\$ 13,502	\$ 190,604	\$ (4,654)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	91,575	152,395	4,120	248,090	406
Changes in assets and liabilities					
Receivables - net of allowance	(7,372)	(4,040)	(723)	(12,135)	(690)
Inventories	(3,029)	(1,493)	-	(4,522)	-
Due from other funds	18,818	-	(346)	18,472	-
Prepaid expenses and other assets	(211)	32	-	(179)	-
Due (from) other governmental units, net	1,458	-	-	1,458	-
Investment in Joint Venture	1,411	-	-	1,411	-
Accounts payable and accrued expenses	13,097	335	(2,935)	10,497	347
Other Liabilities	-	7,193	-	7,193	(35)
Claims payable	(4,455)	-	-	(4,455)	-
Deposits and advances	582	-	-	582	-
Due to other funds	-	-	(5,703)	(5,703)	6,273
Net cash provided by (used in) operating activities	<u>\$ 233,533</u>	<u>\$ 209,865</u>	<u>\$ 7,915</u>	<u>\$ 451,313</u>	<u>\$ 1,647</u>
Supplemental schedule of non-cash financing activities:					
Appreciation of capital appreciation bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

(In Thousands)

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 139,370	\$ 202
Investments in pooled investment fund	-	24,002
Investments:		
Equities	1,565,229	582
U. S. government and agency obligations	310,141	-
Corporate bonds	128,924	-
Other	<u>146,737</u>	<u>-</u>
Total Investments	<u>2,151,031</u>	<u>582</u>
Securities lending collateral investment pool	108,251	-
Due from brokers for securities sold	6,297	-
Other receivables	<u>14,161</u>	<u>-</u>
 Total assets	 <u>\$ 2,419,110</u>	 <u>\$ 24,786</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 3,586	\$ 24,786
Other liabilities	46,537	-
Due to other funds	401	-
Liability for securities lending agreement	<u>108,251</u>	<u>-</u>
 Total liabilities	 158,775	 24,786
 Net Assets		
Held in trust for pension benefits		
Total net assets	<u>\$ 2,260,335</u>	<u>\$ -</u>

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, 2011
(In Thousands)

	Pension Trust Funds
Additions	
Employer contributions	\$ 114,059
Employee contributions	27,685
Refunds and other	774
Investment income:	
Net change in	
fair value of investments	347,657
Investment income	41,492
Securities lending income	294
Less: Investment expenses	<u>(9,988)</u>
Net investment income gain (loss)	<u>379,455</u>
Total Additions	<u>521,973</u>
Deductions	
Accounts payable	
Benefit payments	182,331
Administrative expenses	<u>398</u>
Total Deductions	<u>182,729</u>
Change in net assets	339,244
Net assets held in trust for pension benefits:	
Beginning of period	<u>1,921,091</u>
End of period	<u>\$ 2,260,335</u>

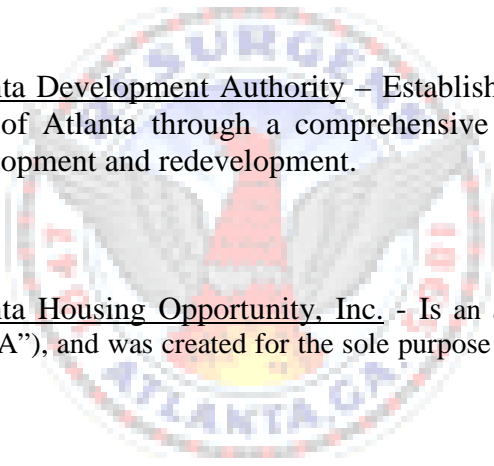
The accompanying notes are an integral part of the statements.

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.

Atlanta Housing Opportunity, Inc. - Is an affiliate organization of the Atlanta Housing Authority (“AHA”), and was created for the sole purpose of facilitating the Housing Opportunity Program for the City.



Atlanta

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CITY OF ATLANTA, GEORGIA
Component Units

Statement of Net Assets
June 30, 2011
(In Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,252	\$ 11,291	\$ 1,591	\$ 17,134
Restricted cash	-	40,196	6,217	46,413
Short-term investments	4,146	6,323	-	10,469
Receivables:				
Accounts	296	-	-	296
Pledges	984	-	-	984
Other receivables	1	5,635	37	5,673
Total receivables	1,281	5,635	37	6,953
Due from other governmental units and agencies	-	5,339	145	5,484
Inventories	240	-	-	240
Prepaid expenses and other assets	312	5,104	-	5,416
Total current assets	10,231	73,888	7,990	92,109
Noncurrent Assets:				
Restricted assets:				
Cash and cash equivalents	33,907	-	-	33,907
Investments	8,578	-	-	8,578
Due from other governmental units and agencies	-	22,200	-	22,200
Mortgage loans receivable	-	4,247	1,754	6,001
Capital lease receivable	-	56,604	-	56,604
Due from component units	1,400	30,816	-	32,216
Bond issues costs and discounts	3,145	7,395	-	10,540
Other restricted assets	-	58	-	58
Total restricted assets	47,030	121,320	1,754	170,104
Property and equipment - at cost:				
Land	22,644	85,920	-	108,564
Construction-in-progress	2,391	42,359	-	44,750
Land improvements	927	6,785	-	7,712
Buildings and improvements	297,748	36,513	-	334,261
Other property and equipment	26,321	3,335	-	29,656
	350,031	174,912	-	524,943
Less accumulated depreciation	(155,025)	(13,912)	-	(168,937)
Property and equipment, net	195,006	161,000	-	356,006
Total assets	\$ 252,266	\$ 356,208	\$ 9,744	\$ 618,218

The accompanying notes are an integral part of the statements.

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	Totals
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 1,464	\$ 5,442	\$ 18	\$ 6,924
Other liabilities	<u>11</u>	<u>6,174</u>	<u>-</u>	<u>6,185</u>
Total current liabilities	<u>1,475</u>	<u>11,616</u>	<u>18</u>	<u>13,109</u>
Liabilities payable from restricted assets:				
Current maturities of long-term debt	5,350	15,750	-	21,100
Accrued interest payable	-	5,186	-	5,186
Due to primary government	-	-	1,300	1,300
Other liabilities	18,888	7,780	-	26,668
Deferred revenues	<u>138</u>	<u>5,661</u>	<u>-</u>	<u>5,799</u>
Total liabilities payable from restricted assets	<u>24,376</u>	<u>34,377</u>	<u>1,300</u>	<u>60,053</u>
Long-term liabilities:				
Long-term debt, excluding current maturities	149,581	212,753	-	362,334
Due to primary government	<u>-</u>	<u>25,000</u>	<u>29,516</u>	<u>54,516</u>
Total liabilities	<u>175,432</u>	<u>283,746</u>	<u>30,834</u>	<u>490,012</u>
NET ASSETS				
Investment in capital assets, net of related debt	40,076	55,435	-	95,511
Restricted for grant programs	24,997	31,169	6,216	62,382
Unrestricted	<u>11,762</u>	<u>(14,142)</u>	<u>(27,306)</u>	<u>(29,686)</u>
Total net assets	<u><u>\$ 76,835</u></u>	<u><u>\$ 72,462</u></u>	<u><u>\$ (21,090)</u></u>	<u><u>\$ 128,207</u></u>

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Activities
For the Year Ended June 30, 2011
(In Thousands)

<u>Functions/Programs</u>	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			TOTALS
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	
Component Units								
Business-type activities								
Atlanta Fulton County Recreation Authority	\$ 41,367	\$ 31,406	\$ 6,630	\$ -	\$ (3,331)	\$ -	\$ -	\$ (3,331)
Atlanta Development Authority	37,348	20,379	5,957	20,421	-	9,409	-	9,409
Atlanta Housing Opportunity, Inc.	<u>5,840</u>	<u>2,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,976)</u>	<u>(2,976)</u>
Total Business-type activities	<u>84,555</u>	<u>54,649</u>	<u>12,587</u>	<u>20,421</u>	<u>(3,331)</u>	<u>9,409</u>	<u>(2,976)</u>	<u>3,102</u>
Total Component Units	<u>\$ 84,555</u>	<u>\$ 54,649</u>	<u>\$ 12,587</u>	<u>\$ 20,421</u>	<u>(3,331)</u>	<u>9,409</u>	<u>(2,976)</u>	<u>3,102</u>
General revenues:								
Other taxes					4,803	-	-	4,803
Investment income					776	182	32	990
Other					-	1,259	-	1,259
Total General revenues					<u>5,579</u>	<u>1,441</u>	<u>32</u>	<u>7,052</u>
Change in net assets					2,248	10,850	(2,944)	10,154
Net assets - beginning of period, restated					74,586	61,612	(18,146)	118,052
Net assets - end of period					<u>\$ 76,835</u>	<u>\$ 72,462</u>	<u>\$ (21,090)</u>	<u>\$ 128,207</u>

The accompanying notes are an integral part of the financial statements



**Notes to
Financial Statements**

Atlanta

City of Atlanta, Georgia

Notes to Financial Statements

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CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year ended June 30, 2011

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.

UDC and KAB did not have any financial activity during the year ended June 30, 2011. Separate financial statements are not prepared for the blended component units.

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the Atlanta Fulton County Recreation Authority ("Recreation Authority"), the Atlanta Development Authority ("ADA"), and the Atlanta Housing Opportunity, Inc. ("AHOI"). They are reported in a separate column to emphasize that they are legally separate from the City. All the discretely presented component units are accounted for as proprietary fund types.

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 Fulton County Zoo, Inc. ("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 and capital improvements of the Arena and the Zoo. The funding of any deficiencies related to the Arena is based on the proportionate ownership interest noted above for the City and the County. There were no such deficiencies during the fiscal year that required funding by the City or County related to the Arena. When the related Arena 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, upon joint request of the City and the County. The component unit presentation in these financial statements of the Recreation Authority consolidates the operations of the Stadium, Zoo and Arena.

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, including the Downtown Development Authority (DDA), 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 audited financial statements of ADA may be obtained from the Atlanta Development Authority, 86 Pryor St. S.W., Suite 300, Atlanta, Georgia 30303.

During fiscal year 2011, the Atlanta Urban Redevelopment Agency (AURA) was created as a component unit of the Downtown Development Authority (DDA), a component unit of ADA, pursuant to the Urban Redevelopment Law (O.C.G.A. § 36-6-1, et seq.) The purpose is to exercise the City's power to rehabilitate, conserve, or redevelop, or a combination thereof, slum area(s) which exist in the City necessary to the interest of the public health, safety, morals, or welfare of its residents.

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

AHOI – The AHOI is an affiliate organization of the Atlanta Housing Authority (“AHA”) whose board members are indirectly appointed by the Mayor in that only members of the AHA’s Board of Commissioners can fill these roles. AHOI was created for the sole purpose of facilitating the Housing Opportunity Program for the City. AHOI is financially dependent on the City to pay its debt and cover its operating costs. AHOI was included as a separate component unit for the first time in 2009. The separate audited financial statements of AHOI 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 County each contributed \$162,000 during the fiscal year ended June 30, 2011. 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 \$2,957,000 for the year ended June 30, 2011. The costs are reflected in operating costs. At June 30, 2011 the City owes the County approximately \$274,000 for expenses and capital costs associated with the joint venture.

Financial information for the Commission summarized below is as of and for the year ended December 31, 2010 (in thousands):

Total assets (net property, plant, and equipment)	<u>\$169,192</u>
Total fund net assets	<u>\$161,168</u>
Total operating revenue	\$ 9,954
Total operating expenses	<u>\$ 13,581</u>
Net loss	<u>\$ (3,929)</u>

The separate financial statements of the Commission may be obtained from the Commission, 9750 Spruill Road, Alpharetta, Georgia 30202.

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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, 2011, the City paid approximately \$293,000 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 non-fiduciary 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.

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 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.

Notes to the Financial Statements - Continued

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.

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, when issued, are allocated equally between the City and the Atlanta Independent School System.

The *Municipal Option Sales Tax Fund* is used to account for a special 1% sales tax collected by the City for use by the Department of Watershed Management. The fund is accounted for as a special revenue fund, and carries no fund balance as all revenue collections are subsequently transferred to the Department of Watershed Management. The amount of revenue collected on an annual basis by the MOST Fund qualifies it to be reported as a major governmental fund.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 not meeting this definition are reported as non-operating revenues and expenses.

Notes to the Financial Statements - Continued

C. Measurement Focus and Basis of Accounting, continued

The City reports the following major proprietary funds:

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.

Enterprise Funds

The *Department of Watershed Management Fund (DWM)* 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 (DOA)* accounts for the activities of the William B. Hartsfield –Maynard H. Jackson Atlanta International Airport.

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 and other receipts held in escrow for individuals, outside organizations, other governments and/or other funds.

D. Assets, Liabilities and Net Assets or Equity

Cash Equivalents

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

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.

Notes to the Financial Statements, Continued

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

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 the Georgia State Treasurer, 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.

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 purchase method whereby inventories are recorded as expenditures or expenses when they are used.

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.

Notes to the Financial Statements, Continued

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

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).

Capital Assets

Capital assets, which include property, easements, 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 includes 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.

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.

Notes to the Financial Statements - Continued

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

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	5-15 years
Vehicles	5-15 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	20-50 years
Equipment	5-15 years

Parks and Recreational Facilities:

Buildings	20-50 years
Other property and equipment	5-20 years

Underground Atlanta:

Parking garage	20-50 years
Buildings	20-50 years
Machinery, equipment, and other	5-15 years

Internal Service Fund:

Buildings	20-50 years
Other property and equipment	5-15 years

City of Atlanta and Fulton County Recreation

(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

Atlanta Housing Opportunity, Inc.

(as a discretely presented component unit):

No capital assets recorded

Notes to the Financial Statements - Continued

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 \$47,617,000 and \$50,946,000 respectively, in net interest costs during the year ended June 30, 2011.

Compensated Absences

City employees can accrue a maximum of 25 to 45 days of annual leave, depending upon their length of service. 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 a long-term liability 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. Sick leave is not intended to be paid out except under special circumstances where the City Council has given approval and the necessary funds are available. Consequently the City does not record an accrued liability for accumulated sick pay.

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.

Notes to the Financial Statements - Continued

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 refunding 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.

Fund Balance Classifications

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five categories (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned. *Nonspendable fund balances* refer to amounts that are not in nonspendable form or are legally required to remain intact. *Restricted fund balances* refer to amounts that are subject to externally enforceable legal restrictions by either debt covenants, or laws or regulations of other governments. *Committed fund balances* refer to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council prior to the end of the fiscal year. The same formal action is required to remove the limitation. *Assigned fund balances* refer to amounts that are intended to be used for specific purposes. *Unassigned fund balances* refer to the residual net resources and are the excess of nonspendable, restricted, committed, and assigned. Fund expenditures and encumbrances are from restricted fund balance to the extent of the restricted fund revenue and followed by committed then assigned and unassigned fund balance.

Notes to the Financial Statements - Continued

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

Below are the fund balance classifications for the governmental funds at June 30, 2010 (in thousands).

Fund Balances (Deficit):	Pre-GASB 54 Fund Balance				Fund Balances (Deficit):	GASB 54 Fund Balance			
	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds		General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	Fund	Fund	Funds	Funds		Fund	Fund	Funds	Funds
Reserved for:					Nonspendable (in form):				
Encumbrances	6,622	18,516	45,097	70,235	GMA Reserve	\$ 3,029	\$ -	\$ -	\$ 3,029
Special revenue funds	-	-	36,638	36,638	Prepaid items	2,654	-	-	2,654
Capital improvements	-	-	225,611	225,611	Advances to Other Funds	4,700	-	-	4,700
Debt service	-	-	51,828	51,828	Restricted for:				
					GMA Investment Pool	11,398	-	-	11,398
					Intergovernmental Grants	-	-	4,117	4,117
					Community Development	-	-	2,780	2,780
					Tax Allocation Districts	-	-	9,020	9,020
					Debt Service	-	-	228,616	228,616
					Expendable Trust	-	-	43,966	43,966
					Section 108 Loan Trust	-	-	7,655	7,655
					Home Investment	-	-	2,448	2,448
					Other Special Revenue	-	-	9	9
					Capital Projects	-	18,516	46,056	64,572
Unreserved:					Committed to:	16,260	-	-	16,260
Designated	16,260	-	-	16,260	Assigned to:	9,919	-	-	9,919
Undesignated	49,551	-	-	49,551	Unassigned:				
	-	(4,173)	-	(4,173)	E911	-	-	(29,043)	(29,043)
	-	-	(43,550)	(43,550)	Other	24,473	(4,173)	-	20,300
Total Fund Balance	\$ 72,433	\$ 14,343	\$ 315,624	\$ 402,400	Total Fund Balance	\$ 72,433	\$ 14,343	\$ 315,624	\$ 402,400

Below are the fund balance classifications for the governmental funds at June 30, 2011 (in thousands).

Fund Balances	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable (in form):				
GMA Reserve	\$ 3,029	\$ -	\$ -	\$ 3,029
Prepaid items	2,052	-	-	2,052
Advances to Other Funds	2,753	-	-	2,753
Restricted for:				
Intergovernmental Grants	-	-	281	281
Community Development	-	-	2,814	2,814
Tax Allocation Districts	-	-	15,444	15,444
Debt Service	-	-	265,371	265,371
Expendable Trust	-	-	51,183	51,183
Section 108 Loan Trust	-	-	6,122	6,122
Home Investment	-	-	667	667
Other Special Revenue	-	-	5	5
Capital Projects	6,388	21,632	43,439	71,459
Assigned to:	6,912	-	-	6,912
Unassigned:				
E911	-	-	(28,662)	(28,662)
Other	73,216	-	-	73,216
Total Fund Balance	\$ 94,350	\$ 21,632	\$ 356,664	\$ 472,646

Notes to the Financial Statements - Continued

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

In the event expenditures are incurred for purposes in which the amounts in any unrestricted fund balance could be used, committed funds would be reduced first, followed by assigned amounts, and then unassigned amounts.

Fund Balance/Net Asset Policy

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 their 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”.

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.

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, 2011, such allocated expenses amounted to \$8,871,000 for the Department of Aviation, \$12,966,000 for the Department of Watershed Management, \$3,623,000 for the Sanitation Fund, and \$3,963,000 for the Internal Service Fund.

Notes to the Financial Statements - Continued

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

Costs allocated to the Community Development Fund are based upon a negotiated indirect cost rate, based on allocation methods 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, 2011 amounted to approximately \$498,461. The reimbursement of these costs to the General Fund is recorded as a reduction in expenditures.

E. New Accounting Pronouncements

During the fiscal year 2011 the City implemented the following GASB pronouncements:

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement is effective for fiscal periods beginning after June 15, 2010. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental type definitions.

In June 2011, GASB issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The Statement is effective for financial statements prepared by state and local governments for periods beginning after June 15, 2011. In conjunction with the 2011 fiscal year audit, a review was made relating to the requirements of this statement. As a result of this review, this statement had no significant impact on the City's financial statements.

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

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is intended to improve financial reporting by establishing recognition, measurement and disclosure requirements for service concession arrangements (SCA). The requirements of this Statement are effective for financial statements whose periods begin after December 15, 2011.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The requirements of Statements No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*, are amended to better meet user needs and to address reporting entity issues relating to component units. This Statement modifies current requirements for assessing potential component units in determining what should be included in the financial reporting entity and financial reporting entity display and disclosure requirements. Application is effective for financial statements whose periods begin after June 15, 2012.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain pronouncements issued on or before November 30, 1989. Requirements of this Statement are effective for financial statements whose periods begin after December 15, 2011.

Notes to the Financial Statements – Continued

E. New Accounting Pronouncements, continued

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The intent of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. This Statement is effective for financial statements whose periods begin after December 15, 2011.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. This Statement amends Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. It is intended to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider is replaced. This Statement is effective for financial statements whose periods begin after June 15, 2011.

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, MOST, Community Development, Emergency Telephone System, Intergovernmental Grant, Tax Allocation Districts, Other Special Revenue, and the Debt Service Fund with the level of legal budgetary control established by the City Council at the department level. 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.

The accompanying Statement (Schedules) of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Comparison for the General Fund, the Special Revenue Funds as defined above and the MOST Fund, presents comparisons of the legally adopted budget, and legally adopted interdepartmental transfers of appropriations, with actual operating results on a budgetary basis.

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

Notes to the Financial Statements - Continued

A. Budgets and Budgetary Accounting, continued

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. No such additional appropriations were required during the year ended June 30, 2011.

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, within its General Fund, had the following departmental expenditures in excess of appropriations for the fiscal year ended June 30, 2011 (in thousands):

Public Works	\$ 6,211
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The budgetary overrun in Public Works was due mainly to costs related the snow event in January 2011, as well as other emergency infrastructure repairs.

C. Deficit Fund Equity

The following funds reported deficits in fund balance at June 30, 2011:

- Emergency Telephone System had an accumulated deficit of \$28,661,000. The City has taken measures to control costs, but believes that deficit reduction will only happen as a result of rate increases. The City will continue to support this with the State legislature.
- Sanitation Fund had an accumulated deficit of \$23,442,000. This deficit was reduced by \$16,774,000 during fiscal 2011. Substantially all of the fund deficit is related to landfill post-closure costs which are being amortized over the next 15 years. Rate increases that took effect in 2010 and ongoing cost control measures should continue to address this deficit.

Notes to the Financial Statements – Continued

C. Deficit Fund Equity, continued

- Underground Atlanta Fund had an accumulated deficit of \$7,791,000 related to ongoing deficiencies in operating revenue.
- Parks and Recreation Facilities Fund had an accumulated deficit of \$152,000 due mainly to operating revenue shortfall related to the Cyclorama.

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

As of June 30, 2011, the City did hold 453,034 shares of Delta Airlines, Inc. stock valued at \$9.17 per share. The stock was awarded to the City as a result of the Northwest Airlines bankruptcy (See Note IV.C). Under O.C.G.A. 36-83-4, holding stock is not listed as an authorized investment. It is the intent of the City to sell the stock.

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 may invest 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.

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

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.

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 respective Boards are ultimately responsible for making all decisions with regard to the administration of their respective Plans, including the management of Plan assets, and for carrying out the investment policy on behalf of their 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 for at least 102% of securities loaned 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.

Notes to the Financial Statements – Continued

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, 2011, 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, 2011, the City had the following fixed income investments with the corresponding credit ratings and maturities (in thousands):

<u>Type of Investments</u>	<u>Credit Rating</u>	<u>Maturity</u>					<u>Carrying Value</u>
		<u>Under 30 Days</u>	<u>31 - 180 Days</u>	<u>181 - 365 Days</u>	<u>1 - 5 Years</u>	<u>Over 5 Years</u>	
U.S. Government Obligations	Aaa/AAA	\$ -	\$ 39,955	\$ -	\$ 88,802	\$ 25,033	\$ 153,790
State Pool	AAA	468,728	-	-	-	-	468,728
Money Markets	AAA	1,659,605	-	-	-	-	1,659,605
GIC's	*	-	-	-	5,980	123,670	129,650
		<u>\$ 2,128,333</u>	<u>\$ 39,955</u>	<u>\$ -</u>	<u>\$ 94,782</u>	<u>\$ 148,703</u>	<u>\$ 2,411,773</u>

* All Guaranteed Investment Contracts (GIC's) are fully collateralized by U.S. Government Obligation 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, the City 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 of June 30, 2011, the City's collateralization for pledged securities at Wells Fargo was 107% in deposit accounts. There was no counterparty risk to the City as of June 30, 2011.

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. At June 30, 2011, any one issuer that represent 5% or more of total investments by reporting unit were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Investment %</u>	<u>Reporting Unit</u>
WestLB	GIC	11.47%	Department of Watershed Management

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, 2011, the City's investment in the Georgia Fund 1 is approximately \$468,728,096. The total amount recorded by all public agencies in Georgia Fund 1 at that date is approximately \$7.9 billion.

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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.

Pension Trust Fund Activities

Interest Rate and Credit Risks. As of June 30, 2011, 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					Fair Value
		Under 1 Year	1 – 3 Years	3 – 5 Years	5 – 10 Years	Over 10 Years	
U.S. Government Agencies	AAA	\$25,496	\$15,898	\$4,340	\$45,975	\$136,292	\$288,000
Corporate Bonds	AA/A-	\$3,820	\$11,025	\$17,913	\$39,092	\$14,731	\$86,581
Corporate Bonds	BBB+/BBB-	\$2,293	\$6,896	\$11,903	\$20,113	\$6,933	\$48,138
State and Local Obligations	AA-	\$708	-	-	-	\$7,245	\$7,953
Automobile Loan Receivables	A+/AAA	-	\$9,122	\$13,778	\$1,544	-	\$24,444
Credit Card Receivables	AAA	-	\$1,481	\$5,081	\$3,196	-	\$9,760
Miscellaneous Backed Securities	AAA	-	-	\$2,064	-	\$480	\$2,544
Asset Back Securities	AAA	\$4,174	\$9,927	\$21,877	\$6,235	\$3,222	\$45,435
Corporate CMO'S	AAA	-	-	-	\$2,340	\$7,510	\$9,850
CMO'S	AAA	-	-	\$764	\$930	\$36,029	\$37,723
CMO'S	NR	-	-	-	-	\$2,786	\$2,786
Total		\$39,237	\$55,550	\$77,720	\$119,425	\$216,527	\$508,459

Securities Lending Transactions

At June 30, 2011, the General Employee Pension Plan had funds under a securities lending agreement. This Plan had no credit risk exposure to borrowers because the amounts the Plan owed the borrowers exceeded the amounts the borrowers owed the Plan. The contract with the Plan's custodian requires them to indemnify the Plans if the custodian fails 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 Plan or the borrower, with the borrower returning equivalent securities to the Plan within a specified period of time.

Custodial Risk. The Pension Plans had no deposits or investments with custodial risk as of June 30, 2011.

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

Concentration Credit Risk. 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
Police Officer's Pension Plan:		
Collective	Bond Index Fund	15.00%
iShares Trust	Equities	6.75%
FNMA	Federal Agency Security	6.34%
US Treasury NTS	Equities	6.26%
Fireman's Pension Plan:		
Rhumline	Equities	14.99%
FNMA	Federal Agency Security	7.53%
General Pension Plan:		
Vanguard Institutional Index	Equities	13.25%
Artisian Fund	Equities	5.28%
Collective	US Government Stiff	5.28%

Foreign Currency Risk. During fiscal year 2011, the Plans' investment policies were revised to allow domestic equities, domestic fixed income, cash equivalents and foreign equity 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
Brazil	\$ -	\$ -	\$ 1,608	\$ 1,608
Canada	-	-	2,122	\$ 2,122
France	-	-	792	\$ 792
Ireland	-	-	4,914	4,914
Netherlands	-	-	6,377	\$ 6,377
Norway	-	-	959	\$ 959
Peru	-	574	20	\$ 594
Switzerland	-	-	1,288	\$ 1,288
United Kingdom	-	-	1,071	\$ 1,071
<i>Total Securities subject to Foreign Currency Risk</i>	<i>\$ -</i>	<i>\$ 574</i>	<i>\$ 19,151</i>	<i>\$ 19,725</i>
Puerto Rico	\$ -	\$ -	\$ 626	\$ 626
International Region	-	-	32,538	\$ 32,538
Multinational	-	-	56,685	\$ 56,685
United States	92,172	594,236	1,490,615	2,177,023
<i>Total US dollars Securities</i>	<i>\$ 92,172</i>	<i>\$ 594,236</i>	<i>\$ 1,580,464</i>	<i>\$ 2,266,872</i>
<i>Total International & US Investment Securites</i>	<i>\$ 92,172</i>	<i>\$ 594,810</i>	<i>\$ 1,599,615</i>	<i>\$ 2,286,597</i>

Notes to the Financial Statements - Continued

B. Property Taxes, Local Option Sales Taxes, Municipal Option 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 (the “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 2010 millage rate (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 Rates:	
General Fund	10.240
General Obligation Bond Sinking Fund	
City Bonds	1.200
School Bonds	0.054
Park Improvement Fund (included in Capital Projects Funds)	0.500
Board of Education (operations)	21.640
Special Tax District Dekalb County	<u>0.878</u>
	<u><u>34.512</u></u>

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 2010 resulted in an assessed value, prior to freeport exemption, of approximately \$25,835,000,000.

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 \$2,306,625 in fiscal year 2011. 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 Offices (Fulton and DeKalb) add penalties to the original tax and send past due notices. The delinquent taxpayer then has 30 days to remit payment. After the 30 day period, the Tax Commissioner's Offices 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.

Notes to the Financial Statements – Continued

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, of which 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 one-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.

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.

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

Notes to the Financial Statements – Continued

C. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2011 follows (in thousands):

	Balance at June 30, 2010	Additions	Deletions and Retirements	Transfer	Balance at June 30, 2011
Governmental Activities:					
Capital Assets Not Being Depreciated :					
Land and Easement	\$ 124,085	\$ 23,927	\$ (5)	\$ 475	\$ 148,482
Construction In Progress	106,857	26,255	0	(12,603)	120,509
Total Capital Assets Not Being Depreciated	<u>230,942</u>	<u>50,182</u>	<u>(5)</u>	<u>(12,128)</u>	<u>268,991</u>
Capital Assets Being Depreciated :					
Land Improvements	84,590	28	-	27	84,645
Building and Building Improvement	517,051	17,930	-	6,274	541,255
Other Property and Equipment	232,648	17,050	(10,172)	352	239,878
Infrastructure	867,930	-	-	5,475	873,405
Total Capital Assets Being Depreciated	<u>1,702,219</u>	<u>35,008</u>	<u>(10,172)</u>	<u>12,128</u>	<u>1,739,183</u>
Total Historical Cost	<u>1,933,161</u>	<u>85,190</u>	<u>(10,177)</u>	<u>-</u>	<u>2,008,174</u>
Less :Accumulated Depreciation					
Land Improvements	74,632	1,876	-	-	76,508
Building and Building Improvments	137,308	10,798	-	-	148,106
Other Property and Equipment	138,228	23,190	(9,479)	-	151,939
Infrastructure	530,085	21,474	-	-	551,559
Total Accumulated Depreciation	<u>880,253</u>	<u>57,338</u>	<u>(9,479)</u>	<u>-</u>	<u>928,112</u>
Governmental activities capital assets, net	<u>\$ 1,052,908</u>	<u>\$ 27,852</u>	<u>\$ (698)</u>	<u>\$ -</u>	<u>\$ 1,080,061</u>
Business-type activities:					
Capital Assets Not Being Depreciated :					
Land and Easement	\$ 981,324	\$ 15,231	\$ (12)	\$ -	\$ 996,543
Land purchased for noise abatement					
Construction In Progress	1,370,738	778,973	(31,819)	(213,845)	1,904,047
Total Capital Assets Not Being Depreciated	<u>2,352,062</u>	<u>794,204</u>	<u>(31,831)</u>	<u>(213,845)</u>	<u>2,900,590</u>
Capital Assets Being Depreciated :					
Land Improvements	2,535,951	1,252	(9,906)	102,548	2,629,845
Building and Building Improvement	7,957,302	1,252	(146)	111,298	8,069,706
Other Property and Equipment	393,301	3,005	(3,261)	-	393,045
Total Capital Assets Being Depreciated	<u>10,886,554</u>	<u>5,509</u>	<u>(13,313)</u>	<u>213,846</u>	<u>11,092,596</u>
Total Historical Cost	<u>13,238,616</u>	<u>799,713</u>	<u>(45,144)</u>	<u>-</u>	<u>13,993,187</u>
Less: Accumulated Depreciation					
Land Improvements	993,083	70,433	-	-	1,063,516
Building and Building Improvments	2,206,742	152,236	(34)	-	2,358,944
Other Property and Equipment	289,420	20,031	(2,249)	-	307,202
Total Accumulated Depreciation	<u>3,489,246</u>	<u>242,700</u>	<u>(2,283)</u>	<u>-</u>	<u>3,729,662</u>
Business-type activities capital assets, net	<u>\$ 9,749,370</u>	<u>\$ 557,013</u>	<u>\$ (42,860)</u>	<u>\$ -</u>	<u>\$ 10,263,526</u>

Notes to the Financial Statements – Continued

C. Capital Assets, continued

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

General government	\$	16,830
Police		4,373
Fire		5,374
Correction		257
Public Works		22,013
Parks, Recreation & Cultural Affairs		8,491
		<hr/>
Total governmental funds capital assets	\$	<u>57,338</u>

Donated Capital Assets

In fiscal year 2011, Cox Enterprises, Inc. donated to the City, several buildings and related land located in downtown Atlanta that formerly housed the operations of the *Atlanta Journal Constitution*. The appraised fair market value of the buildings was \$17,930,000 and \$23,000,000 for the land which are reflected in the government-wide financial statements.

Construction in Progress

In addition to the capital assets and construction in progress (CIP) already recorded in the City's financial statements there are development and redevelopment projects ongoing through the Atlanta Development Authority (ADA), a component unit of the City, where the CIP is recorded. Upon completion of those projects and acceptance by the City, the appropriate recording as capital assets on the City's financial statements will take place. Through June 30, 2011 there is approximately \$60,905,000 of CIP recorded in ADA's financial statements that will eventually become assets of the City.

Some of the major development and redevelopment projects recorded by ADA as CIP are as follows:

Historic Fourth Ward Park	\$20,962,000
Corridor Design and Development	\$5,883,000
D.H. Stanton Park	\$5,026,000

Additionally, the DWM advanced \$25 million to ADA related to the development of a retention pond. Upon completion of the Clear Creek Project, both the project costs and any portion of the advance not expended will revert to the DWM. At June 30, 2011, total depreciable project cost to date was \$23,738,066.

Finally, ADA is holding title to land in the amount of \$45 million related to a redevelopment project. Upon completion of this project, it is anticipated that title to the land will be transferred to the City.

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.

Notes to the Financial Statements – Continued

D. Interfund Receivables, Payables, and Transfers, continued

Interfund receivable and payable balances as of June 30, 2011, are as follows (in thousands):

Due To:	General Fund	Internal Service	Capital Projects	MOST	Department of Aviation	Department of Watershed Management	Non-major Enterprise	Non-major Government	Debt Services	Fiduciary	Total To
Due From:											
General Fund		\$ -	\$ -	\$ -	\$ -	\$ 99,085	\$ 653	\$ -	\$ 34	\$ 280	\$ 100,052
Internal Service	\$ 24,837		-	-	-	-	-	-	-	-	24,837
Capital Projects	28,548	-		-	-	-	-	-	-	-	28,548
MOST	-	-	-		-	14,626	-	-	-	-	14,626
Department of Aviation	-	-	-	-		-	-	-	-	-	-
Department of Watershed Management	-	-	-	-	-		-	-	-	-	-
Non-major Enterprise	31,654	-	-	-	-	-		-	-	-	31,654
Non-major Government	46,479	-	-	-	194	-	-		-	-	46,673
Debt Services	-	-	-	-	-	-	-	-		-	-
Fiduciary	682	-	-	-	-	-	-	-	-		682
Total From	\$ 132,200	\$ -	\$ -	\$ -	\$ 194	\$ 113,711	\$ 653	\$ -	\$ 34	\$ 280	\$ 247,072

**note that there are some amounts which have been netted on the face of the financial statements*

In December of 2008, the City and Department of Watershed Management (DWM) executed Memoranda of Understanding (MOU) related to amounts owed to the DWM by the General Fund of the City.

One MOU related to amounts owed to DWM by the General Fund and established a repayment plan in the amount of \$10,000,000 per year plus interest until paid and in full for amounts borrowed by various governmental funds from DWM equity in the Cash Pool. The balance owed to the DWM by the City's General Fund under this MOU at June 30, 2011 is \$96,198,594 in principal and \$2,885,970 in interest.

A second MOU related to amounts owed to the DWM by the General Fund was paid off during fiscal year 2011.

During the year ended June 30, 2008, the DWM advanced funds to a component unit, ADA, for future work on a consent decree project. Due to the nature of this transaction, the interfund balances are considered long-term for financial reporting purposes. During 2011, approximately \$6.5 million was spent toward this project by ADA. Balances as of June 30, 2011, are as follows (in thousands):

	Due from Component Units	Due to Primary Government
Department of Watershed Management	\$ 25,000	\$ -
Atlanta Development Authority	-	25,000
Total	\$ 25,000	\$ 25,000

Notes to the Financial Statements – Continued

D. Interfund Receivables, Payables, and Transfers, continued

Transfers

Transfers for the year ended June 30, 2011, are as follows:

Transfers From:	General Fund	Capital Projects	Department of Aviation	Department of Watershed Management	MOST	Non-major Enterprise	Non-major Government	Total In
Transfers To:								
General Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,792	\$ 13,792
Capital Projects	\$ 41,536		-	-	-	-	-	41,536
Deptment of Aviation	-	-		-	-	-	193	193
Department of Watershed Management	853	-	-		109,975	-	-	110,828
MOST	-	-	-	-		-	-	-
Non-major Enterprise	9,858	-	-	-	-		-	9,858
Non-major Government	6,658	-	-	-	-	-		6,658
Total Out	\$ 58,905	\$ -	\$ -	\$ -	\$ 109,975	\$ -	\$ 13,985	\$ 182,865

Transfers are used (1) to 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) to 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) to 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 (DOA) – Tenant and concession agreements

The DOA 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 2017. The total cost of the facilities described above which are substantially leased to various tenants is \$3,679,461,655 with a carrying value of \$2,364,719,794. Depreciation expense for 2011 on the facilities was \$ 103,997,306.

Certain of the leases provide for fixed and variable rental payments, and all are generally designed to allow the DOA 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 DOA 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.

Notes to the Financial Statements – Continued

E. Leases, continued

At June 30, 2011 minimum future rentals and fees to be received under non-cancelable leases or concession agreements for each fiscal year are as follows (in thousands):

2012	\$	298,080
2013		304,042
2014		310,122
2015		316,325
2016		322,651
2017		<u>664,791</u>
Total	\$	<u><u>2,216,011</u></u>

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 this source, which is solely a function of parking receipts as defined were \$114,354,070 and \$95,576,594 for the years ending June 30, 2011 and 2010, respectively.

The City and most of the airlines serving the airport have entered into new operating lease agreements that extend to no later than 2017 relating to the use of the airfields and the Central Passenger Terminal Complex. Currently the management of the airport is in negotiations with the Signatory Airlines regarding terms of the business arrangements that will replace these operating agreements.

Department of Watershed Management (DWM) – Capital Lease Obligations

The DWM 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 \$20,719,000 as of June 30, 2011. Amortization expense was \$1,730,136 for the fiscal year ended June 30, 2011.

The present values of the future minimum capital lease payments as of June 30, 2011, are as follows (in thousands):

2012	\$	2,533
2013		2,533
2014		1,793
2015		1,572
2016		1,463
2017		<u>1,219</u>
Total minimum payments	\$	11,113
Less amounts representing interest		<u>(1,470)</u>
Present value of minimum capital lease payments	\$	<u><u>9,644</u></u>

Notes to the Financial Statements – Continued

E. Leases, continued

Governmental Activities – Capital Lease Obligations

The City has entered into multiple lease agreements for various purposes. These lease agreements qualify as capital leases for accounting purposes.

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

	<u>Traffic Court</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Digital Radio Upgrade</u>	<u>Computers for Fire Trucks</u>	<u>Total</u>
2012	\$ 3,927	\$ 1,561	\$ 4,892	\$ 64	\$ 10,444
2013	3,923	1,561	4,892	-	10,376
2014	3,926	780	4,892	-	9,598
2015	3,924	-	4,892	-	8,816
2016	3,919	-	4,892	-	8,811
2017-2021	19,523	-	9,784	-	29,307
2022-2026	19,430	-	-	-	19,430
2027-2031	<u>3,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,874</u>
Total minimum payments	62,446	3,902	34,244	64	100,656
Less amounts representing interest	<u>(20,180)</u>	<u>(225)</u>	<u>(3,683)</u>	<u>(1)</u>	<u>(24,090)</u>
Present value of minimum capital lease payments	<u>\$ 42,266</u>	<u>\$ 3,677</u>	<u>\$ 30,561</u>	<u>\$ 63</u>	<u>\$ 76,567</u>
Gross Capital Asset Value (000's)	\$ 55,195	\$ 6,415	\$ 41,102	\$ 439	\$ 103,151
Accumulated Depreciation (000's)	<u>(6,042)</u>	<u>(869)</u>	<u>(13,135)</u>	<u>(165)</u>	<u>(20,211)</u>
Net Capital Asset Value (000's)	<u>\$ 49,153</u>	<u>\$ 5,546</u>	<u>\$ 27,967</u>	<u>\$ 274</u>	<u>\$ 82,940</u>

Downtown Development Authority of the City of Atlanta (DDA)

In 2009, the Atlanta Development Authority, through DDA issued \$52,790,000 of refunding revenue bonds (\$44,975,000, Series 2009A, and \$7,815,000, Series 2009B). The bonds were used in part to refund the principal of the City of Atlanta Series 2002, Variable Rate Refunding revenue Bonds (Underground Atlanta Project). The principal and interest on the Series 2009 Revenue Bonds are special limited obligations of DDA and are payable solely from monies payable to DDA by the City of Atlanta under a capital lease arrangement for the Underground Parking Deck.

The lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and has been recorded in the government-wide financial statements at the present value of the future minimum lease payments as of the date of inception. See schedule of lease payments on the following page.

Notes to the Financial Statements – Continued

E. Leases, continued

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

	2012	\$ 8,275
	2013	8,281
	2014	8,290
	2015	8,302
	2016	<u>8,311</u>
Total minimum payments		\$ 41,459
Less amounts representing interest		<u>(5,564)</u>
Present value of minimum capital lease payments		<u>\$ 35,895</u>

The capitalized asset costs related to Underground as of June 30, 2011 is \$97,112,000 and accumulated depreciated of \$65,337,000.

In 2006, the Atlanta Development Authority, through DDA issued Revenue Bonds (Downtown Parking Deck Project) Series 2006A in the aggregate principal amount of \$17,990,000 and Series 2007B \$5,490,000. The Series 2006 Bonds were issued for the purpose of financing the acquisition of land, and construction, equipping and installation of a five story parking facility consisting of approximately 836 spaces. The Series 2006 Bonds are special limited obligations of DDA bonds payable solely from rental payments to be made by the City to DDA under a capital lease arrangement for the parking facility project.

The lease agreement qualifies as a capital lease for accounting purposes (bargain purchase price at the end of the lease term) and has been recorded in the government-wide financial statements at the present value of the future minimum lease payments as of the date of inception.

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

	2012	\$ 1,617
	2013	1,620
	2014	1,623
	2015	1,619
	2016	1,623
	2017-2021	8,097
	2022-2026	8,090
	2027-2031	8,003
	2032-2036	<u>1,619</u>
Total minimum payments		33,911
Less amounts representing interest		<u>(12,226)</u>
Present value of minimum capital lease payments		<u>\$ 21,685</u>

The capital assets cost of the parking deck as of June 30, 2011 is \$23,480,000 and accumulated depreciated of \$1,565,000.

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.

Notes to the Financial Statements – Continued

E. Leases, continued

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

	2012	\$ 4,242
	2013	3,529
	2014	1,891
Total minimum payments		\$ 9,662

The amount of lease expenditures for the year ended June 30, 2011 amounted to \$3,828,000.

F. Notes Payable

General Fund

On February 27, 2008 the City borrowed \$17,000,000 for construction and build-out expenses related to the Public Safety Annex. The loan, in the form of a note payable, has a ten year term and is scheduled to be paid in full by February 1, 2018. The outstanding principal balance as of June 30, 2011 is \$12,590,000.

Department of Aviation

On July 13, 2010, the City signed a new letter of credit agreement with JP Morgan Chase and Wells Fargo Bank in the aggregate principal amount of \$350 million to provide liquidity support for the Airport Commercial Paper program, Series A Notes and Series B Notes (issued at \$175 million each, respectively). These Series 2010 A/B notes were issued to finance on an interim basis a portion of the capital improvements for the Hartsfield-Jackson Atlanta International Airport, to refund, in whole or in part, the principal of or interest on the then outstanding Series 2005A and Series 2005B commercial paper program, to fund the Debt Service Reserve, and to pay the costs of issuing the Notes. General revenues are pledged as security for payment on the Series 2010 A/B Notes. The Series 2010A/B 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 2010A/B Notes and the Series B Notes are not considered a long-term obligation of the City and may be repaid and reissued as often as necessary to affect the purposes set out in the respective program. The Series 2010A/B 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. Both irrevocable direct pay letters of credit expire on July 13, 2013.

Short-term debt activities for the year ended June 30, 2011 were as follows (in thousands):

	6/30/2010	Increases	Decreases	6/30/2011
Series 2005A1, A2	\$ 148,857	\$ 53,921	\$ 202,778	\$ -
Series 2010A1, A2	-	244,024	85,976	158,048
Series 2010B1, B2	-	176,389	20,089	156,300
	\$ 148,857	\$ 474,334	\$ 308,843	\$ 314,348

Interest rates on Series 2005 A Notes and the Series 2010A/B Notes issued during the year ended June 30, 2011 ranged from 0.19% to .35%.

Notes to the Financial Statements – Continued

G. Long-Term Obligations

Changes in long-term debt during the fiscal year ended June 30, 2011, follow (in thousands):

	Balance at			Balance at	Due within
	June 30, 2010	Additions	Reductions	June 30, 2011	One Year
Governmental activities					
Long-term debt					
General obligation and annual bonds	\$ 260,490	-	\$ (15,525)	\$ 244,965	\$ 14,285
Discounts and premium, net	14,779	-	(4,667)	10,112	-
SWMA revenue refunding bonds	19,235	-	(1,215)	18,020	1,275
Less: Deferred amount on refunding	(398)	-	36	(362)	-
Limited obligation bonds	648,150	-	(13,555)	634,595	23,200
Discounts and premium, net	(132)	-	2,670	2,538	-
Less: Deferred amount on refunding	(14,212)	-	681	(13,531)	-
Capital Leases	83,396	-	(6,829)	76,567	7,218
Notes Payable	14,083	-	(1,493)	12,590	1,563
Other General Long-term Obligations					
Section 108 loans	5,115	-	(1,090)	4,025	1,135
1998 GMA lease pool	32,444	-	-	32,444	-
2008 GMA direct lease program	2,556	-	(2,556)	-	-
2007 Intergovernmental agreement	15,177	-	(848)	14,329	896
Installment sale program	52,885	-	(5,980)	46,905	6,245
		-			
Total Long-term debt	<u>1,133,568</u>		<u>(50,371)</u>	<u>1,083,197</u>	<u>55,817</u>
Other long-term liabilities					
Vacation and compensation payable	21,218	42	(1,024)	20,236	12,561
Health and dental claims payable	4,900	44,653	(45,073)	4,480	4,480
General claims payable	30,075	2,830	(8,199)	25,381	24,220
OPEB liability	81,335	55,827	(25,394)	111,768	-
Workers' compensation	21,068	5,689	(2,430)	24,327	4,952
Total other long-term liabilities	<u>158,596</u>	<u>109,041</u>	<u>(82,120)</u>	<u>186,192</u>	<u>46,213</u>
Total long-term liabilities	<u>\$ 1,292,164</u>	<u>\$ 109,041</u>	<u>\$ (132,491)</u>	<u>\$ 1,269,389</u>	<u>\$ 102,030</u>

Notes to the Financial Statements – Continued

G. Long Term Debt, continued

Changes in long-term debt during the fiscal year ended June 30, 2011, follow (in thousands):

	Balance at June 30, 2010	Additions	Reductions	Balance at June 30, 2011	Due within One Year
Business-type activities					
Long-term debt					
Department of Aviation					
Facilities Revenue Bonds	\$ 2,235,572	\$ 1,111,845	\$ (545,762)	\$ 2,801,655	\$ 68,730
Issuance Discounts and premium	(1,737)	65,174	(7,959)	55,478	-
Department of Watershed Mangement					
bonds	3,202,025	-	(38,370)	3,163,655	46,085
Plus: premium on bonds	25,830	-	(1,155)	24,675	-
GEFA notes payable	145,353	-	(3,530)	141,823	3,647
Capital lease obligations	11,603	-	(1,960)	9,643	2,033
Termination fee on interest rate SWAPs	18,120	-	(7,200)	10,920	7,200
Nonmajor funds					
Capital lease obligation (Parking Deck)	22,305	-	(620)	21,685	645
Capital lease obligation (Underground Atlanta)	42,090	-	(6,195)	35,895	6,480
Total long-term debt	<u>5,701,161</u>	<u>1,177,019</u>	<u>(612,751)</u>	<u>6,265,429</u>	<u>134,820</u>
Other long-term liabilities:					
Landfill postclosure liability	24,788	-	(1,614)	23,174	-
General Claims Payable	25,850	7,564	(18,126)	15,288	13,564
Other postemployment benefit liability	73,204	33,726	(10,778)	96,152	-
Workers' compensation	17,448	1,686	(3,178)	15,955	3,248
Interest rate SWAP	123,177	-	(22,738)	100,439	-
Total other long-term liabilities	<u>264,467</u>	<u>42,976</u>	<u>(56,434)</u>	<u>150,569</u>	<u>16,812</u>
Total long-term liabilities	<u>\$ 5,965,628</u>	<u>\$ 1,219,995</u>	<u>\$ (669,185)</u>	<u>\$ 6,415,998</u>	<u>\$ 151,632</u>
Component Units					
Long-term debt					
Atlanta Fulton County Recreation					
Authority	\$ 155,030	\$ 122,889	\$ (124,217)	\$ 153,702	\$ 5,350
Atlanta Development Authority					
Revenue and other bonds	203,399	22,775	(10,326)	215,848	11,895
Other liabilities	15,501	-	(2,846)	12,655	3,855
Atlanta Housing Opportunity, Inc.	31,740	-	(1,074)	30,666	1,150
Total long-term debt	<u>\$ 405,670</u>	<u>\$ 145,664</u>	<u>\$ (138,463)</u>	<u>\$ 412,871</u>	<u>\$ 22,250</u>

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 ad valorem taxes levied on all taxable property within the City.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

A summary of governmental-type activities long-term debt as of June 30, 2011, is as follows (in thousands):

	Balance June 30, 2011
General Obligation Bonds:	
2001B Infrastructure Issue, \$61,220, 4.00% - 5.00%, due December 1, 2021	\$ 9,395
2004B Issue, \$47,500, 5.00%, due December 1, 2021	24,810
2005A Refunding Issue, \$85,980, 3% - 4.125%, due December 1, 2025	70,160
2008 Public Imp. Issue, \$36,820, 4%, due December 1, 2021	29,620
2009A Refunding Issue, \$78,028, 3.00%-5.00%, due December 1, 2023	77,365
Annual G.O. Bond Issues:	
2000 Issue, \$8,000, 4.75% - 5.5%, due December 1, 2012	245
2001A Issue, \$8,000, 4.00% - 5.00%, due December 1, 2022	1,800
2002 Issue, \$8,000, 3.00% - 5.00%, due December 1, 2022	5,605
2003 Issue, \$8,000, 3.60% - 4.60%, due December 1, 2023	5,825
2004A Issue, \$8,000, 3.00% - 4.40%, due December 1, 2024	6,435
2005B Issue, \$8,000, 4.00% - 4.5%, due December 1, 2025	6,500
2007 Issue, \$8,000, 4.00% - 4.5%, due December 1, 2026	7,205
	244,965
Unamortized discounts/premium, net	10,112
Total general obligation and annual bonds	255,077
SWMA Revenue Bonds:	
Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority, due December 1, 2021	18,020
Unamortized deferred amount on refunding	(362)
Total SWMA revenue bonds	17,658
Limited Obligation Bonds:	
2000 Park Imp Rev, 21,400, 4.300%-5.600%, due Dec 1, 2020	1,045
2001 Westside Project, \$14,995, variable, due December 1, 2021	9,620
2005A Westside Project, \$72,350, variable, due December 1, 2023	55,385
2005B Westside Project, \$10,215, variable, due December 1, 2023	8,525
2005A Eastside Project, \$9,480, 5.625%, due December 1, 2016	5,880
2005B Eastside Project, \$38,000, 5.40%-5.60%, due December 1, 2030	38,000
2005A Park Imp Rev, \$75,510, 4.00%-5.00%, due Dec. 1, 2025	68,845
2005B Park Imp Rev Refunding, \$12,650, 4.00%-4.50%, due Dec. 1, 2020	12,575
2006 Atlantic Station, \$166,515, variable, due December 1, 2024	159,595
2006 Princeton Lakes Project, \$21,000, 5.50%, due January 1, 2031	16,750
2007 Atlanta Public Safety Authority, \$50,000, 4.00% - 5.00%, due December 1, 2026	43,125
2007 Atlantic Station, \$85,495 4.75%-5.00%, due December 1, 2024	79,910
2008A BeltLine Reoffering, \$26,420, 7.5% due January 1, 2031	26,420
2008B BeltLine Reoffering, \$33,725, 6.75% term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	33,725
2008C BeltLine, \$4,355 7.50%, due January 1, 2031	4,355
2009B BeltLine, \$12,590, 6.75% term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	12,590
2009C BeltLine, \$1,030 7.50% term bond due January 1, 2031	1,030
2008 Westside, \$63,760, variable, due December 1, 2037	61,220
	634,595
Unamortized discounts/premium, net	2,538
Unamortized deferred amount on refunding	(13,531)
Total limited obligation bonds	623,602
Other General Long-Term Obligations	
Section 108 Loans, \$5,030, 5.40% - 7.96%, due August 1, 2019 (MMPH I)	1,415
Section 108 Loans, \$4,850, 5.40% - 7.96%, due August 1, 2019 (MMPH II & Mechanicsville)	2,155
Section 108 Loans, \$13,495, 5.40% - 7.96%, due August 1, 2019 (MLK/Ashby)	455
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 (1998 COPS)	46,905
2007 Intergovernmental Agreement Guaranteed payments towards 2007A Zoo, \$10,736, 4.125%-5.00%, due December 1, 2022	10,736
2007 Intergovernmental Agreement Guaranteed payments towards 2007B Zoo, \$5,636, 5.450%-5.480%, due December 1, 2014	3,593
Total other general long-term obligations	97,703
Capital Leases	76,567
Notes Payable:	
Series 2008, Atlanta Public Safety Judicial Facilities Authority, \$17,000, 4.40%, due February 1, 2018	12,590
Total long-term debt	\$ 1,083,197

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The City participates in a lease pool arrangement with 29 other local governments through the Georgia Municipal Association, Inc. (“GMA”). GMA issued Certificate of Participation (“COP”) in 1998 which are governed by a master lease agreement. The purpose of the COP 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 COP in 2028.

Arbitrage 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, 2011, the City had no arbitrage rebate liability on business type activities long-term debt or 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 coverage. As of June 30, 2011, the City believes it was in compliance with all such significant financial limitations and restrictions.

The Department of Watershed Management entered into three loan agreements with the Georgia Environmental Facilities Authority totaling \$50 million for projects to: (1) replace the East Point sewer trunk line; (2) provide sewer rehabilitation, replacement and capacity relief; and (3) provide piping and equipment to capture digester gas and convert it to power for use at the RM Clayton Wastewater Treatment Plant. The agreements include loan forgiveness of up to \$2.25 million, contingent upon certain conditions.

The City has issued various revenue bonds to finance its extensive airport capital improvement projects. The net revenues, as defined in the 2000 Airport Master Bond Ordinance as supplemented and amended, generated by operating activities are pledged as security for the bonds. Interest is payable semi-annually on the first of January and July.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Department of Aviation (DOA)

Long-term debt at June 30, 2011, consists of the following (in thousands):

General Revenue Bonds

Airport General Revenue and Refunding Bonds, Series 2000A, 2000B and 2000C, at 5.2% - 5.875%, due serially through 2030	\$ 485,600
Airport General Revenue Refunding Bonds, Series 2003RF-A, at 5.0%, due serially through 2014	14,275
Airport General Revenue and Refunding Bonds, Series 2003RF-D, at 4.375% - 5.25%, due serially through 2019	81,240
Airport General Revenue Bonds, Series 2004A, combination serial (at 5.25% - 5.375%) and term bond (5.125%) through 2030	159,355
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 combination serial (at 4.0% - 5.25%) and term (at 5.0%) through 2030	124,440
Airport General Revenue and Refunding Bonds, Series 2010A, combination serial (at 2.0% - 5.0%) and term (4.625% - 5.0%) through 2040	177,990
Airport General Revenue and Refunding Bonds, Series 2010C, combination serial at 2.0% - 5.875% and term (at 5.25% - 6.0%) through 2030	<u>524,045</u>
Total General Revenue and Refunding Bonds	<u>1,625,600</u>

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 2004E-1 and 2004E-2, variable auction rate, due serially through 2024	26,550
PFC and Subordinate Lien General Revenue Bonds, Series 2004J, combination serial bond (4.75%-5%) and term bond (5.0%) through 2034	235,860
PFC and Subordinate Lien General Revenue Bonds, Series 2010B, at 2.0% - 5.0%, due serially through 2026	<u>409,810</u>
Total PFC and Subordinate Lien General Revenue Bonds	<u>965,290</u>

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 5.557% - 5.965% (Conduit Debt)	191,380
City of College Park Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4% - 4.5% (Conduit Debt)	<u>19,385</u>
Total CFC Restricted Revenue Bonds	<u>210,765</u>

Total airport facilities revenue bonds	2,801,655
Unamortized discounts/premium, net	<u>55,478</u>
Total Bonds	2,857,133
Less:	
Current maturities	<u>(68,730)</u>
Total long-term debt	<u><u>\$ 2,788,403</u></u>

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

On November 5, 2010, the City of Atlanta issued \$177,990,000 of its Airport General Revenue Bonds, Series 2010A and \$409,810,000 of its PFC and subordinate lien General Revenue Bonds, Series 2010B, respectively (“Series 2010A/B Bonds”). The Series 2010A/B Bonds were issued to finance, refinance, and/or reimburse a portion of the costs of the new international terminal, including repayment of amounts drawn under the Series 2010A/B Notes fund a portion of the increase in the debt service reserve requirement as necessary, and fund costs associated with the issuance of the Series 2010A/B Bonds.

On December 16, 2010, the City of Atlanta issued \$524,045,000 of its Airport General Revenue Refunding Bonds, Series 2010C (the “Series 2010C Bonds”). The Series 2010C Bonds were issued to refund and redeem all of the outstanding principal of the City’s Variable Rate General Revenue Refunding Bonds, Series 2003RF and the City’s Variable Rate General Revenue Refunding Bonds, Series 2003RF-C, fund a portion of the increase in the debt service reserve requirement as necessary, and fund costs associated with the issuance of the Series 2010C Bonds. The Series 2010C Bonds were issued at a premium of \$15,256,721 with issuance costs and underwriter fees of \$4,222,996. Although the refunding resulted in the recognition of an accounting loss of \$62,753,451 for the year ended June 30, 2011, the City in effect reduced its aggregate debt service payments by approximately \$76 million over the next 19 years and obtained an economic gain (difference between the present values of the old and the new debt service payments) of approximately \$45 million.

On June 21, 2006, the City of College Park, Georgia issued \$211,880,000 in Taxable Revenue Bonds (Hartsfield Jackson Atlanta International Airport Consolidated Rental Car Facility Project), Series 2006A for the purpose of acquiring, constructing and installing a consolidated rental car facility. In addition, College Park issued \$21,980,000 in Revenue Bonds (Hartsfield Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B for the purpose of acquiring, constructing and installing a maintenance facility for an automated people mover. Pursuant to the issuance of these bonds, the City adopted an ordinance imposing a customer facility charge (CFC) and has pledged revenues generated from the CFC to secure debt service payments on these bonds. The City recorded these transactions as Released Revenue Bonds under the Airport Master Bond Ordinance. At June 30, 2011, the balance of outstanding conduit debt totaled \$210,765,000. The City of College Park has no obligation to make debt service payments on these bonds.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Department of Watershed Management

Long-term debt at June 30, 2011 consists of the following (in thousands):

Long-term debt at June 30, 2011 consists of the following (in thousands):

Revenue Bonds

Water and Wastewater Revenue Bonds, \$1,096,140 Series 1999A, 5.00% - 5.50%, due serially through 2038	\$ 645,895
Water and Wastewater Revenue Bonds, \$415,310 Series 2001A, 4.25% - 5.50%, due serially through 2039	415,100
Water and Wastewater Revenue Bonds, \$849,330 Series 2004A, combination serial (4.125% - 5.75%) and term bonds (5.00%) through 2043	805,150
Water and Wastewater Revenue Bonds, \$106,795 Series 2008, variable rate demand, due serially through 2041	106,795
Water and Wastewater Refunding Revenue Bonds, \$750,000 Series 2009A, combination serial (4.00% - 6.00%) and term bonds (6.25%) through 2039	742,190
Water and Wastewater Refunding Revenue Bonds, \$448,965 Series 2009B, combination serial (2.50% - 5.50%) and term bonds (5.250% - 5.375%) through 2039	448,525
	<u>3,163,655</u>
Less: Current maturities	(46,085)
Unamortized discounts and premium costs	24,675
Total revenue bonds	<u>3,142,245</u>

Other Debt:

Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3% due serially through 2023	3,272
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035	16,898
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036	17,395
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038	17,842
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027	28,455
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028	28,811
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027	29,151
	<u>141,824</u>
Less: Current maturities	(3,647)
Total GEFA notes payable	<u>138,177</u>
Total long-term debt	<u>\$ 3,280,422</u>

The proceeds of the GEFA loans were used to finance a portion of the cost associated with the DWM Clean Water Atlanta Program (See Note IV. C. First Amended Consent Decree).

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Interest Rate Exchange Agreements (SWAPs)

Department of Watershed Management (DWM)

At June 30, 2011, the Department has two derivative instruments that are interest rate swaps referred to as Swap Three and Swap Four.

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

In fiscal year 2011, certain of the above interest rate swaps, with an outstanding notional amount of \$354,935,000 were determined to be ineffective hedges. As a result, the fair value of these interest rate swaps are recorded in the investment classification as an unrealized loss on derivative instruments in the amount of \$91,633,000.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2011, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows (in thousands):

<u>Swap</u>	<u>Cash Flow Hedges</u>	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2011</u>		
		<u>Classifications</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
\$ 3	Pay-fixed interest rate swaps	Investment income	\$ 19,708	Investment	\$ (88,858)	\$ 329,670
4a (partial)	Pay-fixed interest rate swaps	Investment income	\$ 701	Investment	\$ (2,775)	\$ 25,265
4b (partial)	Pay-fixed interest rate swaps	Deferred outflow	\$ 2,329	Debt	\$ (8,807)	\$ 80,440
				Total	<u>\$ (100,439)</u>	

The fair value of the swaps was estimated using the proprietary pricing model of an independent derivative valuation service.

Objective and Terms of Hedging Derivative Instruments - The following table displays the objective and terms of the Department's hedging derivative instrument outstanding at June 30, 2011, along with the credit rating of the associated counterparty.

<u>Swap</u>	<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
4b (partial)	Pay-fixed interest rate swaps	Hedge of changes in cash flows of variable debt obligations	\$ 80,440	1/3/2002	11/1/2041	Receive SIFMA Municipal Swap Index; pay 4.09%	A/Aa/A+

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Risks

Credit Risk - Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2011, the two swaps were in liability positions; therefore, the Department is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps become in asset positions, the Department would be exposed to credit risks.

The Department executes hedging derivatives with one counterparty, comprising 100% of the net exposure to credit risk. This one counterparty is rated A+ as issued by Fitch, London, Aa3 as issued by Moody's, New York, and A+ as issued by Standard & Poor's, New York.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Department's financial instruments or its cash flows. The Department is exposed to interest rate risk on its pay-fixed, received-variable interest rate swaps. As LIBOR or the SIFMA swap index decreases, the Department's net pay on the swap increases.

Basis Risk - Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The Department is exposed to basis risk on its pay-fixed interest rate swap hedging instruments because the variable-rate payments received by the Department on these hedging derivative instruments are based on a rate or index other than interest rates the Department pays on its hedge variable-rate debt. As of June 30, 2011, the interest rate on the Department's hedged variable-rate debt is 0.232%, while the SIFMA swap index rate is 0.250% and 67 percent of LIBOR is 0.806%.

Termination Risk - Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the Department's asset and liability strategy or will present the Department with potentially significant unscheduled termination payments to the counterparty. The amendment to the swap transaction, dated February 26, 2010, allows the counterparty to terminate and cancel the transaction in whole or in part, on any business day, upon one business day's prior written notice to the Department.

Rollover Risk - Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The Department is not exposed to rollover risks because the hedging derivative instruments associated with the hedgeable debt items extend to the maturity of the hedgeable debt items.

Cancellation - On March 4, 2010, the Department terminated the agreements for Swap One and Swap Two. The Department is required to make termination payments for Swap One totaling \$13,538,000 on certain dates through January, 2013, and Swap Two totaling \$8,082,000 on certain dates through April, 2012. At June 30, 2011 the balances on the termination payments were \$10,920,000 and \$18,120,000, respectively.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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 post-closure care costs will be incurred in the future. Although post-closure care costs will be paid over the remaining number of post-closure years, the City accrued a liability for those costs as the landfills were accepting waste. The \$23,174,000 reported as the landfill post-closure costs liability at June 30, 2011, represents the cumulative amount of post-closure 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 post-closure care. Actual costs may differ from estimates due to inflation, changes in technology or regulations. Post-closure care costs will be funded by future sanitary charges of the Sanitation Fund or from future contributions from the General Fund if necessary.

Notes to Financial Statements – Continued

G. Long-Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2011 (in thousands):

Year Ended June 30	Governmental Activities					
	General Obligations		Annual Bonds		SWMA Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 12,265	\$ 9,655	\$ 2,020	\$ 1,386	\$ 1,275	\$ 837
2013	13,245	9,073	2,115	1,302	1,335	772
2014	14,020	8,451	2,085	1,217	1,405	703
2015	15,195	7,791	1,865	1,137	1,475	631
2016	15,590	7,079	1,955	1,059	1,550	561
2017-2021	92,325	23,249	11,315	3,949	8,930	1,570
2022-2026	48,710	3,282	11,580	1,173	2,050	41
	<u>\$ 211,350</u>	<u>\$ 68,580</u>	<u>\$ 33,615</u>	<u>\$ 11,237</u>	<u>\$ 18,020</u>	<u>\$ 5,115</u>

Year Ended June 30	Other General LT Obligations					
	APSJFA Note Payable		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,563	\$ 563	\$ 23,200	\$ 31,730	\$ 8,276	\$ 3,099
2013	1,635	490	25,930	30,646	8,176	2,692
2014	1,712	413	27,100	29,405	6,108	2,313
2015	1,792	334	29,580	28,047	5,880	2,000
2016	1,875	250	31,035	26,575	6,158	1,697
2017-2021	4,013	234	181,955	107,302	20,233	4,488
2022-2026	-	-	190,680	57,204	10,428	806
2027-2031	-	-	84,405	22,147	32,444	-
2032-2036	-	-	34,535	4,908	-	-
2037-2041	-	-	6,175	288	-	-
	<u>\$ 12,590</u>	<u>\$ 2,284</u>	<u>\$ 634,595</u>	<u>\$ 338,252</u>	<u>\$ 97,703</u>	<u>\$ 17,095</u>

Year Ended June 30	Business-Type Activities						
	Aviation		GA Environmental Facilities		Watershed Management		Rate
	Principal	Interest	Principal	Interest	Principal	Interest	Swaps, Net
2012	\$ 68,730	\$ 143,520	\$ 3,647	\$ 4,694	\$ 46,085	\$ 166,451	\$ 17,241
2013	96,490	139,470	3,772	4,568	48,425	164,123	17,222
2014	104,430	134,435	3,898	4,443	50,870	161,699	17,202
2015	104,645	129,108	4,029	4,311	53,540	159,046	17,181
2016	114,020	123,448	4,164	4,177	56,415	156,191	17,160
2017-2021	658,695	520,983	23,035	18,668	332,120	731,221	85,441
2022-2026	618,075	355,122	26,291	14,532	423,855	628,390	81,413
2027-2031	727,585	167,895	56,963	5,953	543,700	495,010	65,694
2032-2036	265,620	31,916	13,798	1,835	672,340	331,465	45,596
2037-2041	43,365	4,472	2,227	65	752,385	129,818	21,938
2042-2046	-	-	-	-	183,920	11,260	-
	<u>\$ 2,801,655</u>	<u>\$ 1,750,369</u>	<u>\$ 141,824</u>	<u>\$ 63,246</u>	<u>\$ 3,163,655</u>	<u>\$ 3,134,674</u>	<u>\$ 386,088</u>

Year Ended June 30	Component Units					
	Recreation Authority		Atlanta Development Authority		Atlanta Housing Opportunity, Inc	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 5,915	\$ 9,068	\$ 11,895	\$ 10,064	\$ 1,150	\$ 1,717
2013	6,030	8,952	12,859	9,533	1,166	1,656
2014	6,370	8,608	14,059	8,929	1,251	1,592
2015	6,770	8,220	14,235	8,288	1,320	1,524
2016	7,170	7,816	14,971	7,630	1,388	1,452
2017-2021	42,790	32,171	51,511	30,442	8,199	5,982
2022-2026	57,210	17,794	45,378	20,406	10,878	3,247
2027-2031	21,730	2,141	27,800	10,401	5,314	319
2032-2036	-	-	15,890	4,977	-	-
2037-2041	-	-	7,250	443	-	-
	<u>\$ 153,985</u>	<u>\$ 94,770</u>	<u>\$ 215,848</u>	<u>\$ 111,113</u>	<u>\$ 30,666</u>	<u>\$ 17,489</u>

Notes to Financial Statements – Continued

G. Long-Term Obligations, continued

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, 2010 the City has \$81,180,000 in defeased General Obligation Bonds. The Department of Watershed Management paid all outstanding defeased debt during the fiscal year 2011, and has no defeased debt balance as of June 30, 2011. The Department of Aviation paid all outstanding defeased debt during fiscal year 2010, and has no defeased debt balance as of June 30, 2011.

Below is a description of the City's defeased bonds and the outstanding balances as of June 30, 2011 (in thousands):

Description of Bonds	Date Originally Issued	Original par Amount	Redemption Call Date	Date Defeased	Maturities Defeased	Interest Rate Defeased Bonds %	Amount Defeased	Outstanding 6/30/2011
General Obligation Bonds								
1993 Refunding	10/1/1993	\$ 42,775	7/1/2005	5/1/2005	2009-2014	4.7	\$ 3,630	\$ 840
1993 School Improvement	11/1/1993	94,000	12/1/2003	2/28/2001	2002-2018	5.5-5.6	81,760	48,165
1996A Various Purpose	12/1/1996	8,000	12/1/2006	5/1/2005	2008-2016	5.0	2,290	885
1997A Various Purpose	11/1/1997	8,000	12/1/2007	5/1/2005	2009-2021	5.0-5.125	2,720	1,660
1998 Various Purpose	12/1/1998	8,000	12/1/2008	5/1/2005	2012-2020	4.4-4.9	1,710	640
1999 Various Purpose	12/1/1999	8,000	12/1/2009	5/1/2005	2011-2024	5.125-5.8	2,840	2,700
2000 Various Purpose	11/1/2000	8,000	12/1/2010	5/1/2005	2013-2025	5.0-5.5	2,960	2,330
2001A Various Purpose	12/1/2001	8,000	12/1/2011	5/1/2005	2003-2025	5	4,190	4,190
2001B Public Improvement	12/1/2001	61,220	12/1/2011	5/1/2005	2014-2020	5	19,770	19,770
		<u>\$ 245,995</u>					<u>\$ 121,870</u>	<u>\$ 81,180</u>

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, 2011 are as follows (in thousands):

	Department of Aviation
Passenger and customer facility charges	\$ 418,473
Debt service and debt service reserve	349,001
Total	<u>\$ 767,474</u>

Notes to Financial Statements – Continued

H. Reserved Net Assets and Restricted Assets, continued

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, 2011 are as follows (in thousands):

	Department of Watershed Management	Department of Aviation	Total
Revenue Fund:			
Renewal and Extension Fund			
Grants receivable	\$ -	\$ 3,094	\$ 3,094
Investments		4,154	\$ 4,154
Passenger Facility Charges Fund:			
Investments	-	195,079	\$ 195,079
Cash	-	219,551	219,551
Accounts Receivable	-	29,634	29,634
Interest receivable	-	626	626
Customer Facility Charge Fund:			
Investments	-	12,835	12,835
Cash	-	20,675	20,675
Accounts Receivable	-	2,865	2,865
CONRAC and APM Funds:			
Investments	-	26,242	26,242
Construction Funds:			
Construction:	-		
Investments	360,648	764,140	1,124,788
Debt Reserve Fund:			
Investments	161,007	-	161,007
Sinking Fund:			
Cash	4,720	203	4,923
Investments	32,259	326,893	359,152
Debt Reserve Fund - investments	76,959	-	76,959
Total	\$ 635,593	\$ 1,605,991	\$ 2,241,584

Notes to the Financial Statements-Continued

IV. Other Information

A. Risk Management

General

The City purchases a variety of insurance policies, including but not limited to all risks property and specific liability policies. The City also purchases distinct and separate insurance policies for Hartsfield-Jackson Atlanta International Airport, including but not limited to property, airport owners and operators liability, and environmental liability. The policy limits are established in order to maximize potential recovery via insurance in the event of loss. Policy limits may range up to \$1 billion based on exposure to loss, and policies are subject to a range of deductibles.

The City also administers an Owner Controlled Insurance Program (OCIP) that provides insurance coverage for enrolled contractors for certain construction projects at the airport. These policies include but are not limited to builders risk, general liability, workers' compensation and pollution liability.

Insurance requirements are established with contractors and consultants that do business with the City based on the scope of services and nature of the project(s). Contractors and consultants are generally required to maintain certain types of insurance coverage including but not limited to general liability, automobile liability, workers' compensation and professional liability.

There has not been any material change to insurance coverage from the previous year.

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 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 2.5% for 2011 and 3.5% for 2010.

Prior to March 1, 2011, the City had no specific excess or annual aggregate coverage for its self-insured workers compensation claims. Effective March 1, 2011, the City purchased an annual excess insurance policy with a \$5 million per occurrence retention with no annual aggregate coverage.

Health and Dental Insurance

The City's medical plan under Blue Cross Blue Shield Point of Service and its dental plan under Cigna are fully self insured. The Kaiser HMO, OHS dental access plan and Spectra vision plan are 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.

Notes to the Financial Statements-Continued

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, 2011 and the year ended June 30, 2010 were as follows (in thousands):

	Beginning of period	Period claims and changes in estimates	Claim payments	End of period
Workers' compensation:				
2010	\$ 39,105	\$ 6,836	\$ (7,425)	\$ 38,516
2011	\$ 38,516	\$ 5,919	\$ (4,153)	\$ 40,282
Health and Dental claims:				
2010	\$ 4,657	\$ 45,316	\$ (45,073)	\$ 4,900
2011	\$ 4,900	\$ 47,818	\$ (48,238)	\$ 4,480
General claims liability:				
2010	\$ 48,758	\$ 15,733	\$ (8,566)	\$ 55,925
2011	\$ 55,925	\$ 6,719	\$ (21,996)	\$ 40,648

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 the following separately administered pension plans:

Plan Type	Plan Name
Agent, multiple-employer, defined benefit	The General Employees' Pension Plan
Single employer, defined benefit	Firefighters' Pension Plan
Single employer, defined benefit	Police Officers' Pension Plan
Single employer, defined contribution	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.

Notes to the Financial Statements - Continued

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 were not covered under the Teachers Retirement System of Georgia, were eligible to participate in the General Employees' Pension Plan. Certain School System employees, employed prior to July 1, 1979, also participate in the City's General Employees' Pension Plan (the "Plan"). Unless previously enrolled in 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 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 do not have the option of transferring to 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, and 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

(See Section IV, Note D, Subsequent Events, regarding major amendments to the Plans, effective September 1, 2011 and November 1, 2011).

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 credited service to a maximum of 32 years or 80% of salary.
- Firefighters – 3% for each year of credited service to a maximum of 26.67 years or 80% of salary.
- Police Officers – 3% for each year of credited service to a maximum of 26.67 years or 80% of salary.

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

Normal retirement, after 10 years of service, 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, that may not exceed 3% and is based upon the Consumer Price Index. 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.

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 annually by an enrolled actuary. The membership as of the latest actuarial valuation reports, in the three defined benefit plans and related current period payrolls are as follows (in thousands):

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3,605	924	1,293	5,822
Current active employees				
Fully vested	1,895	457	748	3,100
Partially vested	202	230	385	817
Deferred Vested	-	2	3	5
Not vested	<u>1,164</u>	<u>177</u>	<u>441</u>	<u>1,782</u>
	<u>3,261</u>	<u>866</u>	<u>1,577</u>	<u>5,704</u>
Total membership	<u>6,866</u>	<u>1,790</u>	<u>2,870</u>	<u>11,526</u>

The latest valuation reports for purposes of current year funding are as of July 1, 2010 for the General Employees Plan and as of January 1, 2010 for the Police Officers and Firefighters Plans.

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.

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

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. Beginning with the July 1, 2008 valuation, The City has elected to change its amortization period for the unfunded pension liability (UAAL) from a closed 30 year period to an open 30 year period. The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the actuarial accrued liability.

The required contribution percentages, developed in the most recent actuarial valuations for the plans, to cover pension liabilities and the actual 2011 contribution amounts are (in thousands):

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
Normal cost	14.69%	27.72%	27.52%
Amortization of the unfunded actuarial accrued liability	<u>29.49%</u>	<u>30.15%</u>	<u>22.17%</u>
Total required contributions as a percentage of covered payroll	<u>44.18%</u>	<u>57.87%</u>	<u>49.69%</u>
2011 actual employee contributions			
Dollar amount	\$11,118	\$3,463	\$6,647
Percent of covered payroll	7.80%	8.06%	7.96%
2011 actual City contributions			
Dollar amount	\$46,068	\$24,918	\$39,145

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

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, 2011, were as follows for the respective plans:

General Employees	\$	46,068
Firefighters	\$	24,918
Police Officers	\$	39,145

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

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

The City's annual pension cost and net pension obligation for the current year ended June 30, 2011 and each of the two preceding years were as follows (in thousands):

Plan/Period	Annual Pension Cost <u>(APC)</u>	Percentage of ARC <u>Contributed</u>	Net Pension <u>Obligation</u>
General Employees:			
Year Ended 6/30/09	\$ 69,991	100%	\$ -
Year Ended 6/30/10	\$ 51,699	100%	\$ -
Year Ended 6/30/11	\$ 46,068	100%	\$ -
Firefighters:			
Year Ended 6/30/09	\$ 28,752	100%	\$ -
Year Ended 6/30/10	\$ 25,864	100%	\$ -
Year Ended 6/30/11	\$ 24,198	100%	\$ -
Police Officers:			
Year Ended 6/30/09	\$ 44,810	100%	\$ -
Year Ended 6/30/10	\$ 41,713	100%	\$ -
Year Ended 6/30/11	\$ 39,145	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 July 1, 2008 actuarial report, is to be amortized over an open period of 30 years, in accordance with State of Georgia guidelines.

Other actuarial assumptions used to perform the most recent calculation (July 1, 2008 calculations for funding purposes) are:

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
Rate of return on investments	8.00%	7.75%	7.75%
Projected salary increases for			
Inflation	4.50%	4.00%	4.00%
Merit or seniority and productivity	1.50%	1.00%	1.00%
Post-retirement benefit increases	3.00%	3.00%	3.00%

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

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, 2011:

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
Basis of accounting	Accrual	Accrual	Accrual
Asset valuation			
Reporting	Fair Value	Fair Value	Fair Value
Actuarial valuation	5 year smoothed market	5 year smoothed market	5 year smoothed market
Internal loans	None	None	None

Funded Status and Funding Progress

The following table is a summary by plan of Funding Status and Funding Progress (in thousands):

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
Plan/Valuation Date	07/1/2010	1/1/2010	1/1/2010
Value of Assets	\$866,906	\$422,791	\$591,981
Actuarial Accrued Liability (AAL)	\$1,614,267	\$699,174	\$990,600
Percentage Funded	53.7%	60.5%	59.8%
Unfunded Accrued Liabilities	\$747,361	\$276,383	\$398,619
Covered Payroll	\$142,597	\$43,910	\$78,519
Unfunded AAL as a Percentage of Covered Payroll	524.1%	629.4%	507.7%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year 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 contribution of the City is 6% of employee payroll.

Employees also make a mandatory 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.

Notes to the Financial Statements - Continued

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 General Employees' Defined Contribution Plan.

Effective September 1, 2005, classified employees and certain non-classified employees pay grade 18 and below then enrolled in the General Employees' 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, 2011 there were 937 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$50,547,937. Employer contributions for the year ended June 30, 2011 were \$3,933,901 and employee contributions were \$4,052,092, totaling 15.8% of covered payroll.

The General Employees' 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, 2011 is shown below (in thousands):

	FY 2011
Current assets:	
Investments	\$ 51,763
Other Assets	398
Total assets	\$ 52,161
Current liabilities:	
Due to other funds	401
Total current liabilities	\$ 401
Additions:	
Employer contributions	3,934
Employee contributions	4,052
Net Investment income (loss)	5,857
Other additions	100
Total additions	13,943
Deductions:	
Benefit Payments	5,914
Administrative expenses	95
Total deductions:	6,009
Change in Net Assets held in trust	7,934
Net Assets held in trust for pension benefits:	
Beginning of period	43,826
End of period	\$ 51,760

Notes to the Financial Statements - Continued

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, 2011, the City made \$36.2 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 \$43.8 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, 2011 (in thousands):

	June 30, 2011				General
	City-Wide	DWM	DOA	Other	Government
Annual Required Contribution	\$ 88,688	\$ 17,358	\$ 11,996	\$ 4,047	\$ 55,288
Interest on Net OPEB Obligation	6,954	1,361	941	317	4,343
Adjustment to Annual Required Contribution	<u>(6,088)</u>	<u>(1,192)</u>	<u>(823)</u>	<u>(278)</u>	<u>(3,802)</u>
Annual OPEB Cost (expense)	89,554	17,527	12,113	4,086	55,829
"Pay As You Go" Payments Made	<u>(36,173)</u>	<u>(3,270)</u>	<u>(4,920)</u>	<u>(2,588)</u>	<u>(25,394)</u>
Increase in Net OPEB Obligation	53,381	14,257	7,193	1,498	30,434
Net OPEB Obligation - Beginning of Year	<u>154,539</u>	<u>40,912</u>	<u>24,426</u>	<u>7,867</u>	<u>102,106</u>
Net OPEB Obligation - End of Year	<u>\$ 207,920</u>	<u>\$ 55,168</u>	<u>\$ 31,619</u>	<u>\$ 9,365</u>	<u>\$ 111,768</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years ended June 30, 2009 - 2011 were as follows (in thousands):

<u>Fiscal Year Ended</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Paid</u>	Net OPEB <u>Obligation</u>
June 30, 2009	\$ 75,572	38.6%	\$ 110,641
June 30, 2010	\$ 77,497	43.4%	\$ 154,539
June 30, 2011	\$ 89,554	38.9%	\$ 209,299

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

Funded Status and Funding Progress: As of June 30, 2010, the most recent actuarial valuation date, the Plan was not funded, except “pay-as-you-go” payments. The unfunded actuarial accrued liability (UAAL) for benefits was \$1.40 billion. The covered payroll was \$313 million, and the ratio of the UAAL to the covered payroll was 449.9%.

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 of 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, 2010. Under the provisions of GASB 45 the City elected to use the June 30, 2010 actuarial report as the basis for determining the current year ARC requirement.

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 the 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, 2010 actuarial valuation, the Individual Entry Age Normal actuarial cost method was used. It is amortized as a level percent of payroll over a 27 year period and a closed amortization method. The actuarial assumptions included 4.5 percent investment rate of return (net of administrative expenses) and an annual medical cost trend rate of 8 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.

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.

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.

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities

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, 2011, the total estimated costs on committed projects are \$269,901,230 and \$278,508,000 for the Department of Aviation and Department of Watershed Management, respectively.

Within governmental funds, encumbrances are commitments to unfilled purchase orders or unfilled contracts. Funds have been committed to a specific order, but the goods or services have not been invoiced or received from the vendor. The City has major outstanding encumbrances at June 30, 2011 as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>
Communications	\$ 425,000	\$ -	\$ -
Repair & Maintenance	878,472	190,359	
Construction & Improvements	-	877,304	-
Consulting	2,520,225	364,000	-
Lease	199,933	-	-
Vehicles	-	-	326,949
Total	<u>\$ 4,023,630</u>	<u>\$ 1,431,663</u>	<u>\$ 326,949</u>

Department of Aviation

On September 14, 2005, Northwest Airlines, Inc. (“Northwest”) filed for a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York. Northwest filed a Rejection Motion seeking to reject the Agreement and Lease of Premises dated January 2, 1974, by and between the City and Northwest, as successor in interest to Southern Airways, Inc. The Bankruptcy Court entered an order granting the Rejection Motion, authorizing rejection of the Lease *nunc pro tunc* to the Petition Date.

On August 16, 2006, the City of Atlanta, Department of Aviation (“City”) filed Claim Number 10673 in the Bankruptcy Cases, asserting claims related to Northwest’s and certain of its affiliates’ rejection of the Lease of an aircraft maintenance facility (the “Leased Space”) at the Hartsfield-Jackson Atlanta International Airport (the “Airport”) among other things.

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest and the Georgia Environmental Protection Division (EPD) to settle all claims in exchange for transfer and assumption of environmental obligations at the Leased Space formerly between Northwest and the Georgia EPD.

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

In full and final satisfaction of the claims, the City received shares of the common stock of Delta Air Lines, Inc., as successor to Northwest Airlines Corporation, in an amount equal to a percentage of the claim as determined and allowed by the Bankruptcy Court.

The City assumed control of the Leased Space during the first quarter 2011 and assumed control of post-closure environmental monitoring activities. From assumption of the Leased Space through June 30, 2012, the City expects to spend \$116,332 for initial environmental activities related to the transfer of the site to the City. At this time, the City estimates that it will spend approximately \$30,000 per year for at least the next 25 years, not including adjustments for inflation, to conduct groundwater monitoring at the Leased Space. The City's current estimate of a worst case scenario involving possible environmental remediation at the site of the Leased Space is \$9.3 million.

Department of Watershed Management

Other Governments

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 million gallons per day (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 20.83%, of the plant capacity. The Clayton Agreement with DeKalb County was amended in 1999, to increase DeKalb County's capacity in the Plant to 50 MGD, which is 48.54% of the 103 MGD of average daily flow capacity.

In 1977, Dekalb County entered into an agreement for 2.62 MGD, or 5.82%, of the capacity rights in the South River Water Reclamation Center and 2.60 MGD, or 12.38%, of the capacity rights in the Intrenchment Creek Water Reclamation Center.

Additional capital improvements may be made to the Plants to relieve excessive flows and/or loads that impair the efficient operation of the City's sewer system, to improve existing processes, to improve the efficiency of current operations, or to comply with applicable laws. In any such event, the DWM 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 R.M. Clayton, South River, Intrenchment Creek and Utoy Creek Water Reclamation Centers based upon the ratio that their sewerage flow bears to the total flows to the plants. The Municipalities' share of the operation and maintenance costs for the plants was \$18,903,000 for the period ended June 30, 2011. These payments are treated as operating revenue for the DWM.

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. The Municipalities' shares of the capital improvement costs for the year ended June 30, 2011 was not determined due to current usage negotiations with Municipalities. For the year ended June 30, 2010 the Municipalities' shares of the capital improvement costs was \$2,734,000. These charges, when earned, are treated as non-operating revenue and are included in capital contributions. The amounts receivable from the Municipalities is included in the amount due from other governmental units in the accompanying financial statements.

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

Consent Decrees for Wastewater System

The DWM 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 Environment 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.

The plaintiffs alleged that the City violated the terms of its permits that 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.

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 required 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. As of June 30, 2011, all projects required under the CSO Consent Decree were substantially complete.

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 inter-jurisdictional agreements to address over-loading and pretreatment issues. All capital improvements, upgrades, and repairs under the FACD must be completed by July 1, 2014.

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

The City is actively seeking federal and state grants and loans and other sources of funding to perform the tasks outlined above as part of its Clean Water Atlanta (the "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 used for operations, debt service and funding renovations to the City's water and sewer system. The MOST was approved by the residents of the City 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, at four years each can be approved by a vote of residents of the City. In the February 2008 elections, the City's residents approved one of the two extensions. Proceeds from the MOST for fiscal year 2011 were \$109,975,294, of which \$14,155,294 was receivable from the Georgia Department of Revenue at June 30. For fiscal 2011, the MOST revenue was recorded by law in a Special Revenue fund with the total revenue amount subsequently transferred to the DWM fund.
- 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. In fiscal year 2011, the City entered into three executed loan agreements dated March 31, 2011, totaling \$50 million. These loans were not drawn upon during fiscal year 2011. As of June 30, 2011, the City had \$141,824,000 of loans outstanding to GEFA.
- The Atlanta City Council approved annual increases to the current water and wastewater rates to support revenue bond's financing the five year portion (2008 – 2012) of the CWA Capital Improvement Program. The 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. The fiscal year 2008-2012 rates are summarized below. In addition to the rates shown below, each water and wastewater bill includes a \$.15 per 100 cubic feet security surcharge through December 31, 2010.

Graduated Monthly Wastewater Rate Structure:

Water Consumption	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Base charge	\$3.63	\$4.63	\$5.21	\$5.86	\$6.56
0-3 ccf	\$5.39	\$6.87	\$7.73	\$8.70	\$9.74
4-6 ccf	\$7.55	\$9.63	\$10.83	\$12.18	\$13.64
Above 7 ccf	\$8.68	\$11.07	\$12.45	\$14.01	\$15.69

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

Graduated Monthly Water Rate Structure:

Water Consumption	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Base charge	\$3.63	\$4.63	\$5.21	\$5.86	\$6.56
0-3 ccf	\$1.42	\$1.81	\$2.04	\$2.30	\$2.58
4-6 ccf	\$2.96	\$3.77	\$4.24	\$4.77	\$5.34
Above 7 ccf	\$3.41	\$4.35	\$4.89	\$5.50	\$6.16

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. Those 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.

Estimated Capital Costs to Complete Compliance with Decrees and Orders

The DWM is in the midst of a Capital Improvement Program mandated by court orders, regulatory and priority requirements. This Capital Improvement Program details all of the improvements needed through 2014 to meet the aforementioned objectives. The current cost estimate of the overall Capital

Improvement Program is approximately \$3.7 billion, which has decreased over the original cost estimate of \$3.9 billion.

The following is a summary of the funded and unfunded future costs to complete projects by type based on the current estimate:

Project Types	Total 2011 - 2014 CIP <u>(In Millions)</u>
Wastewater Projects:	
CSO Consent Decree	\$ 3
First Amended Decree	482
Regulatory	57
R&E Fund Projects	<u>122</u>
Subtotal	<u>664</u>
Water Projects:	
Consent Order	37
Non - Consent Order	884
Subtotal	<u>921</u>
Grand total	<u>\$ 1,585</u>

Notes to the Financial Statements – Continued

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 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 government-wide financial statements.

D. Subsequent Events

General Government

Pension Plan Reform

Amendments to Defined Benefit Plans

In June 2011, the City Council approved changes to the City’s three separate defined benefit plans, effective on September 1, 2011 for new hires and November 1, 2011 for existing employees. Currently sworn personnel employed by the Atlanta Police Department are required to contribute to the Police Officers’ Pension Fund. Sworn personnel employed by the Atlanta Fire Rescue Department are required to contribute to the Firefighters’ Pension Fund. All non-sworn employees hired prior to July 1, 2001 regardless of payroll grade, and all non-sworn employees hired after July 1, 2001 below payroll grade 19 or its equivalent, are required to contribute to the General Employees’ Pension Fund.

Beginning on November 1, 2011, all *current* employees participating in any one of the three defined benefit plans and hired before September 1, 2011, or after January 1, 1984, will have an increase of 5% in their mandatory contributions into the funds in which they participate. The contribution will be such that the new contribution will be 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary.)

Employees hired on or after September 1, 2011 who are either sworn members of the police department or the fire department, or who are below payroll grade 19 will be required to participate in a hybrid defined benefit plan with a mandatory defined contribution component (see discussion below regarding Amendments to the Defined Contribution Plan). The defined benefit portion of this plan will include a 1% multiplier, the employee contribution will be 8% of salary with or without beneficiary, and the retirement age will increase to age 57 for participants in the Police Officers’ and Firefighters’ Pension Funds and to age 62 for participants in the General Employees’ Pension Fund. Early Retirement Age is changed from any age (as long as vested) with penalty to age 52 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefit for hires after September 1, 2011.

Notes to the Financial Statements – Continued

D. Subsequent Events Continued

Beginning in fiscal year 2012 there will be a cap on the maximum amount of the City's contribution to the three defined benefit pension funds measured as a percentage of payroll. The City's annual contribution to the funds may not exceed 35% of payroll of the participants in the three funds in aggregate. In the event that this 35% cap is reached, the City will fund any overage for the first 12 month period from its reserves. During that period, the City's Management must agree on an alternative method to reduce the overage. If no alternative is reached, beginning in the second 12 month period, the City and the participants will equally split the cost of the overage, subject only to a provision that employee contributions may not increase more than 5%.

Beginning with the 2012 valuation the amortization period for the UAAL is changed from the 30-year open period to a closed amortization period designed to eliminate the UAAL by July 1, 2042.

Amendments to Defined Contribution Plan

Employees hired on or after September 1, 2011 who are either sworn members of the police department or the fire department, or who are below payroll grade 19 or its equivalent, are required to participate in the mandatory defined contribution component which will include a mandatory employee contribution of 3.75% of salary and be matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary which will also be matched 100% by the City. Employees vest in the amount of the City's contributions at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

City Hall East Sale

In July 2011, the City completed the sale of the City Hall East building to Jamestown Ponce City Market, L.P. The sale price of the building was \$27,000,000, of which \$11,500,000 was financed by the City through a promissory note subject to certain terms and conditions. The site will be developed into a mixed use development consisting of commercial, retail and both market rate and affordable housing.

Department of Aviation (DOA)

On July 21, 2011 the City issued its City of Atlanta Airport General Revenue Refunding Bonds, Series 2011A (non-AMT) and Series 2011B (AMT), in the aggregate principal amount of \$224,195,000 and \$216,195,000, respectively (the "Series 2011A/B Bonds"). The Series 2011A/B Bonds were issued primarily to refund and redeem all the outstanding amount of the City's Airport General Revenue and Refunding Bonds, Series 2000A; Series 2000B; and Series 2000C.

On September 19, 2011, The City Council approved the purchase of 52.7 acres of undeveloped land east of Hartsfield-Jackson Atlanta International Airport at a fair market value purchase price of \$540,625 per acre from Airport Station, LLC. Purchase was completed on September 30, 2011, at a cost of \$28,565,382 to be paid from the Airport Renewal and Extension Fund. The purpose of the purchase is for runway protection and future airport development.

Department of Watershed Management (DWM)

The DWM entered into a Direct Purchase Agreement with Wells Fargo Bank, N.A on July 19, 2011 for the Department of Watershed Management Series 2008 Refunding Bonds. The Series 2008 Refunding bonds with a par value of \$106,795,000 were issued as variable rate bonds with a Letter of Credit issued by Wachovia Bank, N.A on May 1, 2008. The Letter of Credit and Reimbursement Agreement I connection with the Series 2008 Refunding bonds was terminated when the Direct Purchase Agreement was executed.

Notes to the Financial Statements - Continued

D. Subsequent Events Continued

In November 2010, Cox Enterprise, Inc. donated the *Atlanta Journal Constitution* (AJC) building and associated land to the City. The building is being retrofitted to form functional office space for the DWM to consolidate its current operations at City Hall, 263 Decatur Avenue, 236 Forsyth Street and 230 Peachtree Street. The combined square footage of the three facilities being moved is 80,467 sq. ft. along with leased warehouse space of 10,000 sq. ft. Annual lease costs are currently \$1,455,295 for the three leased spaces. A lease agreement is in the process of being finalized between the DWM and City Government for leasing the *AJC* building. The City's facilities maintenance will provide for maintenance and upkeep of the building.



**Required Supplementary
Information**

Atlanta

CITY OF ATLANTA, GEORGIA
Required Supplementary Information

Schedule of Funding Progress for Pension Plans
(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						
1/1/2005	\$681,145	\$1,143,676	59.6%	\$462,531	\$157,665	293.4%
1/1/2006	\$702,178	\$1,335,974	52.6%	\$633,796	\$152,408	415.9%
7/1/2007	\$749,352	\$1,436,278	52.2%	\$686,925	\$155,185	442.6%
7/1/2008	\$829,734	\$1,483,733	55.9%	\$653,999	\$179,982	363.4%
7/1/2009	\$881,009	\$1,481,563	59.5%	\$600,554	\$150,312	399.5%
7/1/2010	\$866,906	\$1,614,267	53.7%	\$742,597	\$142,597	520.8%
Firefighters						
1/1/2005	\$325,630	\$445,777	73.0%	\$120,147	\$38,774	309.9%
1/1/2006	\$334,290	\$557,706	59.9%	\$223,416	\$36,440	613.1%
1/1/2007	\$371,456	\$577,271	64.3%	\$205,815	\$45,686	450.5%
1/1/2008	\$419,163	\$652,816	64.2%	\$233,653	\$45,561	512.8%
1/1/2009	\$408,090	\$708,347	57.6%	\$300,257	\$43,275	693.8%
1/1/2010	\$422,791	\$699,175	60.5%	\$276,383	\$43,910	629.4%
Police						
1/1/2004	\$440,212	\$617,501	71.3%	\$177,289	\$63,274	280.2%
1/1/2005	\$444,460	\$658,861	67.5%	\$214,401	\$70,973	302.1%
1/1/2006	\$464,368	\$817,255	56.8%	\$352,887	\$73,515	480.0%
1/1/2007	\$512,259	\$850,886	60.2%	\$338,627	\$77,168	438.8%
1/1/2008	\$596,457	\$909,410	65.6%	\$312,953	\$84,016	372.5%
1/1/2009	\$571,768	\$986,376	58.0%	\$414,608	\$82,030	505.4%
1/1/2010	\$591,981	\$990,600	59.8%	\$398,619	\$78,520	507.7%

Schedule of Funding Progress for OPEB
(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 Payroll
6/30/2007	\$0	\$1,125,648	\$1,125,648	0.0%	\$280,031	402.0%
6/30/2008	\$0	\$1,085,315	\$1,085,315	0.0%	\$278,039	390.3%
6/30/2010	\$0	\$1,408,268	\$1,408,268	0.0%	\$312,984	449.9%

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

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 use of tax increments to develop a specific area. The Districts include:

*Northwest Atlanta
Hollowell/M.L. King
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
Car Rental Excise Tax Fund*

*Section 108 Loan Fund
Trust Fund
Hotel/Motel Excise Tax Fund*

Debt Service Fund

Bond Service Fund - Established for the accumulation of resources to meet current and future debt service requirements on general long-term debt. Additionally, Tax Allocation Districts were established to account for the proceeds of bonds issued and the collection of the tax increments created for developments within the specific Districts and repayment of the bonds. The Districts include:

*Atlantic Station
Westside
Princeton Lake*

*Eastside
Atlanta Beltline*

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.

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CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2011
(In Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Other Special Revenue
ASSETS					
Cash, Unrestricted	\$ 4,026	\$ -	\$ 4,133	-	\$ 30,549
Cash, Restricted	-	-	-	11,502	-
Investments in pooled investment fund	-	-	-	-	26,849
Investments	-	-	-	-	2,121
Receivables					
Taxes	-	-	-	2,660	3,960
Accounts	-	1,809	-	-	8
Due from other governmental units and agencies	1,631	-	11,547	-	699
Due from other funds	-	-	-	-	-
Restricted investments	-	-	-	4,112	-
Total assets	<u>\$ 5,657</u>	<u>\$ 1,809</u>	<u>\$ 15,680</u>	<u>\$ 18,274</u>	<u>\$ 64,186</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 476	\$ 232	\$ 2,444	\$ 47	\$ 970
Accrued salaries, vacation, and compensatory pay	40	195	168	-	134
Contract retentions	62	-	114	-	-
Due to other governments	-	-	-	422	3,108
Due to other funds	1,851	30,043	10,469	29	1,237
Deferred Revenue	-	-	-	-	-
Unearned revenue	414	-	2,204	2,332	759
Total liabilities	<u>2,843</u>	<u>30,470</u>	<u>15,399</u>	<u>2,830</u>	<u>6,208</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	2,814	-	281	15,444	57,978
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(28,661)	-	-	-
Total fund balances	<u>2,814</u>	<u>(28,661)</u>	<u>281</u>	<u>15,444</u>	<u>57,978</u>
Total liabilities and fund balances	<u>\$ 5,657</u>	<u>\$ 1,809</u>	<u>\$ 15,680</u>	<u>\$ 18,274</u>	<u>\$ 64,186</u>

Debt Service Fund		Capital Projects Funds				Total Nonmajor Governmental Funds
Bond Sinking Fund	Tax Allocation Districts	Park Improvement	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	
\$ 28,894	\$ -	\$ -	\$ -	\$ 12,551	\$ 2,071	\$ 82,224
-	136,273	-	-	-	-	147,775
-	-	10,231	2,559	-	-	39,639
-	-	-	-	-	-	2,121
1,998	6,625	622	-	-	-	15,865
24	-	10	4	-	-	1,855
-	-	-	-	-	-	13,877
34	-	-	-	-	-	34
<u>26,338</u>	<u>84,026</u>	<u>-</u>	<u>-</u>	<u>17,017</u>	<u>957</u>	<u>132,450</u>
<u>\$ 57,288</u>	<u>\$ 226,924</u>	<u>\$ 10,863</u>	<u>\$ 2,563</u>	<u>\$ 29,568</u>	<u>\$ 3,028</u>	<u>\$ 435,840</u>
\$ -	\$ 3,200	\$ 215	\$ -	\$ 744	\$ -	\$ 8,328
-	-	25	-	7	-	569
-	-	3	-	179	-	358
-	5,928	-	-	-	-	9,458
-	2,285	-	-	632	127	46,673
2,090	-	651	-	-	-	2,741
-	5,338	-	-	-	-	11,047
<u>2,090</u>	<u>16,751</u>	<u>894</u>	<u>-</u>	<u>1,562</u>	<u>127</u>	<u>79,174</u>
-	-	-	-	-	-	-
55,198	210,173	9,969	2,563	28,006	2,901	385,327
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(28,661)
<u>55,198</u>	<u>210,173</u>	<u>9,969</u>	<u>2,563</u>	<u>28,006</u>	<u>2,901</u>	<u>356,666</u>
<u>\$ 57,288</u>	<u>\$ 226,924</u>	<u>\$ 10,863</u>	<u>\$ 2,563</u>	<u>\$ 29,568</u>	<u>\$ 3,028</u>	<u>\$ 435,840</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2011
(In Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Other Special Revenue
Revenues:					
Property taxes	\$ -	\$ -	\$ -	7,076	\$ -
Other taxes	-	-	-	-	44,498
Licenses and Permits	-	-	-	-	756
Charges for current services	-	10,631	-	-	1,075
Building rentals and concession	-	-	-	-	877
Fines, forfeitures and penalties	-	-	-	-	2,172
Investment income	-	-	42	33	351
Intergovernmental revenues:					
U.S. Government grants	15,039	-	26,388	-	2,010
State and local governments	-	-	12,806	-	3,770
Total intergovernmental revenues	15,039	-	39,194	-	5,780
Other	3	51	-	-	4,213
Total revenues	15,042	10,682	39,236	7,109	59,722
Expenditures:					
Current:					
General government:					
Executive Offices	3,308	-	12,650	-	32,343
Personnel and human services	-	-	-	-	10
City Council	-	-	-	-	15
Nondepartmental	-	-	-	685	1,907
Courts and judicial agencies	19	-	124	-	181
Finance	1,706	-	1,125	-	84
Housing, planning and development	6,948	-	12,235	-	5,652
Total general government	11,981	-	26,134	685	40,192
Police	-	14,438	14,817	-	1,964
Fire	-	-	823	-	8
Corrections	-	-	-	-	2,997
Public Works	567	-	68	-	1,108
Parks, Recreation, and Cultural Affairs	1,581	-	1,443	-	3,484
Debt service:					
Principal payments	635	-	-	-	455
Interest payments	244	-	-	-	23
Bond issuance costs	-	-	-	-	-
Total debt service	879	-	-	-	478
Total expenditures	15,008	14,438	43,285	685	50,231
Excess (Deficiency) of revenues over (under) expenditures	34	(3,756)	(4,049)	6,424	9,491
Other financing sources (uses):					
Transfers in (out)	-	4,138	213	-	(12,261)
Proceeds from sale of assets	-	-	-	-	6,670
Discount on sale of bonds	-	-	-	-	-
Proceeds from refunding debt	-	-	-	-	-
Payment of refunded of debt	-	-	-	-	-
Total other financing sources (uses)	-	4,138	213	-	(5,591)
Net change in fund balances	34	382	(3,836)	6,424	3,900
Fund balances, beginning of period	2,780	(29,043)	4,117	9,020	54,078
Fund balances, end of period	\$ 2,814	\$ (28,661)	\$ 281	\$ 15,444	\$ 57,978

Debt Service Funds		Capital Projects Funds					
Bond Sinking Fund	Tax Allocation Districts	Park Improvement	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	Totals	
\$ 28,897	\$ 84,734	\$ 9,258	\$ -	\$ -	\$ -	\$ 129,965	
1,820	-	732	-	-	-	47,050	
-	-	-	-	-	-	756	
-	-	-	39	839	-	12,584	
-	-	-	-	-	-	877	
-	-	-	-	-	-	2,172	
123	859	99	27	78	6	1,618	
-	-	-	-	-	-	43,437	
-	-	-	-	-	-	16,576	
-	-	-	-	-	-	60,013	
-	-	-	-	-	-	4,267	
30,840	85,593	10,089	66	917	6	259,302	
-	18,275	-	-	-	-	66,576	
-	-	-	-	-	-	10	
-	-	-	-	-	-	15	
279	-	-	-	2	-	2,873	
-	4,524	-	-	-	-	4,848	
-	-	-	-	-	2	2,917	
-	-	-	-	399	-	25,234	
279	22,799	-	-	401	2	102,473	
-	-	-	-	-	-	31,219	
-	4	-	-	-	-	835	
-	-	-	-	-	-	2,997	
-	-	-	-	1,859	127	3,729	
-	-	2,370	-	1,019	-	9,897	
15,525	9,295	2,435	-	-	1,215	29,560	
11,661	18,684	3,951	-	-	899	35,462	
5	1,426	-	-	-	-	1,431	
27,191	29,405	6,386	-	-	2,114	66,453	
27,470	52,208	8,756	-	3,279	2,243	217,603	
3,370	33,385	1,333	66	(2,362)	(2,237)	41,699	
-	-	-	-	-	583	(7,327)	
-	-	-	-	-	-	6,670	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	583	(657)	
3,370	33,385	1,333	66	(2,362)	(1,654)	41,042	
51,828	176,788	8,636	2,497	30,368	4,555	315,624	
\$ 55,198	\$ 210,173	\$ 9,969	\$ 2,563	\$ 28,006	\$ 2,901	\$ 356,666	

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

Combining Balance Sheet
For the Year Ended June 30, 2011
(In Thousands)

	Special Revenue Funds					Debt Service Funds						
	Northwest Atlanta	Hollowell/ M.L.King	Campbellton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
ASSETS												
Cash, Restricted	\$ 7,027	\$ 1,252	\$ 1,962	\$ 1,013	\$ 248	\$ 11,502	\$ 25,147	\$ 54,635	\$ 4,033	\$ 38,435	\$ 14,023	\$ 136,273
Receivables												
Taxes	2,104	333	148	51	24	2,660	102	2,842	32	954	2,695	6,625
Restricted investments	4,112	-	-	-	-	4,112	9,085	40,716	2,589	12,285	19,351	84,026
Total assets	<u>\$ 13,243</u>	<u>\$ 1,585</u>	<u>\$ 2,110</u>	<u>\$ 1,064</u>	<u>\$ 272</u>	<u>\$ 18,274</u>	<u>\$ 34,334</u>	<u>\$ 98,193</u>	<u>\$ 6,654</u>	<u>\$ 51,674</u>	<u>\$ 36,069</u>	<u>\$ 226,924</u>
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 8	\$ 10	\$ 10	\$ 6	\$ 13	\$ 47	\$ 4	\$ 50	\$ 6	\$ 23	\$ 3,117	\$ 3,200
Due to other governments	125	23	146	92	36	422	807	361	28	4,188	544	5,928
Due to other funds	6	8	8	6	1	29	6	100	2	11	2,166	2,285
Deferred revenues	1,778	333	146	51	24	2,332	102	2,532	32	908	1,764	5,338
Total liabilities	<u>1,917</u>	<u>374</u>	<u>310</u>	<u>155</u>	<u>74</u>	<u>2,830</u>	<u>919</u>	<u>3,043</u>	<u>68</u>	<u>5,130</u>	<u>7,591</u>	<u>16,751</u>
Fund balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	11,326	1,211	1,800	909	198	15,444	33,415	95,150	6,586	46,544	28,478	210,173
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>11,326</u>	<u>1,211</u>	<u>1,800</u>	<u>909</u>	<u>198</u>	<u>15,444</u>	<u>33,415</u>	<u>95,150</u>	<u>6,586</u>	<u>46,544</u>	<u>28,478</u>	<u>210,173</u>
Total liabilities and fund balances	<u>\$ 13,243</u>	<u>\$ 1,585</u>	<u>\$ 2,110</u>	<u>\$ 1,064</u>	<u>\$ 272</u>	<u>\$ 18,274</u>	<u>\$ 34,334</u>	<u>\$ 98,193</u>	<u>\$ 6,654</u>	<u>\$ 51,674</u>	<u>\$ 36,069</u>	<u>\$ 226,924</u>

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, 2011
(In Thousands)

	Special Revenue Funds					Debt Service Funds						Total
	NW Atlanta	Hollowell/ M.L.King	Campbellton Road	Metropolitan Parkway	Stadium Neighborhoods	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline		
Revenues:												
Property taxes	\$ 4,073	\$ 669	\$ 1,542	\$ 608	\$ 184	\$ 7,076	\$ 18,336	\$ 19,039	\$ 2,036	\$ 17,598	\$ 27,725	\$ 84,734
Investment income	24	3	4	2	-	33	447	103	30	237	42	859
Total revenues	<u>4,097</u>	<u>672</u>	<u>1,546</u>	<u>610</u>	<u>184</u>	<u>7,109</u>	<u>18,783</u>	<u>19,142</u>	<u>2,066</u>	<u>17,835</u>	<u>27,767</u>	<u>85,593</u>
Expenditures:												
Current:												
General government:												
Executive Offices		-				-						
Personnel and human services		-				-						
City Council		-				-						
General government	206	151	149	114	65	685	179	290	56	134	17,616	18,275
Courts and judicial agencies	-	-	-	-	-	-	1,305	2,959	-	260	-	4,524
Finance	-	-	-	-	-	-	-	-	-	-	-	-
General government	<u>206</u>	<u>151</u>	<u>149</u>	<u>114</u>	<u>65</u>	<u>685</u>	<u>1,484</u>	<u>3,249</u>	<u>56</u>	<u>394</u>	<u>17,616</u>	<u>22,799</u>
Fire	-	-	-	-	-	-	4	-	-	-	-	4
Debt service:												
Principal payments	-	-	-	-	-	-	1,015	5,955	1,060	1,265	-	9,295
Interest payments	-	-	-	-	-	-	8,860	353	980	2,511	5,980	18,684
Bond issuance costs	-	-	-	-	-	-	9	1,395	4	15	3	1,426
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,884</u>	<u>7,703</u>	<u>2,044</u>	<u>3,791</u>	<u>5,983</u>	<u>29,405</u>
Total expenditures	<u>206</u>	<u>151</u>	<u>149</u>	<u>114</u>	<u>65</u>	<u>685</u>	<u>11,372</u>	<u>10,952</u>	<u>2,100</u>	<u>4,185</u>	<u>23,599</u>	<u>52,208</u>
Excess (Deficiency) of revenues over (under) expenditures	3,891	521	1,397	496	119	6,424	7,411	8,190	(34)	13,650	4,168	33,385
Other financing sources (uses):												
Discount on sale of bonds	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding debt	-	-	-	-	-	-	-	-	-	-	-	-
Payment of refunded of debt	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,891	521	1,397	496	119	6,424	7,411	8,190	(34)	13,650	4,168	33,385
Fund balances, beginning of period	7,435	690	403	413	79	9,020	26,004	86,960	6,620	32,894	24,310	176,788
Fund balances, end of period	<u>\$ 11,326</u>	<u>\$ 1,211</u>	<u>\$ 1,800</u>	<u>\$ 909</u>	<u>\$ 198</u>	<u>\$ 15,444</u>	<u>\$ 33,415</u>	<u>\$ 95,150</u>	<u>\$ 6,586</u>	<u>\$ 46,544</u>	<u>\$ 28,478</u>	<u>\$ 210,173</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2011
(In Thousands)

	Other Special Revenue Funds					Total Other Special Revenue
	Expendable Trust	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	
ASSETS						
Cash	\$ 24,755	\$ 1,490	\$ 4,304	\$ -	\$ -	\$ 30,549
Investments in pooled investment fund	26,783	-	-	61	5	26,849
Investments	286	-	1,835	-	-	2,121
Receivables						
Taxes	-	-	-	-	3,960	3,960
Accounts	-	-	-	8	-	8
Due from other governmental units and agencies	679	20	-	-	-	699
Total assets	<u>\$ 52,503</u>	<u>\$ 1,510</u>	<u>\$ 6,139</u>	<u>\$ 69</u>	<u>\$ 3,965</u>	<u>\$ 64,186</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 969	\$ 1	\$ -	\$ -	\$ -	\$ 970
Accrued salaries, vacation, and compensatory pay	125	9	-	-	-	134
Contract retentions	-	-	-	-	-	-
Due to other governments	-	-	-	69	3,039	3,108
Due to other funds	-	299	17	-	921	1,237
Deferred revenues	225	534	-	-	-	759
Total liabilities	<u>1,319</u>	<u>843</u>	<u>17</u>	<u>69</u>	<u>3,960</u>	<u>6,208</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	51,184	667	6,122	-	5	57,978
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>51,184</u>	<u>667</u>	<u>6,122</u>	<u>-</u>	<u>5</u>	<u>57,978</u>
Total liabilities and fund balances	<u>\$ 52,503</u>	<u>\$ 1,510</u>	<u>\$ 6,139</u>	<u>\$ 69</u>	<u>\$ 3,965</u>	<u>\$ 64,186</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2011
(In Thousands)

	Other Special Revenue Funds					Total Other Special Revenue
	Expendable Trust	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	
Revenues:						
Other taxes	\$ 823	\$ -	\$ -	\$ 747	\$ 42,928	\$ 44,498
Licenses and Permits	756	-	-	-	-	756
Charges for current services	1,075	-	-	-	-	1,075
Fines, forfeitures and penalties	2,172	-	-	-	-	2,172
Investment income	348	-	3	-	-	351
Building rentals and concession	877	-	-	-	-	877
Intergovernmental revenues:						
U.S. Government grants	-	2,010	-	-	-	2,010
State and local governments	3,770	-	-	-	-	3,770
Total intergovernmental revenues	3,770	2,010	-	-	-	5,780
Other	4,213	-	-	-	-	4,213
Total revenues	14,034	2,010	3	747	42,928	59,722
Expenditures:						
Current:						
General government:						
Executive Offices	606	321	-	747	30,669	32,343
Personnel and human services	10	-	-	-	-	10
City Council	15	-	-	-	-	15
Nondepartmental	865	-	1,042	-	-	1,907
Courts and judicial agencies	181	-	-	-	-	181
Finance	68	-	16	-	-	84
Housing, planning and development	2,182	3,470	-	-	-	5,652
General government	3,927	3,791	1,058	747	30,669	40,192
Police	1,964	-	-	-	-	1,964
Fire	8	-	-	-	-	8
Corrections	2,997	-	-	-	-	2,997
Public Works	1,108	-	-	-	-	1,108
Parks, Recreation, and Cultural Affairs	3,484	-	-	-	-	3,484
Debt service:						
Principal payments	-	-	455	-	-	455
Interest payments	-	-	23	-	-	23
Total debt service	-	-	478	-	-	478
Total expenditures	13,488	3,791	1,536	747	30,669	50,231
Excess (Deficiency) of revenues over (under) expenditures	546	(1,781)	(1,533)	-	12,259	9,491
Other financing sources (uses):						
Transfers in (out)	-	-	-	-	(12,261)	(12,261)
Proceeds from sale of assets	6,670	-	-	-	-	6,670
Total other financing sources (uses)	6,670	-	-	-	(12,261)	(5,591)
Net changes in fund balances	7,216	(1,781)	(1,533)	-	(2)	3,900
Fund balances, beginning of period	43,968	2,448	7,655	-	7	54,078
Fund balances, end of period	\$ 51,184	\$ 667	\$ 6,122	\$ -	\$ 5	\$ 57,978

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, 2011
(In Thousands)**

	Community Development Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. government grants	\$ 31,360	\$ 41,846	\$ 15,039	\$ (26,807)
Total revenues	<u>31,360</u>	<u>41,846</u>	<u>15,039</u>	<u>(26,807)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	3,837	5,708	3,308	2,400
Finance	9,897	8,990	1,706	7,284
Planning and community development	11,882	21,404	6,948	14,456
Nondepartmental expenditures			-	-
Court	40	40	19	21
Total general government	<u>25,656</u>	<u>36,142</u>	<u>11,981</u>	<u>24,161</u>
Public safety:				
Fire	37	37	-	37
Corrections	40	40	-	40
Total public safety	<u>77</u>	<u>77</u>	<u>-</u>	<u>77</u>
Public works	1,394	1,394	567	827
Parks, recreation, and cultural affairs	4,233	4,233	1,581	2,652
Debt Service:				
Bond principal payments	-	-	635	(635)
Interest on Bonds	-	-	244	(244)
Total expenditures	<u>31,360</u>	<u>41,846</u>	<u>15,008</u>	<u>26,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>31</u>	<u>\$ 31</u>
Fund balance - beginning	2,780	2,780	2,780	
Fund balance - ending	<u>\$ 2,780</u>	<u>\$ 2,780</u>	<u>\$ 2,811</u>	

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, 2011
(In Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Revenue				
Charges for Services	\$ 11,900	\$ 11,900	\$ 10,631	\$ (1,269)
Other Revenue	-	-	51	51
Total revenues	<u>11,900</u>	<u>11,900</u>	<u>10,682</u>	<u>(1,218)</u>
EXPENDITURES				
Current:				
Police Services	16,088	16,088	14,438	1,650
Total expenditures	<u>16,088</u>	<u>16,088</u>	<u>14,438</u>	<u>1,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,188)</u>	<u>(4,188)</u>	<u>(3,756)</u>	<u>432</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,188	4,188	4,138	(50)
	<u>4,188</u>	<u>4,188</u>	<u>4,138</u>	<u>(50)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>382</u>	<u>\$ 382</u>
Fund balance - beginning	<u>(29,043)</u>	<u>(29,043)</u>	<u>(29,043)</u>	
Fund balance - ending	<u>\$ (29,043)</u>	<u>\$ (29,043)</u>	<u>\$ (28,661)</u>	

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, 2011

(In Thousands)

	Intergovernmental Grant Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues				
U.S. Government grants	\$ 80,335	\$ 100,337	\$ 26,388	\$ (73,949)
State of Georgia grants	10,530	25,758	12,806	(12,952)
Investment Income	-	-	42	42
Other income	-	16,110	-	(16,110)
Total revenues	<u>90,865</u>	<u>142,205</u>	<u>39,236</u>	<u>(102,969)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	16,913	45,006	12,650	32,356
City Council	5	5	-	5
Courts and judicial agencies	405	532	124	408
Finance	4,034	1,872	1,125	747
Planning and community development	23,700	31,164	12,235	18,929
Total general government	<u>45,057</u>	<u>78,579</u>	<u>26,134</u>	<u>52,445</u>
Public safety:				
Police	22,894	32,305	14,817	17,488
Fire	1,029	1,029	823	206
Corrections	2	2	-	2
Total public safety	<u>23,925</u>	<u>33,336</u>	<u>15,640</u>	<u>17,696</u>
Public works	15,570	24,068	68	24,000
Parks, recreation, and cultural affairs	6,427	6,996	1,443	5,553
Total expenditures	<u>90,979</u>	<u>142,979</u>	<u>43,285</u>	<u>99,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114)</u>	<u>(774)</u>	<u>(4,049)</u>	<u>(3,275)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	114	774	213	(561)
Total other financial sources and uses	<u>114</u>	<u>774</u>	<u>213</u>	<u>(561)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>(3,836)</u>	<u>\$ (3,836)</u>
Fund balance - beginning	4,117	4,117	4,117	
Fund balance - ending	<u>\$ 4,117</u>	<u>\$ 4,117</u>	<u>\$ 281</u>	

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, 2011
(In Thousands)

	Atlantic Station TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	16,221	16,221	18,336	2,115
Investment income	-	-	447	447
Other Revenue	21,140	21,140	-	(21,140)
Total revenues	37,361	37,361	18,783	(18,578)
EXPENDITURES				
Current:				
Fire	145	145	4	141
General government:	2,422	2,422	1,305	1,117
Nondepartmental	4,356	4,356	179	4,177
Debt Service:				
Bond principal payments	9,185	9,185	1,015	8,170
Interest payments	21,011	21,011	8,860	12,151
Bond issuance costs	242	242	9	233
Total expenditures	37,361	37,361	11,372	25,989
Excess (deficiency) of revenues over (under) expenditures	-	-	7,411	\$ 7,411
Fund balance - beginning	26,004	26,004	26,004	
Fund balance - ending	\$ 26,004	\$ 26,004	\$ 33,415	

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, 2011
(In Thousands)

	Westside TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 12,790	\$ 12,790	\$ 19,039	\$ 6,249
Investment income	-	-	103	103
Other Revenues	43,476	43,476	-	(43,476)
Total revenues	56,266	56,266	19,142	(37,124)
EXPENDITURES				
Current:				
Public Works	-	-	290	(290)
Finance	42,962	42,962	2,959	40,003
Nondepartmental	2,930	2,930	-	2,930
Debt Service:				
Bond principal payments	4,370	4,370	5,955	(1,585)
Interest payments	4,554	4,554	353	4,201
Bond issuance costs	1,450	1,450	1,395	55
Total debt service	10,374	10,374	7,703	2,671
Total expenditures	56,266	56,266	10,952	45,314
Excess (deficiency) of revenues over (under) expenditures	-	-	8,190	8,190
Fund balance - beginning	86,960	86,960	86,960	
Fund balance - ending	\$ 86,960	\$ 86,960	\$ 95,150	

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, 2011
(In Thousands)

	NW Atlanta TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ -	\$ -	\$ 4,073	\$ 4,073
Investment income	-	-	24	24
Other Revenues	9,055	9,055	-	(9,055)
Total revenues	9,055	9,055	4,097	(4,958)
EXPENDITURES				
Current:				
General government	9,055	9,055	206	8,849
Total expenditures	9,055	9,055	206	8,849
Excess (deficiency) of revenues over (under) expenditures	-	-	3,891	\$ 3,891
Fund balance - beginning	7,435	7,435	7,435	
Fund balance - ending	\$ 7,435	\$ 7,435	\$ 11,326	

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, 2011
(In Thousands)**

	Princeton Lakes TAD Fund			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 1,695	\$ 1,695	\$ 2,036	\$ 341
Investment income	-	-	30	30
Other Revenues	4,679	4,679	-	(4,679)
Total revenues	<u>6,374</u>	<u>6,374</u>	<u>2,066</u>	<u>(4,308)</u>
EXPENDITURES				
Current:				
Finance	-	-	-	-
Nondepartmental	5,388	5,388	56	5,332
Debt Service:				
Principal payments	-	-	1,060	(1,060)
Interest payments	984	984	980	4
Bond issuance costs	2	2	4	(2)
Total expenditures	<u>6,374</u>	<u>6,374</u>	<u>2,100</u>	<u>4,274</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>-</u>	<u>(34)</u>	<u>\$ (34)</u>
Fund balance - beginning	6,620	6,620	6,620	
Fund balance - ending	<u>\$ 6,620</u>	<u>\$ 6,620</u>	<u>\$ 6,586</u>	

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, 2011
(In Thousands)

	Eastside TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 7,743	\$ 7,743	\$ 17,598	\$ 9,855
Investment income	-	-	237	237
Other Revenues	31,996	31,996	-	(31,996)
Total revenues	<u>39,739</u>	<u>39,739</u>	<u>17,835</u>	<u>(21,904)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	14,429	14,429	134	14,295
Finance	21,526	21,526	260	21,266
Debt Service:				
Principal payments	1,265	1,265	1,265	-
Interest payments	2,511	2,511	2,511	-
Bond issuance costs	8	8	15	(7)
Total expenditures	<u>39,739</u>	<u>39,739</u>	<u>4,185</u>	<u>35,554</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>-</u>	<u>13,650</u>	<u>13,650</u>
Fund balance - beginning	32,894	32,894	32,894	
Fund balance - ending	<u>\$ 32,894</u>	<u>\$ 32,894</u>	<u>\$ 46,544</u>	

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, 2011
(In Thousands)

	Hollowell -Martin Luther King Dr. TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 275	\$ 275	\$ 669	\$ 394
Investment income	-	-	3	3
Other Revenues	495	495	-	(495)
Total revenues	770	770	672	(98)
EXPENDITURES				
Current:				
Nondepartmental	770	770	151	619
Total expenditures	770	770	151	619
Excess (deficiency) of revenues over under expenditures	-	-	521	\$ 521
Fund balance - beginning	690	690	690	
Fund balance - ending	\$ 690	\$ 690	\$ 1,211	

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, 2011
(In Thousands)

	Atlanta Beltline TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 11,752	\$ 11,752	\$ 27,725	\$ 15,973
Investment income	-	-	42	42
Other Revenues	23,114	23,114	-	(23,114)
Total revenues	34,866	34,866	27,767	16,015
EXPENDITURES				
Current:				
Finance	8,963	8,963	-	8,963
Nondepartmental	18,655	18,655	17,616	1,039
Debt Service:				
Interest payments	5,980	5,980	5,980	-
Bond issuance costs	4	4	3	1
Total expenditures	33,602	33,602	23,599	10,003
Excess (deficiency) of revenues over under expenditures	1,264	1,264	4,168	26,018
OTHER FINANCING SOURCES (USES):				
Discount on bonds	(1,264)	(1,264)	-	(1,264)
Total other financial sources and uses	(1,264)	(1,264)	-	(1,264)
Excess (deficiency) of revenues over (under) expenditures	-	-	4,168	\$ 4,168
Fund balance - beginning	24,310	24,310	24,310	
Fund balance - ending	\$ 24,310	\$ 24,310	\$ 28,478	

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, 2011
(In Thousands)

	Campbellton Road TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 245	\$ 245	\$ 1,542	\$ 1,297
Investment income	-	-	4	4
Other Revenues	464	464	-	(464)
Total revenues	709	709	1,546	837
EXPENDITURES				
Current:				
Nondepartmental	709	648	149	499
Total expenditures	709	648	149	499
Excess (deficiency) of revenues over under expenditures	-	61	1,397	\$ 338
Fund balance - beginning	403	403	403	
Fund balance - ending	\$ 403	\$ 464	\$ 1,800	

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, 2011
(In Thousands)

	Metropolitan Parkway TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 207	\$ 207	\$ 608	\$ 401
Investment income	-	-	2	2
Other Revenues	426	426	-	(426)
Total revenues	633	633	610	(23)
EXPENDITURES				
Current:				
Nondepartmental	633	633	114	519
Total expenditures	633	633	114	519
Excess (deficiency) of revenues over under expenditures	-	-	496	\$ 496
Fund balance - beginning	413	413	413	
Fund balance - ending	\$ 413	\$ 413	\$ 909	

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, 2011
(In Thousands)

	Stadium Neighborhoods TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 57	\$ 57	\$ 184	\$ 127
Other Revenues	103	103	-	(103)
Total revenues	<u>160</u>	<u>160</u>	<u>184</u>	<u>24</u>
EXPENDITURES				
Current:				
Nondepartmental	160	160	65	95
Total expenditures	<u>160</u>	<u>160</u>	<u>65</u>	<u>95</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>-</u>	<u>119</u>	<u>\$ 119</u>
Fund balance - beginning	79	79	79	
Fund balance - ending	<u>\$ 79</u>	<u>\$ 79</u>	<u>\$ 198</u>	

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, 2011
 (In Thousands)

	Expendable Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other taxes	\$ -	\$ 823	\$ 823	\$ -
Licenses and Permits	117	329	756	\$ 427
Charges for current services	80	1,738	1,075	(663)
Fines, forfeitures and penalties	2,190	4,052	2,172	(1,880)
Investment income	50	110	348	238
Intergovernmental revenues-				
State of Georgia grants	929	1,022	3,770	2,748
Other income				
Building rentals and concession	-	754	877	123
Other Revenue	46,358	45,264	4,213	(41,051)
Total revenues	49,724	54,092	14,034	(40,058)
EXPENDITURES				
Current:				
General government:				
Executive offices	1,119	1,890	606	1,284
Personnel and human resources	92	92	10	82
City council	47	67	15	52
Nondepartmental expenditures	139	736	865	(129)
Courts and judicial agencies	818	843	181	662
Finance	8,668	1,039	68	971
Planning and community development	8,718	10,335	2,182	8,153
Total general government	19,601	15,002	3,927	11,075
Public safety:				
Police	7,303	10,733	1,964	8,769
Fire	47	49	8	41
Corrections	4,148	5,815	2,997	2,818
Total public safety	11,498	16,597	4,969	11,628
Public works	6,533	7,331	1,108	6,223
Parks, recreation, and cultural affairs	11,530	14,601	3,484	11,117
Total Expenditures	49,162	53,531	13,488	40,043
Excess (deficiency) of revenues over (under) expenditures	562	561	546	(15)
Other Financing Sources				
Transfer in(out)	12	12	-	(12)
Proceeds from sale of assets	-	-	6,670	6,670
Total other financial sources and uses	12	12	6,670	6,658
Excess (deficiency) of revenues over (under) expenditures	574	573	7,216	\$ 6,643
Fund balance - beginning	43,968	43,968	43,968	
Fund balance - ending	\$ 44,542	\$ 44,541	\$ 51,184	

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, 2011
(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	\$ 12,515	\$ 16,019	\$ 2,010	\$ (14,009)
State of Georgia grants	-	1,486	-	(1,486)
Total revenues	12,515	17,505	2,010	(15,495)
EXPENDITURES				
Current:				
General government:				
Executive offices	223	566	321	245
Finance	1,516	1,517	-	1,517
Planning and community development	10,776	15,422	3,470	11,952
Total expenditures	12,515	17,505	3,791	13,714
Excess (deficiency) of revenues over (under) expenditures	-	\$ -	(1,781)	\$ (1,781)
Fund balance - beginning	2,448	2,448	2,448	
Fund balance - ending	\$ 2,448	\$ 2,448	\$ 667	

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, 2011
(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	\$ 4,733	\$ 4,733	\$ -	\$ (4,733)
Other income				
Interest Income	43	43	3	(40)
Total revenues	4,776	4,776	3	(4,773)
EXPENDITURES				
Current:				
Nondepartment	-	-	1,042	(1,042)
Finance	4,065	4,065	16	4,049
Planning and community development	1,627	1,627	-	1,627
Total general government	5,692	5,692	1,058	4,634
Public works	625	625	-	625
Parks, recreation, and cultural affairs	37	37	-	37
Debt service fund:				
Bond Principal Payment			455	(455)
Interest on Bond	-	-	23	(23)
Total Debt Service	-	-	478	(478)
Total expenditures	6,354	6,354	1,536	4,818
Excess (deficiency) of revenues over (under) expenditures	(1,578)	(1,578)	(1,533)	45
Other Financing Sources				
Proceeds from sale of assets	1,578	1,578	-	(1,578)
Total other financial sources and uses	1,578	1,578	-	(1,578)
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,533) \$	(1,533)
Fund balance - beginning	7,655	7,655	7,655	
Fund balance - ending	\$ 7,655	\$ 7,655	\$ 6,122	

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, 2011
(In Thousands)

	Car Rental Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 800	\$ 800	\$ 747	\$ (53)
Total Revenues	800	800	747	(53)
EXPENDITURES				
Current:				
General government	-	-	747	(747)
Total expenditures	-	-	747	(747)
Excess (deficiency) of revenues over under expenditures	800	800	-	(800)
OTHER FINANCING SOURCES (USES):				
Transfer in(out)	(800)	(800)	-	800
Total other financial sources and uses	(800)	(800)	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	\$ -
Fund balance - beginning	\$ -	\$ -	\$ -	
Fund balance - ending	\$ -	\$ -	\$ -	

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, 2011
(In Thousands)

	Hotel Motel Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 38,515	\$ 38,515	\$ 42,928	\$ 4,413
Investment income	-	-	-	-
Total Revenues	<u>38,515</u>	<u>38,515</u>	<u>42,928</u>	<u>4,413</u>
EXPENDITURES				
Current:				
General government:	27,515	27,515	30,669	(3,154)
Debt Service:				
Interest on bond	-	-	-	-
Bond principal payments	-	-	-	-
Total expenditures	<u>27,515</u>	<u>27,515</u>	<u>30,669</u>	<u>(3,154)</u>
Excess (deficiency) of revenues over under expenditures	<u>11,000</u>	<u>11,000</u>	<u>12,259</u>	<u>1,259</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(11,000)	(11,000)	(12,261)	1,261
Total other financial sources and uses	<u>(11,000)</u>	<u>(11,000)</u>	<u>(12,261)</u>	<u>1,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>\$ (2)</u>
Fund balance - beginning	<u>7</u>	<u>7</u>	<u>7</u>	
Fund balance - ending	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 5</u>	

CITY OF ATLANTA, GEORGIA
Bond Sinking Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(In Thousands)

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes				
Property taxes	\$ 26,762	\$ 26,762	\$ 28,897	\$ 2,135
Other taxes	503	503	1,820	1,317
Miscellaneous Expenses				
Investment income	<u>-</u>	<u>-</u>	123	<u>123</u>
Total revenues	<u>27,265</u>	<u>27,265</u>	<u>30,840</u>	<u>3,575</u>
EXPENDITURES				
Current:				
General government	-	-	279	(279)
Debt Service:				
Principal payments	15,525	15,525	15,525	-
Interest payments	11,661	11,661	11,661	-
Bond issuance costs	<u>72</u>	<u>72</u>	<u>5</u>	<u>67</u>
Total expenditures	<u>27,258</u>	<u>27,258</u>	<u>27,470</u>	<u>(212)</u>
Excess (deficiency) of revenues over under expenditures	<u>7</u>	<u>7</u>	<u>3,370</u>	<u>\$ 3,363</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>-</u>	
Total other financial sources and uses	<u>(7)</u>	<u>(7)</u>	<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,370</u>	
Fund balance - beginning	51,828	51,828	51,828	
Fund balance - ending	<u>\$ 51,828</u>	<u>\$ 51,828</u>	<u>\$ 55,198</u>	

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, Parking Deck and Civic Center are accounted for as enterprise funds. The latter five were determined to be nonmajor proprietary funds and are presented herein.

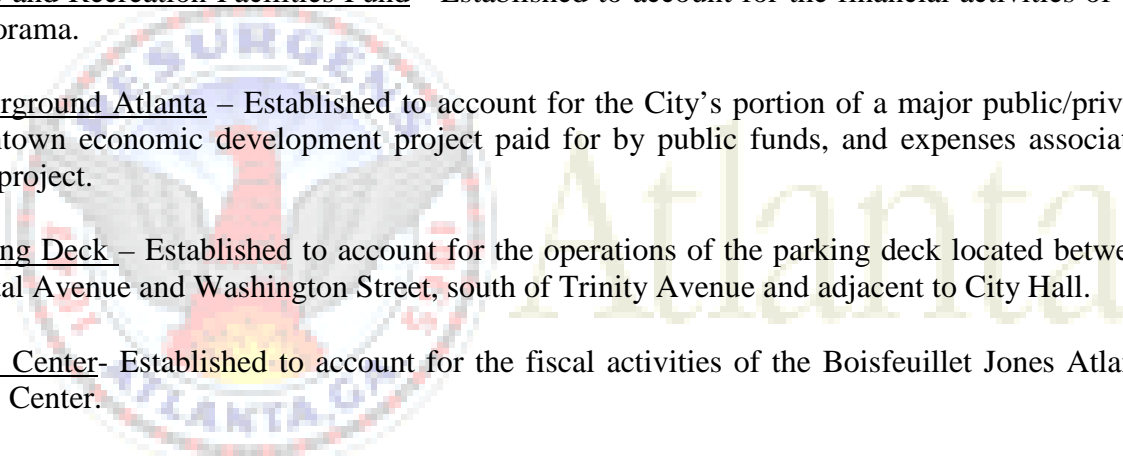
Sanitation Fund – Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

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.

Parking Deck – Established to account for the operations of the parking deck located between Capital Avenue and Washington Street, south of Trinity Avenue and adjacent to City Hall.

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



CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Net Assets
June 30, 2011
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Civic Center	Totals
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments in Pooled Investment Fund	7,699	-	-	-	585	8,284
Receivables:						
Accounts	34,096	-	-	87	-	34,183
Less allowance for doubtful accounts	(3,871)	-	-	-	-	(3,871)
Total receivables	30,225	-	-	87	-	30,312
Due from other funds	-	-	-	652	-	652
Total current assets	37,924	-	-	739	585	39,248
Property and equipment - at cost:						
Land	-	-	21,621	-	-	21,621
Construction-in-progress	-	-	-	-	-	-
Land improvements	1,327	-	-	-	5,366	6,693
Buildings and other structures	2,184	1,024	57,821	23,480	4,357	88,866
Other property and equipment	21,399	134	12,670	-	552	34,754
Less accumulated depreciation	(22,731)	(900)	(65,337)	(1,565)	(9,373)	(99,906)
Property and equipment, net	2,179	258	26,775	21,915	902	52,028
Other assets	-	-	14,007	-	-	14,007
Less accumulated amortization	-	-	(5,593)	-	-	(5,593)
Total assets	\$ 40,103	\$ 258	\$ 35,189	\$ 22,654	\$ 1,487	\$ 99,691
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ 320	\$ 74	\$ 101	\$ 82	\$ 22	\$ 600
Accrued salaries and vacation	1,274	14	-	-	53	1,342
Current maturities of capital leases	-	-	6,480	645	-	7,125
Current portion of other long-term liabilities	1,202	-	-	-	-	1,202
Due to other funds	24,017	158	6,984	-	494	31,653
Total current liabilities	26,813	247	13,565	727	570	41,922
Long-term liabilities :						
Capital lease obligation, excluding current maturities shown above	-	-	29,415	21,040	-	50,455
Other postemployment benefit liability	8,857	163	-	-	345	9,365
Accrued workers' compensation	4,701	-	-	-	-	4,701
Landfill postclosure costs	23,174	-	-	-	-	23,174
Total long-term liabilities	36,732	163	29,415	21,040	345	87,695
Total liabilities	63,545	410	42,980	21,767	915	129,617
Net Assets:						
Investment in capital assets, net of related debt	2,179	258	(9,120)	230	902	(5,552)
Unrestricted	(25,621)	(410)	1,329	657	(330)	(24,375)
Total net assets (deficit)	(23,442)	(152)	(7,791)	887	572	(29,926)
Total liabilities and net assets	\$ 40,103	\$ 258	\$ 35,189	\$ 22,654	\$ 1,487	\$ 99,691

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2011
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Civic Center	Total
Operating revenues:						
Charges for services	\$ 50,605	\$ 487	\$ -	\$ -	\$ 255	\$ 51,347
Rentals, admissions, and concessions	173	-	1,941	740	1,346	4,200
Other	1,207	-	-	-	-	1,207
Total operating revenues	51,985	487	1,941	740	1,601	56,754
Operating expenses:						
Salaries and employee benefits	18,538	272	-	-	902	19,712
Utilities	98	47	-	-	562	707
Materials and supplies	922	7	-	-	39	968
Repairs, maintenance, and other contractual services	36	6	550	-	329	921
Motor equipment service	6,209	-	-	-	1	6,210
Engineering and consultant fees	5,265	161	1,712	-	14	7,152
General services	3,365	17	35	-	45	3,462
Program services and other	-	-	-	-	-	-
Total operating expenses	34,433	510	2,297	-	1,892	39,132
Operating income (loss) before depreciation/amortization	17,552	(23)	(356)	740	(291)	17,622
Depreciation and amortization	626	22	2,839	470	163	4,120
Operating income (loss)	16,926	(45)	(3,195)	270	(454)	13,502
Nonoperating revenues (expenses):						
Interest expense	(253)	(2)	(2,116)	(994)	(5)	(3,370)
Investment income (loss)	92	-	-	-	5	97
Total nonoperating revenues (expenses)	(161)	(2)	(2,116)	(994)	-	(3,273)
Income (loss) before transfers	16,765	(47)	(5,311)	(724)	(454)	10,229
Transfers in(out)	9	-	8,241	1,617	(9)	9,858
Net income (loss)	16,774	(47)	2,930	893	(463)	20,087
Beginning of the period	(40,216)	(105)	(10,721)	(6)	1,035	(50,013)
Net assets (deficit), end of period	\$ (23,442)	\$ (152)	\$ (7,791)	\$ 887	\$ 572	\$ (29,926)

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2011
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Civic Center	Total
Cash flow from operating activities						
Cash received from user charges	\$ 51,655	\$ 486	\$ 1,941	\$ (2)	\$ 1,601	\$ 55,681
Cash payments to employees for services	(19,314)	(227)	-	-	(791)	(20,331)
Cash payments to suppliers for goods and services	(24,504)	(258)	(1,871)	-	(803)	(27,435)
Net cash provided by (used in) operating activities	7,837	2	70	(2)	8	7,915
Cash flows from noncapital financing activities						
Transfers in (out)	9	-	8,241	1,617	(9)	9,858
Net cash provided by (used in) noncapital financing activities	9	-	8,241	1,617	(9)	9,858
Cash flows from capital and related financing activities						
Principal paid on long term debt	-	-	(6,195)	(620)	-	(6,815)
Interest paid on bonds	(253)	(2)	(433)	(995)	(5)	(1,689)
Acquisition of capital assets	14	-	(1,683)	-	8	(1,661)
Net cash provided by (used in) capital and related financing activities	(239)	(2)	(8,311)	(1,615)	3	(10,164)
Cash flows from investing activities						
Net change in investment in pooled funds	(7,699)	-	-	-	(6)	(7,705)
Interest on investments	92	-	-	-	4	96
Net cash provided by (used in) investing activities	(7,607)	-	-	-	(2)	(7,609)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents, beginning of period	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 16,926	\$ (45)	\$ (3,195)	\$ 270	\$ (454)	\$ 13,502
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	626	22	2,839	470	163	4,120
Increase (decrease) in receivables	(636)	-	-	(87)	-	(723)
Increase (decrease) in due from other funds	306	-	-	(652)	-	(346)
Increase (decrease) in accounts payable	(898)	44	157	(3)	2	(697)
Increase (decrease) in other liabilities	(2,391)	15	27	-	111	(2,238)
Increase (decrease) in due to other funds	(6,096)	(34)	242	-	185	(5,703)
Net cash provided by (used in) operating activities	\$ 7,837	\$ 2	\$ 70	\$ (2)	\$ 8	\$ 7,915

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Net Assets
June 30, 2011
(In Thousands)

	Motor Transport	Group Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 238	\$ 238
Investments in Pooled Investment Fund	-	2,136	2,136
Receivables:			
Accounts	-	1,235	1,235
Less allowance for doubtful accounts	-	-	-
Total receivables	-	1,235	1,235
Total current assets	-	3,609	3,609
Property and equipment - at cost:			
Land	136	-	136
Land improvements	29	-	29
Buildings and other structures	5,507	-	5,507
Other property and equipment	6,555	-	6,555
Less accumulated depreciation	(11,134)	-	(11,134)
Property and equipment, net	1,093	-	1,093
Total assets	\$ 1,093	\$ 3,609	\$ 4,702
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 570	\$ 1,824	\$ 2,394
Accrued salaries and vacation,	680	78	758
Due to other funds	24,837	-	24,837
Total current liabilities	26,087	1,902	27,989
Total liabilities	26,087	1,902	27,989
Net Assets:			
Investment in capital assets, net of related debt	1,093	-	1,093
Unrestricted	(26,087)	1,707	(24,380)
Total net assets (deficit)	(24,994)	1,707	(23,287)
Total liabilities and net assets	\$ 1,093	\$ 3,609	\$ 4,702

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2011
(In Thousands)

	Motor Transport	Group Insurance	Total
Operating revenues:			
Charges for services	\$ 25,854	\$ 116,050	\$ 141,904
Other	54	617	671
Total operating revenues	25,908	116,667	142,575
Operating expenses:			
Salaries and employee benefits	9,987	114,501	124,488
Utilities	556	-	556
Materials and supplies	14,181	34	14,215
Repairs, maintenance, and other contractual services	2,132	7	2,139
Motor equipment service	-	4	4
Engineering and consultant fees	370	118	488
General services	4,045	879	4,924
Program services and other	9	-	9
Total operating expenses	31,280	115,543	146,823
Operating income (loss) before depreciation/amortization	(5,372)	1,124	(4,248)
Depreciation and amortization	406	-	406
Operating income (loss)	(5,778)	1,124	(4,654)
Nonoperating revenues (expenses):			
Interest expense	(229)	-	(229)
Investment income (loss)	-	6	6
Total nonoperating revenues (expenses)	(229)	6	(223)
Net income (loss)	(6,007)	1,130	(4,877)
Net assets (deficit), beginning of period			
Beginning of the period	(18,987)	577	(18,410)
Net assets (deficit), end of period	\$ (24,994)	\$ 1,707	\$ (23,287)

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2011
(In Thousands)

	<u>Motor Transport</u>	<u>Group Insurance</u>	<u>Total</u>
Cash flow from operating activities			
Cash received from user charges	\$ 25,908	\$ 115,978	\$ 141,886
Cash payments to employees for services	(10,041)	(114,482)	(124,523)
Cash payments to suppliers for goods and services	<u>(15,638)</u>	<u>(78)</u>	<u>(15,716)</u>
Net cash provided by (used in) operating activities	<u>229</u>	<u>1,418</u>	<u>1,647</u>
Cash flows from capital and related financing activities			
Interest paid on bonds	(229)	-	(229)
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>(229)</u>	<u>-</u>	<u>(229)</u>
Cash flows from investing activities			
Net change in investment in pooled funds	-	(1,410)	(1,410)
Interest on investments	<u>-</u>	<u>6</u>	<u>6</u>
Net cash provided by (used in) investing activities	<u>-</u>	<u>(1,404)</u>	<u>(1,404)</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>15</u>	<u>15</u>
Cash and cash equivalents, beginning of period	<u>-</u>	<u>223</u>	<u>223</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ -</u>	<u>\$ 238</u>	<u>\$ 238</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (5,778)	\$ 1,124	\$ (4,654)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	406	-	406
(Increase) decrease in accounts receivable	-	(690)	(690)
Increase (decrease) in accounts payable	(617)	964	347
Increase (decrease) in other liabilities	(55)	20	(35)
Increase (decrease) in due to other funds	<u>6,273</u>	<u>-</u>	<u>6,273</u>
Net cash provided by operating activities	<u>\$ 229</u>	<u>\$ 1,418</u>	<u>\$ 1,647</u>

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.

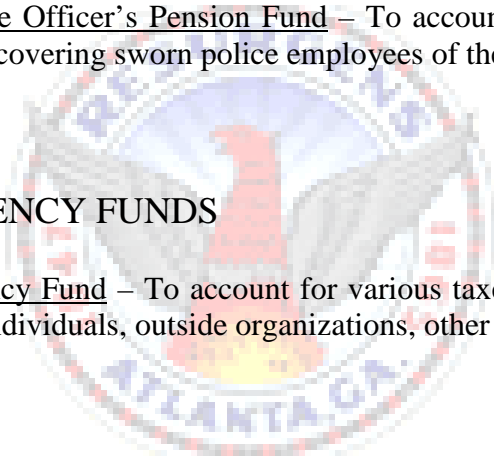
General Employees' Defined Contribution Pension Fund – To account for the operation of the defined contribution pension plan covering general officers and employees of the City.

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.



Atlanta

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Plan Net Assets
June 30, 2011
(In Thousands)

	Pension Trust Funds				Totals
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 38,972	\$ -	\$ 32,853	\$ 67,545	\$ 139,370
Investments:					
Equities	676,452	51,763	345,920	491,094	1,565,229
U. S. government and agency obligations	126,519		74,059	109,563	310,141
Corporate bonds	47,415		35,317	46,192	128,924
Other	74,440	-	30,581	41,716	146,737
Total Investments	<u>924,826</u>	<u>51,763</u>	<u>485,877</u>	<u>688,565</u>	<u>2,151,031</u>
Securities lending collateral investment pool	108,251	-	-	-	108,251
Due from brokers for securities sold	3,642	-	915	1,740	6,297
Other receivables	6,612	398	3,049	4,102	14,161
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$1,082,303</u>	 <u>\$ 52,161</u>	 <u>\$ 522,694</u>	 <u>\$ 761,952</u>	 <u>\$ 2,419,110</u>
LIABILITIES AND NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Current liabilities:					
Accounts payable and other liabilities	\$ 1,218	\$ -	\$ 220	\$ 2,148	\$ 3,586
Due to brokers for securities purchased	9,319		12,884	24,334	46,537
Due to other funds	-	401	-	-	401
Liability for securities lending agreement	<u>108,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,251</u>
Total current liabilities	<u>118,788</u>	<u>401</u>	<u>13,104</u>	<u>26,482</u>	<u>158,775</u>
Net Assets Held in Trust for Pension Benefits:	<u>\$ 963,515</u>	<u>\$ 51,760</u>	<u>\$ 509,590</u>	<u>\$ 735,470</u>	<u>\$ 2,260,335</u>

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Changes in Plan Net Assets
For the Year Ended June 30, 2011
(In Thousands)

	Pension Trust Funds				Totals
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	
Additions:					
Employer contributions	\$ 46,078	\$ 3,934	\$ 24,912	\$ 39,135	\$ 114,059
Employee contributions	13,230	4,152	3,570	6,733	27,685
Refunds and other	65	-	(137)	846	774
Investment income:					
Net depreciation in fair value of investments	133,323	5,337	94,563	114,434	347,657
Investment income	20,809	832	9,126	10,725	41,492
Securities lending income	127	-	73	94	294
Less: Investment expenses	(4,493)	(312)	(2,298)	(2,885)	(9,988)
Net investment income	<u>149,766</u>	<u>5,857</u>	<u>101,464</u>	<u>122,368</u>	<u>379,455</u>
Total additions	<u>209,139</u>	<u>13,943</u>	<u>129,809</u>	<u>169,082</u>	<u>521,973</u>
Deductions:					
Benefit payments	96,095	5,914	35,146	45,176	182,331
Administrative expenses	173	95	49	81	398
Total deductions	<u>96,268</u>	<u>6,009</u>	<u>35,195</u>	<u>45,257</u>	<u>182,729</u>
Net increase in net assets held in trust for pension benefits	112,871	7,934	94,614	123,825	339,244
Net assets held in trust for pension benefits:					
Beginning of period	<u>850,644</u>	<u>43,826</u>	<u>414,976</u>	<u>611,645</u>	<u>1,921,091</u>
End of period	<u>\$ 963,515</u>	<u>\$ 51,760</u>	<u>\$ 509,590</u>	<u>\$ 735,470</u>	<u>\$ 2,260,335</u>

CITY OF ATLANTA, GEORGIA
Agency Fund

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011
(In Thousands)

ASSETS				
	June 30, 2010	Additions	Deductions	June 30, 2011
Assets:				
Cash and cash equivalents	\$ 203		\$ (1)	\$ 202
Investments in pooled investment fund	27,708	27,723	(31,429)	24,002
Investments:				
Equities	581	1	-	582
Other receivables	2,168	-	(2,168)	-
Total Assets	\$ 30,660	\$ 27,724	\$ (33,598)	\$ 24,786
LIABILITIES				
Liabilities:				
Accounts payable	\$ 30,660	\$ 27,724	\$ (33,598)	\$ 24,786
Total Liabilities	\$ 30,660	\$ 27,724	\$ (33,598)	\$ 24,786

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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.



Atlanta

**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.

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 1
City of Atlanta, Georgia
Net Assets by Component
Last Ten Periods
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in capital assets, net of related debt	\$ 521,789	\$ 712,791	\$ 541,003	\$ 543,166	\$ 482,373	\$ 488,569	\$ 237,415	\$ 146,670	\$ 97,291	\$ 5,000
Restricted for										
Debt service	21,863	27,470	37,556	39,818	36,532	40,162	138,640	47,912	51,828	26,000
Programs	122,999	74,521	69,511	207,039	173,138	113,914	87,259	79,096	75,482	7,000
Capital projects	104,291	97,799	139,431	104,529	127,021	137,651	219,921	238,093	250,380	4,000
Unrestricted	(84,288)	(41,942)	(26,666)	(159,662)	(199,434)	(207,696)	(320,542)	(306,113)	(260,354)	(11,000)
Total Governmental Activities Net Assets	\$ 686,654	\$ 870,639	\$ 760,835	\$ 734,890	\$ 619,630	\$ 572,600	\$ 362,693	\$ 205,658	\$ 214,627	\$ 33,000
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	\$ 0	\$ 4,760,260	\$ 5,092,956	\$ 4,870,000
Restricted										
Debt service	4,549	(8,041)	528,879	76,817	104,864	40,253	-5,552	174,761	206,232	34,000
Programs	-	-	-	-	-	-	-	-	-	-
Capital projects	700,154	429,754	-	565,012	565,012	565,012	0	470,590	365,297	41,000
Unrestricted	453,896	333,029	329,966	373,465	612,037	787,003	888,594	787,326	721,383	1,000
Total Business-type Activities Net Assets	\$ 3,059,581	\$ 3,392,989	\$ 3,685,199	\$ 4,252,631	\$ 4,459,615	\$ 4,859,160	\$ 883,042	\$ 6,192,937	\$ 6,385,868	\$ 6,650,000
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	\$ 237,415	\$ 4,906,930	\$ 5,190,247	\$ 4,900,000
Restricted										
Debt service	26,412	19,429	566,435	116,635	141,396	80,415	133,088	222,673	258,060	61,000
Programs	122,999	74,521	69,511	207,039	173,138	113,914	87,259	79,096	75,482	7,000
Capital projects	804,445	527,553	139,431	669,541	692,033	702,663	219,921	708,683	615,677	46,000
Unrestricted	369,608	291,087	303,300	213,803	412,603	579,307	568,052	481,213	461,029	88,000
Total Primary Government Activities Net Assets	\$ 3,746,235	\$ 4,263,628	\$ 4,446,034	\$ 4,987,521	\$ 5,079,245	\$ 5,431,760	\$ 1,245,735	\$ 6,398,595	\$ 6,600,495	\$ 6,900,000

Schedule 2
 City of Atlanta, Georgia
 Changes in Net Assets
 Last Ten Fiscal Periods
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal									
	2002	2003	2004	2005	2006 ¹	2007	2008	2009	2010	2011
EXPENSES										
Governmental Activities										
General government	\$ 189,386	\$ 169,284	\$ 167,074	\$ 207,529	\$ 113,068	\$ 264,221	\$ 234,198	\$ 265,596	\$ 260,413	\$ 239,306
Police	140,204	133,349	134,950	150,007	97,514	222,490	219,614	192,161	187,800	197,598
Fire	65,275	66,354	63,714	69,425	35,715	86,775	94,871	84,454	79,190	83,596
Corrections	37,627	32,245	35,107	39,028	20,921	45,178	50,714	37,264	29,301	25,520
Public works	65,136	63,336	68,675	81,954	45,231	47,707	79,823	56,814	50,056	54,442
Parks, recreation and cultural affairs	31,527	30,062	32,739	37,611	10,768	20,387	48,626	34,161	39,976	41,939
Interest on long-term debt	25,602	22,709	22,101	33,429	19,546	40,949	43,734	51,784	51,274	47,629
Total Governmental Activities Expenses	554,757	517,339	524,360	618,983	342,763	727,707	771,580	722,234	698,010	690,029
Business-type Activities										
Watershed Management	233,704	233,542	228,554	232,514	140,848	334,755	326,279	319,790	404,629	444,133
Aviation	233,459	240,687	303,703	230,933	126,399	315,104	386,316	423,198	448,979	437,659
Other	52,080	55,478	60,828	60,064	31,500	62,898	62,630	60,446	48,735	47,694
Total Business-type Activities Expenses	519,243	529,707	593,085	523,511	298,747	712,757	775,225	803,434	902,343	929,485
Total Primary Government Expenses	\$ 1,074,000	\$ 1,047,046	\$ 1,117,445	\$ 1,142,494	\$ 641,510	\$ 1,440,464	\$ 1,546,805	\$ 1,525,668	\$ 1,600,354	\$ 1,619,515
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 36,528	\$ 38,326	\$ 77,014	\$ 77,279	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307
Public safety	20,823	21,850	27,619	32,311	1,747	36,849	31,989	31,218	20,627	21,727
Public works	4,203	4,410	3,876	5,084	2,857	9,907	5,090	16,438	13,168	2,383
Parks recreation and cultural affairs	1,500	1,574	1,622	2,431	568	1,787	1,667	1,932	1,418	2,267
Operating grants and contributions	55,071	30,933	48,194	51,365	21,182	48,620	49,832	42,336	78,533	100,943
Total Governmental Activities Program Revenues	118,125	97,093	158,325	168,470	99,022	182,653	181,747	159,719	179,894	221,627
Business-type Activities										
Charges for services										
Watershed Management	202,729	206,343	252,007	242,573	113,377	302,273	319,087	351,743	380,413	433,183
Aviation	244,997	247,845	273,575	289,478	147,221	330,228	386,206	389,535	400,799	411,213
Other	54,270	41,250	51,756	53,736	3,519	53,050	54,337	51,011	57,143	56,754
Capital grants and contributions	197,531	283,779	229,610	254,797	141,741	259,916	250,113	275,033	201,492	241,456
Total Business-type Activities Revenues	699,527	779,217	806,948	840,584	405,858	945,467	1,009,743	1,067,322	1,039,847	1,142,606
Total primary Government Revenues	\$ 817,652	\$ 876,310	\$ 965,273	\$ 1,009,054	\$ 504,880	\$ 1,128,120	\$ 1,191,490	\$ 1,227,041	\$ 1,219,740	\$ 1,364,233
Net (expense) revenue										
Governmental activities	(436,632)	(420,246)	(366,035)	(450,513)	(243,741)	(545,054)	(589,833)	(562,515)	(518,117)	(468,402)
Business-type activities	180,284	249,510	213,863	317,073	107,111	232,710	234,518	263,888	213,121	213,121
Total Primary Government Net Expense	\$ (256,348)	\$ (170,736)	\$ (152,172)	\$ (133,440)	\$ (136,630)	\$ (312,344)	\$ (355,315)	\$ (298,627)	\$ (380,614)	\$ (255,282)
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	\$ 154,567	\$ 222,087	\$ 190,406
Property taxes levied for debt service	-	-	-	54,278	1,522	61,736	89,628	96,082	112,358	129,965
Local and municipal option sales tax	94,773	101,218	83,518	90,488	50,460	111,978	104,101	87,789	202,014	203,887
Public utilities franchise taxes	47,300	42,350	46,809	37,534	8,488	39,364	16,230	51,381	54,312	72,540
Business taxes	106,656	113,092	38,262	79,571	38,234	97,662	126,005	219,224	94,020	100,177
Federal and state aid not restricted for specific purposes	-	537	542	4,723	334	4,229	4,461	3,407	-	-
Investment income	10,348	7,904	5,022	13,171	9,312	23,920	18,302	6,834	3,962	3,825
Gain on Sale of Assets	-	-	-	-	-	-	5,764	517	456	6,391
Other	14,106	22,330	9,657	21,814	11,398	26,822	8,710	13,738	17,491	-
Extraordinary Loss	-	-	-	-	-	-	-	-	(2,231)	-
Transfers	(6,682)	(7,023)	4,208	2,349	(5)	6,314	2,311	(118,523)	(119,590)	(120,880)
Total Governmental Activities	\$ 450,105	\$ 475,343	\$ 386,893	\$ 431,666	\$ 128,482	\$ 498,024	\$ 517,425	\$ 515,016	\$ 584,878	\$ 586,221
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	40,739	(37,323)	(68,499)
Other	-	-	-	-	-	(39,401)	1,474	(14,672)	-	-
Extraordinary Loss	-	-	-	-	-	-	-	-	(26,840)	-
Transfers	6,682	7,023	(4,208)	(2,349)	5	(6,314)	(2,311)	118,523	119,590	120,880
Total Business-type Activities	92,074	93,928	60,693	245,722	99,871	166,835	222,877	144,590	55,427	52,382
Total Primary Government	\$ 542,179	\$ 569,271	\$ 447,586	\$ 677,388	\$ 228,353	\$ 664,859	\$ 740,302	\$ 659,606	\$ 640,306	\$ 638,603
Change in Net Assets										
Governmental activities	13,473	55,097	20,858	(18,847)	(115,259)	(47,030)	(72,408)	(47,499)	66,761	117,818
Business-type activities	272,358	343,438	274,556	562,795	206,982	399,545	457,395	408,478	192,931	265,502
Total Primary Government	\$ 285,831	\$ 398,535	\$ 295,414	\$ 543,948	\$ 91,723	\$ 352,515	\$ 384,967	\$ 360,979	\$ 259,692	\$ 383,320

Notes:

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

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 3
City of Atlanta, Georgia
Program Revenues by Function/Program
Last Ten Fiscal Periods
(amounts expressed in thousands)
(accrual basis of accounting)

Function/Program	Program Revenues									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Government										
Governmental activities:										
Charges for Services										
General government	\$ 36,528	\$ 38,326	\$ 77,014	\$ 77,279	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307
Police	14,920	15,655	19,135	22,417	1,374	19,103	15,258	14,976	14,643	19,228
Fire	43	46	416	346	1	316	258	253	428	496
Corrections	5,860	6,149	8,068	9,548	372	17,430	16,473	15,989	5,556	2,003
Public works	4,203	4,410	3,876	5,084	2,857	9,907	5,090	16,438	13,168	2,383
Parks, Recreation, and Cultural Affairs	1,501	1,574	1,622	2,431	568	1,787	1,667	1,932	1,418	2,267
Total Governmental activities	\$ 63,055	\$ 66,160	\$ 110,131	\$ 117,105	\$ 77,840	\$ 134,033	\$ 131,915	\$ 117,383	\$ 101,361	\$ 120,684
Operating Grants	\$ 55,071	\$ 30,933	\$ 48,194	\$ 51,365	\$ 21,182	\$ 48,620	\$ 49,832	\$ 42,336	\$ 78,533	\$ -
Business-type activities:										
Charges for Services										
Watershed Management	\$ 202,729	\$ 206,343	\$ 252,007	\$ 242,573	\$ 113,377	\$ 302,273	\$ 319,087	\$ 351,743	\$ 380,413	\$ 433,183
Aviation	244,997	247,845	273,575	289,478	147,221	330,228	386,206	389,535	400,799	411,213
Other**	54,270	41,250	-	-	-	-	-	-	-	-
Sanitation**	-	-	47,219	49,351	663	47,951	49,768	46,513	51,414	51,985
Parks and Recreational Facilities**	-	-	539	564	386	522	509	498	472	487
Underground Atlanta**	-	-	2,651	2,414	1,507	2,509	2,563	2,340	2,220	1,941
Parking Deck**	-	-	-	-	-	-	-	-	1,340	740
Civic Center**	-	-	1,347	1,407	963	2,068	1,497	1,660	1,697	1,601
Total Business-type activities	\$ 501,996	\$ 495,438	\$ 577,338	\$ 585,787	\$ 264,117	\$ 685,551	\$ 759,630	\$ 792,289	\$ 838,355	\$ 901,150
Total Primary Government	\$ 620,122	\$ 592,531	\$ 735,663	\$ 754,257	\$ 363,139	\$ 868,204	\$ 941,377	\$ 952,008	\$ 1,018,249	\$ 1,021,834

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".

City of Atlanta

2011 Comprehensive Annual Financial Report

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

	Fiscal Period									
	2002	2003	2004	2005*	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 24,002	\$ 6,433	\$ 6,353	\$ 5,783	\$ 7,602	\$ 2,614	\$ 4,367	\$ 3,382	\$ -	\$ -
Unreserved	50,380	96,504	151,349	140,193	92,947	91,808	5,763	4,011	-	-
Nonspendable									10,383	7,834
Restricted									11,398	6,388
Committed									16,260	-
Assigned									9,919	6,912
Unassigned									24,473	73,216
Total General Fund	\$ 74,382	\$ 102,937	\$ 157,702	\$ 145,976	\$ 100,549	\$ 94,422	\$ 10,130	\$ 7,393	\$ 72,433	\$ 94,350
Capital Projects Fund										
Reserved	\$ -	\$ -	\$ -	\$ 95,129	\$ 47,397	\$ 64,163	\$ 73,703	\$ 17,606	\$ -	\$ -
Unreserved	-	-	-	-	-	-	6,936	25,678	-	-
Restricted									18,516	21,632
Unassigned									(4,173)	-
Total Capital Projects Fund	\$ -	\$ -	\$ -	\$ 95,129	\$ 47,397	\$ 64,163	\$ 80,639	\$ 43,284	\$ 14,343	\$ 21,632
Debt Service Fund										
Reserved	\$ -	\$ -	\$ -	\$ 39,818	\$ 36,532	\$ 40,162.00	\$ 45,479	\$ 47,912	\$ -	\$ -
Restricted									51,828	265,371
Total Debt Service Fund	\$ -	\$ -	\$ -	\$ 39,818	\$ 36,532	\$ 40,162	\$ 45,479	\$ 47,912	\$ 51,828	\$ 265,371
All Other Governmental Funds										
Reserved	\$ 263,874	\$ 218,285	\$ 285,892	\$ 251,298	\$ 245,160	\$ 177,862	\$ 233,477	\$ 299,583	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	-	-	(21,416)	(9,240)	(9,240)	(20,091)	(57,328)	(45,238)	-	-
Restricted									292,839	119,956
Committed									-	-
Unassigned									(29,043)	(28,661)
Total All other Governmental Funds	\$ 263,874	\$ 218,285	\$ 264,476	\$ 242,058	\$ 235,920	\$ 157,771	\$ 176,149	\$ 254,345	\$ 263,796	\$ 91,295

* Prior to 2005, the General Fund was considered the only major governmental fund.

** The Municipal Option Sales Tax Fund is considered a major governmental fund but has no fund balance.

*** Beginning in FY11, GASB 54 was implemented and the Governmental Fund balances are presented accordingly.

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 5

City of Atlanta, Georgia

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Periods

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Property taxes	\$ 182,035	\$ 193,244	\$ 192,927	\$ 179,685	\$ 10,261	\$ 195,048	\$ 227,563	\$ 253,204	\$ 329,127	\$ 321,425
Local and municipal option sales taxes **	94,773	94,374	83,518	90,488	50,460	111,978	104,101	87,789	202,014	203,887
Public utility, alcoholic beverages and other taxes **	113,625	100,347	106,449	122,015	8,488	137,922	142,235	270,605	148,332	172,597
Licenses and permits	52,403	50,516	54,327	58,285	38,234	76,915	69,127	62,503	58,130	63,889
Charges for current services	24,060	23,951	24,761	21,576	65,235	23,482	27,729	20,765	17,843	17,312
Fines, forfeitures and penalties	20,390	19,908	18,504	17,895	6,727	14,710	18,323	15,820	15,847	22,368
Investment income	10,301	7,917	4,934	12,926	9,312	23,468	18,182	6,750	3,975	3,819
Intergovernmental revenues and contributions										
Federal revenues	39,201	23,067	31,659	30,480	334	28,784	34,709	36,649	65,422	43,437
State and local grants and contributions	16,408	4,181	16,991	20,500	21,182	24,065	17,358	9,094	14,307	16,576
Other	-	-	542	4,723	-	-	-	-	-	-
Building rentals and contributions	8,552	6,981	10,394	11,339	5,877	18,926	18,962	18,295	8,344	7,153
Other	14,106	22,330	9,657	26,584	11,398	19,844	8,710	13,738	17,491	9,995
TOTAL REVENUES	\$ 575,854	\$ 546,816	\$ 554,663	\$ 596,496	\$ 227,508	\$ 675,142	\$ 686,999	\$ 795,212	\$ 880,832	\$ 882,458
EXPENDITURES										
Current										
General government	\$ 175,110	\$ 163,041	\$ 173,027	\$ 231,207	\$ 113,068	\$ 290,882	\$ 285,698	\$ 319,202	\$ 250,558	\$ 215,655
Police	123,021	124,811	142,958	149,450	97,514	225,815	230,571	186,364	179,455	189,309
Fire	54,677	61,473	61,011	67,486	35,715	83,506	87,559	82,581	75,180	74,608
Corrections	34,591	31,111	35,283	38,678	20,921	44,456	47,711	36,503	28,037	23,930
Public works	26,369	25,989	34,506	59,679	45,231	48,393	69,004	45,032	45,477	51,622
Parks, recreation and cultural affairs	26,436	26,766	33,006	42,764	10,768	44,939	53,542	39,569	35,866	43,798
Capital outlay	56,335	68,164	15,330	-	-	-	-	-	-	-
Debt service										
Principal	26,672	27,567	13,348	26,573	-	36,290	39,293	54,919	55,730	49,155
Interest	25,602	22,709	25,646	32,706	19,546	40,949	42,879	50,429	47,617	48,909
Bond issuance costs	(599)	137	31	723	-	1,996	4,438	6,065	4,446	1,433
TOTAL EXPENDITURES	\$ 548,214	\$ 551,768	\$ 534,146	\$ 649,266	\$ 342,763	\$ 817,226	\$ 860,695	\$ 820,664	\$ 722,366	\$ 698,419
Excess of Revenues Over (Under) Expenditures	27,640	(4,952)	20,517	(52,770)	(115,255)	(142,084)	(173,696)	(25,452)	158,466	184,039
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 76,840	\$ 12,001	\$ 58,553	\$ 145,809	\$ -	\$ 58,000	\$ 53,820	\$ 134,042	\$ 78,120	\$ -
Capital leases	-	-	-	7,097	-	-	23,480	48,602	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds sold	-	-	3,576	6,221	-	2,548	5,787	4,027	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-
Discount on bonds sold	-	-	-	(1,581)	-	(77)	-	(484)	(1,257)	-
Refunding bonds issued	-	-	-	85,980	-	-	105,760	78,025	-	-
Payment to refunded bond escrow agent	-	-	-	(85,605)	-	-	(106,177)	(80,550)	(64,500)	-
Sale of asset	-	-	-	1,600	7,036	9,304	6,794	851	456	7,089
Transfers in (out)	(6,682)	(7,013)	3,322	1,149	(5)	19,280	2,311	(118,523)	(119,590)	(120,880)
Total Other Financing Sources (Uses)	\$ 70,158	\$ 4,988	\$ 65,451	\$ 160,670	\$ 7,031	\$ 89,055	\$ 91,775	\$ 65,990	\$ (106,771)	\$ (113,791)
Extraordinary Loss									(2,231)	
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)	\$ 40,538	\$ 49,464	\$ 70,248
Debt service as a percentage of noncapital expenditures	11.9%	11.6%	8.1%	10.1%	6.0%	10.5%	10.6%	14.9%	18.6%	18.1%

* Note: Capital outlay expenditures are included in the functional category totals after 2004, but are considered in the above debt service to noncapital expenditures calculation.

** Prior to 2010, the Municipal Option Sales Tax was included in Public utility, alcoholic beverages and other taxes

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 6 City of Atlanta, Georgia Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Periods

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	\$ 17,309,008,213	32.64%
December 31, 2003	9,578,478,978	7,104,858,403	323,814,720	1,590,030,109	160,151,146	18,437,031,064	32.08%
December 31, 2004	10,282,698,452	7,433,699,007	308,725,135	1,626,457,946	1,732,722,383	17,918,858,157	31.00%
December 31, 2005	10,842,205,309	7,255,025,020	618,322,584	1,590,005,363	186,756,118	20,118,802,158	30.09%
June 30, 2006	11,954,278,920	8,069,483,015	699,409,813	1,621,488,855	1,720,017,791	20,624,642,812	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	23,431,762,240	31.61%
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	27,600,687,168	30.49%
June 30, 2009	13,872,372,979	11,249,746,299	890,877,231	1,720,999,874	1,910,282,501	25,823,713,882	30.49%
June 30, 2010	12,749,326,810	11,746,535,282	806,421,455	1,542,422,321	2,831,876,995	24,012,828,873	33.63%
June 30, 2011	12,609,751,900	10,924,151,062	775,954,220	1,525,316,851	2,731,195,758	23,103,978,275	33.63%

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: Fulton County Digest dated (7/08/09), Georgia Department of Revenue : DeKalb County Digest 2008

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

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 7

City of Atlanta, Georgia

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Periods

(per \$1,000 of assessed value)

Fiscal Period Ended	City Direct Rates						Total Direct Tax Rate
	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy		
December 31, 2002	\$ 9.02	\$ 21.67	\$ 0.50	\$ 1.34	\$ 0.11	\$ 32.64	
December 31, 2003	8.71	21.46	0.50	1.30	0.11	32.08	
December 31, 2004	8.25	20.87	0.50	1.27	0.11	31.00	
December 31, 2005	7.64	20.42	0.50	1.43	0.10	30.09	
June 30, 2006	7.53	22.64	0.50	1.41	0.05	32.13	
June 30, 2007	7.09	22.64	0.50	1.33	0.05	31.61	
June 30, 2008	7.12	21.64	0.50	1.18	0.05	30.49	
June 30, 2009	7.12	21.64	0.50	1.18	0.05	30.49	
June 30, 2010	10.24	21.64	0.50	1.20	0.05	33.63	
June 30, 2011	\$ 10.24	\$ 21.64	\$ 0.50	\$ 1.20	\$ 0.05	\$ 33.63	

Fiscal Period Ended	Overlapping Rates						Total
	Atlanta/DeKalb County	Downtown Improvement District	Fulton County, Georgia				
	Special Tax District	Special Tax District ⁽¹⁾	County Levy	County Bond Levy	Georgia State Levy		
December 31, 2002	\$ 1.30	\$ 2.50	\$ 12.53	\$ 0.28	\$ 0.25	\$ 13.06	
December 31, 2003	1.14	3.60	12.05	0.27	0.25	12.57	
December 31, 2004	1.05	4.20	11.59	0.07	0.25	11.91	
December 31, 2005	2.05	5.00	11.58	0.06	0.25	11.89	
June 30, 2006	0.99	5.00	11.41	0.06	0.25	11.72	
June 30, 2007	0.96	5.00	10.28	0.06	0.25	10.59	
June 30, 2008	0.83	5.00	10.28	0.06	0.25	10.59	
June 30, 2009	0.83	5.00	10.28	-	0.25	10.53	
June 30, 2010	1.00	5.00	10.28	-	0.25	10.53	
June 30, 2011	\$ 0.88	\$ 5.00	\$ 10.28	\$ -	\$ 0.25	\$ 10.53	

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

City of Atlanta

2011 Comprehensive Annual Financial Report

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

Taxpayer	Type of Business	2002			2003			2004			2005			2006		
		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	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bell South	Communication Service	\$ 296,305,165	1	1.69%	\$ 311,493,227	1	1.69%	\$ 155,936,542	1	0.79%	\$ 386,047,492	1	1.90%	\$ 266,293,651	1	1.29%
Coca-Cola Company	Marketing and Manufacturing	175,126,510	2	1.00%	162,670,820	2	0.88%	154,860,290	2	0.79%	154,932,948	2	0.76%	184,395,886	2	0.89%
Georgia Power Company	Utility Service	125,185,211	3	0.72%	138,389,311	3	0.75%	57,103,706	10	0.29%	139,188,340	3	0.69%	137,147,337	3	0.66%
Post Apartment Homes	Residential Real Estate	111,937,620	4	0.64%	116,171,210	4	0.63%	120,304,178	3	0.61%	117,829,980	4	0.58%	128,834,887	4	0.62%
Georgia Pacific Company	Pulp and Paper Manufacturing	91,552,200	5	0.52%	90,792,750	5	0.49%	97,673,647	4	0.50%				97,202,770		0.47%
CSC Associates	Commercial Real Estate	87,329,610	6	0.50%	87,338,740	6	0.47%	87,321,645	6	0.44%	77,663,640	10	0.38%	107,004,930	10	0.52%
SunTrust Plaza Association	Commercial Real Estate	76,491,240	7	0.44%	82,038,220	7	0.44%	81,513,618	9	0.41%	92,889,700	5	0.46%	92,735,881	5	0.45%
Atlanta Center LTD	Commercial Real Estate	63,761,840	10	0.36%	58,083,570	10	0.31%							83,443,109		0.40%
AT & T	Communication Service															
One Ninety One Peachtree Association	Commercial Real Estate	73,646,450	8	0.42%	76,478,710	8	0.41%	82,035,928	8	0.42%				84,919,630		0.41%
Overseas Partners	Commercial Real Estate										86,232,080	6	0.42%	0	6	0.00%
Sumito Life Realty, Inc	Commercial Real Estate	68,164,600	9	0.39%	63,170,490	9	0.34%				82,034,230	7	0.40%	0	7	0.00%
Peachtree TSG Associates LLC	Commercial Real Estate							93,540,108	5	0.48%	80,353,590	9	0.40%	0	9	0.00%
Trizec Alliance Center LLC	Commercial Real Estate							83,957,286	7	0.43%	81,144,630	8	0.40%	85,674,219	8	0.42%
Total		\$ 1,169,500,446		6.68%	1,186,627,048		6.41%	1,014,246,948		5.16%	1,298,316,630		6.39%	1,267,652,300		6.13%

Taxpayer	Type of Business	2007			2008			2009			2010***		
		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
Development Authority of Fulton	Government	\$ 181,620,042	3	0.78%	\$ 333,432,299	1	1.36%	\$ 505,772,282	1	2.21%	\$ 864,964,916	1	4.10%
Georgia Power Company	Utility Service	197,766,434	2	0.84%	206,701,589	3	0.85%	222,362,604	2	0.97%	355,267,690	2	1.68%
Bell South	Communication Service	244,693,204	1	1.04%	332,146,406	2	1.36%	197,316,319	3	0.86%	288,336,703	3	1.37%
Coca-Cola Company	Marketing and Manufacturing	172,011,442	4	0.73%	174,796,651	4	0.72%	166,718,521	4	0.73%	239,494,269	4	1.13%
Post Apartment Homes	Residential Real Estate	154,997,343	5	0.66%	168,194,137	5	0.69%	148,085,301	5	0.65%	129,959,779	8	1.10%
BF ATL, LLC	Commercial Real Estate	135,349,359	6	0.59%	158,985,279	6	0.65%	135,349,360	6	0.59%	135,349,360	7	0.68%
SunTrust Plaza Association	Commercial Real Estate	115,924,129	7	0.49%	119,200,000	7	0.49%	103,661,410	7	0.45%	103,532,500	9	0.64%
Georgia Pacific Company	Pulp and Paper Manufacturing	104,165,251	8	0.44%	105,231,889	8	0.43%	98,028,880	8	0.43%	-		0.62%
IEP Peachtree, LLC	Unclassified							91,879,110	9	0.40%	93,279,610	10	0.49%
Hines One Atlantic Center LP	Commercial Real Estate	83,995,120	10	0.36%	101,252,131	9	0.41%	86,807,370	10	0.38%			0.44%
GA Promenade LLC	Residential Real Estate	84,941,760	9	0.36%	-								
Kan AM Grund America LP	Commercial Real Estate Investment				91,507,582	10	0.37%						
IEP Peachtree, LLC	Commercial Real Estate										233,061,383	5	
One Ninety One Peachtree Association	Commercial Real Estate										144,071,482	6	
Trizec Alliance Center LLC	Commercial Real Estate												
Total		\$ 1,475,464,084		6.30%	\$ 1,791,447,963		7.33%	\$ 1,755,981,157		7.66%	\$ 2,587,317,692		12.25%

*** 2010 Based on Net Assessed Value of \$22,924,256,395

City of Atlanta

2011 Comprehensive Annual Financial Report

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

Fiscal Period Ended	Taxes Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽¹⁾	Percentage of Levy		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%	13,850,898 ⁽²⁾	178,827,358	99.57%
June 30, 2008	182,020,745	173,030,142	95.06%	7,843,974	180,874,116	99.37%
June 30, 2009	198,377,854	190,475,498	96.02%	5,882,430	196,357,928	98.98%
June 30, 2010	264,371,198	257,062,077	97.24%	3,606,439	260,668,516	98.60%
June 30, 2011	240,585,957	234,894,781	97.63%	-	234,894,781	97.63%

(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

City of Atlanta

2011 Comprehensive Annual Financial Report

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

Local Option Sales Tax	Fiscal Period									
	2003	2004	2005	2006**	2007***	2008	2009	2010	2011	
Food	\$ 15,663,417	\$ 17,085,817	\$ 18,227,462	\$ 21,181,670	\$ 12,524,653	\$ 21,765,330	\$ 20,038,407	\$ 18,811,248	\$ 18,665,973	
Apparel	3,128,059	3,391,724	3,657,878	4,043,395	2,503,914	4,191,287	5,594,865	5,619,424	7,607,374	
General	9,028,363	9,378,994	9,816,473	10,542,134	6,748,029	10,710,270	10,374,329	11,803,657	11,459,576	
Automotive	7,798,800	8,576,677	8,986,665	10,704,116	6,322,706	11,180,684	9,275,605	6,007,107	6,781,055	
Home	8,746,596	9,656,318	11,420,684	12,488,531	7,223,408	11,335,795	9,939,476	7,437,672	7,721,742	
Lumber	5,525,925	6,215,037	6,590,849	7,436,668	4,228,072	6,228,429	4,235,049	728,285	587,895	
Miscellaneous Services	10,505,516	10,144,407	10,575,829	12,396,264	6,765,846	12,651,427	12,773,311	12,220,815	10,259,330	
Manufacturers	2,155,805	2,614,909	3,025,195	4,333,126	2,195,509	3,636,616	3,425,878	5,640,201	5,253,551	
Utilities	7,331,954	7,679,384	8,016,539	9,234,770	5,247,921	9,691,811	10,274,982	6,472,235	6,556,758	
Miscellaneous	6,686,294	7,965,956	8,228,806	8,651,981	6,688,032	11,774,540	9,864,146	17,721,003	18,365,457	
Total	\$ 76,570,729	\$ 82,709,224	\$ 88,546,378	\$ 101,012,655	\$ 60,448,090	\$ 103,166,189	\$ 95,796,047	\$ 92,461,649	\$ 93,258,711	
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Municipal Option Sales Tax (1)	Fiscal Period									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Food	\$ -	\$ 1,244,484	\$ 20,262,057	\$ 12,415,988	\$ 26,529,627	\$ 27,367,773	\$ 25,487,704	\$ 23,115,908	\$ 24,249,636	
Apparel	-	329,493	5,268,202	3,200,528	6,232,358	6,537,725	8,265,601	6,819,859	7,411,259	
General	-	560,254	9,817,354	5,876,141	10,818,855	10,801,409	10,829,434	13,496,332	14,539,307	
Automotive	-	185,286	2,951,697	3,770,532	4,125,484	5,190,562	5,489,521	929,297	1,021,811	
Home	-	723,835	13,940,445	1,686,685	16,480,009	15,614,925	13,952,527	8,302,473	10,528,843	
Lumber	-	453,282	6,870,413	8,952,687	8,107,471	7,926,075	5,591,719	991,117	858,527	
Miscellaneous Services	-	857,201	13,772,985	3,472,644	17,745,384	19,228,289	19,360,539	15,006,917	14,608,176	
Manufacturers	-	132,360	2,827,119	8,352,696	3,680,987	4,804,876	4,399,557	6,763,647	7,374,252	
Utilities	-	534,743	9,725,057	1,730,697	11,045,370	11,307,471	12,691,282	7,177,663	8,488,688	
Miscellaneous	-	578,069	11,969,607	5,573,612	15,347,660	16,126,286	15,976,758	25,295,149	24,720,146	
Total	\$ -	\$ 5,599,006	\$ 97,404,935	\$ 55,032,209	\$ 120,113,206	\$ 124,905,391	\$ 122,044,642	\$ 107,898,362	\$ 113,800,645	
City direct sales tax rate	0.00%	1.00%	1.00%	1.00%	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 Calendar year
 ***2007 represents six months of activity, January through June 2007

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 11

City of Atlanta, Georgia

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Periods

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Fulton County</u>
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%
2009	1.00%	7.00%
2010	1.00%	7.00%
2011	1.00%	7.00%

Source: Commodity Report, Georgia Department of Revenue

City of Atlanta

2011 Comprehensive Annual Financial Report

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

Tax Remitters	2004		2005		2006		2007	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 1,244,484	22.23%	\$ 20,262,057	20.80%	\$ 12,415,988	22.56%	26,529,627	22.09%
Apparel	329,493	5.88%	5,268,202	5.41%	3,200,528	5.82%	6,232,358	5.19%
General	560,254	10.01%	9,817,354	10.08%	5,876,141	10.68%	10,818,855	9.01%
Automotive	185,286	3.31%	2,951,697	3.03%	3,770,532	6.85%	4,125,484	3.43%
Home	723,835	12.93%	13,940,445	14.31%	1,686,685	3.06%	16,480,009	13.72%
Lumber	453,282	8.10%	6,870,413	7.05%	8,952,687	16.27%	8,107,471	6.75%
Miscellaneous Services	857,201	15.31%	13,772,985	14.14%	3,472,644	6.31%	17,745,384	14.77%
Manufacturers	132,360	2.36%	2,827,119	2.90%	8,352,696	15.18%	3,680,987	3.06%
Utilities	534,743	9.55%	9,725,057	9.98%	1,730,697	3.14%	11,045,370	9.20%
Miscellaneous	578,069	10.32%	11,969,607	12.29%	5,573,612	10.13%	15,347,660	12.78%
Total	\$ 5,599,006	100%	\$ 97,404,935	100%	\$ 55,032,209	100%	120,113,206	100%

Tax Remitters	2008		2009		2010		2011	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 27,367,773	21.91%	\$ 25,487,704	20.89%	\$ 23,115,908	21.42%	24,249,636	21.31%
Apparel	6,537,725	5.23%	8,265,601	6.77%	6,819,859	6.32%	7,411,259	6.51%
General	10,801,409	8.65%	10,829,434	8.88%	13,496,332	12.51%	14,539,307	12.78%
Automotive	5,190,562	4.16%	5,489,521	4.50%	929,297	0.86%	1,021,811	0.90%
Home	15,614,925	12.50%	13,952,527	11.44%	8,302,473	7.69%	10,528,843	9.25%
Lumber	7,926,075	6.35%	5,591,719	4.58%	991,117	0.92%	858,527	0.75%
Miscellaneous Services	19,228,289	15.39%	19,360,539	15.87%	15,006,917	13.91%	14,608,176	12.84%
Manufacturers	4,804,876	3.85%	4,399,557	3.61%	6,763,647	6.27%	7,374,252	6.48%
Utilities	11,307,471	9.05%	12,691,282	10.40%	7,177,663	6.65%	8,488,688	7.46%
Miscellaneous	16,126,286	12.91%	15,941,494	13.07%	25,295,149	23.44%	24,720,146	21.72%
Total	\$ 124,905,391	100%	\$ 122,009,378	100%	\$ 107,898,362	100.00%	113,800,645	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

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 13
 City of Atlanta, Georgia
 Ratio of Outstanding Debt by Type
 Last Ten Fiscal Periods
 (amounts expressed in thousands, except per capita)

Fiscal Period Ended	Governmental Activities											Total Governmental Activities	% Personal Income (a)	Per Capita (a)
	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	Installment Sale Program	Inter-Govt Agreements	Notes Payable			
December 31, 2002	\$ 238,510	\$ 25,710	\$ 91,500	\$ 14,660	\$ -	\$ 597	\$ 18,476	\$ 58,850	\$ 87,610	\$ -	\$ -	535,913	3.58%	\$ 1,252
December 31, 2003	239,360	24,855	91,500	12,965	-	-	15,827	52,560	83,280	-	-	520,347	3.40%	1,202
December 31, 2004	290,365	23,965	90,935	11,250	-	3,053	32,444	51,280	78,780	-	-	582,072	3.59%	1,338
December 31, 2005	283,865	23,035	218,740	9,515	5,835	10,054	32,444	49,950	74,080	-	-	707,518	4.09%	1,600
June 30, 2006	283,865	23,035	406,255	9,515	5,835	11,800	32,444	49,950	74,080	-	-	896,779	4.87%	1,986
June 30, 2007	276,510	22,060	396,675	8,200	4,499	9,055	32,444	48,550	69,190	-	-	867,183	4.71%	1,920
June 30, 2008	296,915	20,265	540,205	6,720	26,564	5,782	32,444	47,080	63,995	16,373	17,000	1,073,343	5.46%	2,323
June 30, 2009	277,190	20,265	652,075	6,175	69,005	5,782	32,444	45,540	58,575	15,983	15,509	1,198,543	6.04%	2,511
June 30, 2010	275,269	18,837	633,806	5,115	83,396	2,555	32,444	-	52,885	15,177	14,083	1,133,567	5.49%	2,358
June 30, 2011	\$ 255,077	\$ 17,658	\$ 623,602	\$ 4,025	\$ 76,567	\$ -	\$ 32,444	\$ -	\$ 46,905	\$ 14,329	\$ 12,590	1,083,197	5.33%	2,579

Fiscal Period Ended	Business-Type Activities											Total Business-Type Activities	Total Primary Government	% Personal Income (a)	Per Capita (a)
	Department of Aviation			Department of Watershed Management				Nonmajor Proprietary							
	Facilities Revenue Bonds*	Bond Anticipation Notes	Issuance Premiums and Discounts	System Revenue Bonds	Issuance Premiums and Discounts	GEFA Notes Payable	Capital Lease/Other Obligations	Sanitation Fund Capital Lease Obligation	Underground Atlanta Revenue Bonds	Parking Deck Capital Lease	Underground Atlanta Capital Lease				
December 31, 2002	\$ 1,682,273	\$ -	\$ -	\$ 1,673,966	\$ -	\$ -	\$ 25,579	\$ 5,075	\$ 71,625	\$ -	\$ -	3,458,518	\$ 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	-	-	3,491,008	4,011,355	26.21%	9,266
December 31, 2004	2,927,307	-	1,521	2,558,000	39,867	-	22,299	3,217	65,330	-	-	5,617,541	6,199,613	38.20%	14,255
December 31, 2005	2,805,127	-	662	2,542,765	38,881	23,373	20,520	2,205	61,280	-	-	5,494,813	6,202,331	35.82%	14,029
June 30, 2006	2,984,043	-	(19)	2,542,765	38,388	23,106	19,614	1,134	61,280	-	-	5,670,311	6,567,090	35.65%	14,542
June 30, 2007	2,890,474	-	(575)	2,518,555	37,402	95,701	17,651	-	57,055	-	-	5,616,263	6,483,446	35.20%	14,357
June 30, 2008	2,419,898	-	(1,037)	2,494,575	849	152,073	15,710	-	52,610	-	-	5,134,678	6,208,021	31.56%	13,439
June 30, 2009	2,343,835	-	(1,404)	3,218,275	3,330	148,767	13,643	-	-	48,065	-	5,774,511	6,973,054	35.11%	14,609
June 30, 2010	2,235,572	-	(1,737)	3,202,025	25,830	145,353	29,723	-	-	22,305	42,090	5,701,161	6,834,728	33.10%	14,218
June 30, 2011	\$ 2,801,655	\$ -	\$ 55,478	\$ 3,163,655	\$ 24,675	\$ 141,823	\$ 20,563	\$ -	\$ -	\$ 21,685	\$ 35,895	6,265,429	\$ 7,348,626	36.18%	17,497

(*) 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 Schedule 18 for personal income and population data.

City of Atlanta

2011 Comprehensive Annual Financial Report

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

Fiscal Period Ended	General Obligation Debt *	SWMA Revenue Refunding Bonds	Limited Obligation Bonds*	Inter- Governmental Agreements	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	\$ -	\$ 370,380	2.14%	\$ 856
December 31, 2003	239,360		91,500		12,965	-	343,825	1.86%	791
December 31, 2004	290,365	23,965	90,935		11,250	-	416,515	2.32%	942
December 31, 2005	283,865	23,035	218,740		9,515	5,835	540,990	2.69%	1,198
June 30, 2006	283,865	23,035	406,235		9,515	5,835	728,485	3.53%	1,613
June 30, 2007	276,510	22,060	399,985		8,200	4,499	711,254	3.04%	1,575
June 30, 2008	296,915	20,265	540,205	16,373	6,720	26,564	907,042	3.29%	1,963
June 30, 2009	277,190	20,265	652,075	15,983	6,175	69,605	1,041,293	4.03%	2,182
June 30, 2010	260,490	19,235	648,150	15,177	5,115	83,396	1,031,563	4.30%	2,146
June 30, 2011	\$ 244,965	\$ 18,020	\$ 634,595	14,329	4,025	76,567	\$ 992,501	4.30%	2,363

* Net of any discount or premium.

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

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt

Last Ten 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
2009	696,259	62.66%	436,255
2010	638,210	64.58%	412,126
2011	665,229	71.48%	475,497

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.

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 16
 City of Atlanta, Georgia
 Legal Debt Margin Information
 Last Ten Fiscal Periods

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 2,730,015,271	\$ 2,626,080,388	\$ 2,434,184,113
Total net debt applicable to limit	<u>238,510,000</u>	<u>239,360,000</u>	<u>290,365,000</u>	<u>239,360,000</u>	<u>302,654,250</u>	<u>673,185,000</u>	<u>699,290,000</u>	<u>795,340,000</u>	<u>260,490,000</u>	<u>244,965,000</u>
Legal debt margin	\$ <u>1,835,072,315</u>	\$ <u>1,958,692,425</u>	\$ <u>1,987,748,865</u>	\$ <u>2,109,767,724</u>	\$ <u>2,355,123,592</u>	\$ <u>1,790,859,067</u>	\$ <u>2,244,545,276</u>	\$ <u>1,934,675,271</u>	\$ <u>2,365,590,388</u>	\$ <u>2,189,219,113</u>
Total net det applicable to the limit as a percentage of debt limit	11.50%	10.89%	12.75%	10.19%	11.39%	27.32%	23.75%	29.13%	9.92%	10.06%

City of Atlanta

2011 Comprehensive Annual Financial Report

SCHEDULE 17A
City of Atlanta, Georgia
Department of Aviation
Schedule of Revenue Bond Coverage
Last Ten Fiscal Periods
(amounts expressed in thousands)

Period (4)	Operating Revenue ¹	Current Operating Expenses ²	Net Revenue available for Debt Service	Debt Service Requirements (5)				
				Principal	Interest ³	Net Swap Payments & Liquidity Fees (6)	Total	% Coverage
2002	250,917	93,131	157,786	50,775	49,932	-	100,707	1.57
2003	251,579	122,017	129,562	49,937	53,418	5,487	108,842	1.19
2004	292,375	134,528	157,847	52,183	40,362	10,990	103,535	1.52
2005	305,484	148,728	156,756	33,935	64,167	5,470	103,572	1.51
2006	152,601	74,353	78,248	-	23,727	334	24,061	3.25
2007	339,164	133,440	205,724	37,487	56,186	(1,186)	92,487	2.22
2008	405,868	166,274	239,594	40,906	70,131	3,275	114,312	2.10
2009	404,724	173,404	231,320	42,502	67,392	19,187	129,081	1.79
2010	414,898	201,056	213,842	53,061	70,104	3,670	126,835	1.69
2011	416,748	197,308	219,440	38,395	52,665	4,293	95,353	2.30

- (1) Represents total operating revenues on a cash basis and includes interest earnings from the Operating Fund and Renewal and Extension Fund as permitted under the Master Bond Ordinance. 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 2000 through 2005 are each 12-month periods beginning on January 1 and ending on December 31. Period 2006 is a 6-month period beginning on January 1, 2006 and ending on June 30, 2006. All subsequent periods are 12-month periods beginning on July 1 and ending on June 30.
- (5) Debt Service Requirements are 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.
- [7] Coverage ratios for the years 2003 thru 2008 have been restated due to a Material Events Notice filed by the City in October 2009, and a correction of the coverage ratio calculation.

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 17B
City of Atlanta, Georgia
Department of Watershed Management
Schedule of Revenue Bond Coverage
Last Ten Fiscal Periods
(amounts expressed in thousands)

<u>Period¹</u>	<u>Operating Revenue²</u>	<u>Current Operating Expenses³</u>	<u>Net Revenue available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage Ratio</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total⁴</u>	
2002	240,954	121,732	119,222	-	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
2009	498,216	220,962	277,254	26,300	127,452	153,752	1.80
2010	511,649	206,170	305,479	28,980	172,074	201,054	1.52
2011	581,068	202,747	378,321	38,370	182,157	220,527	1.72

- (1) Fiscal years 2001 thru 2005 are 12 month periods beginning January 1 and ending December 31. Fiscal year 2006 is a six month period beginning January 1, 2006 and ending June 30, 2006. Fiscal years 2007 thru 2010 are each 12 month periods beginning July 1 and ending June 30.
- (2) Total operation revenue plus investment income and sales tax (Sales Tax Revenue in the amount of \$109 million was transferred for Special Revenue Fund to DWM for operating expenses.)
- (3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation and amortization.
- (4) Annual debt service includes sinking fund requirements of the Water and Sewerage Revenue Fund.

City of Atlanta

2011 Comprehensive Annual Financial Report

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

<u>Fiscal Year Ended</u>	<u>Population¹</u>	<u>Personal Income (thousands of dollars)²</u>	<u>Per Capita Personal income³</u>	<u>Median Age⁴</u>	<u>Educational Attainment⁵</u>	<u>School Enrollment⁶</u>	<u>Unemployment Rate⁷</u>
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	51377*	5.9%
June 30, 2009	477,300	198,580	37,744	35.0	83.4	48,093	10.3%**
June 30, 2010	480,700	206,462	38,336	35.0	87.3	48,696	10.0%
June 30, 2011	420,003	203,137	37,101	34.0	85.5	49,874	10.5%

¹Atlanta Regional Commission - re-benchmarked to U.S. Census 2000 estimate for year ending 2008.(City of Atlanta only)

²U.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.

³U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2007 for Atlanta MSA

⁴U.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 2007

⁵U.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 institutions, college dormitories, & other group quarters; data available through 2007

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

⁷U.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

** Georgia Department of Labor City Labor force Estimates City of Atlanta May 2009

City of Atlanta

2011 Comprehensive Annual Financial Report

Schedule 19 City of Atlanta, Georgia Principal Employers Last Nine 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		2009			
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	3,827	1.95%	Allied Barton Security Services	Security Services	4,058	2.11%
Allied Barton Security Services	Security Services	3,702	1.88%	International Business Machine Corp.	Technology Services	3,739	1.94%
The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53%	The Coca-Cola Company	Marketing and Manufacturing	3,020	1.57%
Accenture LLP	Consulting	1,900	0.97%	Accenture LLP	Consulting	2,100	1.09%
Cable News network	Media	1,871	0.95%	Turner Broadcasting System, Inc.	Media/Entertainment	1,868	0.97%
Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91%	Cable News network	Media	1,792	0.93%
Tenet Health System, Inc.	Healthcare	1,251	0.64%	Air Service Corp	Transportation	1,386	0.72%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,099	0.56%	AT & T Services Inc.	Telecommunication	1,172	0.61%
Air Service Corp	Transportation	1,060	0.54%	Tenet Health System, Inc.	Healthcare	1,164	0.60%
Atlanta Journal and Constitution	Media	1,008	0.51%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,139	0.59%
Total		20,508	10.43%	Total		21,438	11.13%
		2010		2011**			
Employer	Type Of Business	Employees	Percentage of Total City Employment				
Allied Barton Security Services	Security Services	4,205	2.24%				
International Business Machine Corp.	Technology Services	3,769	2.01%				
The Coca-Cola Company	Marketing and Manufacturing	3,608	1.92%				
Turner Broadcasting System, Inc.	Media/Entertainment	2,000	1.07%				
Cable News network	Media	1,889	1.01%				
Air Service Corp	Transportation	1,665	0.89%				
Accenture LLP	Consulting	1,555	0.83%				
AT & T Services Inc.	Telecommunication	1,247	0.67%				
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,170	0.62%				
Tenet Health System, Inc.	Healthcare	1,164	0.62%				
Total		22,272	11.88%				

¹Employee data from City of Atlanta, Office of Revenue, Business License division

**Atlanta city total employment data from City of Atlanta, Office of Revenue, Business License division

***2011 data not available

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

		Fiscal Period									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government											
	Mayors Office	2	4	4	4	4	4	3	3	3	40
	City Council	48	48	48	49	49	46	42	39	39	4
	Finance	183	200	187	200	239	233	210	183	174	159
	Planning	346	303	310	322	354	388	295	227	181	167
	Procurement	0	39	49	50	56	56	50	40	39	34
	Human Resources	59	50	49	53	73	74	73	62	56	56
Police											
	Officers	1,481	1,478	1,558	1,585	1,647	1,780	1,836	1,786	1,751	1,772
	Civilian	443	441	466	473	483	527	543	434	445	452
Fire											
	Officers	914	899	949	976	1,005	1,054	1,070	939	938	975
	Civilian	61	61	63	65	67	83	49	38	46	46
Corrections											
	Officers	507	321	454	551	615	620	560	473	313	313
	Civilian										
Public Works											
	Streets	624	438	354	358	358	416	399	468	397	396
	Refuse collection	508	426	418	418	418	453	452	385	337	336
Parks, Recreation and Cultural Affairs											
		90	331	341	346	405	405	441	377	304	352
Water/Wastewater											
		655	591	1,064	1,133	1,351	1,547	1,964	1,816	1,680	1,545
Aviation											
		N/A	451	488	593	606	633	690	707	705	575
Total full-time equivalent employees		5,921	6,081	6,802	7,176	7,730	8,319	8,677	7,977	7,408	7,222

Sources: Department of Human Resources City of Atlanta Authorization Summary Report FY11 (11-O-0439)

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

Function/Program	Fiscal Period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Arrests	49,450	46,722	41,107	38,609	39,954	59,374	142,361	42,670	38,628	37,276
Parking violations	67,883	38,808	54,730	39,619	37,339	42,668	79,546	52,577	56,692	17,599
Traffic violations	156,182	133,730	136,043	115,573	102,878	113,925	102,264	107,050	125,011	138,244
Fire										
Emergency responses	51,017	48,303	49,450	58,334	41,886	24,847	54,756	57,292	53,089	58,943
Fires extinguished	2,999	2,546	2,464	2,247	1,620	1,235	2,263	2,096	1,994	2,252
Inspections	12,324	12,867	11,961	9,996	9,317	7,261	7,200	6,439	10,777	9,987
Refuse collection										
Refuse collected (tons per day)	169,000	168,363	153,630	NA	NA	NA	198,954	113,204	115,142	111,312
Other public works										
Miles of streets resurfaced	41	49	43	81	64	78	-	33	13	17
Potholes repaired	N/A	6,422	6,251	3,710	1,158	1,944	1,953	1,152	5,892	6,367
Parks and recreation										
Athletic field permits issued	90	84	85	46	59	59	185	172	165	180
Community center admissions	57,000	57,000	57,500	58,000	59,000	64,900	N/A	97,264	474,945	522,440
Water										
New connections	N/A	N/A	N/A	25,989	27,288	15,716	2,057	1,084	1,100	947
Water main breaks	N/A	N/A	204	224	154	241	329	475	495	431
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	93,100,000	90,320,000	94,130,000
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	111,370,000	101,690,000	118,820,000
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	112,194,000	131,709,000	121,950,000
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	88,648,633	88,430,343	90,852,787

Sources: Various city departments

City of Atlanta

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

Function/Program	Fiscal Period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	10	10	10	10	10	10	10	10	9	10
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	387	416	355	355	355	338	336	336	311	376
Fire stations	34	34	34	35	35	36	37	36	36	35
Refuse collection										
Collection trucks	66	66	66	66	83	83	73	66	66	78
Parks and recreation										
Acreage	2,850	2,835	3,354	3,533	3,533	3,682	3,748	3,755	3,781	3,818
Playgrounds	111	110	105	101	101	101	105	106	107	109
Baseball/softball diamonds	81	81	81	82	82	82	82	82	82	84
Soccer/football fields	5	5	5	5	5	5	21	26	26	26
Community centers	38	33	49	49	49	49	41	42	42	42
Water										
Water mains (miles)	2,414	2,414	2,424	2,424	2,424	2,424	2,766	2,766	2,766	2,766
Storage capacity (thousands of gallons)	247	247	247	247	247	247	247	246	246	246
Wastewater										
Sanitary sewers (miles)	2,000	2,000	2,000	2,000	2,000	2,000	2,259	2,259	2,259	2,259
Treatment capacity (thousands of gallons)	131.8 MGD	156.1 MGD	135 MGD	154MGD	170MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD
Aviation										
Number of Runways	4	4	4	4	5	5	5	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