

**CITY OF
ATLANTA**



**FOR YEAR ENDED JUNE 30, 2012
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**KASIM REED
MAYOR**





THE CITY OF ATLANTA, GEORGIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended June 30, 2012

Kasim Reed
Mayor

J. Anthony Beard
Chief Financial Officer

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

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Introductory Section

Atlanta



CITY OF ATLANTA

Kasim Reed
MAYOR

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

J. Anthony Beard
CHIEF FINANCIAL OFFICER

TEL (404) 330-6100

December 31, 2012

The Honorable Ceasar 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, 2012. 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 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 *KPMG, LLP*. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2012, 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, 2012, are fairly presented and 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.

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 5,268,860 in the Atlanta Metropolitan area, according to the 2010 United States Census Bureau. The Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area (commonly referred to as Metropolitan Atlanta) is the ninth largest metropolitan area in the country. 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 adopting 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, overseeing the day-to-day operations of the City and 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.

Annual budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds with the level of legal budgetary control established at the office level by City Council. The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. 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. Appropriations for capital projects are adopted by the City Council principally on an individual basis, when the project is initially approved.

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 to ensure 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. During 2012, the City established a separate enterprise fund for the building permitting function. The City is responsible for water and

wastewater operations and infrastructure and operates 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, 2012, 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 Invest Atlanta (IA), formerly 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, utilizes its redevelopment agent Invest Atlanta, formerly the Atlanta Development Authority. Invest Atlanta issues limited obligation Tax Allocation District (“TAD”) bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City, but are secured solely by and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD that exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station mixed-use development and the opening of the world’s largest Aquarium were products of TAD bonds and further strengthen the City’s core business districts. Public transportation initiatives like the Atlanta BeltLine will also play a vital role in ensuring continued building and investing in the City.

LOCAL ECONOMY

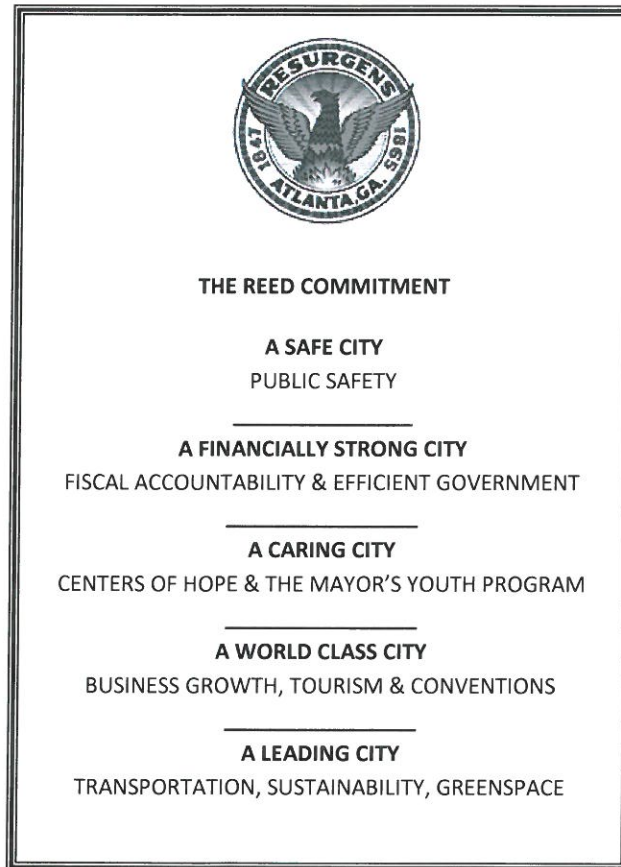
Atlanta has a gross domestic product of approximately \$260 billion, which ranks it 15th in the world. Home to the world’s most-traveled and most efficient airport – Hartsfield-Jackson Atlanta International Airport – metro Atlanta is a leading center for business activity and logistics. Atlanta is a major national and international transportation hub and is among the top three distribution cities in the U.S. – with 40 percent of North American manufacturing and distribution locations within 500 miles of the city. Atlanta is home to 13 FORTUNE 500 company headquarters.

The City 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. Over the last 10 years, the largest growth sectors in the City have been education and healthcare, followed by the leisure and hospitality industries. Atlanta was recently ranked 10th in the country as a major technology market, underscoring the sector’s role as an economic development engine. The vitality of these industries – combined with an increased interest in living in urban centers will continue to support the City’s revenue base.

The Atlanta area is home to over 57 colleges and universities enrolling more than 250,000 students annually. The City is poised to benefit from national trends of population shifting 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.

MAJOR INITIATIVES AND FINANCIAL PLANNING



Over the past two years, the City has hired more than 600 new police officers. The fiscal 2013 adopted budget includes funding for a police force of 2,000, which would represent the largest police force in the City's history. In addition, the City's Fire & Rescue Department is now fully staffed, with 4 firefighters per engine, an accomplishment that hasn't been achieved in more than a decade. Four new fire stations have been added since 2010, helping ensure quick response times to the 85,000 emergency calls that Atlanta firefighters respond to annually.

Although property values continued to decline during 2012, putting pressure on the largest revenue source for the General Fund, the City was again able to improve its financial position at the end of the fiscal year. Strong cost control, targeted investment and conservative revenue projections resulted in a General Fund operating surplus. Over the last 3 fiscal years the City's General Fund has produced over \$140 million in operating surplus, which has allowed \$29 million to be invested the Capital Projects Fund and a \$117 million increase in unrestricted fund balance. During fiscal 2013, the City will be revamping its 5 year planning process in order to prioritize investment based on different economic scenarios or outcomes.

The Maynard Holbrook Jackson International Terminal was completed and began serving passengers in the fourth quarter of 2012. The cutting-edge facility is a new global gateway through which travelers

throughout the world will connect with over 150 American cities. Over the last two years, all of the City's recreation centers have been opened. Renovations to these "Centers of Hope" represent the City's commitment to provide a safe and compelling environment for families. The first Sustainability Plan, "Power to Change," will help the City achieve its goal of becoming a top-ten city in the nation for sustainability. The SHINE initiative 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.

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 27th 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.

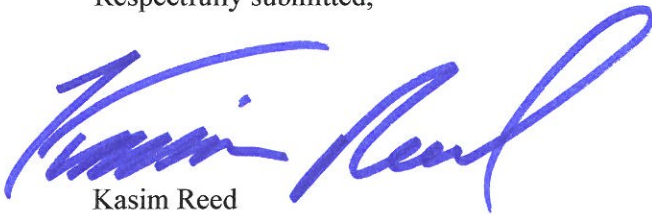
OTHER INFORMATION

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 KPMG, LLP 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,



Kasim Reed
Mayor



J. Anthony 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, 2011

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. Danison

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

Duriya Farooqui

Chief of Staff

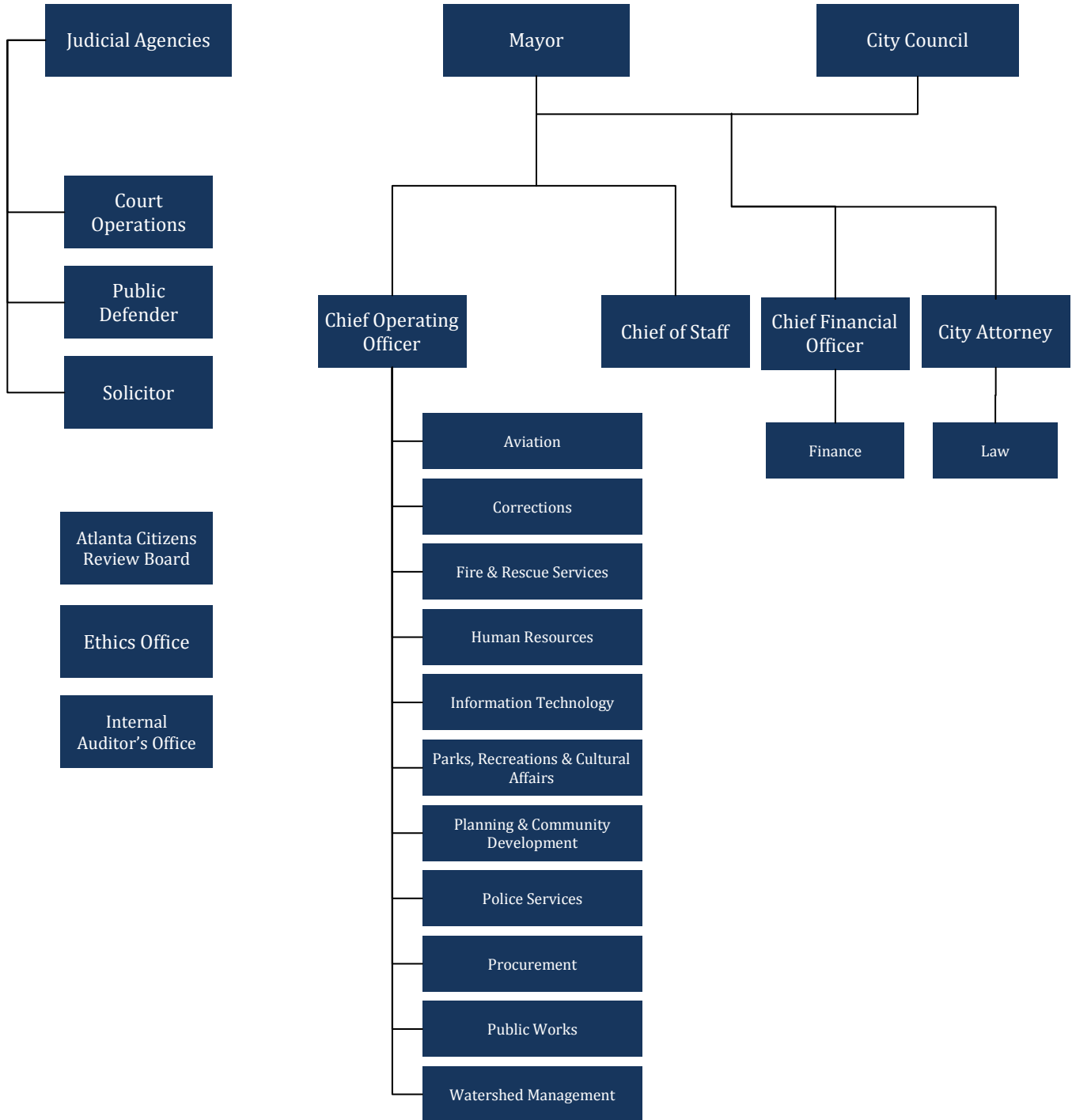
Candace L. Byrd

Chief Financial Officer

J. Anthony 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	Nina Hickson
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



KPMG LLP
Suite 2000
303 Peachtree Street, NE
Atlanta, GA 30308

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 fund information of the City of Atlanta, Georgia (the City) as of and for the year ended June 30, 2012, 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, Atlanta Development Authority and the Atlanta Housing Opportunity, Inc., which collectively represent all of the City's aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that



testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3-18, the budgetary comparison information on page 104, and the schedules of funding progress for the pension plans and other postemployment benefit plan on page 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

December 31, 2012

KPMG LLP

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

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, 2012, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2012 with the year ended June 30, 2011. 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 2012 by \$7.3 billion. This amount represents the City's Net Position. Of this amount, \$1.2 billion in unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$273.5 million or 3.9% compared to 2011.
- As of the close of 2012, the City's governmental funds reported combined ending fund balances of \$510.2 million. The unrestricted General Fund balance of \$107.1 million is available for spending at the City's discretion, and represents approximately 20% of General Fund budgeted expenditures for fiscal year 2013.
- The City's long-term debt, including capital leases, at June 30, 2012 totaled \$7.5 billion, a net increase of \$303.7 million or 4.2% from the prior year's balance of \$7.2 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 Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *Net Position*. Over time, increases or decreases in Net Position 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 Position changed during the most recent fiscal year. All changes in the Net Position 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

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

System), Sanitation, Parks and Recreational Facilities, Underground Atlanta, Parking Deck, Building Permits Fund, 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., Invest Atlanta (formerly The 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 eight 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 and municipal option sales tax (MOST) 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.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

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.

The City has a formal fund balance policy applicable to governmental funds included in its Charter. The policy defines fund balance categories consistent with Governmental Accounting Standards Board Statement 54, sets spending priority within the categories, establishes the authority to *commit* or *assign* balances and establishes a minimum fund balance for the general fund. In addition, the policy addresses the time period required for the general fund to replenish any deficiency in the minimum fund balance, as well as specifying how fund balance above the recommended range may be spent. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements, section I D. Assets, Liabilities, Deferred Outflows\Inflows and Net Position or Fund Balances.

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, Sanitation, Parks and Recreational Facilities, Underground Atlanta, Parking Deck, Building Permits Fund, 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 Position and change in Net Position 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 business-type activities in 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

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

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 Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$7.3 billion at the close of the year ended June 30, 2012. Table 1 summarizes the major categories of assets, liabilities and Net Position for governmental activities, business-type activities, and the government as a whole.

Table 1. City of Atlanta Net Position, Year Ended June 30, 2012 and June 30, 2011 (in thousands):

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-12	As of 30-Jun-11	As of 30-Jun-12	As of 30-Jun-11	As of 30-Jun-12	As of 30-Jun-11
Current and other assets and deferred outflows	\$ 639,801	\$ 589,855	\$ 3,472,979	\$ 3,488,360	\$ 4,112,780	\$ 4,078,215
Capital assets, net of depreciation	1,045,146	1,080,061	10,554,234	10,263,526	11,599,380	11,343,587
Total assets and deferred outflows	<u>1,684,947</u>	<u>1,669,916</u>	<u>14,027,213</u>	<u>13,751,886</u>	<u>15,712,160</u>	<u>15,421,802</u>
Long-term liabilities						
Current	159,274	163,026	432,116	714,418	591,390	877,444
Non-Current	1,158,574	1,174,445	6,704,864	6,386,098	7,863,438	7,560,543
Total liabilities	<u>1,317,848</u>	<u>1,337,471</u>	<u>7,136,980</u>	<u>7,100,516</u>	<u>8,454,828</u>	<u>8,437,987</u>
Net Position						
Invested in capital assets, net of related debt	20,334	58,841	4,750,503	4,879,760	4,770,837	4,938,601
Restricted	394,893	391,715	869,781	767,474	1,264,674	1,159,189
Unrestricted	(48,128)	(118,111)	1,269,949	1,004,136	1,221,821	886,025
Total Net Position	<u>\$ 367,099</u>	<u>\$ 332,445</u>	<u>\$ 6,890,233</u>	<u>\$ 6,651,370</u>	<u>\$ 7,257,332</u>	<u>\$ 6,983,815</u>

As of June 30, 2012, 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 Position, \$4.8 billion (65.8%) 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 Position, \$1.3 billion (17.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1.2 billion (16.8%) in unrestricted Net Position may be used to meet the government's ongoing obligations of the City.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

Financial Analysis - Government-wide Statements, continued

For business-type activities, the City reported a positive balance of \$ 1.3 billion in unrestricted Net Position and for governmental activities, the City reported a negative balance of \$48.1 million in unrestricted Net Position. The City reported a positive balance of \$107.1 million in unrestricted fund balance (assigned plus unassigned fund balance) for the general fund at the end of the fiscal year.

Unrestricted fund balance represents the spendable resources available for governmental activities, without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted Net Position are changes in accrued receivables or payables, operating losses in the internal service fund operations, charges related to post-employment benefits and expenses related to workers compensation and vacation obligations.

Table 2. City of Atlanta's Changes in Net Position, Year Ended June 30, 2012 and June 30, 2011 (in thousands):

	Governmental Activities		Business-type Activities		Total	
	Year Ended 30-Jun-12	Year Ended 30-Jun-11	Year Ended 30-Jun-12	Year Ended 30-Jun-11	Year Ended 30-Jun-12	Year Ended 30-Jun-11
Revenues						
Program revenues						
Charges for services	\$ 115,654	\$ 120,684	\$ 929,429	\$ 901,150	\$ 1,045,083	\$ 1,021,834
Operating grants and contributions	56,663	60,013	-	-	56,663	60,013
Capital grants and contributions	-	40,930	238,639	241,456	238,639	282,386
General revenues						
Property taxes	287,279	320,371	-	-	287,279	320,371
Other taxes	381,430	376,514	-	-	381,430	376,514
State formula aid	299	-	-	-	299	-
Investment income (loss)	2,728	3,825	(31,724)	(68,498)	(28,996)	(64,673)
Other	8,185	6,391	(12)	-	8,173	6,391
Total revenues	<u>852,238</u>	<u>928,728</u>	<u>1,136,332</u>	<u>1,074,108</u>	<u>1,988,570</u>	<u>2,002,836</u>
Expenses:						
General government:	213,165	239,306	-	-	213,165	239,306
Police	217,777	197,598	-	-	217,777	197,598
Fire	89,016	83,596	-	-	89,016	83,596
Corrections	35,001	25,520	-	-	35,001	25,520
Public Works	47,397	54,442	-	-	47,397	54,442
Parks, Recreation and Cultural Affairs	46,280	41,939	-	-	46,280	41,939
Interest on long-term debt	45,368	47,629	-	-	45,368	47,629
Water and Wastewater System	-	-	459,789	444,133	459,789	444,133
Department of Aviation	-	-	504,918	437,659	504,918	437,659
Sanitation	-	-	39,162	36,383	39,162	36,383
Other	-	-	17,180	11,311	17,180	11,311
Total Expenses	<u>694,004</u>	<u>690,030</u>	<u>1,021,049</u>	<u>929,486</u>	<u>1,715,053</u>	<u>1,619,516</u>
Increase (decrease) in Net Position before transfers	158,234	238,698	115,283	144,622	273,517	383,320
Transfers in(out)	<u>(123,580)</u>	<u>(120,880)</u>	<u>123,580</u>	<u>120,880</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net Position	34,654	117,818	238,863	265,502	273,517	383,320
Net Position, Beginning 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>
Net Position, End of Period	<u>\$ 367,099</u>	<u>\$ 332,445</u>	<u>\$ 6,890,233</u>	<u>\$ 6,651,370</u>	<u>\$ 7,257,332</u>	<u>\$ 6,983,815</u>

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

Financial Analysis - Government-wide Statements, continued

Revenue for the City in fiscal year 2012, which totaled slightly under \$2.0 billion, decreased by \$14.3 million or 0.7% when compared to the year ended June 30, 2011. Property taxes during fiscal year 2012 decreased by \$33.1 million or 10.3%, primarily due to changes in the assessed value of the tax digest. Capital grants and contributions decreased by \$43.7 million compared to the year ended June 30, 2011. This decrease is mainly attributable to a one-time \$40.9 million donation of capital assets (AJC building and land at 72 Marietta Street) recorded in the prior fiscal year. Charges for services increased \$23.2 million for the primary government as a whole, however charges for governmental activities were down \$5.0 million or 4.2% in contrast with business-type activities charges which increased by \$28.3 million or 3.1%. The increased charges for business-type activities were mainly a result of the waste and wastewater rate increases that were effective July 1, 2011. Investment loss for business-type activities decreased by \$36.7 million, including a \$57.7 million unrealized loss recorded for the Department of Watershed in connection with interest rate SWAP investments.

Total expenses for the City were \$1.7 billion in fiscal year 2012, up \$95.5 million or 5.9% when compared to fiscal year 2011. Total expenses for governmental activities, excluding transfers, reflect an increase of \$4.0 million or 0.6% 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 \$91.6 million, or 9.9% compared to fiscal 2011. The increase in expenses for business-type activities was mainly due to increased interest expense during fiscal 2012; 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).

The City's Net Position increased by \$273.5 million, or 3.9%, during the current period. The net position for governmental funds increased by \$34.7 or 10.4%, while the net position of business-type funds increased by \$238.9 million or 3.6%. 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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CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2012**

Financial Analysis - Government-wide Statements, continued

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, 2012 (in thousands):

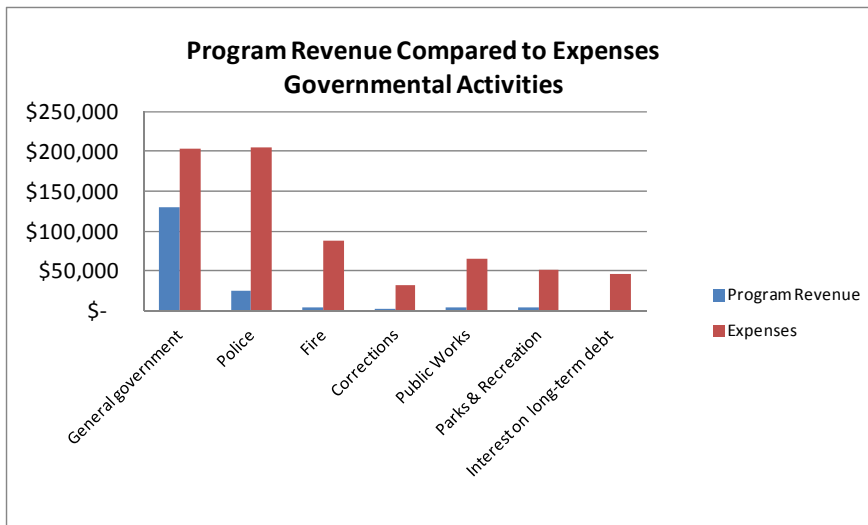
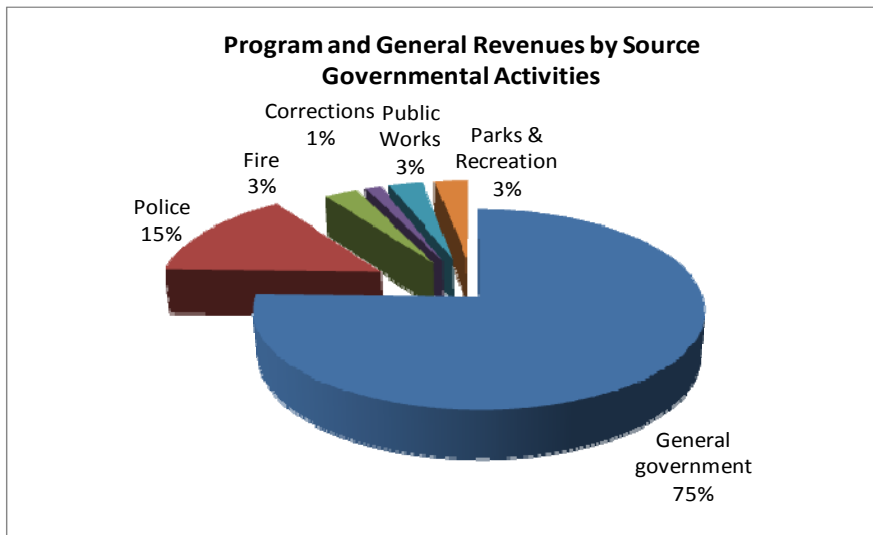


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2012 (in thousands):



CITY OF ATLANTA, GEORGIA

Management’s Discussion and Analysis (Unaudited) June 30, 2012

Financial Analysis – Business-type activities

Business-type activities - The net position of the City’s business-type activities increased by \$238.9 million, representing growth of 3.6 % since June 30, 2011. 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, 2012 (in thousands):

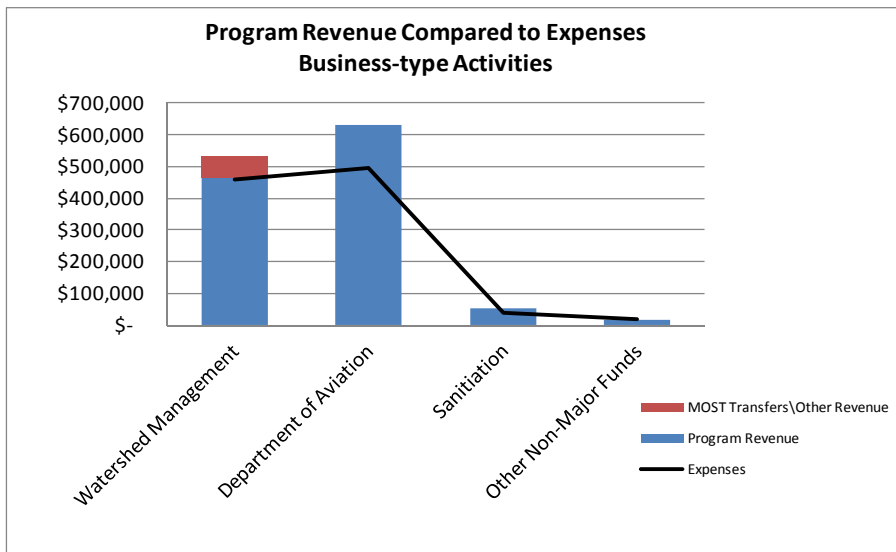
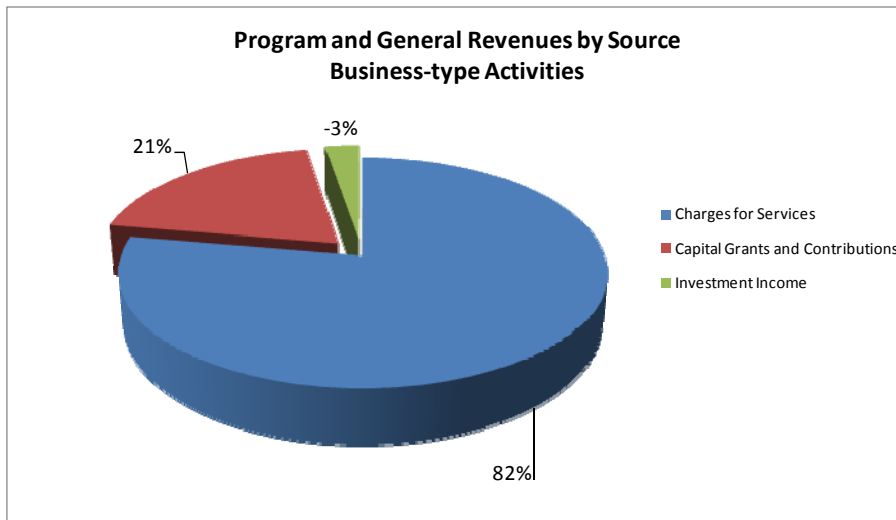


Figure 4. Program Revenues for Business-type Activities, Year Ended June 30, 2012 (in thousands):



CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

Financial Analysis – Business-type activities, continued

Department of Watershed Management (DWM) The net position for DWM for the twelve month period ended June 30, 2012 increased by \$74.7 million or 3.2% to \$2.4 billion.

Table 3. Department of Watershed Management Revenues and Expenses – Year Ended June 30, 2012 and June 30, 2011 (in thousands):

	Year Ended June 30	
	2012	2011
REVENUES		
Total operating revenues	\$ 466,052	\$ 433,183
Non-operating revenues (loss)	(47,588)	(81,316)
Transfers, net	116,035	110,828
Total revenues	\$ 534,499	\$ 462,695
EXPENSES		
Total operating expenses	\$ 302,587	\$ 311,524
Interest expense	157,202	133,057
Total expenses	\$ 459,789	\$ 444,581
Change In Net Position	\$ 74,710	\$ 18,114

Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by \$32.9 million or 7.6% to \$466.1 million. The increase in operating revenue was due primarily to a Waste and Wastewater rate increase which became effective July 1, 2011. Non-operating revenue includes investment income or loss. An unrealized loss on investments related to interest rates swaps of \$57.5 million is included for the year ended June 30, 2012 compared to \$91.6 million in the prior fiscal year. Transfer revenue includes the Municipal Option Sales Tax (MOST); for fiscal year 2012 the MOST transfer totaled \$115.1 million compared with \$110.0 million in fiscal year 2011. Total revenues for the year ended June 30, 2012 increased \$71.8 million or 15.5% to \$534.5 million.

Total operating expenses were down \$8.9 million or 2.9% to \$302.6 million when compared to the year ended June 30, 2011. The decrease is primarily driven by certain one-time adjustments related to the PILOT (payment in lieu of taxes) charges recorded during fiscal year 2011, amounting to \$8.6 million. The increase in operating revenues and the decrease in operating expenses resulted in an operating margin increase of \$41.8 million or 34.4% compared to fiscal year 2011.

Net interest expense increased by \$24.1 million year-over-year compared to fiscal year 2011. Gross interest expense remained flat at approximately \$186 million, however, the continued decline of construction-in-progress balances resulted in a year-over-year reduction in capitalized interest of \$25.9 million. Total expenses increased \$15.2 million or 3.4% to \$459.8 million. Net Position increased by \$74.7 million or 3.2% for the year ended June 30, 2012.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

Financial Analysis – Business-type activities, continued

Department of Aviation (DOA) The Net Position of the DOA for the twelve month period ended June 30, 2012 increased by \$143.6 million or 3.3% to \$4.5 billion.

Table 4. Department of Aviation Revenues and Expenses – Year Ended June 30, 2012 and June 30, 2011 (in thousands):

	Year Ended June 30	
	2012	2011
REVENUES		
Operating revenues	\$ 394,132	\$ 411,213
Investment income	16,063	13,798
Non-operating revenues	230,375	243,699
Transfers, net	-	194
Total revenues	<u>\$ 640,570</u>	<u>\$ 668,904</u>
EXPENSES		
Operating expenses	\$ 384,615	\$ 355,770
Interest expense	112,314	84,010
Total expenses	<u>\$ 496,929</u>	<u>\$ 439,780</u>
 Change In Net Position	 <u>\$ 143,641</u>	 <u>\$ 229,124</u>

Total revenues for the year ended June 30, 2012 of \$640.6 million were down \$28.3 million or 4.2% 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 decreased \$17.1 million, or 4.2% in comparison to fiscal year 2011. The decrease in operating revenue was mainly a result of lower cost recovery revenue related to the consolidated rental car facility and a one-time legal cost recovery of \$5.6 million recognized in fiscal year 2011.

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 by \$8.9 million or 4.6% year-over-year. Investment income increased by \$2.3 million or \$16.4% during fiscal year 2012. Additionally there were fewer federally funded projects in fiscal year 2012 resulting in a decrease of capital contributions of approximately \$11.9 million for a total of \$37.5 million.

Total expenses for the year ended June 30, 2012 were \$496.9 million. Total expenses consist of operating and non-operating. Operating expenses for the period were \$384.6 million which reflects an increase of \$28.8 million or 8.1% over June 30, 2011. Interest expense increased by approximately \$28.3 million year-over-year in part due to the series 2012 A\B\C bonds issued during in May 2012. In total, long term debt increased by \$413.7 million during fiscal year 2012. Depreciation and amortization expense increased by \$12.2 million or 8.0% due mainly to the first full year of depreciation for the Consolidated Rental Car Facility (CONRAC) combined with two months of depreciation expense for the Hartsfield-Jackson International Concourse which was placed in-service during May 2012.

CITY OF ATLANTA, GEORGIA

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Financial Analysis – Business-type activities, continued

The restricted portion of the DOA's Net Position 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 Position may be used to meet any of the DOA's ongoing capital and operating obligations. The balance in unrestricted Net Position at June 30, 2012 increased by \$43.9 million or 7.0% to \$668.3 million compared to \$624.4 million at June 30, 2011.

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, 2012, the City's governmental funds reported combined ending fund balances of \$510.2 million, an increase of \$37.5 million or 7.9%. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2012, the City has an unassigned fund balance of \$56.8 million, an increase of \$12.3 million compared to fiscal year 2011.

The general fund is the chief operating fund of the City. During fiscal 2012, the fund balance of the general fund increased by \$32.4 million or 34.3% to \$126.7 million. The increase in fund balance was enabled by revenue collections that were consistent with the adopted budget combined with closely monitored spending. The major portion of the 2012 surplus was the adopted 5% budget reserve of \$27.5 million which was not available for spending at the department level. The unassigned fund balance, which is available for use without restriction, increased by \$7.0 million to \$80.2 million. *Unrestricted* fund balance is the combination of unassigned fund balance (\$80.2 million) and assigned fund balance (\$26.9 million) and totals \$107.1 million. The remainder of the fund balance in the general fund is comprised of nonspendable (\$4.4 million) and restricted (\$15.2 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 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 2012 increased by \$5.1 million or 4.6% to \$115.1 million as compared with \$110.0 million collected during the fiscal year 2011. The MOST was originally approved by voters in July 2004 and subsequently reauthorized in February 2008 and again in March 2012. It is currently set to expire in 2016. The MOST is a significant funding source for the DWM and represents approximately 20% of total DWM revenue.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

Financial Analysis – Business-type activities, continued

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. Each departmental expenditure budget must be developed and justified each year during the legally required budget adoption process. Total 2012 General Fund revenues were \$494.7 million, \$12.2 million less than the final budget of \$506.9 million. This shortfall was offset by \$13.7 million included in other financing sources, in proceeds from sale of assets, for the sale of City Hall East during fiscal 2012. Modest over-collections in property and other taxes as well as fines, forfeitures and penalties helped offset the budgeted revenue shortfall.

Total 2012 General Fund expenditures were \$459.0 million, \$60.8 million or 11.7% less than the final budgeted expenditures. During fiscal year 2012 the General Fund made a \$10 million principal payment to the Department of Watershed Management under the 2008 Memorandum of Understanding as repayment of an advance, however, the payment is properly recorded as a balance sheet entry and does not flow through expenditures. Additionally, there was \$8.6 million in debt service budgeted and paid by the General Fund, but transferred to a non-major enterprise fund (Underground). Finally, the General Fund budget for fiscal year 2012 included 5% of revenue anticipations to be set aside as a fund balance reserve (\$27.5 million).

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, 2012 totaled \$11.6 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, 2012 was \$255.8 million or 2.3%.

Major capital asset events during the year ended June 30, 2012 included the following:

- Buildings & building improvements increased by \$1.7 billion during fiscal 2012 primarily due to construction in progress being completed on the Hartsfield-Jackson International Terminal.
- Construction in progress (CIP) decreased by a net \$1.4 billion due mostly to the aforementioned terminal being placed in service in May 2012. There was \$449.9 million added to the CIP balance related to various DOA and DWM projects and \$17.0 million added to CIP related to governmental projects.
- Depreciation expense during the fiscal year totaled \$311.1 million for the primary government.

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2012**

Capital Assets and Debt Administration, continued

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

Table 5. Capital Assets Schedule Fiscal 2012

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-12	As of 30-Jun-11	As of 30-Jun-12	As of 30-Jun-11	As of 30-Jun-12	As of 30-Jun-11
Land	\$ 148,561	\$ 148,482	\$ 1,028,454	\$ 996,543	\$ 1,177,015	\$ 1,145,025
Land improvements	6,496	8,137	1,418,022	1,469,824	1,424,518	1,477,961
Buildings and building improvements	377,461	393,149	7,514,865	5,807,267	7,892,326	6,200,416
Other property and equipment	76,051	87,939	106,393	85,843	182,444	173,782
Infrastructure	302,373	321,845	-	-	302,373	321,845
Construction in progress	134,204	120,509	486,500	1,904,049	620,704	2,024,558
Total	\$ 1,045,146	\$ 1,080,061	\$ 10,554,234	\$ 10,263,526	\$ 11,599,380	\$ 11,343,587

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, reflected a net increase of \$303.7 million or 4.2% during the current twelve-month period. The increase is primarily attributed to the General Airport Revenue Series 2012 Bonds issued in the aggregate amount of \$474.1 million during May 2012. In total, Department of Aviation debt increased by \$413.7 million compared to June 30, 2011. General and limited obligation debt decreased by \$36.7 million and Department of Watershed Management debt, including GEFA notes payable, decreased by \$47.1 million. Government-wide capital lease obligations decreased by \$16.4 million during the current fiscal year.

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CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2012**

Capital Assets and Debt Administration, continued

Table 6. Long-Term Debt Schedule Fiscal 2012

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	<u>30-Jun-12</u>	<u>30-Jun-11</u>	<u>30-Jun-12</u>	<u>30-Jun-11</u>	<u>30-Jun-12</u>	<u>30-Jun-11</u>
General obligation and annual bonds	\$ 230,680	\$ 244,965	\$ -	\$ -	\$ 230,680	\$ 244,965
Premium on bonds	8,630	10,112	-	-	8,630	10,112
SWMA revenue refunding bonds	16,745	18,020	-	-	16,745	18,020
Less: Deferred amount on refunding	(326)	(362)	-	-	(326)	(362)
Limited obligation bonds	614,500	634,595	-	-	614,500	634,595
Discount on bonds	2,210	2,538	-	-	2,210	2,538
Less: Deferred amount on refunding	(12,849)	(13,531)	-	-	(12,849)	(13,531)
Section 108 loans	2,890	4,025	-	-	2,890	4,025
Other General Long-term Obligations	86,537	93,678	-	-	86,537	93,678
Notes Payable	11,026	12,590	-	-	11,026	12,590
Water and Wastewater Revenue Bonds	-	-	3,084,229	3,129,056	3,084,229	3,129,056
Premium on bonds	-	-	23,526	24,675	23,526	24,675
Other	-	-	3,720	10,920	3,720	10,920
GEFA notes payable	-	-	147,940	141,823	147,940	141,823
Airport Facilities Revenue Bonds	-	-	3,075,802	2,726,069	3,075,802	2,726,069
Issuance discount and refunding losses	-	-	119,464	55,478	119,464	55,478
Underground Atlanta	-	-	-	-	-	-
Capital Leases:						
General fund	69,349	76,567	-	-	69,349	76,567
Water and Wastewater System	-	-	7,611	9,643	7,611	9,643
Parking Deck	-	-	21,040	21,685	21,040	21,685
Underground Atlanta	-	-	29,415	35,895	29,415	35,895
Total	\$ 1,029,392	\$ 1,083,197	\$ 6,512,747	\$ 6,155,244	\$ 7,542,139	\$ 7,238,441

The City's underlying ratings for its bond issuances at June 30, 2012 were as follows:

Table 7. City of Atlanta Bond Ratings, Fiscal 2012

CITY OF ATLANTA			
MUNICIPAL BOND RATINGS			
BOND TYPE	MUNICIPAL CREDIT RATING		
	Moody's Investors Service	Standard & Poor's	Fitch
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+

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2012

Capital Assets and Debt Administration, continued

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 is managing with cautious optimism that the effects of the recession have peaked and stability is returning in certain areas. The City's Local Option Sales Tax (LOST) increased for the fourth year in a row during fiscal 2012 and is now close to 90% of pre-recession levels, compared with a low of 78% in 2008. Residential home prices have also showed signs of firming in certain areas of the City.

The City's ability to persevere through 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. Atlanta's high concentration of service industry jobs has been a key factor in its resiliency. The City's diverse industry mix is anchored by the government, technology, trade, health, education, finance, insurance and real estate sectors.

The 2012-2013 economic outlook for Atlanta remains for the City to see slow but steady recovery. The 28 county Atlanta MSA is forecasted to add 9,000 jobs year over year. The City is seeing a gradual rise in tourism and travel which is also providing positive signs of an overall recovery. Georgia and Atlanta have been dependent on population growth for decades. Whereas pre-recession population growth consistently exceeded the national number, the forecast in the near term is only slightly above the national growth rate. Non-residential construction and banking sector concerns are expected to weigh heavy on the Georgia economy for the near future.

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 2013. 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 2013 budget include:

- General Fund revenue anticipation of \$542.3 million, with no changes to the property tax millage rate and assuming a 97% collection rate. This compares to \$550.6 million in 2012.
- Department of Watershed Management revenue anticipation of \$537.7 million, an increase of \$23.7 million or 4.6% compared to fiscal 2012.
- Department of Aviation revenue anticipation of \$483.5 million, an increase of \$77.1 million or 18.9% compared to fiscal 2012.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2012

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.



Basic Financial Statements

Atlanta

CITY OF ATLANTA, GEORGIA

Statement of Net Position

June 30, 2012

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,281	\$ 23,080	\$ 27,361	\$ 16,364
Restricted cash	410,582	195,490	606,072	41,693
Equity in cash management pool	142,648	1,052,604	1,195,252	-
Investments	286	-	286	644
Receivables (net of allowances for uncollectables)	61,283	106,783	168,066	4,667
Due from other governments	14,787	35,239	50,026	-
Due from primary government	-	-	-	367
Due from component unit	-	-	-	1,355
Capital lease receivable, current portion	-	-	-	840
Internal balances	(62,856)	62,856	-	-
Inventories	-	20,569	20,569	-
Other restricted assets	-	47,318	47,318	-
Prepaid expenses and other assets	-	973	973	751
Total current assets	571,011	1,544,912	2,115,923	66,681
Noncurrent assets:				
Restricted cash	-	1,157,825	1,157,825	35,822
Restricted investments	-	574,139	574,139	8,561
Investments	-	-	-	3,562
Due from primary government	-	-	-	16,900
Capital assets:				
Capital assets not being depreciated	282,765	1,514,954	1,797,719	162,433
Capital assets being depreciated	1,735,628	13,023,623	14,759,251	302,229
Less accumulated depreciation	(973,247)	(3,984,343)	(4,957,590)	(132,943)
Investments in joint venture	-	83,066	83,066	-
Investments in escrow	18,260	-	18,260	-
Due from component unit	-	25,000	25,000	28,327
Other assets	50,530	58,548	109,078	14,258
Long-term receivable	-	-	-	58,893
Total noncurrent assets	1,113,936	12,452,812	13,566,748	498,042
Total Assets	1,684,947	13,997,724	15,682,671	564,723
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of derivative instruments	-	29,489	29,489	-
Total Assets and Deferred Outflows of Resources	1,684,947	14,027,213	15,712,160	564,723
LIABILITIES				
Current liabilities				
Accounts payable	48,793	95,636	144,429	4,740
Accrued expenses and vacations	9,059	28,685	37,744	-
Accrued interest payable	-	101,256	101,256	4,797
Claims payable	12,318	8,568	20,886	-
Contract retentions	1,404	31,078	32,482	-
Due to other governments	10,007	-	10,007	-
Due to primary government	-	-	-	103
Other liabilities	-	4,163	4,163	25,809
Unearned revenues	12,312	-	12,312	2,635
Current portion of long-term debt, capital leases, SWAPS	59,298	162,595	221,893	20,440
Current portion of other liabilities	6,083	135	6,218	-
Total current liabilities	159,274	432,116	591,390	58,524
Noncurrent liabilities				
Noncurrent portion of long-term debt	900,745	6,301,726	7,202,471	341,130
Noncurrent portion of capital leases	69,349	48,426	117,775	-
Noncurrent portion of contract retentions	-	14,557	14,557	-
Deferred revenue	-	-	-	-
Net OPEB obligation	143,481	120,651	264,132	-
Due to primary government	-	-	-	25,000
Due to component unit	-	-	-	-
Other long-term liabilities	44,999	219,504	264,503	37,937
Total non-current liabilities	1,158,574	6,704,864	7,863,438	404,067
Total Liabilities	1,317,848	7,136,980	8,454,828	462,591
NET POSITION				
Invested in capital assets, net of related debt	20,334	4,750,503	4,770,837	79,870
Restricted for:				
Debt service	292,407	397,231	689,638	-
Programs	70,715	-	70,715	68,488
Capital projects	58,963	472,550	531,513	-
Unrestricted	(75,320)	1,269,949	1,194,629	(46,226)
Total Net Position	\$ 367,099	\$ 6,890,233	\$ 7,257,332	\$ 102,132

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
Statement of Activities
For the Year Ended June 30, 2012
(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	TOTALS	
Primary Government								
Governmental activities:								
General government	\$ 213,165	\$ 91,008	\$ 39,161	\$ -	\$ (82,996)	\$ -	\$ (82,996)	
Police	217,777	16,729	8,666	-	(192,382)	-	(192,382)	
Fire	89,016	640	4,186	-	(84,190)	-	(84,190)	
Corrections	35,001	2,300	-	-	(32,701)	-	(32,701)	
Public Works	47,397	2,421	2,379	-	(42,597)	-	(42,597)	
Parks, Recreation and Cultural Affairs	46,280	2,556	2,271	-	(41,453)	-	(41,453)	
Interest on long-term debt	45,368	-	-	-	(45,368)	-	(45,368)	
Total Governmental activities	694,004	115,654	56,663	-	(521,687)	-	(521,687)	
Business-type activities:								
Watershed Management	459,789	466,052	-	275	-	6,538	6,538	
Aviation	504,918	394,132	-	238,364	-	127,578	127,578	
Sanitation	39,162	53,993	-	-	-	14,831	14,831	
Parks and Recreational Facilities	512	512	-	-	-	-	-	
Underground Atlanta	7,268	1,898	-	-	-	(5,370)	(5,370)	
Parking Deck	1,450	698	-	-	-	(752)	(752)	
Permit Fund	5,955	10,716	-	-	-	4,761	4,761	
Civic Center	1,995	1,428	-	-	-	(567)	(567)	
Total Business-type activities	1,021,049	929,429	-	238,639	-	147,019	147,019	
Total Primary Government	\$ 1,715,053	\$ 1,045,083	\$ 56,663	\$ 238,639	\$ (521,687)	\$ 147,019	\$ (374,668)	
Component Units	\$ 63,966	\$ 19,555	\$ 10,328	\$ 29,305				\$ (4,778)

General revenues:

Taxes:				
Property Taxes Levied for general purposes	184,021	-	184,021	-
Property Taxes Levied for debt service	103,258	-	103,258	-
Local and Municipal Option Sales Tax	212,536	-	212,536	-
Public utility, alcoholic beverage and other taxes	168,894	-	168,894	6,625
Federal and State aid not restricted	299	-	299	-
Investment income (loss)	2,728	(31,724)	(28,996)	407
Gain on sale of assets	8,185	-	8,185	-
Other	-	(12)	(12)	2,705
Total General revenues	679,921	(31,736)	648,185	9,737
Transfers	(123,580)	123,580	-	-
Total general revenues, special items and transfers	556,341	91,844	648,185	9,737
Change in net position	34,654	238,863	273,517	4,959
Net Position - beginning of period	332,445	6,651,370	6,983,815	97,173
NET POSITION- END OF PERIOD	\$ 367,099	\$ 6,890,233	\$ 7,257,332	\$ 102,132

The accompanying notes are an integral part of this statement.



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CITY OF ATLANTA, GEORGIA

Balance Sheet
 Governmental Funds
 June 30, 2012
 (Dollars in Thousands)

	<u>General Fund</u>	<u>Municipal Option Sales Tax (MOST)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,413	\$ 442	\$ 2,221	\$ 4,076
Cash and cash equivalents, restricted	-	-	410,582	410,582
Equity in cash management pool	108,489	29	26,387	134,905
Investments	-	-	286	286
Receivables:				
Taxes	12,334	10,152	18,923	41,409
Accounts	17,530	-	1,633	19,163
Due from other governments	-	-	14,787	14,787
Due from other funds	112,994	-	580	113,574
Investments in escrow	18,260	-	-	18,260
TOTAL ASSETS	<u>\$ 271,020</u>	<u>\$ 10,623</u>	<u>\$ 475,399</u>	<u>\$ 757,042</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 33,732	\$ -	\$ 13,303	\$ 47,035
Accrued expenses	7,656	-	742	8,398
Contract retentions	-	-	1,404	1,404
Due to other governments	-	-	10,007	10,007
Due to other funds	5,454	10,623	52,228	68,305
Advance due to other funds	86,199	-	-	86,199
Deferred revenue	10,749	-	2,447	13,196
Unearned revenue	510	-	11,802	12,312
Total Liabilities	<u>144,300</u>	<u>10,623</u>	<u>91,933</u>	<u>246,856</u>
Fund Balances (Deficit):				
Nonspendable	4,377	-	-	4,377
Restricted	15,231	-	406,854	422,085
Assigned	26,877	-	-	26,877
Unassigned	80,235	-	(23,388)	56,847
Total fund balances	<u>126,720</u>	<u>-</u>	<u>383,466</u>	<u>510,186</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 271,020</u>	<u>\$ 10,623</u>	<u>\$ 475,399</u>	<u>\$ 757,042</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
 Reconciliation of Governmental Fund Balance Sheet
 To the Government-wide Statement of Net Position
 June 30, 2012
 (Dollars in Thousands)

Total fund balances		\$	510,186
<p style="text-align: center;">Amounts reported for governmental activities in the Statement of Net Position are different because:</p>			
<p style="text-align: center;">Other liabilities are not recognized as current year revenues and, therefore, are classified as deferred in the above funds</p>			13,196
<p style="text-align: center;">Capital assets used in governmental activities are not financial resources and therefore are not reported in the above funds:</p>			
Land and construction in progress	282,765		
Cost of capital assets	1,735,628		
Less: accumulated depreciation	<u>(973,247)</u>		1,045,146
<p style="text-align: center;">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</p>			
Deferred bond issuance costs			50,530
<p>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 Position.</p>			
Capital assets included above related to the internal service fund	(830)		
Net Position for internal service fund	<u>(14,856)</u>		(15,686)
<p>Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in governmental funds.</p>			
Long-term debt	(230,680)		
SWMA revenue refunding bonds	(16,745)		
Limited obligation bonds	(614,500)		
Capital leases	(69,349)		
Other general long-term obligations	(89,427)		
Unamortized premiums (discounts) and deferred refunding on bond issues	2,335		
Vacation and compensated absences payable	(19,295)		
Notes payable	(11,026)		
Net OPEB obligation	(143,481)		
Health, dental and general claims payable	(21,480)		
Workers' compensation	<u>(22,625)</u>		<u>(1,236,273)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u>367,099</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012
(Dollars in Thousands)

	General Fund	Municipal Option Sales Tax (MOST)	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 185,513	\$ -	\$ 103,258	\$ 288,771
Local and municipal option sales taxes	97,400	115,136	-	212,536
Public utility, alcoholic beverage and other taxes	115,538	-	53,356	168,894
Licenses and permits	59,105	-	817	59,922
Charges for current services	4,580	-	12,165	16,745
Fines, forfeitures and penalties	22,050	-	2,500	24,550
Investment income	1,444	-	1,254	2,698
Intergovernmental revenues and contributions:				
Federal revenues	275	-	40,396	40,671
State and local grants and contributions	24	-	16,267	16,291
Building rentals and concessions	6,688	-	895	7,583
Other	2,116	-	4,738	6,854
Total revenues	<u>494,733</u>	<u>115,136</u>	<u>235,646</u>	<u>845,515</u>
EXPENDITURES				
Current:				
General government:	110,424	-	107,455	217,879
Police	164,117	-	26,800	190,917
Fire	72,120	-	5,898	78,018
Corrections	27,496	-	3,179	30,675
Public Works	26,310	-	15,237	41,547
Parks, recreation and cultural affairs	27,333	-	13,232	40,565
Debt Service:				
Principal payments	19,028	-	33,620	52,648
Interest payments	12,208	-	34,252	46,460
Bond issuance costs	-	-	311	311
Total Expenditures	<u>459,036</u>	<u>-</u>	<u>239,984</u>	<u>699,020</u>
Excess (deficiency) of revenues over expenditures	<u>35,697</u>	<u>115,136</u>	<u>(4,338)</u>	<u>146,495</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	14,623	-	-	14,623
Transfers in	14,256	-	22,692	36,948
Transfers out	(32,206)	(115,136)	(13,186)	(160,528)
Total Other Financing Sources (Uses)	<u>(3,327)</u>	<u>(115,136)</u>	<u>9,506</u>	<u>(108,957)</u>
Net change in fund balances	32,370	-	5,168	37,538
Fund Balance:				
Beginning of the period	94,350	-	378,298	472,648
FUND BALANCE, END OF PERIOD	<u>\$ 126,720</u>	<u>\$ -</u>	<u>\$ 383,466</u>	<u>\$ 510,186</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
To the Government-wide Statement of Activities
For the Year Ended June 30, 2012
(Dollars in Thousands)

Net change in fund balance - total governmental funds \$ 37,538

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the above funds (1,492)

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	27,049	
	Disposal of assets	(6,438)	
	Depreciation expense	<u>(55,528)</u>	(34,917)

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 position. This amount is the net effect of these differences in treatment of long-term debt.

	Payments on long-term debt	52,648	
	Capitalization of issuance costs, premiums and discounts	311	
	Amortization of issuance costs, premiums and discounts	<u>1,092</u>	54,051

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. 162

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	8,381	
	Vacation and compensated absences	941	
	Net OPEB obligation	(31,712)	
	Workers' compensation	<u>1,702</u>	<u>(20,688)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 34,654

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental
	Department of	Department of	Other	Total	Activities
	Watershed		Aviation		Nonmajor
	Management		Funds		Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 18,786	\$ 4,294	\$ -	\$ 23,080	\$ 205
Restricted cash and cash equivalents	100,148	95,342	-	195,490	-
Equity in cash management pool	438,152	594,756	19,696	1,052,604	7,743
Receivables:					
Accounts	123,998	20,170	40,931	185,099	711
Less allowance for doubtful accounts	(71,010)	(8,788)	(3,458)	(83,256)	-
Interest	4,940	-	-	4,940	-
Total receivables, net	57,928	11,382	37,473	106,783	711
Due from other governments	35,239	-	-	35,239	-
Due from other funds	14,507	193	990	15,690	-
Advance to other funds, current portion	10,000	-	-	10,000	-
Inventories	16,892	3,677	-	20,569	-
Prepaid expenses	144	829	-	973	-
Restricted assets	-	47,318	-	47,318	-
Total current assets	691,796	757,791	58,159	1,507,746	8,659
Noncurrent assets:					
Restricted cash and cash equivalents	357,932	799,893	-	1,157,825	-
Restricted investments	89,538	484,601	-	574,139	-
Advance to other funds, less current portion	76,199	-	-	76,199	-
Investment in joint venture	83,066	-	-	83,066	-
Due from other parties	25,000	-	-	25,000	-
Other assets	19,620	-	6,731	26,351	-
Deferred bond issue costs, net	-	32,197	-	32,197	-
Capital assets:					
Land	115,806	584,230	21,621	721,657	136
Land improvements	12,072	2,534,046	6,693	2,552,811	29
Land purchased for noise abatement	-	306,797	-	306,797	-
Buildings and other structures	-	4,056,941	88,866	4,145,807	5,507
Water collection and distribution system	4,139,078	-	-	4,139,078	-
Water and wastewater plant and treatment facilities	1,756,241	-	-	1,756,241	-
Machinery, equipment, and other	202,875	190,334	36,477	429,686	6,119
Construction in progress	304,542	181,958	-	486,500	-
Less accumulated depreciation	(1,881,200)	(1,999,729)	(103,414)	(3,984,343)	(10,961)
Capital assets, net	4,649,414	5,854,577	50,243	10,554,234	830
Total assets	5,992,565	7,929,059	115,133	14,036,757	9,489
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of derivative instruments	29,489	-	-	29,489	-
Total assets and deferred outflows of resources	\$ 6,022,054	\$ 7,929,059	\$ 115,133	\$ 14,066,246	\$ 9,489

(continued)

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA

Statement of Net Position
 Proprietary Funds
 For the Year Ended June 30, 2012
 (Dollars in Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
LIABILITIES					
Liabilities:					
Current liabilities					
Accounts payable	\$ 16,367	\$ 9,571	\$ 1,105	\$ 27,043	\$ 1,758
Accrued expenses	7,523	19,334	1,828	28,685	661
Claims payable	6,675	1,893	-	8,568	-
Deposits and advances	5,276	-	-	5,276	-
Accrued interest payable	-	43,020	-	43,020	-
Due to other funds	-	-	30,569	30,569	30,390
Current portion of other debt	4,000	66,215	-	70,215	-
Current portion of other liabilities	-	135	-	135	-
Current maturities of capital leases	2,155	-	7,485	9,640	-
Accrued workers' compensation	2,388	-	1,775	4,163	-
Termination fee on interest rate swaps	3,720	-	-	3,720	-
Current liabilities	<u>48,104</u>	<u>140,168</u>	<u>42,762</u>	<u>231,034</u>	<u>32,809</u>
Current liabilities payable from restricted assets:					
Accounts payable	14,023	49,294	-	63,317	-
Accrued interest payable	28,895	29,261	80	58,236	-
Contract retention	8,805	22,273	-	31,078	-
Current maturities of long-term debt	48,425	30,595	-	79,020	-
Total current liabilities payable from restricted assets	<u>100,148</u>	<u>131,423</u>	<u>80</u>	<u>231,651</u>	<u>-</u>
Total current liabilities	<u>148,252</u>	<u>271,591</u>	<u>42,842</u>	<u>462,685</u>	<u>32,809</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,203,270	3,098,456	-	6,301,726	-
Capital lease obligations, excluding current maturities	5,456	-	42,970	48,426	-
Net OPEB obligation	70,198	36,918	13,535	120,651	-
Claims Payable	10,973	-	-	10,973	-
Contract retention, excluding current portion	-	14,557	-	14,557	-
Accrued workers' compensation	4,040	675	7,672	12,387	-
Interest rate SWAP	178,628	-	-	178,628	-
Landfill postclosure costs	-	-	17,516	17,516	-
Total noncurrent liabilities	<u>3,472,565</u>	<u>3,150,606</u>	<u>81,693</u>	<u>6,704,864</u>	<u>-</u>
Total Liabilities	<u>3,620,817</u>	<u>3,422,197</u>	<u>124,535</u>	<u>7,167,549</u>	<u>32,809</u>
NET POSITION					
Invested in capital assets, net of related debt	1,781,913	2,968,802	(212)	4,750,503	830
Restricted	-	869,781	-	869,781	-
Unrestricted	619,324	668,279	(9,190)	1,278,413	(24,150)
Total Net Position	<u>\$ 2,401,237</u>	<u>\$ 4,506,862</u>	<u>\$ (9,402)</u>	<u>\$ 6,898,697</u>	<u>\$ (23,320)</u>
				<u>(8,464)</u>	
					<u>\$ 6,890,233</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2012
(Dollars 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	\$ 445,904	\$ 229,585	\$ 63,966	\$ 739,455	\$ 156,745
Sewer service charges from other governmental units	19,199	-	-	19,199	-
Rentals, admissions and concessions	-	128,587	3,820	132,407	-
Other	949	35,960	1,459	38,368	740
Total operating revenues	<u>466,052</u>	<u>394,132</u>	<u>69,245</u>	<u>929,429</u>	<u>157,485</u>
Operating expenses:					
Salaries and employee benefits	94,902	79,785	34,394	209,081	130,451
Utilities	22,973	10,179	693	33,845	550
Supplies and materials	20,833	3,606	1,781	26,220	18,480
Repairs, maintenance and other contractual services	11,694	98,258	1,354	111,306	3,857
Motor equipment services	5,525	-	1,889	7,414	9
Engineering and consultant fees	19,069	-	3,627	22,696	350
General services	33,727	20,454	5,839	60,020	3,492
Programs services and other costs	2,153	7,761	-	9,914	10
Depreciation and amortization	91,711	164,572	3,977	260,260	275
Total operating expenses	<u>302,587</u>	<u>384,615</u>	<u>53,554</u>	<u>740,756</u>	<u>157,474</u>
Operating income (loss)	<u>163,465</u>	<u>9,517</u>	<u>15,691</u>	<u>188,673</u>	<u>11</u>
Non-operating revenues (expenses):					
Investment income (loss), net of capitalized interest	9,643	16,063	76	25,782	30
Unrealized gain (loss) on derivative instrument	(57,506)	-	-	(57,506)	-
Interest expense	(157,202)	(112,314)	(2,788)	(272,304)	(74)
Passenger facility charges	-	177,899	-	177,899	-
Customer facility charges	-	22,943	-	22,943	-
Other revenue (expenses), net	-	(7,989)	-	(7,989)	-
Total nonoperating revenues (expenses), net	<u>(205,065)</u>	<u>96,602</u>	<u>(2,712)</u>	<u>(111,175)</u>	<u>(44)</u>
Income (loss) before capital contributions and transfers	(41,600)	106,119	12,979	77,498	(33)
Capital Contributions	275	37,522	-	37,797	-
Transfers in	116,035	-	(7,230)	108,805	-
Transfers out	-	-	14,775	14,775	-
Change in net Position	74,710	143,641	20,524	238,875	(33)
Net Position, beginning of period	<u>2,326,527</u>	<u>4,363,221</u>	<u>(29,926)</u>	<u>6,659,822</u>	<u>(23,287)</u>
Net Position, end of period	<u>\$ 2,401,237</u>	<u>\$ 4,506,862</u>	<u>(9,402)</u>	<u>\$ 6,898,697</u>	<u>\$ (23,320)</u>
			Change in net position	238,875	
			Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	(12)	
			Change in net position of business-type activities	<u>\$ 238,863</u>	

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012
(Dollars 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	\$ 454,796	\$ 400,193	\$ 61,742	\$ 916,731	\$ 158,009
Cash received from customers and tenants	9,319	-	-	9,319	-
Cash paid for interfund services received	(10,665)	-	-	(10,665)	-
Cash paid to employees for services	(79,745)	(74,917)	(26,223)	(180,885)	(130,451)
Cash paid to suppliers for goods and services	(74,989)	(134,631)	(21,308)	(230,928)	(21,928)
Cash paid to general government for franchise fees	(18,697)	-	-	(18,697)	-
Net cash provided by operating activities	<u>280,019</u>	<u>190,645</u>	<u>14,211</u>	<u>484,875</u>	<u>5,630</u>
Cash flows from noncapital financing activities					
Non-capital grants and donations	500	-	-	500	-
Transfers in	119,547	-	8,615	128,162	-
Transfers out	-	-	(1,070)	(1,070)	-
Net cash provided by noncapital financing activities	<u>120,047</u>	<u>-</u>	<u>7,545</u>	<u>127,592</u>	<u>-</u>
Cash flows from capital and related financing activities					
Capital grants and donations	275	29,379	-	29,654	-
Principal repayments of long-term debts	(51,765)	(867,292)	(7,124)	(926,181)	-
Acquisition, construction and improvements of capital assets	(116,088)	(414,436)	(507)	(531,031)	(12)
Passenger and customer facility charges	-	198,204	-	198,204	-
Contract retention withheld, net	-	(8,458)	-	(8,458)	-
Proceeds from bond/note issuances	9,763	971,541	-	981,304	-
Interest paid on revenue bonds	(187,263)	(127,370)	(2,788)	(317,421)	(74)
Net cash provided by (used in) capital and related financing activities	<u>(345,078)</u>	<u>(218,432)</u>	<u>(10,419)</u>	<u>(573,929)</u>	<u>(86)</u>
Cash flows from investing activities					
Change in equity in cash management pool	(145,460)	(186,448)	(11,412)	(343,320)	(5,607)
Interest on investments	14,593	15,743	75	30,411	30
Change in restricted investments	-	66,706	-	66,706	-
SWAP Termination payments	(7,200)	-	-	(7,200)	-
Net cash provided by (used in) investing activities	<u>(138,067)</u>	<u>(103,999)</u>	<u>(11,337)</u>	<u>(253,403)</u>	<u>(5,577)</u>
Increase (decrease) in cash and cash equivalents	<u>(83,079)</u>	<u>(131,786)</u>	<u>-</u>	<u>(214,865)</u>	<u>(33)</u>
Cash and cash equivalents:					
Beginning of year	<u>559,945</u>	<u>1,031,315</u>	<u>-</u>	<u>1,591,260</u>	<u>238</u>
End of year	<u>\$ 476,866</u>	<u>\$ 899,529</u>	<u>\$ -</u>	<u>\$ 1,376,395</u>	<u>\$ 205</u>

continued

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2012
 (Dollars 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 to net cash provided by operating activities:					
Operating income (loss)	\$ 163,465	\$ 9,517	\$ 15,691	\$ 188,673	\$ 11
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	91,711	164,572	3,977	260,260	275
Changes in assets and liabilities					
Accounts receivables - net of allowance	(3,357)	(451)	(7,162)	(10,970)	524
Advance to other City funds	8,993	-	-	8,993	-
Materials and supplies - net of allowances	1,513	1,182	-	2,695	-
Due from other funds	-	-	(338)	(338)	-
Prepaid expenses	67	(106)	-	(39)	-
Due (from) other governmental units, net	(7,750)	-	-	(7,750)	-
Investment in Joint Venture	(1,721)	-	-	(1,721)	-
Accounts payable and accrued expenses	22,666	10,632	586	33,884	(733)
Other Liabilities	-	5,299	2,541	7,840	-
Claims payable	4,253	-	-	4,253	-
Customer deposits	179	-	-	179	-
Due to other funds	-	-	(1,084)	(1,084)	5,553
Net cash provided by (used in) operating activities	\$ 280,019	\$ 190,645	\$ 14,211	\$ 484,875	\$ 5,630

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2012

(Dollars in Thousands)

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 164,599	\$ 752
Contributions receivable - employer	13,273	
Contributions receivable - employee	1,380	
Equity in cash management pool	-	25,349
Investments:		
Equities	1,613,480	32
U. S. government and agency obligations	250,258	-
Corporate bonds	154,077	-
Securities lending collateral investment pool	117,104	-
Other	<u>127,907</u>	<u>-</u>
Total Investments	<u>2,262,826</u>	<u>32</u>
Due from brokers for securities sold	14,361	-
Other receivables	<u>7,722</u>	<u>-</u>
 Total assets	 <u>2,464,161</u>	 <u>26,133</u>
Liabilities:		
Accounts payable	1,154	26,133
Due to brokers for securities purchased	20,242	-
Liability for securities lending agreement	<u>117,104</u>	<u>-</u>
 Total liabilities	 <u>138,500</u>	 <u>26,133</u>
 Net Poistion Held in Trust for Pension Benefits	 <u>\$ 2,325,661</u>	 <u>\$ -</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2012

(Dollars in Thousands)

	<u>Pension Trust Funds</u>
Additions	
Employer contributions	\$ 134,007
Employee contributions	36,208
Refunds and other	153
Investment income:	
Net change in	
fair value of investments	(17,505)
Investment income	45,178
Securities lending income	223
Less: Investment expenses	<u>(10,406)</u>
Net investment income gain (loss)	<u>17,490</u>
 Total Additions	 <u>187,858</u>
Deductions	
Accounts payable	
Benefit payments	248,006
Administrative expenses	<u>168</u>
 Total Deductions	 <u>248,174</u>
 Change in net position	 (60,316)
Net position held in trust for pension benefits:	
Beginning of period	<u>2,385,977</u>
 End of period	 <u>\$ 2,325,661</u>

The accompanying notes are an integral part of this statement.

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.

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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.



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CITY OF ATLANTA, GEORGIA
Component Units

Statement of Net Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,782	\$ 10,828	\$ 754	\$ 16,364
Restricted cash	-	36,384	5,309	41,693
Short-term investments	-	644	-	644
Receivables:				
Accounts	112	-	-	112
Other receivables	-	4,555	-	4,555
Total receivables	<u>112</u>	<u>4,555</u>	<u>-</u>	<u>4,667</u>
Due from primary government	-	226	141	367
Due from other component units	-	1,355	-	1,355
Current portion of capital lease receivable	-	840	-	840
Prepaid expenses and other assets	55	696	-	751
Total current assets	<u>4,949</u>	<u>55,528</u>	<u>6,204</u>	<u>66,681</u>
Noncurrent Assets:				
Unrestricted assets:				
Due from primary government	-	16,900	-	16,900
Investments	-	3,562	-	3,562
Due from others	-	5,706	-	5,706
Mortgage loans receivable	-	4,323	-	4,323
Capital lease receivable	-	48,864	-	48,864
Due from other component units	-	28,327	-	28,327
Bond issues costs	-	7,111	-	7,111
Other assets	-	2,487	1,696	4,183
Restricted assets:				
Cash and cash equivalents	35,822	-	-	35,822
Investments	8,561	-	-	8,561
Bond issues costs	2,964	-	-	2,964
Total restricted assets	<u>47,347</u>	<u>-</u>	<u>-</u>	<u>47,347</u>
Property and equipment - at cost:				
Land	22,644	67,051	-	89,695
Construction-in-progress	-	72,738	-	72,738
Land improvements	957	6,785	-	7,742
Buildings and improvements	236,045	38,058	-	274,103
Other property and equipment	17,049	3,335	-	20,384
	<u>276,695</u>	<u>187,967</u>	<u>-</u>	<u>464,662</u>
Less accumulated depreciation	<u>(117,670)</u>	<u>(15,273)</u>	<u>-</u>	<u>(132,943)</u>
Property and equipment, net	<u>159,025</u>	<u>172,694</u>	<u>-</u>	<u>331,719</u>
Total assets	<u>\$ 211,321</u>	<u>\$ 345,502</u>	<u>\$ 7,900</u>	<u>\$ 564,723</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Net Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	Totals
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 16	\$ 4,583	\$ 141	\$ 4,740
Accrued interest payable	-	4,797	-	4,797
Due to primary government	-	103	-	103
Other liabilities	14	6,557	-	6,571
Deferred revenues	-	2,635	-	2,635
Current maturities of long-term debt	-	13,311	1,214	14,525
Total current liabilities	<u>30</u>	<u>31,986</u>	<u>1,355</u>	<u>33,371</u>
Liabilities payable from restricted assets:				
Current maturities of long-term debt	5,915	-	-	5,915
Other liabilities	19,238	-	-	19,238
Total liabilities payable from restricted assets	<u>25,153</u>	<u>-</u>	<u>-</u>	<u>25,153</u>
Long-term liabilities:				
Long-term debt, less current portion	142,778	198,352	-	341,130
Other long-term liabilities	-	9,610	28,327	37,937
Due to primary government	-	25,000	-	25,000
Total liabilities	<u>167,961</u>	<u>264,948</u>	<u>29,682</u>	<u>462,591</u>
NET POSITION				
Investment in capital assets, net of related debt	10,332	69,538	-	79,870
Restricted	25,145	38,034	5,309	68,488
Unrestricted	7,883	(27,018)	(27,091)	(46,226)
Total net position	<u>\$ 43,360</u>	<u>\$ 80,554</u>	<u>\$ (21,782)</u>	<u>\$ 102,132</u>

The accompanying notes are an integral part of this statement.

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Activities
For the Year Ended June 30, 2012
(Dollars in Thousands)

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>			<u>TOTALS</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Atlanta Fulton County Recreation Authority</u>	<u>Atlanta Development Authority</u>	<u>Atlanta Housing Opportunity, Inc.</u>	
Component Units								
Business-type activities								
Atlanta Fulton County Recreation Authority	\$ 24,578	\$ 1,524	# \$ 121	# \$ 13,496	\$ (9,437)	\$ -	\$ -	\$ (9,437)
Atlanta Development Authority	35,813	15,168	10,207	15,809	-	5,371	-	5,371
Atlanta Housing Opportunity, Inc.	3,575	2,863	-	-	-	-	(712)	(712)
Total Business-type activities	<u>63,966</u>	<u>19,555</u>	<u>10,328</u>	<u>29,305</u>	<u>(9,437)</u>	<u>5,371</u>	<u>(712)</u>	<u>(4,778)</u>
Total Component Units	<u>\$ 63,966</u>	<u>\$ 19,555</u>	<u>\$ 10,328</u>	<u>\$ 29,305</u>	<u>\$ (9,437)</u>	<u>\$ 5,371</u>	<u>\$ (712)</u>	<u>\$ (4,778)</u>
General revenues:								
Other taxes					6,625	-	-	6,625
Investment income					372	15	20	407
Other					-	2,705	-	2,705
Total General revenues					<u>6,997</u>	<u>2,720</u>	<u>20</u>	<u>9,737</u>
Change in net position					(2,440)	8,091	(692)	4,959
Net position - beginning of period					45,800	72,463	(21,090)	97,173
Net position - end of period					<u>\$ 43,360</u>	<u>\$ 80,554</u>	<u>\$ (21,782)</u>	<u>\$ 102,132</u>

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, 2012

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 June 30 year end with the exception of Atlanta Fulton County Recreation Authority, which has a December 31 fiscal year end.

Blended Component Units

The Urban Design Commission ("UDC"), Keep Atlanta Beautiful ("KAB"), Atlanta Public Safety and Judicial Facilities Authority ("APSJFA"), 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, and SWMA are reported as if they are a part of the primary government because their primary purpose is to provide services to the citizens of 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, 2012. Separate financial statements are not prepared for the blended component units.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the Atlanta Fulton County Recreation Authority ("Recreation Authority"), 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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 Zoo, City and Fulton County ("the 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 and Arena.

Atlanta Development Authority (ADA) - Doing Business As Invest Atlanta, is the economic development agency for the City of Atlanta. The Atlanta Development Authority 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, blighted area(s) which exist in the City and to facilitate the interest of the public health, safety, morals, or welfare of its residents.

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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 Fulton County ("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 \$3,518,000 during the fiscal year ended June 30, 2012. 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 \$2,902,000 for the year ended June 30, 2012. The costs are reflected in operating costs. At June 30, 2012 the City owes the County approximately \$625,000 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, 2011 (in thousands):

Total assets (net property, plant, and equipment)	<u>\$168,920</u>
Total fund net position	<u>\$161,094</u>
Total operating revenue	\$ 10,833
Total operating expenses	<u>\$ 14,093</u>
Net loss	<u>\$ (3,529)</u>

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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, 2012, the City paid approximately \$1,113,000 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. Basis of Presentation

Government –Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position 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 segments 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*.

Fund Financial Statements

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

B. Basis of Presentation, continued

individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or 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.

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 *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.

The City reports the following major enterprise funds:

The *Department of Watershed Management Fund (DWM)* accounts for all activities associated with the provision and management of clean water, wastewater and storm water 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.

Additionally, the City reports the following fund types:

Internal Service Funds account for the services and activities that provide services to the other funds and departments on a cost-reimbursement basis. The internal service funds functions basically on a break-even basis. Such services include the Motor Transport Services as well as group insurance transactions related to the provisions of life, accident, and medical insurance benefits through outside insurance companies for permanent employees and retirees of the City.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

B. Basis of Presentation, continued

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.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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, principal and interest on general long-term debt, compensated absences, claims and judgments, worker's compensation are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

Cash Equivalents

The City considers all highly liquid debt securities with an original maturity of three months or less to be cash equivalents. The Georgia Fund 1 is a stable net asset value investment pool managed by the State of Georgia (Office of State Treasurer) 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, and Atlanta, Georgia 30334-5527.

Investments

Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, and obligations of a corporation of the U.S. Government. The City invests in repurchase agreements only when collateralized by U.S. Government or agency obligations. By statute, up to 55% of the cost basis of the investment portfolio for the pension plans may consist of U.S. corporate equity securities. Additionally, in accordance with authorized investment laws, the City, in its pension funds, can invest in various mortgage-backed securities, such as collateralized mortgage obligations ("CMOs") and government backed mortgage securities. These are separately identified in the disclosure of custodial credit risk (see Note III. A).

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

The City maintains a cash management pool whereby operating cash is held. This pool is not considered a separate accounting entity for financial reporting purposes; instead, each participating fund's equity in the cash management pool is recorded as such on its statement of net position. Related interest income is allocated to each participating fund based on each fund's recorded equity in the pool.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, continued

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.

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; and 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 position at historical cost (or estimated historical cost). Capital assets are defined by the City as position 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. All reported capital assets except land and construction in progress are depreciated.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, continued

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, 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 \$25,948,000 and \$29,200,000, respectively, in net interest costs during the year ended June 30, 2012.

Compensated Absences

City employees can accrue a maximum of 25 to 45 days of annual leave, depending upon their length of service. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation leave balance. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability for compensated absences is only reported in governmental funds if they have matured.

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.

Deferred Outflows/Inflows

Deferred outflows of resources are a consumption of net position by the City that is applicable to a future reporting period, and include principally the accumulated decreases in fair value of derivative instruments.

Bond Premiums, Discounts, Issuance Costs, and Deferred Amounts on Refunding

In the government-wide financial statements, bond premiums and discounts, as well as issuance costs and losses on refundings, are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, continued

as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Fund balances are classified as: (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 ordinance or resolution 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. The Chief Financial Officer of the City may recommend assignment of fund balances subject to approval of the City Council. *Unassigned fund balances* refer to the residual net resources and are the excess of nonspendable, restricted, committed, and assigned. Fund expenditures are from restricted fund balance to the extent of the restricted fund revenue and followed by committed then assigned and unassigned fund balance.

Spending Prioritization Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, restricted amounts shall be considered to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

Authority to Commit or Assign Funds Policy

Commitments or assignment of funds will only be used for specific purposes. Committed balances or assigned balances will only be established pursuant to formal action by the City Council, upon recommendation from the Chief Financial Officer. Such commitments or assignments cannot exceed the available fund balance in any particular fund.

Minimum Unrestricted Balance in the General Fund Policy

The City maintains a minimum unrestricted fund balance in the General Fund ranging from no less than 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers. At any time the unrestricted fund balance is within the range of 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers, upon recommendation by the Chief Financial Officer, the City Council may authorize additional transfers to a fund at its discretion, up to a maximum of 5% per year of the subsequent year's budgeted revenues in preparation for adoption of

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, continued

the upcoming years' budget. If the unrestricted fund balance falls below the minimum 15% of the subsequent year's budgeted expenditures and outgoing transfers, replenishment of shortages/deficiencies will be made within specified time periods and upon the recommendation of the Chief Financial Officer. Should the unrestricted fund balance of the General Fund exceed the maximum of 20%, such surplus fund balance may be considered for transfer to deficit balances in other funds and for one-time expenditures that are nonrecurring. At least 50% of surplus fund balance must be used to reduce any deficit fund balance prior to allocation for any one-time expenditure.

Below are the fund balance classifications for the governmental funds at June 30, 2012 (Dollars in thousands).

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Nonspendable			
Total Advances Receivable	87,547	-	87,547
Total Advances Payable	(86,199)	-	(86,199)
GMA Leasepool Deposit	3,029	-	3,029
Prepaid Amounts	-	-	-
Total nonspendable	4,377	-	4,377
Restricted			
GMA Lease Pool	15,231	-	15,231
HUD -Community Development	-	2,268	2,268
Tax Allocation Districts	-	18,199	18,199
Debt Service	-	277,176	277,176
Expendable Trust	-	41,760	41,760
HUD Section 108 Loans	-	6,988	6,988
HUD Home Investment	-	500	500
Federal grants	-	1,000	1,000
Other Special Revenue	-	-	-
Capital Projects	-	58,963	58,963
Total restricted	15,231	406,854	422,085
Committed			
	-	-	-
Assigned			
Amount used to balance FY 13 budget	15,633	-	15,633
Encumbrances	11,244	-	11,244
Total assigned	26,877	-	26,877
Unassigned			
E911	-	(22,449)	(22,449)
Intergovernmental Grants	-	(939)	(939)
General Fund	80,235	-	80,235
Total unassigned	80,235	(23,388)	56,847
Total Fund Balance	126,720	383,466	510,186

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, 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.

Net Position

Equity is classified as net position and displayed in three components, as applicable:

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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of invested in capital assets, net of related debt.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position 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. They are recorded in the statement of revenues, expenses, and changes on a separate line as capital contributions after non-operating revenues and expenses. For all funds, a grant receivable is recorded when all applicable eligibility requirements have been met.

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

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances, continued

Sanitation Fund, the Internal Service Fund and other various funds in order to more fully reflect the actual cost of providing these services. For the year ended June 30, 2012, such allocated expenses amounted to \$12,053,000 for the Department of Watershed Management, \$10,665,000 for the Department of Aviation, \$3,698,000 for the Sanitation Fund, \$3,295,000 for the Internal Service Fund and \$6,039,000 to the various other non-major funds.

E. New Accounting Pronouncements

Pronouncements Effective for the 2012 Financial Statements – With this financial report the City has changed its financial reporting to comply with Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* issued in November 2010. This Statement is effective for fiscal periods beginning after December 15, 2011 and had no impact on the City's financial statements.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is effective for financial statements for periods beginning after December 15, 2011. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government. This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and analysis-for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The City implemented GASB 63 during FY 2012. This statement had no significant impact on the City.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provision* – an amendment of GASB Statement No. 53. This Statement is effective for financial statements for periods beginning after June 15, 2011. This Statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider and provides for reporting these transactions as deferred inflows and outflows on the financial statements. The City implemented GASB 64 during FY 2012. This statement had no significant impact on the City.

Pronouncements issued but not yet effective which will be adopted by the City in future years:

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements, continued

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 fiscal year begins 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 fiscal year begins after December 15, 2011.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized as outflows of resources or inflow of resources, certain items previously reported as assets and liabilities. Requirements of this Statement are effective for financial statements whose fiscal year begins after December 15, 2012.

In March 2012, GASB issued Statement No. 66, *Technical Corrections-2012*. The objective of this Statement is to improve accounting and financial reporting for government reporting by resolving conflicting guidance that resulted from the issuance of Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Requirements of this Statement are effective for financial statements whose fiscal year begins after December 15, 2012.

In June 2012, GASB issued Statement No. 67, *Financial Reporting of Pension Plans*. The objective of this Statement is to improve financial reporting of government pension plans. Requirements of this Statement are effective for financial statements whose fiscal year begins after June 15, 2013.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting of government pensions. Also, it improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of this Statement are effective for financial statements whose fiscal year begins after June 15, 2014.

The City is in the process of evaluating the impact on its financial statements of these pronouncements.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

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.

G. Correction of Net Position for Fiduciary Funds and Proprietary Funds Reclassification

Prior to 2012, the financial statements for the General Employees' Pension Plan (the Plan) only included amounts for City employees. During 2012, the City determined that the financial statements for the Plan should also include amounts for the employees of Atlanta Public Schools that participate in the Plan.

As a result, the City determined that an adjustment to its previously reported June 30, 2011 Net Position Held in Trust for Pension Benefits was necessary to increase net position by \$125,642 (in thousands) to correct this non-material error, as presented below:

Fiduciary Funds - General Employees Pension Plan	
Net Position Held in Trust for Pension Benefits, as originally presented at June 30, 2011	\$ 963,515
Adjustment to include Schools' portion of Net Position Held in Trust for Pension Benefits	<u>125,642</u>
Fiduciary Funds - General Employees' Pension Plan	
Net Position Held in Trust for Pension Benefits, as corrected at June 30, 2012	<u><u>\$1,089,157</u></u>

In addition, due to the reclassification of certain investments to cash and cash equivalents, beginning cash balances in the cash flow statements for proprietary funds were adjusted by \$1.3 billion.

II. Stewardship, Compliance and Accountability

A. Compliance with Finance Related Legal and Contractual Provisions

Management in coordination with the Law Department is not aware the City has any material violations of finance related legal and contractual provisions as of June 30, 2012.

B. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section, page 104.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

C. Deficit Fund Balances

The following funds reported deficits in fund balance at June 30, 2012 (Dollars in thousands):

- Emergency Telephone System had an accumulated deficit of \$22,449. The City has taken measures to control costs, but believes that deficit reduction will occur as a result of rate increases. The City will continue to support this effort with the State legislature.
- Sanitation Fund had an accumulated deficit of \$9,625. This deficit was reduced by approximately \$14M during fiscal 2012. Substantially the entire 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 and eliminate this deficit.
- Parks and Recreation Facilities Fund had an accumulated deficit of \$152 due mainly to operating revenue shortfall related to the Cyclorama. Ongoing cost reduction initiatives should eliminate this deficit.
- Underground Atlanta Fund had an accumulated deficit of \$5,780 related to ongoing deficiencies in operating revenue. Economic conditions have caused a down-turn in business at Underground.
- Motor Transport had an accumulated deficit of \$31,797. Management intends to change the rate structure in calendar year 2013, to cover the operating expenses and recover accumulated deficit amounts over the next few years.

III. Detailed Notes on All Funds

A. Deposits and Investments

Following are components of the City's cash and cash equivalents, and investments (including the Fiduciary Funds and the Component Units) at June 30, 2012 (Dollars in thousands).

	<u>Primary Government</u>		<u>Pension Restricted</u>	<u>Agencies Restricted</u>	<u>Total</u>	<u>Component Units</u>
	<u>Unrestricted</u>	<u>Restricted</u>				
Cash and Cash Equivalents	\$ 27,361	\$ 1,763,897	\$ 164,599	\$ 26,101	\$1,981,958	\$ 93,879
Equity in cash management pool	1,195,252	-	-	-	1,195,252	-
Investments	286	675,465	2,262,826	32	2,938,609	12,767
	<u>\$ 1,222,899</u>	<u>\$ 2,439,362</u>	<u>\$ 2,427,425</u>	<u>\$ 26,133</u>	<u>\$ 6,115,819</u>	<u>\$ 106,646</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Custodial Credit Risk – Deposits

To control custodial credit risk, the City’s investment policy requires all securities and collateral to be held by an independent third-party custodian in the City’s name. The custodian provides the City with monthly values.

Concentration of Credit Risk – Primary Government

The City diversifies its use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The City’s primary government investment policy limits City investments to the following maximum percentages: U.S. Treasury Obligations 100%, Obligations of U.S. Government Agencies 100%, Repurchase Agreements 25%, Certificates of Deposit (Commercial Banks) 75%, Certificates of Deposits (S&L Associations) 10%, Local Government Investment Pool (State-Sponsored) 100% and Commercial Bank Money Market Accounts 25%. Maximums may be exceeded temporarily with the prior approval of the City’s Chief Financial Officer.

The City’s investment policy also requires that maturities shall be timed such that a minimum of 80% be invested for a period of less than one year and 100% be invested for a period less than two years. The City’s pension fund’s investment policy sets targets of 60% invested in domestic equity, 10% in international equity, and 30% in domestic fixed income.

As of June 30, 2012, the City’s Governmental and Business-type Activities had the following investments with potential credit risk:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	More than 5
U.S. government and agency obligations	\$ 1,129,355	\$ 63,511	\$ 846,191	\$ 219,653
Corporate bonds	154,078	5,770	39,620	108,688
Other investments	426,282	194,366	62,331	169,585
	<u>\$ 1,709,715</u>	<u>\$ 263,647</u>	<u>\$ 948,142</u>	<u>\$ 497,926</u>

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 “Equity and cash management pool”.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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

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

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

The City’s investments are limited to U.S. Government 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.

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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. All securities lending 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.

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.

The City has the ability and generally has the intent 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, 2012, 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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, 2012, the City's Government and Business-type Activities had the following investments with the corresponding credit ratings and maturities (Dollars 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	\$ 5,000	\$ 19,185	\$ 10,056	\$ 819,735	\$ -	\$ 853,976
U.S. Government Treasuries	Exempt	-	25,253	-	11,054	-	36,307
GIC's	*	-	-	-	-	130,588	130,588
		<u>\$ 5,000</u>	<u>\$ 44,438</u>	<u>\$ 10,056</u>	<u>\$ 830,789</u>	<u>\$ 130,588</u>	<u>\$ 1,020,871</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 risk for *investments* is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City requires that all uninsured collected balances plus accrued interest in depository accounts be collateralized and that the market value of collateralized pledged securities must be at least 110% of the deposit balances, and 102% for repurchase agreements. As a result, the City had no deposits with custodial risks as of June 30, 2012. All investments of the City are either held by the City or by counterparty in the City's name; therefore the City's investments had no custodial risk as of June 30, 2012.

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, 2012, individual issuers 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	16.52%	Department of Watershed Management

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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, 2012, the City's Pension Plans had the following fixed income investments with the corresponding credit ratings and maturities (Dollars in thousands):

Type of Investments	Credit Rating	Maturity					Total Fair Value
		Under 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 Years	
U.S. Government Agencies	AAA/AA+	\$ 4,017	\$ 10,161	\$ 5,241	\$ 70,892	\$ 148,761	\$ 239,072
Corporate Bonds	AA/BBB	5,770	31,563	8,056	80,984	27,704	154,077
State and Local Obligations	AAA/AA-	-	-	1,062	703	8,421	10,186
State and Local Obligations	NR	1,000	-	-	-	-	1,000
Automobile Loan Receivables	A+/AAA	-	10,838	718	1,195	-	12,751
Automobile Loan Receivables	NR	-	1,131	2,703	324	-	4,158
Credit Card Receivables	AAA	899	1,214	3,042	995	-	6,150
Asset Backed Securities	AAA/AA-	1,975	19,670	11,137	4,806	-	37,588
Asset Backed Securities	NR	615	3,734	7,082	402	-	11,833
Corporate CMO's	AAA/B-	-	-	-	1,286	5,650	6,936
Corporate CMO's	NR	-	-	-	55	584	639
CMO's	AAA/A	-	-	-	-	25,610	25,610
CMO's	NR	-	-	-	-	6,766	6,766
		<u>\$ 14,276</u>	<u>\$ 78,311</u>	<u>\$ 39,041</u>	<u>\$ 161,642</u>	<u>\$ 223,496</u>	<u>\$ 516,766</u>

Securities Lending Transactions. State statutes and Board policies permit the Plan to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Plan's custodians lend securities of the type on loan at year-end for collateral in the form of cash or other securities of 102% of collateral value.

At June 30, 2012, the General Employee Pension Plan had funds under a securities lending agreement. As of June 30, 2012, the market value of outstanding loans was \$114,286,000. The amount of collateral was \$117,104,000, which cash collateral investment and non-cash loans. The Plan has no significant credit risk exposure to borrowers. The contract with the Plan's custodian requires it to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities or fail to pay the Plan for income distributions by the securities issuers while the securities are on loan.

Cash collateral is invested in overnight investments. As of June 30, 2012, the Plan has no significant credit risk exposure to borrowers. The contract with the Plan's custodian requires it to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities or fail to pay the Plan for income distributions by the securities issuers while the securities are on loan.

There were no violations of legal or contractual provisions, borrower or lending agent default losses, and no recoveries of prior period losses during the year. There are income distributions owed on the securities loaned. The Plan records the cash received as collateral under securities

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

lending agreements and the investments purchased with that cash as securities lending collateral investment pool with a corresponding amount recorded as a liability.

All securities lending 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. As of June 30, 2012, the Pension Plans had no deposits or investments with custodial risk.

Concentration Credit Risk. Investments in any one issuer that represent 5% or more of total investments *by individual plan* are as follows (Dollars in thousands):

<u>Issuer</u>	<u>Investment Type</u>	<u>Market Value</u>
Police Officer's Pension Plan:		
Collective	Bond index fund	\$ 110,497
FHLMC	Federal agency security	\$ 37,458
FNMA	Federal agency security	\$ 34,505
Fireman's Pension Plan:		
FNMA	Federal Agency Security	\$ 26,686
FHLMC	Federal Agency Security	\$ 26,058
General Pension Plan:		
Vanguard Institutional Index	Equities	\$ 137,852
Artisan Funds	Equities	\$ 52,625
Collective	US Government Stif	\$ 52,414

Foreign Currency Risk. The Plans' investment policies were revised to allow domestic equities, domestic fixed income, cash equivalents and foreign equity securities.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 (Dollars in thousands):

<u>Currency</u>	<u>Short Term</u>	<u>Debt</u>	<u>Equity</u>	<u>Total</u>
Netherlands	\$ -	\$ 1,033	\$ 4,623	\$ 5,656
Canada	-	2,472	3,652	6,124
Greece	-	-	1,658	1,658
Israel	-	-	1,040	1,040
United Kingdom	-	1,070	1,544	2,614
Australia	-	1,039	-	1,039
Bermuda	-	-	8,872	8,872
Ireland	-	-	3,850	3,850
Switzerland	-	-	975	975
Panama	-	-	266	266
Cayman Islands	-	99	83	182
<i>Total Securities subject to Foreign Currency Risk</i>	<u>\$ -</u>	<u>\$ 5,713</u>	<u>\$ 26,563</u>	<u>\$ 32,276</u>
International Region	\$ -	\$ -	\$ 31,948	\$ 31,948
Multinational	-	1,071	-	1,071
United States	<u>83,699</u>	<u>588,296</u>	<u>1,525,536</u>	<u>2,197,531</u>
<i>Total US dollars Securities</i>	<u>\$ 83,699</u>	<u>\$ 589,367</u>	<u>\$ 1,557,484</u>	<u>\$ 2,230,550</u>
<i>Total International & US Investment Securities</i>	<u>\$ 83,699</u>	<u>\$ 595,080</u>	<u>\$ 1,584,047</u>	<u>\$ 2,262,826</u>

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

Property taxes include amounts levied on all real, public utility, and tangible property within the City corporate limits. The City's tax digest is coterminous with the Atlanta Independent School System, and overlaps portions of Fulton and DeKalb counties (the "Counties"), and the hospital authority. Property taxes are normally levied and billed by July 1, on the assessed value of all real and personal property and property owner of record as of January 1. City property taxes are due 45 days from the date of billing. The distribution of the City's 2011 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>1.016</u>
	<u>34.650</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

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

The Fulton and DeKalb County Tax Assessors' establish assessed values at 40% of the fair market value. The property valuation in calendar year 2011 resulted in a gross assessed value of \$24,942,000,000 which includes tax exempt values. The City's millage rates are set in June of each year. Public utility values are assessed by the State Board of Equalization and billed and collected by the Fulton and DeKalb Tax Commissioner's Offices.

The Fulton and DeKalb County Tax Commissioner's offices act as the City's billing and collection agents. The contracted fees due to the Counties for billing and collection services amounted to \$2,216,886 in fiscal year 2012. Real and tangible property taxes are payable to the Counties on August 15th and become delinquent on August 16th. Interest accrues at the rate of 1% per month on the 16th of each month and a 10% tax penalty accrues 90 days after the due date. Any remaining unpaid property tax amounts will attach as an enforceable lien on property as of January 1 of the following year.

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

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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, 2012 follows (Dollars in thousands):

	Balance at June 30, 2011	Additions	Deletions and Retirements	Transfer	Balance at June 30, 2012
Governmental Activities:					
Capital Assets Not Being Depreciated :					
Land and Easement	\$ 148,482	\$ 8	\$ -	\$ 71	\$ 148,561
Construction In Progress	120,509	16,982	(1,214)	(2,073)	134,204
Total Capital Assets Not Being Depreciated	<u>268,991</u>	<u>16,990</u>	<u>(1,214)</u>	<u>(2,002)</u>	<u>282,765</u>
Capital Assets Being Depreciated :					
Land Improvements	84,645	-	-	-	84,645
Building and Building Improvement	541,255	-	(8,485)	-	532,770
Other Property and Equipment	239,878	9,999	(7,132)	-	242,745
Infrastructure	873,406	60	-	2,002	875,468
Total Capital Assets Being Depreciated	<u>1,739,184</u>	<u>10,059</u>	<u>(15,617)</u>	<u>2,002</u>	<u>1,735,628</u>
Total Historical Cost	<u>2,008,175</u>	<u>27,049</u>	<u>(16,831)</u>	<u>-</u>	<u>2,018,393</u>
Less :Accumulated Depreciation					
Land Improvements	76,508	1,641	-	-	78,149
Building and Building Improvments	148,105	10,697	(3,493)	-	155,309
Other Property and Equipment	151,939	21,655	(6,900)	-	166,694
Infrastructure	551,560	21,535	-	-	573,095
Total Accumulated Depreciation	<u>928,112</u>	<u>55,528</u>	<u>(10,393)</u>	<u>-</u>	<u>973,247</u>
Governmental activities capital assets, net	<u>\$ 1,080,063</u>	<u>\$ (28,479)</u>	<u>\$ (6,438)</u>	<u>\$ -</u>	<u>\$ 1,045,146</u>
Business-type activities:					
Capital Assets Not Being Depreciated :					
Land and Easement	\$ 996,543	\$ 31,911	\$ -	\$ -	\$ 1,028,454
Construction In Progress	1,904,047	449,926	(18,397)	(1,849,076)	486,500
Total Capital Assets Not Being Depreciated	<u>2,900,590</u>	<u>481,837</u>	<u>(18,397)</u>	<u>(1,849,076)</u>	<u>1,514,954</u>
Capital Assets Being Depreciated :					
Land Improvements	2,533,340	-	-	19,471	2,552,811
Building and Building Improvement	8,166,210	18,454	-	1,856,462	10,041,126
Other Property and Equipment	393,046	5,085	(2,194)	33,749	429,686
Total Capital Assets Being Depreciated	<u>11,092,596</u>	<u>23,539</u>	<u>(2,194)</u>	<u>1,909,682</u>	<u>13,023,623</u>
Total Historical Cost	<u>13,993,186</u>	<u>505,376</u>	<u>(20,591)</u>	<u>60,606</u>	<u>14,538,577</u>
Less: Accumulated Depreciation					
Land Improvements	1,064,824	69,965	-	-	1,134,789
Building and Building Improvments	2,359,732	166,529	-	-	2,526,261
Other Property and Equipment	305,106	19,154	(2,194)	1,227	323,293
Total Accumulated Depreciation	<u>3,729,662</u>	<u>255,648</u>	<u>(2,194)</u>	<u>1,227</u>	<u>3,984,343</u>
Business-type activities capital assets, net	<u>\$ 10,263,524</u>	<u>\$ 249,728</u>	<u>\$ (18,397)</u>	<u>\$ 59,379</u>	<u>\$ 10,554,234</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

C. Capital Assets, continued

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

General government	\$	20,177
Police		17,680
Fire		7,225
Corrections		2,841
Public Works		3,848
Parks, Recreation & Cultural Affairs		3,757
		<hr/>
Total governmental funds capital assets	\$	<u>55,528</u>

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, 2012 there is approximately \$72,738,000 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	\$	23,205,000
Corridor Design and Development	\$	11,462,000
D.H. Stanton Park	\$	5,021,000

Additionally, the DWM advanced \$25 million to ADA related to the development of the Clear Creel Project. Upon completion of the project, both the project costs and any portion of the advance not expended will revert to the DWM. At June 30, 2012, total project costs to date were \$23,801,000.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Interfund Receivables, Payables, and Transfers, continued

Interfund receivable and payable balances as of June 30, 2012, are as follows (Dollars in thousands):

Due To:	General Fund	Internal Service	MOST	Dept of Aviation	Watershed Management	Non-major Enterprise	Non-major Government	Total
Due From:								
General Fund		\$ -	\$ -	\$ -	\$ 90,083	\$ 990	\$ 580	\$ 91,653
Internal Service	\$ 30,390		-	-	-	-	-	30,390
MOST	-	-		-	10,623	-	-	10,623
Dept of Aviation	-	-	-		-	-	-	-
Watershed Management	-	-	-	-		-	-	-
Non-major Enterprise	30,569	-	-	-	-		-	30,569
Non-major Government	52,035	-	-	193	-	-		52,228
Total From	\$ 112,994	\$ -	\$ -	\$ 193	\$ 100,706	\$ 990	\$ 580	\$ 215,463

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

This MOU is 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 at 3%, 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, 2012 is \$86,199,000 in principal and \$2,585,970 in interest.

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. Balances as of June 30, 2012, are as follows (Dollars in thousands):

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

D. Interfund Receivables, Payables, and Transfers, continued

Transfers

Transfers for the year ended June 30, 2012, are as follows (Dollars in thousands):

Transfers From:	General Fund	Department of Aviation	Department of Watershed Management	MOST	Non-major Enterprise	Non-major Government	Total In
Transfers To:							
General Fund		\$ -	\$ -	\$ -	\$ 1,070	\$ 13,186	\$ 14,256
Department of Aviation	-		-	-	-	-	-
Department of Watershed Management	899	-		115,136	-	-	116,035
MOST	-	-	-		-	-	-
Non-major Enterprise	8,615	-	-	-		-	8,615
Non-major Government	22,692	-	-	-	-		22,692
Total Out	\$ 32,206	\$ -	\$ -	\$ 115,136	\$ 1,070	\$ 13,186	\$ 161,598

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 \$4.9 billion with a carrying value of \$3.5 billion. Depreciation expense for 2012 on the facilities was \$113.5 million.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

E. Leases, continued

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.

At June 30, 2012 minimum future rentals and fees to be received under non-cancelable leases or concession agreements for each fiscal year are as follows (Dollars in thousands):

2013	\$ 314,367
2014	307,342
2015	296,773
2016	298,771
2017	168,736
2018 - 2022	456,506
2023	<u>13,940</u>
Total	<u><u>\$ 1,856,435</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 \$114.1 million for the year ended June 30, 2012.

The City and most of the airlines serving the airport have entered into operating lease agreements that extend to 2017 relating to the use of the airfield. All of the Central Passenger Terminal Complex leases related to the airlines expire in 2017. Leases for the Rental Car Center will extend until June 2031.

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 \$25,218,000 of equipment acquired under capital leases. The accumulated amortization on this equipment is \$19,616,000 as of June 30, 2012. Amortization expense was \$2,271,000 for the fiscal year ended June 30, 2012.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

E. Leases, continued

The present values of the future minimum capital lease payments as of June 30, 2012, are as follows (Dollars in thousands):

	2013	\$	2,533
	2014		1,793
	2015		1,572
	2016		1,463
	2017		1,219
Total minimum payments			8,580
Less amounts representing interest			(969)
Present value of minimum capital lease payments		\$	7,611

Governmental Activities – Capital Lease Obligations

The City has entered into multiple lease agreements as lessee 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 (Dollars in thousands):

	Municipal Traffic Court	Furniture, Fixtures and Equipment	Digital Radio Upgrade	Total
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	3,909	-	4,892	8,801
2018-2022	19,511	-	4,892	24,403
2023-2027	19,407	-	-	19,407
Total minimum payments	58,519	2,341	29,352	90,212
Less amounts representing interest	(18,009)	(91)	(2,763)	(20,863)
Present value of minimum capital lease payments	\$ 40,510	\$ 2,250	\$ 26,589	\$ 69,349
Gross Capital Asset Value	\$ 55,195	\$ 6,415	\$ 41,102	\$ 102,712
Accumulated Depreciation	(6,971)	(1,671)	(17,245)	(25,887)
Net Capital Asset Value	\$ 48,224	\$ 4,744	\$ 23,857	\$ 76,825

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

E. Leases, continued

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 Atlanta Project.

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.

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

2013	\$	8,281
2014		8,290
2015		8,302
2016		8,311
Total minimum payments		33,184
Less amounts representing interest		(3,769)
Present value of minimum capital lease payments	\$	29,415

The capitalized asset costs related to Underground as of June 30, 2012 is \$92,112,000 and accumulated depreciation of \$66,494,000.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

E. Leases, continued

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

	2013	\$ 1,620
	2014	1,623
	2015	1,619
	2016	1,623
	2017	1,620
	2018-2022	8,093
	2023-2027	8,091
	2028-2032	8,005
Total minimum payments		32,293
Less amounts representing interest		(11,253)
Present value of minimum capital lease payments		\$ 21,040

The capital assets cost of the parking deck as of June 30, 2012 is \$23,480,000 and accumulated depreciation of \$2,034,000.

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.

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

	2013	\$	3,863
	2014		2,341
	2015		2,152
	2016		1,703
	2017		1,635
	Thereafter		23,775
Total minimum payments		\$	35,468

The amount of lease expenditures for the year ended June 30, 2012 amounted to \$3,765,000.

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

F. Notes Payable, continued

and is scheduled to be paid in full by February 1, 2018. The outstanding principal balance as of June 30, 2012 is \$11,026,000.

Department of Aviation

In July 2005, the City authorized the issuance of Airport General Revenue Commercial Paper Notes, Series 2005A-1 (AMT) and Series 2005A-2 (Non-AMT) up to the amount of \$350,000,000 (the series 2005A Notes) and Airport Passenger Facility Charge and Subordinate Lien General Revenue Commercial Paper Notes, Series 2005B-1 (AMT) and 2005B-2 (Non-AMT) up to the amount of \$200,000,000. These notes were issued to finance, on an interim basis, a portion of the capital improvements for the Airport.

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 (the "Notes", issued at \$175 million each). These Series 2010A/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 of the Department of Aviation 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. A portion of the proceeds of the Series 2012 Bonds was used to refund the entire outstanding balance of the Series A Notes and the Series B Notes.

On May 3, 2012 the City issued the General Airport Revenue Series 2012 Bonds in the aggregate amount of \$474,095,000. The "Series 2012 Bonds" were issued as the Series 2012A (Non-AMT) Bonds in the amount of \$63,695,000, the Series 2012B (Non-AMT) Bonds in the amount of \$184,660,000, and the Series 2012C (AMT) Bonds in the amount of \$225,740,000. Subsequently on May 8, 2012 the City used \$286,735,000 of bond proceeds from the Series 2012 bonds and \$27,613,000 of the debt service reserves from previously issued commercial paper notes were used to redeem all the commercial paper notes outstanding.

Short-term commercial paper notes activities for the year ended June 30, 2012 were as follows (Dollars in thousands):

	6/30/2011	Increases	Decreases	6/30/2012
Series 2010 A1, A2	\$ 158,048	\$ -	\$(158,048)	\$ -
Series 2010 B1, B2	\$ 156,300	\$ -	\$(156,300)	\$ -
	\$ 314,348	\$ -	\$(314,348)	\$ -

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

F. Notes Payable, continued

Interest rates on the Series 2010A/B commercial paper notes issued during the year ended June 30, 2012 ranged from 0.13% to 0.20%.

G. Long Term Obligations

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2012, follow (Dollars in thousands):

	Balance at <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2012</u>	Due within <u>One Year</u>
Governmental activities					
Long-term debt:					
General obligation and annual bonds	\$ 244,965	-	\$ (14,285)	\$ 230,680	\$ 15,360
Deferred premiums	<u>10,112</u>	<u>-</u>	<u>(1,482)</u>	<u>8,630</u>	<u>-</u>
	255,077	-	(15,767)	239,310	15,360
SWMA revenue refunding bonds	18,020	-	(1,275)	16,745	1,335
Deferred refunding	<u>(362)</u>	<u>-</u>	<u>36</u>	<u>(326)</u>	<u>-</u>
	17,658	-	(1,239)	16,419	1,335
Limited obligation bonds	634,595	-	(20,095)	614,500	25,364
Deferred issuance premiums	3,843	-	(421)	3,422	-
Deferred issuance discounts	(1,305)	-	93	(1,212)	-
Deferred refunding	<u>(13,531)</u>	<u>-</u>	<u>682</u>	<u>(12,849)</u>	<u>-</u>
	623,602	-	(19,741)	603,861	25,364
Other Long-term debt					
Notes Payable	12,590	-	(1,564)	11,026	1,636
Section 108 Loans	4,025	-	(1,135)	2,890	710
1998 GMA lease pool	32,444	-	-	32,444	-
2007 Intergovernmental agreement	14,329	-	(896)	13,433	941
Installment sale program	46,905	-	(6,245)	40,660	6,525
Capital Leases	<u>76,567</u>	<u>-</u>	<u>(7,218)</u>	<u>69,349</u>	<u>7,427</u>
Total Long-Term Debt	<u>1,083,197</u>	<u>-</u>	<u>(53,805)</u>	<u>1,029,392</u>	<u>59,298</u>
Other Long-term Obligations					
Vacation and compensation payable	20,236	174	(1,115)	19,295	-
Health and dental claims payable	4,480	630	-	5,110	-
General claims payable	25,381	2,680	(11,691)	16,370	12,318
Net OPEB obligation	111,768	57,646	(25,933)	143,481	-
Workers' compensation	<u>24,327</u>	<u>-</u>	<u>(1,702)</u>	<u>22,625</u>	<u>6,083</u>
Governmental Activities Long-term Liabilities	<u>\$ 1,269,389</u>	<u>\$ 61,130</u>	<u>\$ (94,246)</u>	<u>\$ 1,236,273</u>	<u>\$ 77,699</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long Term Obligations, continued

Changes in long-term liabilities for business-type activities during the fiscal year ended June 30, 2012, follow (Dollars in thousands):

	Balance at June 30, 2011	Additions	Reductions	Balance at June 30, 2012	Due within One Year
Business-type activities					
Long-term debt					
Department of Watershed Management					
System revenue bonds	\$ 3,163,655	\$ -	\$ (46,085)	\$ 3,117,570	\$ 48,425
Deferred issuance premiums	38,952	-	(1,892)	37,060	-
Deferred issuance discounts	(14,277)	-	743	(13,534)	-
Deferred Refunding	(34,599)	-	1,258	(33,341)	-
Interest rate swap termination fees	10,920	-	(7,200)	3,720	3,720
GEFA notes payable	141,823	9,764	(3,647)	147,940	4,000
Capital lease obligations (equipment)	9,643	-	(2,032)	7,611	2,155
Department of Aviation					
Facilities Revenue Bonds	2,801,655	914,485	(559,875)	3,156,265	96,810
Deferred issuance premiums	70,269	73,170	(16,631)	126,808	-
Deferred issuance discounts	(14,791)	-	7,447	(7,344)	-
Deferred Refunding	(75,586)	(17,351)	12,474	(80,463)	-
Nonmajor funds					
Capital leases					
Parking Deck (property)	21,685	-	(645)	21,040	675
Underground Atlanta (property)	35,895	-	(6,480)	29,415	6,810
Total long-term debt	<u>6,155,244</u>	<u>980,068</u>	<u>(622,565)</u>	<u>6,512,747</u>	<u>162,595</u>
Other long-term obligations:					
Landfill postclosure liability	23,174	-	(5,658)	17,516	-
General claims payable	15,288	5,628	(1,375)	19,541	8,568
Net OPEB obligation	96,152	35,612	(11,113)	120,651	-
Workers' compensation	15,955	3,544	(2,814)	16,685	4,298
Interest rate Swaps	100,439	78,189	-	178,628	-
Business-Type Activities Long-Term Liabilities	<u>\$ 6,406,252</u>	<u>\$ 1,103,041</u>	<u>\$ (643,525)</u>	<u>\$ 6,865,768</u>	<u>\$ 175,461</u>
Component Units					
Long-term debt					
Atlanta Fulton County Recreation Authority					
Revenue bonds	\$ 159,335	\$ -	\$ (5,350)	\$ 153,985	\$ 5,915
Unamortized charges	(5,633)	-	341	(5,292)	-
	<u>153,702</u>	<u>-</u>	<u>(5,009)</u>	<u>148,693</u>	<u>5,915</u>
Atlanta Development Authority					
Revenue and other bonds	215,848	-	(11,539)	\$ 204,309	12,859
Deferred issuance premiums	2,118	-	(560)	1,558	-
Deferred issuance discounts	(402)	-	54	(348)	-
	<u>217,564</u>	<u>-</u>	<u>(12,045)</u>	<u>205,519</u>	<u>12,859</u>
Capital leases	132	60	(94)	97	62
Other long-term liabilities					
Loans payable	9,564	-	(3,850)	5,713	375
Notes payable	339	-	(7)	334	15
Due to primary government	25,000	-	-	25,000	-
	<u>252,599</u>	<u>60</u>	<u>(15,996)</u>	<u>236,663</u>	<u>13,311</u>
Atlanta Housing Opportunity, Inc.					
Intergovernmental agreement	30,666	-	(1,125)	29,541	1,214
Total long-term debt	<u>\$ 436,967</u>	<u>\$ 60</u>	<u>\$ (22,130)</u>	<u>\$ 414,897</u>	<u>\$ 20,440</u>

For the governmental activities, other long-term liabilities are primarily liquidated by the General Fund.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long-Term Obligations, continued

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.

Summary of governmental-type activities bonds payable and other general long-term obligations as of June 30, 2012, is as follows (Dollars in thousands):

Bonds payable:	
General Obligation Bonds:	
2001B Infrastructure Issue, \$61,220, 4.00% - 5.00%, due December 1, 2021	\$ 7,540
2004B Issue, \$47,500, 5.00%, due December 1, 2021	22,985
2005A Refunding Issue, \$85,980, 3% - 4.125%, due December 1, 2025	66,525
2008 Public Imp. Issue, \$36,820, 4%, due December 1, 2021	27,965
2009A Refunding Issue, \$78,028, 3.00%-5.00%, due December 1, 2023	74,070
Annual G.O. Bond Issues:	
2000 Issue, \$8,000, 4.75% - 5.5%, due December 1, 2012	125
2001A Issue, \$8,000, 4.00% - 5.00%, due December 1, 2022	1,520
2002 Issue, \$8,000, 3.00% - 5.00%, due December 1, 2022	5,240
2003 Issue, \$8,000, 3.60% - 4.60%, due December 1, 2023	5,480
2004A Issue, \$8,000, 3.00% - 4.40%, due December 1, 2024	6,130
2005B Issue, \$8,000, 4.00% - 4.5%, due December 1, 2025	6,170
2007 Issue, \$8,000, 4.00% - 4.5%, due December 1, 2025	6,930
	<hr/>
	230,680
Deferred amount on bond issuance premiums	8,630
Total general obligation and annual bonds payable	<hr/> <hr/>
	239,310
SWMA Revenue Refunding Bonds:	
Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority, due December 1, 2021	16,745
Deferred amount on bond refunding	(326)
Total SWMA revenue refunding bonds payable	<hr/> <hr/>
	16,419
Limited Obligation Bonds:	
2001 Westside Project, \$14,995, variable, due December 1, 2021, 1.23% interest rate at June 30, 2012	8,860
2005A Westside Project, \$72,350, variable, due December 1, 2023, 1.23% interest rate at June 30, 2012	52,015
2005B Westside Project, \$10,215, variable, due December 1, 2023, 1.23% interest rate at June 30, 2012	8,050
2005A Eastside Project, \$9,480, 5.625%, due December 1, 2016	4,540
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	67,345
2005B Park Imp Rev Refunding, \$12,650, 4.00%-4.50%, due Dec. 1, 2020	12,560
2006 Atlantic Station, \$166,515, 3.5% due, December 1, 2024	159,595
2006 Princeton Lakes Project, \$21,000, 5.50%, due January 1, 2031	13,180
2006 Atlanta Public Safety Authority, \$50,000, 4.00% - 5.00%, due December 1, 2026	41,230
2007 Atlantic Station, \$85,495 4.75%-5.00%, due December 1, 2024	72,595
2008A BeltLine Reoffering, \$26,420 7.5% due January 1, 2031	26,140
2008B BeltLine Reoffering, \$33,725 6.75% term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	33,315
2008C BeltLine, \$4,355 7.50%, due January 1, 2031	4,310
2009B BeltLine, \$12,590, 6.75% term bond due January 1, 2020; and 7.375% term bond due January 1, 2031	12,450
2009C BeltLine, \$1,030 7.50% term bond due January 1, 2031	1,020
2008 Westside, \$63,760 3.27%, due December 1, 2037	59,295
	<hr/>
	614,500
Deferred amounts:	
Bond issuance premiums	3,422
Bond issuance discounts	(1,212)
Deferred amount on bond refunding	(12,849)
Total limited obligation bonds payable	<hr/> <hr/>
	603,861

(continued)

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long-Term Obligations, continued

Other general long-term debt:

Section 108 Loans, \$5,030, 5.40% - 7.96%, due August 1, 2019 (MMPH I)	980
Section 108 Loans, \$4,850, 5.40% - 7.96%, due August 1, 2019 (MMPH II & Mechanicsville)	1,910
1998 GMA Loan Pool, \$32,444, 4.75%, due November 30, 2028	32,444
2007 Intergovernmental Agreement Guaranteed payments towards 2007A Zoo, \$14,315, 4.125%-5.00%, due December 1, 2022	10,736
2007 Intergovernmental Agreement Guaranteed payments towards 2007B Zoo, \$7,515, 5.450%-5.480%, due December 1, 2014	2,697
1998 Installment Sale Program, \$103,130, 3.10% - 5.00%, due December 1, 2023 (1998 COPS)	40,660

Total other long-term debt	89,427
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Notes Payable:

Series 2008: Atlanta Public Safety Judicial Facilities Authority, \$17,000, 4.40, due February 1, 2018	11,026
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Total long-term debt, excluding capital leases	\$ 960,043
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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 1998 GMA grantor trust proceeds are restricted for the purchase of qualified capital equipment including rolling stock, construction and maintenance equipment, street lighting and traffic control equipment with a useful life ranging from 3-10 years. 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, 2012, the City had a arbitrage rebate liability in the amount of \$495,308 for the Public Safety Judicial Facility Series 2006 and \$7,130 for the Downtown Development Authority Parking Deck Series 2006.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long-Term Obligations, continued

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. There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 2012, the City believes it is in compliance with all significant 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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long-Term Obligations, continued

Department of Aviation (DOA)

Summary of Department of Aviation long-term debt at June 30, 2012, consists of the following (Dollars in thousands):

General Revenue and Refunding Bonds:

Airport General Revenue Refunding Bonds, Series 2003RF-A, at 5.0% , due serially through 2014	\$ 9,755
Airport General Revenue and Refunding Bonds, Series 2003RF-D, at 4.375% - 5.25% , due serially through 2019	71,340
Airport General Revenue Bonds, Series 2004A, combination serial (at 5.25% - 5.375%) and term bond (5.125%) through 2030	154,285
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	120,205
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	506,695
Airport General Revenue Refunding Bonds, Series 2011A, at 4.0% , due serially through 2021	224,195
Airport General Revenue Refunding Bonds, Series 2011B, at 5.0% , due serially through 2030	215,430
Airport General Revenue Refunding Bonds, Series 2012A, at 2.0% - 5.0% , due serially through 2030	63,695
Airport General Revenue Refunding Bonds, Series 2012B, at 3.0% - 5.0% , due serially through 2030	184,660
Airport General Revenue Refunding Bonds, Series 2012C, at 4.0% - 5.0% , due serially through 2030	225,740
Total General Revenue and Refunding Bonds	<u>2,012,645</u>

Passenger Facility Charge (PFC) and Subordinate Lien General Revenue 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 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	409,810
Total PFC and Subordinate Lien General Revenue Bonds	<u>938,740</u>

Customer Facility Charge (CFC) Restrictred Revenue 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)	186,135
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)	18,745
Total CFC Restrictred Revenue Bonds	<u>204,880</u>

Total Facilities Revenue Bonds	3,156,265
Deferred amounts:	
Bond issuance premiums	126,808
Bond issuance discounts	(7,344)
Bond refunding	(80,463)
Total bonds payable	<u>\$ 3,195,266</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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, 2012, the balance of outstanding conduit debt totaled \$204,880,000. The City of College Park has no obligation to make debt service payments on these bonds.

On July 21, 2011, the City issued \$224,195,000 of its Airport General Revenue Bond, Series 2011A and \$216,195,000 of its Airport General Revenue Bond, Series 2011B, respectively (“Series 2011 A/B Bonds”). The Series 2011 A/B Bonds were issued to refund and redeem all of the outstanding principal of the City’s Airport General Revenue and Refunding Bonds, Series 2000A, Series 2000B and Series 2000C (the “Refunded Bonds”), to pay the redemption premiums with respect to the Refunded Bonds, and pay the costs of issuance with respect to the Series 2011A/B Bonds.

On April 18, 2012, the City issued \$63,695,000 of its Airport General Revenue Bond, Series 2012A (non-AMT), \$184,660,000 of its Airport General Revenue Bond, Series 2012B (non-

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long-Term Obligations, continued

AMT) and \$225,740,000 of its Airport General Revenue Bond, Series 2012C (AMT), collectively referred to as the "Series 2012 Bonds". The Series 2012 Bonds were issued to finance or refinance the costs of the acquisition, construction and installation of various terminal, concourse, and other improvements throughout the Airport that are part of the Capital Improvement Plan, to refund and redeem, together with other available Airport funds, all the amounts previously drawn and outstanding under the Series 2010A/B Commercial Paper Program, to pay interest on portions of the 2012 Bonds during construction of the various projects, to fund the increase in the Debt Service Reserve Requirement resulting from this issuance, and pay certain costs of issuance with respect to the Series 2012 Bonds.

Department of Watershed Management

Summary of revenue bonds payable and GEFA notes payable at June 30, 2012 consists of the following (Dollars in thousands):

Revenue and Refunding Revenue Bonds:	
Water and Wastewater Revenue Bonds, \$1,096,140 Series 1999A, 5.00% - 5.50%, due serially and term through 2038	\$ 624,270
Water and Wastewater Revenue Bonds, \$415,310 Series 2001A, 4.50% - 5.50%, due serially and term through 2039	414,800
Water and Wastewater Revenue Bonds, \$849,330 Series 2004A, combination serial (4.125% - 5.75%) and term bonds (5.00%) through 2043	795,280
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	728,410
Water and Wastewater Refunding Revenue Bonds, \$448,965 Series 2009B, combination serial (2.50% - 5.50%) and term bonds (5.250% - 5.375%) thro	448,015
Total System Revenue Bonds	3,117,570
Deferred amounts:	
Bond issuance premiums	37,060
Bond issuance discounts	(13,534)
Bond refunding	(33,341)
Total bonds payable	<u>3,107,755</u>
Georgia Environmental Facilities Authority (GEFA) Notes Payable:	
Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3% due serially through 2023	3,048
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035	16,471
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036	16,989
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038	17,464
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027	27,724
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028	28,096
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027	28,385
Georgia Environmental Facilities Authority \$7,000,000.00 Maximum Gross, Loan, 3.00%, due date TBD	6,090
Georgia Environmental Facilities Authority \$3,000,000.00 Maximum Gross, Loan, 3.81%, due date TBD	2,302
Georgia Environmental Facilities Authority (GEFA) \$40,000,000 Maximum Gross, Loan, 3.00%, due date TBD	1,370
Total GEFA notes payable	<u>\$ 147,939</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements

Year Ended June 30, 2012

Notes to the Financial Statements - Continued

G. Long-Term Obligations, continued

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).

Interest Rate Exchange Agreements (SWAPs)

Department of Watershed Management (DWM) (“Department”)

At June 30, 2012, 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 \$329,640,000 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.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2012, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows (Dollars in thousands):

<u>Swap</u>	<u>Cash Flow Hedges</u>	<u>Classifications</u>	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2012</u>		<u>Notional</u>
			<u>Amount</u>	<u>Classification</u>	<u>Amount</u>		
3	Pay-fixed interest rate swaps	Investment income	\$ (51,019)	Investment	\$ (139,877)	\$	329,210
4a (partial)	Pay-fixed interest rate swaps	Investment income	\$ (6,487)	Investment	\$ (9,262)	\$	25,265
4b (partial)	Pay-fixed interest rate swaps	Deferred outflow	\$ (20,682)	Debt	\$ (29,489)	\$	80,440
				Total	<u>\$ (178,628)</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, 2012, 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+

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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, 2012, 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, A2 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, 2012, the interest rate on the Department's hedged variable-rate debt is 0.93 percent, while the SIFMA swap index rate is 0.180 percent and 67 percent of LIBOR is 0.162 percent.

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, 2012 the balance on the termination payment was \$3,720,000.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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 \$17,516,000 reported as the landfill post-closure costs liability at June 30, 2012, 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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the 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, 2012 (Dollars in thousands):

Year Ended June 30	Governmental Activities					
	General Obligations		Annual Bonds		SWMA Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	16,265	6,357	2,050	975	1,620	488
2018-2022	97,370	18,651	12,330	3,443	9,360	1,123
2023-2027	27,400	1,523	9,195	718	-	-
	<u>\$ 199,085</u>	<u>\$ 58,925</u>	<u>\$ 31,595</u>	<u>\$ 9,851</u>	<u>\$ 16,745</u>	<u>\$ 4,278</u>

Year Ended June 30	APSJFA Note Payable		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2013	\$ 1,636	\$ 490	\$ 25,364	\$ 30,393	\$ 8,176
2014	1,712	413	27,100	29,169	6,109	2,183
2015	1,792	334	29,580	27,811	5,880	1,900
2016	1,875	250	30,920	26,339	6,158	1,616
2017	1,963	163	32,400	24,743	6,473	1,318
2018-2022	2,048	71	185,175	97,551	16,186	3,476
2023-2027	-	-	178,870	47,624	8,001	359
2028-2032	-	-	71,950	17,120	32,444	-
2033-2037	-	-	31,215	3,362	-	-
2038-2042	-	-	1,926	58	-	-
	<u>\$ 11,026</u>	<u>\$ 1,721</u>	<u>\$ 614,500</u>	<u>\$ 304,170</u>	<u>\$ 89,427</u>	<u>\$ 13,373</u>

Year Ended June 30	Business-Type Activities						Interest Rate Swaps, Net
	Aviation		GA Environmental Facilities-DWM		Watershed Management		
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 96,810	\$ 152,297	\$ 4,000	\$ 5,289	\$ 48,425	\$ 164,123	\$ 17,042
2014	105,585	155,626	4,432	5,743	50,870	161,699	17,023
2015	105,510	150,725	5,500	5,477	53,540	159,046	17,002
2016	116,900	145,545	4,497	4,423	56,415	156,191	16,981
2017	123,030	139,666	4,651	4,269	59,455	153,168	16,959
2018-2022	669,530	600,288	25,711	18,887	350,675	712,780	84,424
2023-2027	721,400	427,382	42,748	14,160	444,465	604,554	78,123
2028-2032	750,265	222,701	42,329	4,526	563,805	464,541	61,335
2033-2037	294,375	76,877	13,436	1,302	708,560	294,348	40,553
2038-2042	172,860	25,016	635	9	686,485	92,970	15,416
2043-2046	-	-	-	-	94,875	4,802	-
	<u>\$ 3,156,265</u>	<u>\$ 2,096,123</u>	<u>\$ 147,939</u>	<u>\$ 64,085</u>	<u>\$ 3,117,570</u>	<u>\$ 2,968,222</u>	<u>\$ 364,858</u>

Year Ended June 30	Component Units					
	Recreation Authority		Atlanta Development Authority		Atlanta Housing Opportunity, Inc	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	5,915	9,010	12,859	9,533	\$ 1,210	\$ 1,656
2014	6,030	8,780	14,059	8,929	1,251	1,592
2015	6,370	8,414	14,235	8,288	1,320	1,524
2016	6,770	8,018	14,971	7,630	1,389	1,452
2017	7,170	7,601	15,746	6,936	1,462	1,375
2018-2022	42,790	30,905	45,949	28,425	8,670	5,503
2023-2027	57,210	16,075	44,174	18,243	11,525	2,589
2028-2032	21,730	1,435	22,935	9,001	2,710	81
2033-2037	-	-	19,381	4,065	-	-
	<u>\$ 153,985</u>	<u>\$ 90,238</u>	<u>\$ 204,309</u>	<u>\$ 101,050</u>	<u>\$ 29,541</u>	<u>\$ 15,772</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

G. Long-Term Debt, 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, 2012 the City has \$47,130,000 in defeased General Obligation Bonds.

Below is a description of the City's defeased bonds and the outstanding balances as of June 30, 2012 (Dollars in thousands):

Description of Bonds	Date Originally Issued	Original par Amount	Redemption Call Date	Date Defeased	Maturities Defeased	Interest Rate		Outstanding 6/30/2012
						Defeased Bonds %	Amount Defeased	
General Obligation Bonds								
1993 Refunding	10/1/1993	\$ 42,755	7/1/2005	5/1/2005	2009-2014	4.7	\$ 3,630	\$ -
1993 School Improvement	11/1/1993	94,000	12/1/2003	2/28/2001	2002-2018	5.5-5.6	81,760	42,930
1997A Various Purpose	11/1/1997	8,000	12/1/2007	5/1/2005	2009-2021	5.0-5.125	2,720	1,495
1998 Various Purpose	12/1/1998	8,000	12/1/2008	5/1/2005	2012-2020	4.4-4.9	1,710	490
2000 Various Purpose	11/1/2000	8,000	12/1/2010	5/1/2005	2013-2025	5.0-5.5	2,960	2,215
2001A Various Purpose	12/1/2001	8,000	12/1/2011	5/1/2005	2003-2025	5	4,190	-
2001B Public Improvement	12/1/2001	61,220	12/1/2011	5/1/2005	2014-2020	5	19,770	-
		<u>\$ 229,975</u>					<u>\$ 116,740</u>	<u>\$ 47,130</u>

H. Reserved Net Position and Restricted Assets

The various bond covenants require certain restriction of Net Position of the Department of Aviation. Restricted Net Position at June 30, 2012 are as follows (Dollars in thousands):

	Department of Aviation
Debt service and debt service reserve	\$ 397,231
Capital Projects	472,550
Total	<u>\$ 869,781</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

H. Reserved Net Position 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, 2012 are as follows (Dollars in thousands):

	Department of Watershed Management	Department of Aviation	Total
Renewal and Extension Fund:			
Other assets	\$ -	\$ 11,237	\$ 11,237
Airport Reserve Fund:			
Cash and cash equivalent	-	5,038	5,038
Passenger Facility Charges Fund:			
Investments	-	434,768	434,768
Cash and cash equivalent	-	23,427	23,427
Other assets	-	33,469	33,469
Customer Facility Charge Fund:			
Investments	-	12,798	12,798
Cash and cash equivalent	-	16,340	16,340
Other assets	-	2,612	2,612
Construction Funds:			
Construction:			
Cash and cash equivalents	294,968	476,075	771,043
Investments	-	14,159	14,159
Sinking Fund:			
Cash and cash equivalents	163,112	374,355	537,467
Investments	89,538	22,876	112,414
Total	\$ 547,618	\$ 1,427,154	\$ 1,974,772

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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 3.5% for 2012 and 2.5% for 2011. The City has annual excess insurance coverage 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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

A. Risk Management, continued

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.

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2012 were as follows (Dollars in thousands):

	Beginning of period	Period claims and changes in estimates	Claim payments	End of period
Workers' compensation:				
2011	\$ 38,516	\$ 5,919	\$ (4,153)	\$ 40,282
2012	\$ 40,282	\$ 5,078	\$ (6,050)	\$ 39,310
Health and Dental claims:				
2011	\$ 4,900	\$ 47,818	\$ (48,238)	\$ 4,480
2012	\$ 4,480	\$ 54,260	\$ (53,630)	\$ 5,110
General claims liability:				
2011	\$ 55,925	\$ 6,719	\$ (21,975)	\$ 40,649
2012	\$ 40,669	\$ 6,933	\$ (11,691)	\$ 35,911

B. Employee Retirement Systems and Pension Plans

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.

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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.

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.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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 participate in the Police Officers' Pension Fund. Sworn personnel employed by the Atlanta Fire Rescue Department are required to participate in 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, had an increase of 5% in their mandatory contributions into the funds in which they participate. The contribution is such that the new contribution is 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 are 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 includes a 1% multiplier, the employee contribution is 8% of salary with or without beneficiary, and the retirement age increased 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.

Beginning in fiscal year 2012, there is 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%. For fiscal year 2012 the City's contributions were \$29,574,000, while the covered payroll was \$248,806,000, or 28.6%. It is expected for fiscal year 2013 the cap will not be exceeded.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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 (July 1, 2011), in the three defined benefit plans and related current period payrolls are as follows:

	<u>General Employees' Plan</u>		<u>Firefighters</u>	<u>Police Officers</u>	<u>Total</u>
	<u>City/ Employer</u>	<u>School System</u>			
Retirees and beneficiaries currently receiving benefits and terminated employees entitles to benefits, but not yet receiving them	3,765	2,312	1,001	1,401	6,167
Current active employees					
Fully vested	1,715	503	411	704	2,830
Partially vested	581	139	239	354	1,174
Not vested	797	161	234	581	1,612
	<u>3,093</u>	<u>803</u>	<u>884</u>	<u>1,639</u>	<u>5,616</u>
Total membership	<u>6,858</u>	<u>3,115</u>	<u>1,885</u>	<u>3,040</u>	<u>11,783</u>

The latest valuation reports for purposes of fiscal year 2012 funding are as of July 1, 2010 for the General Employees Plan and as of January 1, 2011 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 12% of base pay (or 13% if participant has a covered beneficiary). The City's contribution percentage is the actuarially determined amount necessary to fund plan benefits after consideration of employee contributions.

The 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. The amortization period for the unfunded pension liability (UAAL) is a closed 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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

The required contribution percentages, developed in the most recent actuarial valuations for the plans, to cover pension liabilities and the actual 2012 contribution amounts are (Dollars in thousands):

	General Employees' Plan		Firefighters	Police Officers
	City/ Employer	School System		
Normal cost	6.53%	14.71%	24.96%	24.80%
Amortization of the unfunded actuarial accrued liability	32.16%	151.12%	30.76%	21.69%
Total required contributions as a percentage of covered payroll	38.69%	165.83%	55.72%	46.49%
2012 actual employee contributions				
Dollar amount (in thousands)	\$ 15,142	\$ 1,841	\$ 4,891	\$ 9,541
Percent of covered payroll	11.16%	7.50%	12.39%	12.95%
2012 actual City contributions				
Dollar amount (in thousands)	\$ 35,237	\$ 39,000	\$ 21,092	\$ 33,748
Percent of covered payroll	25.98%	158.78%	53.42%	45.80%

With respect to the General Employees' Pension Plan, which is a multiple-employer plan, the Plan's separately calculated actuarially determined contributions required are displayed separately for the City's portion (as "Employer") and for the School System. The actual City and Schools 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, 2012, were as follows for the respective plans:

General Employees' Plan:	
City/Employer	\$ 35,237
School System	\$ 39,000
Firefighters'	\$ 21,092
Police Officers'	\$ 33,748

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

The City's annual pension cost and net pension obligation for the current year ended June 30, 2012 and each of the five preceding years were as follows (Dollars in thousands):

Plan/Period	Annual Pension Cost (APC)	Percentage of ARC Contributed	Net Pension Obligation
General Employees' Plan (City as Employer):			
Year Ended 6/30/10	\$ 51,762	100%	\$ -
Year Ended 6/30/11	\$ 46,068	100%	\$ -
Year Ended 6/30/12	\$ 35,237	100%	\$ -
General Employees' Plan (School System):			
Year Ended 6/30/10	\$ 45,500	100%	\$ -
Year Ended 6/30/11	\$ 47,333	100%	\$ -
Year Ended 6/30/12	\$ 39,000	100%	\$ -
Firefighters:			
Year Ended 6/30/10	\$ 25,864	100%	\$ -
Year Ended 6/30/11	\$ 24,912	100%	\$ -
Year Ended 6/30/12	\$ 21,092	100%	\$ -
Police Officers:			
Year Ended 6/30/10	\$ 41,713	100%	\$ -
Year Ended 6/30/11	\$ 39,135	100%	\$ -
Year Ended 6/30/12	\$ 33,748	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 payrolls. The unfunded actuarial accrued liability for funding purposes, effective with the July 1, 2012 actuarial report, is to be amortized over a 30-year closed period.

Other actuarial assumptions used to perform the most recent calculation (July 1, 2011 calculations for funding purposes) are:

	General Employees' Plan			
	City as Employer	School System	Firefighters	Police Officers
Investment rate of return	8.00%	8.00%	7.75%	7.75%
Projected salary increases for inflation	4.50%	4.50%	4.00%	4.00%
Post-retirement benefit increases	3.00%	3.00%	3.00%	3.00%

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, 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, 2012:

	General Employees' Plan	Firefighters	Police Officers
Basis of accounting	Accrual	Accrual	Accrual
Asset Valuation Method	Actuarial Value	Market Value	Market Value

Funded Status and Funding Progress

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

	General Employees' Plan			
	City as Employer	School System	Firefighters	Police Officers
Plan/Valuation Date	7/1/2011	7/1/2011	7/1/2011	7/1/2011
Value of Assets	\$868,799	\$113,553	\$509,590	\$735,470
Actuarial Accrued Liability (AAL)	\$1,697,083	\$646,444	\$730,535	\$1,036,001
Percentage Funded	51.2%	17.6%	69.8%	71.0%
Unfunded Accrued Liabilities	\$828,284	\$532,891	\$220,945	\$300,531
Covered Payroll	\$135,636	\$24,563	\$39,482	\$73,688
Unfunded AAL as a Percentage of Covered Payroll	610.7%	2169.5%	559.6%	407.8%

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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.

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.

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 includes a mandatory employee salary contribution of 3.75% and is matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary which is also 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.

As of June 30, 2012, there were 1,184 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$75,224,000. Employer contributions for the year ended June 30, 2012, were \$4,930,000 and employee contributions were \$4,793,000, totaling 12.3% 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 position of the Plan.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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, 2012, the City made \$37.5 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 \$50 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, 2012 (Dollars in thousands):

	June 30, 2012				
	City-Wide	DWM	DOA	Other Business-type	General Government
Annual Required Contribution	\$ 92,545	\$ 18,580	\$ 11,570	\$ 5,466	\$ 56,929
Interest on Net OPEB Obligation	\$ 9,356	1,878	1,170	552	5,756
Adjustment to Annual Required Contribution	<u>(8,190)</u>	<u>(1,644)</u>	<u>(1,024)</u>	<u>(483)</u>	<u>(5,039)</u>
Annual OPEB Cost (expense)	93,711	18,814	11,716	5,535	57,646
"Pay As You Go" Payments Made	<u>(37,499)</u>	<u>(3,784)</u>	<u>(6,417)</u>	<u>(1,365)</u>	<u>(25,933)</u>
Increase in Net OPEB Obligation	56,212	15,030	5,299	4,170	31,713
Net OPEB Obligation - Beginning of Year	207,920	55,168	31,619	9,365	111,768
Net OPEB Obligation - End of Year	<u>\$ 264,132</u>	<u>\$ 70,198</u>	<u>\$ 36,918</u>	<u>\$ 13,535</u>	<u>\$ 143,481</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, 2010 - 2012 were as follows (Dollars 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, 2010	\$ 77,497	43.4%	\$ 154,539
June 30, 2011	\$ 89,554	40.4%	\$ 207,921
June 30, 2012	\$ 93,711	40.0%	\$ 264,132

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%.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

B. Employee Retirement Systems and Pension Plan, continued

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.

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, 2012, the total estimated remaining costs on committed projects are \$245,075 and \$264,500 for the Department of Aviation and Department of Watershed Management, respectively.

Encumbrances

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 billed or received. The City has outstanding encumbrances at June 30, 2012 as follows (Dollars in thousands):

	General Fund	Other Governmental Funds
Consulting	\$ 6,095	\$ 731
Repair & Maintenance	2,628	1,021
Supplies Computers	2,501	-
Vehicles	20	-
Total	\$ 11,244	\$ 1,752

Department of Aviation

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 of Leased Space formerly between Northwest and the Georgia EPD.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

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 sold the shares of common stock and the proceeds are restricted for future environmental requirements of the space that may arise.

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 \$20,202,000 for the period ended June 30, 2012. These payments are treated as operating revenue for the Department of Watershed Management.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

C. Commitments and Contingent Liabilities, continued

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 was \$274,000 for the year ended June 30, 2012. These payments 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.

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 October 2008, all projects required under the CSO Consent Decree were substantially complete. The CSO Consent Decree became eligible for termination in 2011.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

C. Commitments and Contingent Liabilities, continued

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. The provisions regarding the wastewater treatment facilities were completed in March 2004.

All remaining capital improvements, upgrades, and repairs to the collection and transmission system under the FACD were initially required to be completed by July 1, 2014. However, a court order dated September 24, 2012, approved a second amendment to the FACD. Note D, Subsequent Events.

Clean Water Atlanta Program

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, the Georgia General Assembly enacted a statute that allowed the City of Atlanta to impose a 1% sale and use tax dedicated to water and wastewater purposes subject to approval through a referendum of the voters in the City. The statute provided that the tax would be for an initial four-year term with up to two four-year extensions that were also subject to voter referendum. In 2010, the statute was amended to allow for up to three four-year extensions. The voters approved the first term in July 2004, the second term in March 2008, and the third term in February 2012. The statute allows the City to place before the voters a referendum to approve a fourth four-year term during the presidential preference primary election in 2016. The third four-year term ends on September 30, 2016. A fourth four-year term would end on September 30, 2020. Since October 1, 2004, a 1% Municipal sales and use tax has been collected for retail sales and use occurring in the incorporated city limits of Atlanta. Proceeds from this tax are specifically for funding renovations to the City's water and sewer system. Each four year term of the MOST may raise an amount of revenue not to exceed \$750,000,000. Proceeds from the MOST for fiscal year 2012 were \$115,136,000, of which \$10,152,000 were receivable from the Georgia Department of Revenue at June 30, 2012.
- **Federal Appropriation** – Some small Federal grants have been obtained and efforts to secure additional federal grants continue.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

C. Commitments and Contingent Liabilities, continued

- 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 2012, the City entered into three loan agreements dated February 9, 2012, totaling \$41 million, with the purpose of financing final payments on three existing loans due February 2027, September 2027, and February 2028, respectively. Liabilities for these loans will be recorded at the time funds are drawn.

In addition, of the three loans under which the City entered in fiscal year 2011, the City has drawn down funds totaling \$9,762,531.79 as of June 30, 2012. There is a combined maximum loan forgiveness of \$2,250,000 associated with these loans, which will be reflected in fiscal year 2013. One such loan was finalized shortly after June 30, 2012. Please see Note D for further information.

As of June 30, 2012, the City had \$147,940,000 in short and long-term outstanding GEFA loans.

- 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. In July 2012, the City Council approved holding the current water and wastewater rates at fiscal year 2012 levels through fiscal year 2016.

Graduated Monthly Wastewater Rate Structure (unaudited):

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
1-3 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

Graduated Monthly Water Rate Structure (unaudited):

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

C. Commitments and Contingent Liabilities, continued

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 2013-2014 CIP <u>(In Millions)</u>
Wastewater Projects:	
CSO Consent Decree	\$ 3
First Amended Decree	418
Regulatory	42
Rewal & Extension Fund Projects	<u>118</u>
Subtotal	<u>581</u>
Water Projects:	
Consent Order	37
Non-Consent Order	<u>915</u>
Subtotal	<u>952</u>
Grand total	<u><u>\$ 1,533</u></u>

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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Year Ended June 30, 2012

Notes to the Financial Statements – Continued

C. Commitments and Contingent Liabilities, continued

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

Department of Watershed Management (DWM)

On September 24, 2012, the Court entered an amendment to the FACD. This amendment contained five changes: (1) it extended the deadlines on the work to rehabilitate and provide capacity relief in the City's sewerage collection and transmission system with the final deadline for this work under the FACD extended from 2014 to 2027; (2) it eliminated the requirement that sewer lines that were merely surcharging as opposed to overflowing be upgraded; (3) that the City complete one major project -- the Peachtree Creek Storage and Pump Station by July 1, 2014; (4) that the City reassess its financial capability on July 1, 2020 and accelerate remaining projects if financial conditions substantially improve; and (5) that the City report certain performance metrics to federal and state environmental protection agencies on a semi-annual basis as opposed to a quarterly basis. This amendment will allow the City to continue to improve the financial condition of its water and wastewater system, balance its competing system needs, and prevent a substantial increase in the burden on its ratepayers.



**Required Supplementary
Information**

Atlanta

CITY OF ATLANTA, GEORGIA
Note to the Required Supplementary Information (Unaudited)
Year Ended June 30, 2012

Schedule of Funding Progress for Pension Plans (Unaudited)
(Dollars 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:						
City as Employer						
1/1/2006	\$ 702,178	\$ 1,335,975	52.6%	\$ 633,797	\$ 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%	\$ 747,361	\$ 142,597	524.1%
7/1/2011	\$ 868,799	\$ 1,697,083	51.2%	\$ 828,284	\$ 135,636	610.7%
General Employees:						
School System						
1/1/2006	\$ 116,866	\$ 600,055	19.5%	\$ 483,189	\$ 26,186	1845.3%
7/1/2007	\$ 133,058	\$ 643,302	20.7%	\$ 510,243	\$ 29,105	1753.1%
7/1/2008	\$ 150,876	\$ 655,110	23.0%	\$ 504,234	\$ 28,273	1783.4%
7/1/2009	\$ 112,295	\$ 644,788	17.4%	\$ 532,493	\$ 29,405	1810.9%
7/1/2010	\$ 114,616	\$ 669,033	17.1%	\$ 554,417	\$ 26,304	2107.7%
7/1/2011	\$ 113,553	\$ 646,444	17.6%	\$ 532,891	\$ 24,563	2169.5%
Firefighters						
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%	\$ 276,386	\$ 43,910	629.4%
1/1/2011	\$ 481,640	\$ 732,357	65.8%	\$ 250,717	\$ 42,963	583.6%
7/1/2011	\$ 509,590	\$ 730,535	69.8%	\$ 220,945	\$ 39,482	559.6%
Police						
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%
1/1/2011	\$ 697,668	\$ 1,056,240	66.1%	\$ 358,572	\$ 83,551	429.2%
7/1/2011	\$ 735,470	\$ 1,036,001	71.0%	\$ 300,531	\$ 73,688	407.8%

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
7/1/2007	\$0	\$ 1,125,648	\$ 1,125,648	0.0%	\$ 280,031	402.0%
7/1/2008	\$0	\$ 1,085,315	\$ 1,085,315	0.0%	\$ 278,039	390.3%
7/1/2010	\$0	\$ 1,408,268	\$ 1,408,268	0.0%	\$ 312,984	449.9%

See accompanying notes to required supplementary schedules and accompanying Auditors' report

CITY OF ATLANTA, GEORGIA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2012

(In Thousands)

Total revenue for Original and Final, per Council approval, was \$550,620

To ensure the Actual Column is consistent with the Statement of Revenues, Expenses and Changes in Fund Balance, the Original and Final Budget figures reflect the following adjustments:

Total Budget for Revenues:	\$	550,620	
less: Operating Transfer Budget		(12,735)	Reflected in other financing sources and uses, as a transfer in
less: Proceeds from sales of assets		(200)	Reflected in other financing sources and uses
less: Indirect Cost Recovery		(30,779)	Reflected as an offset to General Government expenditures
Total Revenues	\$	506,906	

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 176,478	\$ 176,478	\$ 185,513	\$ 9,035
Local option sales tax	100,580	100,580	97,400	(3,180)
Sales, public utility, alcoholic beverage, and other taxes	120,375	120,375	115,538	(4,837)
Licenses and permits	63,470	63,470	59,105	(4,365)
Intergovernmental revenues:				
State and local grants and contributions	-	-	24	24
Federal	-	-	275	275
Charges for current services	4,678	4,678	4,580	(98)
Fines, forfeitures, and penalties	19,157	19,157	22,050	2,893
Investment income	2,000	2,000	1,444	(556)
Building rentals and concessions	8,619	8,619	6,688	(1,931)
Other income	4,637	4,637	2,116	(2,521)
Fund Balance Appropriation	6,912	6,912	-	(6,912)
Total revenues	506,906	506,906	494,733	(12,173)
EXPENDITURES				
Current:				
General government	519,841	163,881	110,424	(53,457)
Police	-	163,547	164,117	570
Fire	-	75,182	72,120	(3,062)
Corrections	-	28,050	27,496	(554)
Public Works	-	23,353	26,310	2,957
Parks, recreation and cultural affairs	-	29,672	27,333	(2,339)
Debt Service:				
Principal payments	-	22,797	19,028	(3,769)
Interest payments	-	13,359	12,208	(1,151)
Total expenditures	519,841	519,841	459,036	(60,805)
Excess (deficiency) of revenues over (under) expenditures	(12,935)	(12,935)	35,697	48,632
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	200	200	14,623	14,423
Transfers in	12,735	12,735	14,256	1,521
Transfers out	-	-	(32,206)	(32,206)
Total other financial sources and uses	12,935	12,935	(3,327)	(16,262)
Excess (deficiency) of revenues over (under) expenditures	-	-	32,370	32,370
Fund balance - beginning	94,350	94,350	94,350	
Fund balance - ending	94,350	94,350	126,720	

See accompanying notes to the Auditor's report



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CITY OF ATLANTA, GEORGIA
Note to the Required Supplementary Information (Unaudited)
Year Ended June 30, 2012

Budgetary Data

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 major funds consisting of the General Fund, MOST Fund, as well as the following non-major funds: 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 budgetary comparisons for these non-major funds are included in the combining statements. The Capital Projects Funds adopt project-length budgets. In preparing the budgets, the Government utilizes generally accepted accounting principles (GAAP) for all legally required budgeted funds.

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

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

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the City in excess of original anticipations, and these amounts are anticipated by the Budget Commission and subsequently appropriated by City Council. No such additional appropriations were required during the year ended June 30, 2012.

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.

During 2012, neither the General Fund nor the MOST fund had expenditures that exceeded appropriations at the fund level.

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 expenditures 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
Car Rental Excise Tax Fund
Section 108 Loan Fund*

*Expendable 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

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

Capital Project funds - For the acquisition and construction of major capital facilities other than those financed by proprietary fund and trust funds.

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
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Other Special Revenue
ASSETS					
Cash, Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Cash, Restricted	3,040	-	12,472	18,502	\$ 37,359
Equity in cash management pool	-	-	-	-	13,454
Investments	-	-	-	-	286
Receivables					
Taxes	-	-	-	2,812	4,948
Accounts	-	1,412	-	-	80
Due from other governmental units and agencies	3,169	-	10,120	-	1,498
Due from other funds	-	-	-	-	170
Restricted investments	-	-	-	-	-
Total assets	\$ 6,209	\$ 1,412	\$ 22,592	\$ 21,314	\$ 57,795
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 971	\$ 678	\$ 6,368	\$ 591	\$ 1,894
Accrued salaries, vacation, and compensatory pay	43	223	282	-	158
Contract retentions	87	-	159	60	14
Due to other governments	-	-	-	51	5,401
Due to component units	-	-	-	-	-
Due to other funds	997	22,960	13,851	292	251
Deffered Revenue	-	-	-	-	-
Unearned revenue	1,843	-	1,871	2,121	829
Total liabilities	3,941	23,861	22,531	3,115	8,547
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	2,268	-	1,000	18,199	49,248
Assigned	-	-	-	-	-
Unassigned	-	(22,449)	(939)	-	-
Total fund balances	2,268	(22,449)	61	18,199	49,248
Total liabilities and fund balances	\$ 6,209	\$ 1,412	\$ 22,592	\$ 21,314	\$ 57,795

See accompanying independent auditors report

Debt Service Fund		Capital Projects Funds					Total	
Bond Sinking Fund	Tax Allocation Districts	Park Improvement	Capital Project	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	Nonmajor Governmental Funds	
\$ -	\$ 2,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,221	
\$ 58,835	218,688	-	32,083	-	26,913	2,690	410,582	
-	-	9,970	345	2,618	-	-	26,387	
-	-	-	-	-	-	-	286	
1,966	8,581	616	-	-	-	-	18,923	
12	108	5	-	16	-	-	1,633	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	14,787	
208	-	-	202	-	-	-	580	
-	-	-	-	-	-	-	-	
<u>\$ 61,021</u>	<u>\$ 229,598</u>	<u>\$ 10,591</u>	<u>\$ 32,630</u>	<u>\$ 2,634</u>	<u>\$ 26,913</u>	<u>\$ 2,690</u>	<u>\$ 475,399</u>	
\$ 5	\$ 1,477	\$ 47	\$ 1,029	\$ -	\$ 220	\$ 23	\$ 13,303	
-	-	29	-	-	7	-	\$ 742	
-	-	3	918	-	163	-	1,404	
-	4,555	-	-	-	-	-	10,007	
-	-	-	-	-	-	-	-	
-	402	-	13,275	-	200	-	52,228	
1,866	-	581	-	-	-	-	2,447	
-	5,138	-	-	-	-	-	11,802	
<u>1,871</u>	<u>11,572</u>	<u>660</u>	<u>15,222</u>	<u>-</u>	<u>590</u>	<u>23</u>	<u>91,933</u>	
-	-	-	-	-	-	-	-	
59,150	218,026	9,931	17,408	2,634	26,323	2,667	406,854	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	(23,388)	
<u>59,150</u>	<u>218,026</u>	<u>9,931</u>	<u>17,408</u>	<u>2,634</u>	<u>26,323</u>	<u>2,667</u>	<u>383,466</u>	
<u>\$ 61,021</u>	<u>\$ 229,598</u>	<u>\$ 10,591</u>	<u>\$ 32,630</u>	<u>\$ 2,634</u>	<u>\$ 26,913</u>	<u>\$ 2,690</u>	<u>\$ 475,399</u>	

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Special Revenue Funds				
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Other Special Revenue
Revenues:					
Property taxes	\$ -	\$ -	\$ -	4,296	-
Other taxes	-	-	-	-	\$ 50,474
Licenses and Permits	-	-	-	-	817
Charges for current services	-	9,248	-	-	1,246
Building rentals and concession	-	-	-	-	895
Fines, forfeitures and penalties	-	-	-	-	2,500
Investment income	-	-	(1)	30	214
Intergovernmental revenues:					
U.S. Government grants	11,688	-	24,431	-	4,277
State and local governments	124	-	13,093	-	3,050
Total intergovernmental revenues	11,812	-	37,524	-	7,327
Other	-	-	2,160	3	2,490
Total revenues	11,812	9,248	39,683	4,329	65,963
Expenditures:					
Current:					
General government:					
Executive Offices	2,326	-	19,195	907	37,299
Personnel and human services	-	-	-	-	-
City Council	-	-	-	-	6
Nondepartmental	3	50	21	667	1,159
Courts and judicial agencies	19	-	74	-	139
Finance	2,770	-	1,066	-	188
Housing, planning and development	4,805	-	9,747	-	4,470
Total general government	9,923	50	30,103	1,574	43,261
Police	-	15,274	9,347	-	871
Fire	-	-	4,473	-	(9)
Corrections	-	-	(98)	-	3,010
Public Works	527	-	2,599	-	2,753
Parks, Recreation, and Cultural Affairs	1,019	-	676	-	5,558
Debt service:					
Principal payments	680	-	-	-	455
Interest payments	209	-	-	-	8
Bond issuance costs	-	-	-	-	-
Total debt service	889	-	-	-	463
Total expenditures	12,358	15,324	47,100	1,574	55,907
Excess (Deficiency) of revenues over (under) expenditures	(546)	(6,076)	(7,417)	2,755	10,056
Other financing sources (uses):					
Transfers in	-	12,288	7,197	-	40
Transfers out	-	-	-	-	(18,826)
Total other financing sources (uses)	-	12,288	7,197	-	(18,786)
Net change in fund balances	(546)	6,212	(220)	2,755	(8,730)
Fund balances, beginning of period	2,814	(28,661)	281	15,444	57,978
Fund balances, end of period	<u>\$ 2,268</u>	<u>\$ (22,449)</u>	<u>\$ 61</u>	<u>\$ 18,199</u>	<u>\$ 49,248</u>

See accompanying independent auditors report

Debt Service Funds		Capital Projects Funds						
Bond Sinking Fund	Tax Allocation Districts	Park Improvement	Capital Projects Funds	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	Totals	
\$ 27,415	\$ 62,569	\$ 8,978	\$ -	\$ -	\$ -	\$ -	\$ 103,258	
2,060	-	822	-	-	-	-	\$ 53,356	
-	-	-	-	-	-	-	817	
-	-	-	-	54	1,617	-	12,165	
-	-	-	-	-	-	-	895	
-	-	-	-	-	-	-	2,500	
98	756	72	21	17	43	4	1,254	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	40,396	
-	-	-	-	-	-	-	16,267	
-	-	-	-	-	-	-	56,663	
13	8	7	57	-	-	-	4,738	
29,586	63,333	9,879	78	71	1,660	4	235,646	
-	-	-	54	-	-	-	59,781	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	6	
301	17,853	-	1,650	-	2	-	21,706	
-	-	-	-	-	-	-	232	
-	2,372	-	-	-	8	1	6,405	
-	-	-	-	-	303	-	19,325	
301	20,225	-	1,704	-	313	1	107,455	
-	-	-	1,308	-	-	-	26,800	
-	-	-	981	-	453	-	5,898	
-	-	-	267	-	-	-	3,179	
-	218	-	6,631	-	2,272	237	15,237	
-	-	3,526	2,148	-	305	-	13,232	
-	-	-	-	-	-	-	-	
14,285	15,640	2,560	-	-	-	-	33,620	
11,041	19,096	3,828	70	-	-	-	34,252	
7	301	3	-	-	-	-	311	
25,333	35,037	6,391	70	-	-	-	68,183	
25,634	55,480	9,917	13,109	-	3,343	238	239,984	
3,952	7,853	(38)	(13,031)	71	(1,683)	(234)	(4,338)	
-	-	-	17,511	-	-	-	37,036	
-	-	-	(8,704)	-	-	-	(27,530)	
-	-	-	8,807	-	-	-	9,506	
3,952	7,853	(38)	(4,224)	71	(1,683)	(234)	5,168	
55,198	210,173	9,969	21,632	2,563	28,006	2,901	378,298	
\$ 59,150	\$ 218,026	\$ 9,931	\$ 17,408	\$ 2,634	\$ 26,323	\$ 2,667	\$ 383,466	

See accompanying independent auditors report

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

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

	Special Revenue Funds					Debt Service Funds						
	NW Atlanta	Hollowell/ M.L.King	Campbellton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
ASSETS												
Cash, Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867	\$ -	\$ -	\$ 30	\$ 1,324	2,221
Cash, Restricted	13,256	1,627	2,228	1,205	186	18,502	36,610	100,109	3,863	55,752	22,354	218,688
Receivables												
Taxes	2,304	301	149	48	10	2,812	539	2,577	49	904	4,512	8,581
Accounts	-	-	-	-	-	-	32	-	-	76	-	108
Total assets	<u>\$ 15,560</u>	<u>\$ 1,928</u>	<u>\$ 2,377</u>	<u>\$ 1,253</u>	<u>\$ 196</u>	<u>\$ 21,314</u>	<u>\$ 38,048</u>	<u>\$ 102,686</u>	<u>\$ 3,912</u>	<u>\$ 56,762</u>	<u>\$ 28,190</u>	<u>\$ 229,598</u>
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 487	\$ 26	\$ 24	\$ 38	\$ 16	\$ 591	\$ 30	\$ 92	\$ 17	\$ 37	\$ 1,301	\$ 1,477
Contract retentions	60	-	-	-	-	60	-	-	-	-	-	-
Due to other governments	44	2	1	4	-	51	542	-	-	3,501	512	4,555
Due to other funds	256	12	11	9	4	292	10	28	-	11	353	402
Deferred revenues	1,634	285	144	48	10	2,121	174	2,501	46	700	1,717	5,138
Total liabilities	<u>2,481</u>	<u>325</u>	<u>180</u>	<u>99</u>	<u>30</u>	<u>3,115</u>	<u>756</u>	<u>2,621</u>	<u>63</u>	<u>4,249</u>	<u>3,883</u>	<u>11,572</u>
Fund balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	13,079	1,603	2,197	1,154	166	18,199	37,292	100,065	3,849	52,513	24,307	218,026
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>13,079</u>	<u>1,603</u>	<u>2,197</u>	<u>1,154</u>	<u>166</u>	<u>18,199</u>	<u>37,292</u>	<u>100,065</u>	<u>3,849</u>	<u>52,513</u>	<u>24,307</u>	<u>218,026</u>
Total liabilities and fund balances	<u>\$ 15,560</u>	<u>\$ 1,928</u>	<u>\$ 2,377</u>	<u>\$ 1,253</u>	<u>\$ 196</u>	<u>\$ 21,314</u>	<u>\$ 38,048</u>	<u>\$ 102,686</u>	<u>\$ 3,912</u>	<u>\$ 56,762</u>	<u>\$ 28,190</u>	<u>229,598</u>

See accompanying independent auditors' report

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, 2012
(Dollars in Thousands)

	Special Revenue Funds					Debt Service Funds						
	NW Atlanta	Hollowell/ M.L.King	Campbellton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
Revenues:												
Property taxes	\$ 2,837	\$ 546	\$ 530	\$ 368	\$ 15	\$ 4,296	\$ 15,714	\$ 14,969	\$ 1,810	\$ 10,628	\$ 19,448	\$ 62,569
Investment income	21	3	4	2	-	30	444	51	6	231	24	756
Other	-	-	-	3	-	3	-	-	8	-	-	8
Total revenues	2,858	549	534	373	15	4,329	16,158	15,020	1,824	10,859	19,472	63,333
Expenditures:												
Current:												
General government:												
Executive Offices	907	-	-	-	-	907	-	-	-	-	-	-
Personnel and human services	-	-	-	-	-	-	-	-	-	-	-	-
City Council	0	-	0	-	-	-	-	-	-	-	-	-
General government	198	157	137	128	47	667	147	449	65	162	17,030	17,853
Courts and judicial agencies	-	-	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	1,432	-	940	-	2,372
General government	1,105	157	137	128	47	1,574	147	1,881	65	1,102	17,030	20,225
Police	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	218	-	-	-	218
Parks, Recreation, and Cultural Affairs	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal payments	-	-	-	-	-	-	3,315	6,530	3,570	1,340	885	15,640
Interest payments	-	-	-	-	-	-	8,810	1,199	922	2,440	5,725	19,096
Bond issuance costs	-	-	-	-	-	-	9	277	4	8	3	301
Total debt service	-	-	-	-	-	-	12,134	8,006	4,496	3,788	6,613	35,037
Total expenditures	1,105	157	137	128	47	1,574	12,281	10,105	4,561	4,890	23,643	55,480
Excess (Deficiency) of revenues over (under) expenditures	1,753	392	397	245	(32)	2,755	3,877	4,915	(2,737)	5,969	(4,171)	7,853
Other financing sources (uses):												
Transfers in (out)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	1,753	392	397	245	(32)	2,755	3,877	4,915	(2,737)	5,969	(4,171)	7,853
Fund balances, beginning of period	11,326	1,211	1,800	909	198	15,444	33,415	95,150	6,586	46,544	28,478	210,173
Fund balances, end of period	\$ 13,079	\$ 1,603	\$ 2,197	\$ 1,154	\$ 166	\$ 18,199	\$ 37,292	\$ 100,065	\$ 3,849	\$ 52,513	\$ 24,307	\$ 218,026

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
For the Year Ended June 30, 2012
(Dollars 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-restricted	\$ 30,185	\$ 1,268	\$ 5,906	\$ -	\$ -	\$ 37,359
Equity in cash management pool	13,076	-	-	58	320	13,454
Investments	286	-	-	-	-	286
Receivables						
Taxes	-	-	-	-	4,948	4,948
Accounts	-	-	-	80	-	80
Due from other governmental units and agencies	10	477	1,011	-	-	1,498
Due from other funds	-	-	170	-	-	170
Total assets	<u>\$ 43,557</u>	<u>\$ 1,745</u>	<u>\$ 7,087</u>	<u>\$ 138</u>	<u>\$ 5,268</u>	<u>\$ 57,795</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,383	\$ 407	\$ 99	\$ 5	\$ -	\$ 1,894
Accrued salaries, vacation, and compensatory pay	151	7	-	-	-	158
Contract retentions	14	-	-	-	-	14
Due to other governments	-	-	-	133	5,268	5,401
Due to other funds	-	251	-	-	-	251
Unearned revenues	249	580	-	-	-	829
Total liabilities	<u>1,797</u>	<u>1,245</u>	<u>99</u>	<u>138</u>	<u>5,268</u>	<u>8,547</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	41,760	500	6,988	-	-	49,248
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>41,760</u>	<u>500</u>	<u>6,988</u>	<u>-</u>	<u>-</u>	<u>49,248</u>
Total liabilities and fund balances	<u>\$ 43,557</u>	<u>\$ 1,745</u>	<u>\$ 7,087</u>	<u>\$ 138</u>	<u>\$ 5,268</u>	<u>\$ 57,795</u>

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012
(Dollars 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	\$ 1,056	\$ -	\$ -	\$ 853	\$ 48,565	\$ 50,474
Licenses and Permits	804	-	-	-	13	817
Charges for current services	1,246	-	-	-	-	1,246
Fines, forfeitures and penalties	2,500	-	-	-	-	2,500
Investment income	212	-	2	-	-	214
Building rentals and concession	895	-	-	-	-	895
Intergovernmental revenues:						
U.S. Government grants	-	2,834	1,443	-	-	4,277
State and local governments	3,050	-	-	-	-	3,050
Total intergovernmental revenues	3,050	2,834	1,443	-	-	7,327
Other	2,490	-	-	-	-	2,490
Total revenues	12,253	2,834	1,445	853	48,578	65,963
Expenditures:						
Current:						
General government:						
Executive Offices	290	259	-	853	35,897	37,299
Personnel and human services	-	-	-	-	-	-
City Council	6	-	-	-	-	6
Nondepartmental	1,157	-	2	-	-	1,159
Courts and judicial agencies	139	-	-	-	-	139
Finance	34	-	154	-	-	188
Housing, planning and development	1,768	2,702	-	-	-	4,470
General government	3,394	2,961	156	853	35,897	43,261
Police	871	-	-	-	-	871
Fire	(9)	-	-	-	-	(9)
Corrections	3,010	-	-	-	-	3,010
Public Works	2,753	-	-	-	-	2,753
Parks, Recreation, and Cultural Affairs	5,558	-	-	-	-	5,558
Debt service:						
Principal payments	-	-	455	-	-	455
Interest payments	-	-	8	-	-	8
Total debt service	-	-	463	-	-	463
Total expenditures	15,577	2,961	619	853	35,897	55,907
Excess (Deficiency) of revenues over (under) expenditures	(3,324)	(127)	826	-	12,681	10,056
Other financing sources (uses):						
Transfers in	-	-	40	-	-	40
Transfers out	(6,100)	(40)	-	-	(12,686)	(18,826)
Total other financing sources (uses)	(6,100)	(40)	40	-	(12,686)	(18,786)
Net changes in fund balances	(9,424)	(167)	866	-	(5)	(8,730)
Fund balances, beginning of period	51,184	667	6,122	-	5	57,978
Fund balances, end of period	\$ 41,760	\$ 500	\$ 6,988	\$ -	\$ -	\$ 49,248

See accompanying independent auditors report

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, 2012
(Dollars in Thousands)

	Community Development Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. government grants	\$ 29,996	\$ 38,098	\$ 11,688	\$ (26,410)
State of Georgia grants	-	-	124	124
Total revenues	29,996	38,098	11,812	(26,286)
EXPENDITURES				
Current:				
General government:				
Executive offices	3,137	3,913	2,326	(1,587)
Finance	9,747	13,300	2,770	(10,530)
Planning and community development	13,819	15,664	4,805	(10,859)
Nondepartmental expenditures			3	3
Courts and judicial agencies	48	73	19	(54)
Total general government	26,751	32,950	9,923	(23,027)
Public safety:				
Fire	37	37	-	(37)
Corrections	13	9	-	(9)
Total public safety	50	46	-	(46)
Public works	493	747	527	(220)
Parks, recreation, and cultural affairs	2,702	4,355	1,019	(3,336)
Debt Service:				
Bond principal payments	-	-	680	680
Interest on Bonds	-	-	209	209
Total expenditures	29,996	38,098	12,358	(25,740)
Excess (deficiency) of revenues over (under) expenditures	-	-	(546)	(546)
Fund balance - beginning	2,814	2,814	2,814	
Fund balance - ending	\$ 2,814	\$ 2,814	\$ 2,268	

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, 2012
(Dollars in Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Revenue				
Charges for Services	\$ 11,202	\$ 11,202	\$ 9,248	\$ (1,954)
Total revenues	11,202	11,202	9,248	(1,954)
EXPENDITURES				
Current:				
Police Services	15,412	15,412	15,274	(138)
Nondepartmental	424	424	50	(374)
Total expenditures	15,836	15,836	15,324	(512)
Excess (deficiency) of revenues over (under) expenditures	(4,634)	(4,634)	(6,076)	(1,442)
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	4,634	4,634	12,288	7,654
	4,634	4,634	12,288	7,654
Excess (deficiency) of revenues over (under) expenditures	-	-	6,212	6,212
Fund balance - beginning	(28,661)	(28,661)	(28,661)	
Fund balance - ending	\$ (28,661)	\$ (28,661)	\$ (22,449)	

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, 2012

(Dollars in Thousands)

	Intergovernmental Grant Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues				
U.S. Government grants	\$ 75,619	\$ 91,286	\$ 24,431	\$ (66,855)
State of Georgia grants	24,306	53,133	13,093	(40,040)
Other	-	-	2,159	2,159
Total revenues	<u>99,925</u>	<u>144,419</u>	<u>39,683</u>	<u>(104,736)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	42,541	62,723	19,195	(43,528)
City Council	5	5	-	(5)
Courts and judicial agencies	488	400	74	(326)
Nondepartmental	-	-	21	21
Finance	1,436	2,289	1,066	(1,223)
Planning and community development	20,199	22,194	9,747	(12,447)
Total general government	<u>64,669</u>	<u>87,611</u>	<u>30,103</u>	<u>(57,508)</u>
Public safety:				
Police	25,366	22,515	9,347	(13,168)
Fire	358	10,688	4,473	(6,215)
Corrections	2	(98)	(98)	-
Total public safety	<u>25,726</u>	<u>33,105</u>	<u>13,722</u>	<u>(19,383)</u>
Public works	8,087	27,858	2,599	(25,259)
Parks, recreation, and cultural affairs	2,217	2,339	676	(1,663)
Debt Service:				
Bond principal payments	-	-	-	-
Total expenditures	<u>100,699</u>	<u>150,913</u>	<u>47,100</u>	<u>(103,813)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(774)</u>	<u>(6,494)</u>	<u>(7,417)</u>	<u>(923)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	774	6,494	7,197	703
Total other financial sources and uses	<u>774</u>	<u>6,494</u>	<u>7,197</u>	<u>703</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>(220)</u>
Fund balance - beginning	<u>281</u>	<u>281</u>	<u>281</u>	
Fund balance - ending	<u>\$ 281</u>	<u>\$ 281</u>	<u>\$ 61</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, 2012

(Dollars in Thousands)

	Atlantic Station TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	17,432	17,432	15,714	(1,718)
Investment income	427	427	444	17
Other Revenue	35,869	35,869	-	(35,869)
Total revenues	<u>53,728</u>	<u>53,728</u>	<u>16,158</u>	<u>(37,570)</u>
EXPENDITURES				
Current:				
Fire	87	87	-	(87)
General government:	578	578	147	(431)
Nondepartmental	32,285	32,285	-	(32,285)
Debt Service:				
Bond principal payments	11,770	11,770	3,315	(8,455)
Interest payments	8,999	8,999	8,810	(189)
Bond issuance costs	9	9	9	-
Total expenditures	<u>53,728</u>	<u>53,728</u>	<u>12,281</u>	<u>(41,447)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,877</u>	<u>3,877</u>
Fund balance - beginning	<u>33,415</u>	<u>33,415</u>	<u>33,415</u>	
Fund balance - ending	<u>\$ 33,415</u>	<u>\$ 33,415</u>	<u>\$ 37,292</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, 2012
(Dollars in Thousands)

	Westside TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 15,700	\$ 15,700	\$ 14,969	\$ (731)
Investment income	99	99	51	(48)
Other Revenues	93,709	93,709	-	(93,709)
Total revenues	109,508	109,508	15,020	(94,488)
EXPENDITURES				
Current:				
Public Works	173	173	218	45
Finance	38,412	38,412	1,432	(36,980)
Nondepartmental	60,590	60,590	449	(60,141)
Debt Service:				
Bond principal payments	4,750	4,750	6,530	1,780
Interest payments	4,289	4,289	1,199	(3,090)
Bond issuance costs	1,294	1,294	277	(1,017)
Total debt service	10,333	10,333	8,006	(2,327)
Total expenditures	109,508	109,508	10,105	(99,403)
Excess (deficiency) of revenues over (under) expenditures	-	-	4,915	4,915
Fund balance - beginning	95,150	95,150	95,150	
Fund balance - ending	\$ 95,150	\$ 95,150	\$ 100,065	

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, 2012
(Dollars in Thousands)

	NW Atlanta TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 3,032	\$ 3,032	\$ 2,837	\$ (195)
Investment income	24	24	21	(3)
Other Revenues	10,867	10,867	-	(10,867)
Total revenues	13,923	13,923	2,858	(11,065)
EXPENDITURES				
Current:				
General government	13,923	9,423	198	(9,225)
Executive offices	-	4,500	907	(3,593)
Total expenditures	13,923	13,923	1,105	(12,818)
Excess (deficiency) of revenues over (under) expenditures	-	-	1,753	1,753
Fund balance - beginning	11,326	11,326	11,326	
Fund balance - ending	\$ 11,326	\$ 11,326	\$ 13,079	

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, 2012
(Dollars 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	\$ 1,900	\$ 1,900	\$ 1,810	\$ (90)
Investment income	9	9	6	(3)
Other Revenues	6,609	6,609	8	(6,601)
Total revenues	<u>8,518</u>	<u>8,518</u>	<u>1,824</u>	<u>(6,694)</u>
EXPENDITURES				
Current:				
Finance	4,065	4,065	-	(4,065)
Nondepartmental	97	97	65	(32)
Debt Service:				
Principal payments	3,500	3,500	3,570	70
Interest payments	922	922	922	-
Bond issuance costs	4	4	4	-
Total expenditures	<u>8,588</u>	<u>8,588</u>	<u>4,561</u>	<u>(4,027)</u>
Excess (deficiency) of revenues over under expenditures	<u>(70)</u>	<u>(70)</u>	<u>(2,737)</u>	\$ <u>(2,667)</u>
OTHER FINANCING SOURCES (USES):				
Discount on sale of bonds	70	70	-	(70)
Total other financial sources and uses	<u>70</u>	<u>70</u>	<u>-</u>	<u>(70)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(2,737)</u>	<u>(2,737)</u>
Fund balance - beginning	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>	
Fund balance - ending	<u>\$ 6,586</u>	<u>\$ 6,586</u>	<u>\$ 3,849</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, 2012
(Dollars in Thousands)

	Eastside TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 10,500	\$ 10,500	\$ 10,628	\$ 128
Investment income	204	204	231	27
Other Revenues	45,481	45,481	-	(45,481)
Total revenues	56,185	56,185	10,859	(45,326)
EXPENDITURES				
Current:				
General government:				
Executive offices	31,130	31,130	162	(30,968)
Finance	21,267	21,267	940	(20,327)
Debt Service:				
Principal payments	1,340	1,340	1,340	-
Interest payments	2,440	2,440	2,440	-
Bond issuance costs	8	8	8	-
Total expenditures	56,185	56,185	4,890	(51,295)
Excess (deficiency) of revenues over under expenditures	-	-	5,969	5,969
Fund balance - beginning	46,544	46,544	46,544	
Fund balance - ending	\$ 46,544	\$ 46,544	\$ 52,513	

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, 2012
(Dollars 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	\$ -	\$ 504	\$ 546	\$ 42
Investment income	-	2	3	1
Other Revenues	-	1,184	-	(1,184)
Total revenues	-	1,690	549	(1,141)
EXPENDITURES				
Current:				
Planning and Community Development	-	1,690	-	(1,690)
Nondepartmental	-	-	157	157
Total expenditures	-	1,690	157	(1,533)
Excess (deficiency) of revenues over under expenditures	-	-	392	392
Fund balance - beginning	1,211	1,211	1,211	
Fund balance - ending	\$ 1,211	\$ 1,211	\$ 1,603	

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, 2012
(Dollars in Thousands)

	Atlanta Beltline TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 17,821	\$ 17,821	\$ 19,448	\$ 1,627
Investment income	42	42	24	(18)
Other Revenues	26,416	26,416	-	(26,416)
Total revenues	44,279	44,279	19,472	(24,807)
EXPENDITURES				
Current:				
Finance	9,269	9,269	-	(9,269)
Nondepartmental	27,047	27,047	17,030	(10,017)
Debt Service:				
Principal payments	885	885	885	-
Interest payments	5,725	5,725	5,725	-
Bond issuance costs	1,353	1,353	3	(1,350)
Total expenditures	44,279	44,279	23,643	(20,636)
Excess (deficiency) of revenues over under expenditures	-	-	(4,171)	(4,171)
Fund balance - beginning	28,478	28,478	28,478	
Fund balance - ending	\$ 28,478	\$ 28,478	\$ 24,307	

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, 2012
(Dollars in Thousands)

	Campbellton Road TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 571	\$ 571	\$ 530	\$ (41)
Investment income	4	4	4	-
Other Revenues	1,924	1,924	-	(1,924)
Total revenues	2,499	2,499	534	(1,965)
EXPENDITURES				
Current:				
Nondepartmental	2,499	2,499	137	2,362
Total expenditures	2,499	2,499	137	(2,362)
Excess (deficiency) of revenues over under expenditures	-	-	397	397
Fund balance - beginning	1,800	1,800	1,800	
Fund balance - ending	\$ 1,800	\$ 1,800	\$ 2,197	

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, 2012
(Dollars in Thousands)

	Metropolitan Parkway TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 277	\$ 277	\$ 368	\$ 91
Investment income	2	2	2	-
Other Revenues	984	984	3	(981)
Total revenues	1,263	1,263	373	(890)
EXPENDITURES				
Current:				
Nondepartmental	1,263	1,263	128	(1,135)
Total expenditures	1,263	1,263	128	(1,135)
Excess (deficiency) of revenues over under expenditures	-	-	245	245
Fund balance - beginning	909	909	909	
Fund balance - ending	\$ 909	\$ 909	\$ 1,154	

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, 2012
(Dollars in Thousands)

	Stadium Neighborhoods TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 42	\$ 42	\$ 15	\$ (27)
Other Revenues	220	220	-	(220)
Total revenues	262	262	15	(247)
EXPENDITURES				
Current:				
Nondepartmental	262	262	47	(215)
Total expenditures	262	262	47	(215)
Excess (deficiency) of revenues over under expenditures	-	-	(32)	(32)
Fund balance - beginning	198	198	198	
Fund balance - ending	\$ 198	\$ 198	\$ 166	

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, 2012
(Dollars in Thousands)**

	<u>Expendable Trust Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Other taxes	\$ -	\$ 823	\$ 1,056	\$ 233
Licenses and Permits	117	329	804	475
Charges for current services	80	1,738	1,246	(492)
Fines, forfeitures and penalties	2,190	4,052	2,500	(1,552)
Investment income	50	110	212	102
Intergovernmental revenues-				\$ -
State of Georgia grants	929	1,022	3,050	2,028
Other income				-
Building rentals and concession	-	754	895	141
Other Revenue	<u>46,358</u>	<u>45,264</u>	<u>2,490</u>	<u>(42,774)</u>
Total revenues	<u>49,724</u>	<u>54,092</u>	<u>12,253</u>	<u>(41,839)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	1,119	1,890	290	(1,600)
Personnel and human resources	92	92	-	(92)
City council	47	67	6	(61)
Nondepartmental expenditures	139	736	1,157	421
Courts and judicial agencies	818	843	139	(704)
Finance	8,668	1,039	34	(1,005)
Planning and community development	8,718	10,335	1,768	(8,567)
Total general government	<u>19,601</u>	<u>15,002</u>	<u>3,394</u>	<u>(11,608)</u>
Public safety:				
Police	7,303	10,733	871	(9,862)
Fire	47	49	(9)	(58)
Corrections	4,148	5,815	3,010	(2,805)
Total public safety	<u>11,498</u>	<u>16,597</u>	<u>3,872</u>	<u>(12,725)</u>
Public works	6,533	7,331	2,753	(4,578)
Parks, recreation, and cultural affairs	11,530	14,601	5,558	(9,043)
Total Expenditures	<u>49,162</u>	<u>53,531</u>	<u>15,577</u>	<u>(37,954)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>562</u>	<u>561</u>	<u>(3,324)</u>	<u>(3,885)</u>
Other Financing Sources				
Transfer in(out)	12	12	(6,100)	(6,112)
Proceeds from sale of assets	-	-	-	-
Total other financial sources and uses	<u>12</u>	<u>12</u>	<u>(6,100)</u>	<u>(6,112)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>574</u>	<u>573</u>	<u>(9,424)</u>	<u>(9,997)</u>
Fund balance - beginning	<u>51,184</u>	<u>51,184</u>	<u>51,184</u>	
Fund balance - ending	<u>\$ 51,758</u>	<u>\$ 51,757</u>	<u>\$ 41,760</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, 2012
(Dollars in Thousands)**

	Home Investment Partnership Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. Government grants	\$ 12,433	\$ 15,826	\$ 2,834	\$ (12,992)
State of Georgia grants	1,486	1,486	-	(1,486)
Total revenues	<u>13,919</u>	<u>17,312</u>	<u>2,834</u>	<u>(14,478)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	245	545	259	(286)
Finance	1,516	1,516	-	(1,516)
Planning and community development	12,158	15,251	2,702	(12,549)
Total expenditures	<u>13,919</u>	<u>17,312</u>	<u>2,961</u>	<u>(14,351)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(127)</u>	<u>(127)</u>
Other Financing Sources				
Transfer out	-	-	(40)	(40)
Total other financial sources and uses	-	-	(40)	(40)
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(167)</u>	<u>(167)</u>
Fund balance - beginning	<u>667</u>	<u>667</u>	<u>667</u>	
Fund balance - ending	<u>\$ 667</u>	<u>\$ 667</u>	<u>\$ 500</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, 2012
(Dollars 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	\$ 5,823	\$ 5,823	\$ 1,443	\$ (4,380)
Other income				
Interest Income	37	37	2	(35)
Total revenues	<u>5,860</u>	<u>5,860</u>	<u>1,445</u>	<u>(4,415)</u>
EXPENDITURES				
Current:				
Nondepartment	-	-	2	2
Finance	4,048	4,048	154	(3,894)
Planning and community development	1,150	1,150	-	(1,150)
Total general government	<u>5,198</u>	<u>5,198</u>	<u>156</u>	<u>(5,042)</u>
Public works	625	625	-	(625)
Parks, recreation, and cultural affairs	37	37	-	(37)
Debt service fund:				
Bond Principal Payment	-	-	455	455
Interest on Bond	-	-	8	8
Total Debt Service	<u>-</u>	<u>-</u>	<u>463</u>	<u>463</u>
Total expenditures	<u>5,860</u>	<u>5,860</u>	<u>619</u>	<u>(5,241)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>826</u>	<u>826</u>
Other Financing Sources				
Transfer out	-	-	40	40
Total other financial sources and uses	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>866</u>	<u>866</u>
Fund balance - beginning	<u>6,122</u>	<u>6,122</u>	<u>6,122</u>	
Fund balance - ending	<u>\$ 6,122</u>	<u>\$ 6,122</u>	<u>\$ 6,988</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, 2012
(Dollars 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	\$ 900	\$ 900	\$ 853	\$ (47)
Total Revenues	900	900	853	(47)
EXPENDITURES				
Current:				
General government	-	-	853	853
Total expenditures	-	-	853	853
Excess (deficiency) of revenues over under expenditures	900	900	-	(900)
OTHER FINANCING SOURCES (USES):				
Transfer in(out)	(900)	(900)	-	900
Total other financial sources and uses	(900)	(900)	-	900
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, 2012
(Dollars 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	\$ 41,789	\$ 41,789	\$ 48,565	\$ 6,776
Investment income	-	-	13	13
Total Revenues	<u>41,789</u>	<u>41,789</u>	<u>48,578</u>	<u>6,789</u>
EXPENDITURES				
Current:				
General government:	29,854	29,854	35,897	6,043
Debt Service:				
Interest on bond	-	-	-	-
Bond principal payments	-	-	-	-
Total expenditures	<u>29,854</u>	<u>29,854</u>	<u>35,897</u>	<u>6,043</u>
Excess (deficiency) of revenues over under expenditures	<u>11,935</u>	<u>11,935</u>	<u>12,681</u>	<u>746</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	(11,935)	(11,935)	(12,686)	(751)
Total other financial sources and uses	<u>(11,935)</u>	<u>(11,935)</u>	<u>(12,686)</u>	<u>(751)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
Fund balance - beginning	<u>5</u>	<u>5</u>	<u>5</u>	
Fund balance - ending	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ -</u></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, 2012**

(Dollars 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	\$ 23,174	\$ 23,174	\$ 27,415	\$ 4,241
Other taxes	430	430	2,060	1,630
Other revenues	1,748	1,748	13	(1,735)
Investment income	<u>63</u>	<u>63</u>	<u>98</u>	<u>35</u>
Total revenues	<u>25,415</u>	<u>25,415</u>	<u>29,586</u>	<u>4,171</u>
EXPENDITURES				
Current:				
General government	-	-	301	301
Debt Service:				
Principal payments	14,285	14,285	14,285	-
Interest payments	11,046	11,046	11,041	(5)
Bond issuance costs	<u>84</u>	<u>84</u>	<u>7</u>	<u>(77)</u>
Total expenditures	<u>25,415</u>	<u>25,415</u>	<u>25,634</u>	<u>219</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>-</u>	<u>3,952</u>	<u>3,952</u>
Fund balance - beginning	<u>55,198</u>	<u>55,198</u>	<u>55,198</u>	
Fund balance - ending	<u>\$ 55,198</u>	<u>\$ 55,198</u>	<u>\$ 59,150</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.

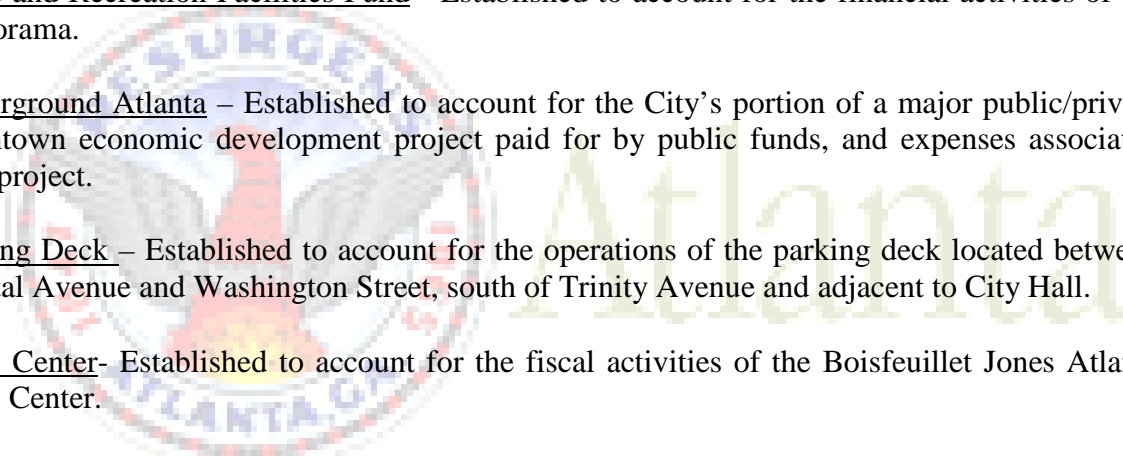
Sanitation Fund – Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

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 Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	Civic Center	Totals
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in cash management pool	13,568	-	-	-	5,539	589	19,696
Receivables:							
Accounts	40,879	(4)	-	54	2	-	40,931
Less allowance for doubtful accounts	(3,458)	-	-	-	-	-	(3,458)
Total receivables	37,421	(4)	-	54	2	-	37,473
Due from other funds	-	-	-	990	-	-	990
Total current assets	50,989	(4)	-	1,044	5,541	589	58,159
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	21,882	134	12,671	-	1,238	552	36,477
Less accumulated depreciation	(23,193)	(922)	(66,495)	(2,035)	(1,238)	(9,531)	(103,414)
Property and equipment, net	2,200	236	25,618	21,445	-	744	50,243
Other assets	-	-	6,731	-	-	-	6,731
Less accumulated amortization	-	-	-	-	-	-	-
Total assets	\$ 53,189	\$ 232	\$ 32,349	\$ 22,489	\$ 5,541	\$ 1,333	\$ 115,133
LIABILITIES AND NET POSITION							
Current liabilities:							
Accounts payable	\$ 689	\$ 36	\$ 253	\$ -	\$ 50	\$ 77	\$ 1,105
Accrued workers' compensation	1,775	-	-	-	-	-	1,775
Accrued salaries and vacation	1,414	24	-	-	335	55	1,828
Current maturities of capital leases	-	-	6,810	675	-	-	7,485
Current maturities of long-term debt	-	-	-	-	-	-	-
Current portion of other long-term liabilities	-	-	-	-	-	-	-
Due to other funds	21,262	126	8,461	-	-	720	30,569
Total current liabilities	25,140	186	15,524	675	385	852	42,762
Liabilities payable from restricted assets:							
Accounts payable	-	-	-	-	-	-	-
Current maturities of long-term debt	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	80	-	-	80
Total liabilities payable from restricted assets	-	-	-	80	-	-	80
Long-term liabilities :							
Capital lease obligation, excluding current maturities shown above	-	-	22,605	20,365	-	-	42,970
Other postemployment benefit liability	12,486	198	-	-	379	472	13,535
Accrued workers' compensation	7,672	-	-	-	-	-	7,672
Landfill postclosure costs	17,516	-	-	-	-	-	17,516
Total long-term liabilities	37,674	198	22,605	20,365	379	472	81,693
Total liabilities	62,814	384	38,129	21,120	764	1,324	124,535
Net Position:							
Investment in capital assets, net of related debt	2,200	236	(3,797)	405	-	744	(212)
Unrestricted	(11,825)	(388)	(1,983)	964	4,777	(735)	(9,190)
Total net position	(9,625)	(152)	(5,780)	1,369	4,777	9	(9,402)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	Civic Center	Total
Operating revenues:							
Charges for services	\$ 52,508	\$ 510	\$ -	\$ -	\$ 10,712	\$ 236	\$ 63,966
Rentals, admissions, and concessions	30	2	1,898	698	-	1,192	3,820
Other	1,455	-	-	-	4	-	1,459
Total operating revenues	53,993	512	1,898	698	10,716	1,428	69,245
Operating expenses:							
Salaries and employee benefits	28,552	288	-	-	4,711	843	34,394
Utilities	106	48	-	-	-	539	693
Materials and supplies	1,688	3	-	-	47	43	1,781
Repairs, maintenance, and other contractual services	1,019	1	-	-	6	328	1,354
Motor equipment service	1,780	-	-	-	108	1	1,889
Engineering and consultant fees	835	141	2,569	-	36	46	3,627
General services	4,694	9	43	11	1,047	35	5,839
Depreciation and amortization	488	22	2,839	470	-	158	3,977
Total operating expenses	39,162	512	5,451	481	5,955	1,993	53,554
Operating income (loss)	14,831	-	(3,553)	217	4,761	(565)	15,691
Nonoperating revenues (expenses):							
Interest expense	-	-	(1,817)	(969)	-	(2)	(2,788)
Investment income (loss)	56	-	-	-	16	4	76
Total nonoperating revenues (expenses)	56	-	(1,817)	(969)	16	2	(2,712)
Income (loss) before transfers	14,887	-	(5,370)	(752)	4,777	(563)	12,979
Transfers in	-	-	7,381	1,234	-	-	8,615
Transfers out	(1,070)	-	-	-	-	-	(1,070)
Net income (loss)	13,817	-	2,011	482	4,777	(563)	20,524
Net Position, beginning of period	(23,442)	(152)	(7,791)	887	-	572	(29,926)
Net Position, end of period	\$ (9,625)	\$ (152)	\$ (5,780)	\$ 1,369	\$ 4,777	\$ 9	\$ (9,402)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Parking Deck	Permits Fund	Civic Center	Total
Cash flow from operating activities							
Cash received from user charges	\$ 46,797	\$ 515	\$ 1,898	\$ 390	\$ 10,714	\$ 1,428	\$ 61,742
Cash payments to employees for services	(21,239)	(272)	-	-	(3,997)	(715)	(26,223)
Cash payments to suppliers for goods and services	(18,166)	(243)	(983)	(11)	(1,194)	(711)	(21,308)
Net cash provided by (used in) operating activities	<u>7,392</u>	<u>-</u>	<u>915</u>	<u>379</u>	<u>5,523</u>	<u>2</u>	<u>14,211</u>
Cash flows from noncapital financing activities							
Transfers in	-	-	7,381	1,234	-	-	8,615
Transfers out	(1,070)	-	-	-	-	-	(1,070)
Net cash provided by (used in) noncapital financing activities	<u>(1,070)</u>	<u>-</u>	<u>7,381</u>	<u>1,234</u>	<u>-</u>	<u>-</u>	<u>7,545</u>
Cash flows from capital and related financing activities							
Principal paid on long term debt	-	-	(6,480)	(644)	-	-	(7,124)
Interest paid on bonds	-	-	(1,817)	(969)	-	(2)	(2,788)
Acquisition of capital assets	(509)	-	1	-	-	1	(507)
Net cash provided by (used in) capital and related financing activities	<u>(509)</u>	<u>-</u>	<u>(8,296)</u>	<u>(1,613)</u>	<u>-</u>	<u>(1)</u>	<u>(10,419)</u>
Cash flows from investing activities							
Change in equity in cash management pool	(5,869)	-	-	-	(5,539)	(4)	(11,412)
Interest on investments	56	-	-	-	16	3	75
Net cash provided by (used in) investing activities	<u>(5,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,523)</u>	<u>(1)</u>	<u>(11,337)</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, beginning of period	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 14,831	\$ -	\$ (3,553)	\$ 217	\$ 4,761	\$ (565)	\$ 15,691
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	488	22	2,839	470	-	158	3,977
Increase (decrease) in receivables	(7,196)	4	-	32	(2)	-	(7,162)
Increase (decrease) in due from other funds	-	-	-	(338)	-	-	(338)
Increase (decrease) in accounts payable	369	(38)	152	(2)	50	55	586
Increase (decrease) in other liabilities	1,655	44	-	-	714	128	2,541
Increase (decrease) in due to other funds	(2,755)	(32)	1,477	-	-	226	(1,084)
Net cash provided by (used in) operating activities	<u>\$ 7,392</u>	<u>\$ -</u>	<u>\$ 915</u>	<u>\$ 379</u>	<u>\$ 5,523</u>	<u>\$ 2</u>	<u>\$ 14,211</u>

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Net Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Motor Transport	Group Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 205	\$ 205
Equity in cash management pool	-	7,743	7,743
Receivables:			
Accounts	-	711	711
Less allowance for doubtful accounts	-	-	-
Total receivables	-	711	711
Total current assets	-	8,659	8,659
Property and equipment - at cost:			
Land	136	-	136
Construction-in-progress	-	-	-
Land purchased for noise abatement	-	-	-
Land improvements	29	-	29
Buildings and other structures	5,507	-	5,507
Other property and equipment	6,119	-	6,119
Less accumulated depreciation	(10,961)	-	(10,961)
Property and equipment, net	830	-	830
Total assets	\$ 830	\$ 8,659	\$ 9,489
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 1,650	\$ 108	\$ 1,758
Accrued salaries and vacation,	587	74	661
Due to other funds	30,390	-	30,390
Total current liabilities	32,627	182	32,809
Total liabilities	32,627	182	32,809
Net Position:			
Investment in capital assets, net of related debt	830	-	830
Unrestricted	(32,627)	8,477	(24,150)
Total net position	(31,797)	8,477	(23,320)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Motor Transport	Group Insurance	Total
Operating revenues:			
Charges for services	\$ 28,494	\$ 128,251	\$ 156,745
Other	6	734	740
Total operating revenues	28,500	128,985	157,485
Operating expenses:			
Salaries and employee benefits	9,511	120,940	130,451
Utilities	550	-	550
Materials and supplies	18,440	40	18,480
Repairs, maintenance, and other contractual services	3,856	1	3,857
Motor equipment service	-	9	9
Engineering and consultant fees	321	29	350
General services	2,267	1,225	3,492
Program services and other	9	1	10
Depreciation and amortization	275	-	275
Total operating expenses	35,229	122,245	157,474
Operating income (loss)	(6,729)	6,740	11
Nonoperating revenues (expenses):			
Interest expense	(74)	-	(74)
Investment income (loss)	-	30	30
Total nonoperating revenues (expenses)	(74)	30	(44)
Income (loss) before transfers	(6,803)	6,770	(33)
Transfers in	-	-	-
Transfers out	-	-	-
Net income (loss)	(6,803)	6,770	(33)
Net position, beginning of period			
Beginning of the period	(24,994)	1,707	(23,287)
Net position, end of period	\$ (31,797)	\$ 8,477	\$ (23,320)

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Motor Transport	Group Insurance	Total
Cash flow from operating activities			
Cash received from user charges	\$ 28,500	\$ 129,509	\$ 158,009
Cash payments to employees for services	(9,511)	(120,940)	(130,451)
Cash payments to suppliers for goods and services	(18,903)	(3,025)	(21,928)
Net cash provided by (used in) operating activities	86	5,544	5,630
Cash flows from capital and related financing activities			
Interest paid on bonds	(74)	-	(74)
Acquisition of capital assets	(12)	-	(12)
Net cash provided by (used in) capital and related financing activities	(86)	-	(86)
Cash flows from investing activities			
Change in equity in cash management pool	-	(5,607)	(5,607)
Interest on investments	-	30	30
Net cash provided by (used in) investing activities	-	(5,577)	(5,577)
Net increase (decrease) in cash and cash equivalents	-	(33)	(33)
Cash and cash equivalents, beginning of period	-	238	238
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ 205	\$ 205
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (6,729)	\$ 6,740	\$ 11
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	275	-	275
(Increase) decrease in accounts receivable	-	524	524
Increase (decrease) in accounts payable	987	(1,720)	(733)
Increase (decrease) in other liabilities	-	-	-
Increase (decrease) in due to other funds	5,553	-	5,553
Net cash provided by operating activities	\$ 86	\$ 5,544	\$ 5,630

See accompanying independent auditors report

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.

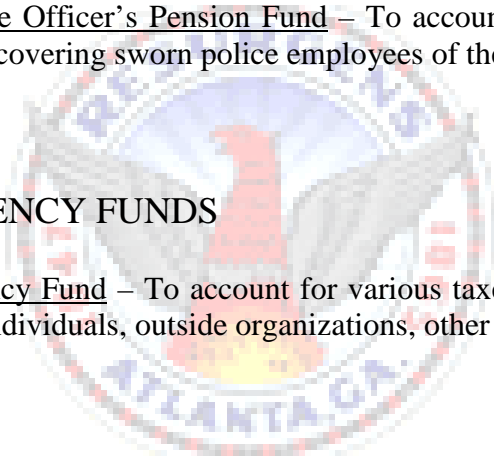
General Employees' Defined Contribution Pension Fund – To account for the operation of the defined contribution pension plan covering general officers and employees of the City.

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 Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Pension Trust Funds				Totals
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 74,697	\$ -	\$ 30,990	\$ 58,912	\$ 164,599
Contributions receivable - employer	10,295	-	1,186	1,792	13,273
Contributions receivable - employee	618	-	240	522	1,380
Investments:					
Equities	716,485	58,076	343,509	495,410	1,613,480
U. S. government and agency obligations	108,731	-	59,313	82,214	250,258
Corporate bonds	53,869	-	43,904	56,304	154,077
Securities lending collateral investment pool	117,104	-	-	-	117,104
Other	61,326	-	27,560	39,021	127,907
Total Investments	<u>1,057,515</u>	<u>58,076</u>	<u>474,286</u>	<u>672,949</u>	<u>2,262,826</u>
Due from brokers for securities sold	5,082	-	5,934	3,345	14,361
Other receivables	4,094	578	1,426	1,624	7,722
Total assets	<u>\$ 1,152,301</u>	<u>\$ 58,654</u>	<u>\$ 514,062</u>	<u>\$ 739,144</u>	<u>\$ 2,464,161</u>
<u>LIABILITIES AND NET POSITION HELD IN TRUST FOR PENSION BENEFITS</u>					
Current liabilities:					
Accounts payable and other liabilities	\$ 833	\$ -	\$ 119	\$ 202	\$ 1,154
Due to brokers for securities purchased	6,595	-	8,251	5,396	20,242
Liability for securities lending agreement	117,104	-	-	-	117,104
Total current liabilities	<u>124,532</u>	<u>-</u>	<u>8,370</u>	<u>5,598</u>	<u>138,500</u>
Net Position Held in Trust for Pension Benefits:	<u>\$ 1,027,769</u>	<u>\$ 58,654</u>	<u>\$ 505,692</u>	<u>\$ 733,546</u>	<u>\$ 2,325,661</u>

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Changes in Plan Net Position
For the Year Ended June 30, 2012
(Dollars in Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Totals
Additions:					
Employer contributions	\$ 74,237	\$ 4,930	\$ 21,092	\$ 33,748	\$ 134,007
Employee contributions	16,983	4,793	4,891	9,541	36,208
Refunds and other	66	-	75	12	153
Investment income:					
Net appreciation (depreciation) in fair value of investments	(11,394)	663	(324)	(6,450)	(17,505)
Investment income	21,086	402	10,283	13,407	45,178
Securities lending income	223	-	-	-	223
Less: Investment expenses	(4,640)	-	(2,522)	(3,244)	(10,406)
Net investment income	<u>5,275</u>	<u>1,065</u>	<u>7,437</u>	<u>3,713</u>	<u>17,490</u>
Total additions	<u>96,561</u>	<u>10,788</u>	<u>33,495</u>	<u>47,014</u>	<u>187,858</u>
Deductions:					
Benefit payments	158,265	3,662	37,333	48,746	248,006
Administrative expenses	(316)	232	60	192	168
Total deductions	<u>157,949</u>	<u>3,894</u>	<u>37,393</u>	<u>48,938</u>	<u>248,174</u>
Net (decrease) increase in net position held in trust for pension benefits	(61,388)	6,894	(3,898)	(1,924)	(60,316)
Net position held in trust for pension benefits:					
Beginning of period	<u>1,089,157</u>	<u>51,760</u>	<u>509,590</u>	<u>735,470</u>	<u>2,385,977</u>
End of period	<u>\$ 1,027,769</u>	<u>\$ 58,654</u>	<u>\$ 505,692</u>	<u>\$ 733,546</u>	<u>\$ 2,325,661</u>

See accompanying independent auditors report

CITY OF ATLANTA, GEORGIA
Agency Fund

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012
(Dollars in Thousands)

ASSETS

	June 30, 2011	Additions	Deductions	June 30, 2012
Assets:				
Cash and cash equivalents	\$ 751	\$ 1	\$ -	\$ 752
Equity in cash management pool	24,003	1,704	(358)	25,349
Investments:				
Equities	32	-	-	32
Other receivables	-	-	-	-
 Total Assets	 \$ 24,786	 \$ 1,705	 \$ (358)	 \$ 26,133

LIABILITIES

Liabilities:				
Accounts payable	\$ 24,786	\$ 1,705	\$ (358)	\$ 26,133
 Total Liabilities	 \$ 24,786	 \$ 1,705	 \$ (358)	 \$ 26,133

See accompanying independent auditors report



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Statistical Section

(Unaudited)

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.



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City of Atlanta

2012 Comprehensive Annual Financial Report

Schedule 1
City of Atlanta, Georgia
Net Position by Component (unaudited)
Last Ten Periods
(accrual basis of accounting)
(Dollars in thousands)

	Fiscal Period									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in capital assets, net of related debt	\$ 712,791	\$ 541,003	\$ 543,166	\$ 482,373	\$ 488,569	\$ 237,415	\$ 146,670	\$ 97,291	\$ 58,841	\$ 20,334
Restricted for										
Debt service	27,470	37,556	39,818	36,532	40,162	138,640	47,912	51,828	265,371	277,176
Programs	74,521	69,511	207,039	173,138	113,914	87,259	79,096	75,482	76,517	69,776
Capital projects	97,799	139,431	104,529	127,021	137,651	219,921	238,093	250,380	49,827	47,941
Unrestricted	(41,942)	(26,666)	(159,662)	(199,434)	(207,696)	(320,542)	(306,113)	(260,354)	(118,112)	(48,128)
Total Governmental Activities Net Position	<u>\$ 870,639</u>	<u>\$ 760,835</u>	<u>\$ 734,890</u>	<u>\$ 619,630</u>	<u>\$ 572,600</u>	<u>\$ 362,693</u>	<u>\$ 205,658</u>	<u>\$ 214,627</u>	<u>\$ 332,445</u>	<u>\$ 367,099</u>
Business-type Activities										
Invested in capital assets, net of related debt	\$ 2,638,247	\$ 2,826,354	\$ 3,237,337	\$ 3,177,702	\$ 3,466,892	\$ -	\$ 4,760,260	\$ 5,092,956	\$ 4,879,760	\$ 4,754,298
Restricted										
Debt service	(8,041)	528,879	76,817	104,864	40,253	(5,552)	174,761	206,232	349,001	869,781
Programs	-	-	-	-	-	-	-	-	-	-
Capital projects	429,754	-	565,012	565,012	565,012	-	470,590	365,297	418,473	-
Unrestricted	333,029	329,966	373,465	612,037	787,003	888,594	787,326	721,383	1,004,136	1,266,154
Total Business-type Activities Net Position	<u>\$ 3,392,989</u>	<u>\$ 3,685,199</u>	<u>\$ 4,252,631</u>	<u>\$ 4,459,615</u>	<u>\$ 4,859,160</u>	<u>\$ 883,042</u>	<u>\$ 6,192,937</u>	<u>\$ 6,385,868</u>	<u>\$ 6,651,370</u>	<u>\$ 6,890,233</u>
Primary Government										
Invested in capital assets, net of related debt	\$ 3,351,038	\$ 3,367,357	\$ 3,780,503	\$ 3,660,075	\$ 3,955,461	\$ 237,415	\$ 4,906,930	\$ 5,190,247	\$ 4,938,602	\$ 4,774,632
Restricted										
Debt service	19,429	566,435	116,635	141,396	80,415	133,088	222,673	258,060	614,372	1,146,957
Programs	74,521	69,511	207,039	173,138	113,914	87,259	79,096	75,482	76,517	69,776
Capital projects	527,553	139,431	669,541	692,033	702,663	219,921	708,683	615,677	468,300	47,941
Unrestricted	291,087	303,300	213,803	412,603	579,307	568,052	481,213	461,029	886,024	1,218,026
Total Primary Government Activities Net Position	<u>\$ 4,263,628</u>	<u>\$ 4,446,034</u>	<u>\$ 4,987,521</u>	<u>\$ 5,079,245</u>	<u>\$ 5,431,760</u>	<u>\$ 1,245,735</u>	<u>\$ 6,398,595</u>	<u>\$ 6,600,495</u>	<u>\$ 6,983,814</u>	<u>\$ 7,257,332</u>

City of Atlanta
2012 Comprehensive Annual Financial Report

Schedule 2
 City of Atlanta, Georgia
 Changes in Net Position (unaudited)
 Last Ten Fiscal Periods
 (accrual basis of accounting)
 (Dollars in thousands)

	Fiscal									
	2003	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental Activities										
General government	\$ 169,284	\$ 167,074	\$ 207,529	\$ 113,068	\$ 264,221	\$ 234,198	\$ 265,596	\$ 260,413	\$ 239,306	\$ 213,165
Police	133,349	134,950	150,007	97,514	222,490	219,614	192,161	187,800	197,598	217,777
Fire	66,354	63,714	69,425	35,715	86,775	94,871	84,454	79,190	83,596	89,016
Corrections	32,245	35,107	39,028	20,921	45,178	50,714	37,264	29,301	25,520	35,001
Public works	63,336	68,675	81,954	45,231	47,707	79,823	56,814	50,056	54,442	47,397
Parks, recreation and cultural affairs	30,062	32,739	37,611	10,768	20,387	48,626	34,161	39,976	41,939	46,280
Interest on long-term debt	22,709	22,101	33,429	19,546	40,949	43,734	51,784	51,274	47,629	45,368
Total Governmental Activities Expenses	517,339	524,360	618,983	342,763	727,707	771,580	722,234	698,010	690,029	694,004
Business-type Activities										
Watershed Management	233,542	228,554	232,514	140,848	334,755	326,279	319,790	404,629	444,133	459,789
Aviation	240,687	303,703	230,933	126,399	315,104	386,316	423,198	448,979	437,659	504,918
Other	55,478	60,828	60,064	31,500	62,898	62,630	60,446	48,735	47,694	56,342
Total Business-type Activities Expenses	529,707	593,085	523,511	298,747	712,757	775,225	803,434	902,343	929,486	1,021,049
Total Primary Government Expenses	\$ 1,047,046	\$ 1,117,445	\$ 1,142,494	\$ 641,510	\$ 1,440,464	\$ 1,546,805	\$ 1,525,668	\$ 1,600,353	\$ 1,619,515	\$ 1,715,053
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 38,326	\$ 77,014	\$ 77,279	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008
Public safety	21,850	27,619	32,311	1,747	36,849	31,989	31,218	20,627	21,727	19,669
Public works	4,410	3,876	5,084	-	-	-	16,438	13,168	2,383	2,421
Parks recreation and cultural affairs	1,574	1,622	2,431	-	-	-	1,932	1,418	2,267	2,556
Operating grants and contributions	30,933	48,194	51,365	21,182	48,620	49,832	42,336	78,533	100,943	56,663
Total Governmental Activities Program Revenues	97,093	158,325	168,470	95,597	170,959	174,990	159,719	179,894	221,627	172,317
Business-type Activities										
Charges for services										
Watershed Management	206,343	252,007	242,573	113,377	302,273	319,087	351,743	380,413	433,183	466,052
Aviation	247,845	273,575	289,478	147,221	330,228	386,206	389,535	400,799	411,213	394,132
Other	41,250	51,756	53,736	3,519	53,050	54,337	51,011	57,143	56,754	69,245
Capital grants and contributions	283,779	229,610	254,797	141,741	259,916	250,113	275,033	201,492	241,456	238,639
Total Business-type Activities Revenues	779,217	806,948	840,584	405,858	945,467	1,009,743	1,067,322	1,039,847	1,142,606	1,168,068
Total primary Government Revenues	\$ 876,310	\$ 965,273	\$ 1,009,054	\$ 501,455	\$ 1,116,426	\$ 1,184,733	\$ 1,227,041	\$ 1,219,740	\$ 1,364,233	\$ 1,340,385
Net (expense) revenue										
Governmental activities	(420,246)	(366,035)	(450,513)	(247,166)	(556,748)	(596,590)	(562,515)	(518,116)	(468,402)	(521,687)
Business-type activities	249,510	213,863	317,073	107,111	232,710	234,518	263,888	137,504	213,120	147,019
Total Primary Government Net Expense	\$ (170,736)	\$ (152,172)	\$ (133,440)	\$ (140,055)	\$ (324,038)	\$ (362,072)	\$ (298,627)	\$ (380,613)	\$ (255,282)	\$ (374,668)
GENERAL REVENUES and OTHER CHANGES in NET POSITION										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 194,935	\$ 198,875	\$ 127,738	\$ 8,739	\$ 125,999	\$ 141,913	\$ 154,567	\$ 222,087	\$ 190,406	\$ 184,021
Property taxes levied for debt service	-	-	54,278	1,522	61,736	89,628	96,082	112,358	129,965	103,258
Local and municipal option sales tax	101,218	83,518	90,488	50,440	111,978	104,101	87,789	202,014	203,887	212,536
Public utilities franchise taxes	42,350	46,809	37,534	8,488	39,364	16,230	51,381	54,312	72,450	63,327
Business taxes	113,092	38,262	79,571	38,234	97,662	126,005	219,224	94,020	100,177	105,567
Federal and state aid not restricted for specific purposes	537	542	4,723	334	4,229	4,461	3,407	-	-	299
Investment income	7,904	5,022	13,171	9,312	23,920	18,302	6,834	3,962	3,825	2,728
Gain on Sale of Assets	-	-	-	-	-	5,764	517	456	6,391	8,185
Other	22,330	9,657	21,814	11,398	26,822	8,710	13,738	17,491	-	-
Extraordinary Loss	(7,023)	4,208	-	(5)	6,314	2,311	(118,523)	(110,890)	(120,880)	(123,580)
Transfers	-	-	2,349	-	-	-	-	-	-	-
Total Governmental Activities	\$ 475,343	\$ 386,893	\$ 431,666	\$ 128,482	\$ 498,024	\$ 517,425	\$ 515,016	\$ 584,878	\$ 586,221	\$ 556,341
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	86,905	44,452	145,900	40,831	91,596	96,244	40,739	(37,323)	(68,499)	(31,724)
Other	-	-	-	-	(39,401)	1,474	(14,672)	-	-	(12)
Extraordinary Loss	-	-	-	-	-	-	-	(26,840)	-	-
Transfers	7,023	(4,208)	(2,349)	5	(6,314)	(2,311)	118,523	119,590	120,880	123,580
Total Business-type Activities	93,928	60,693	245,722	99,871	166,835	222,877	144,590	55,427	52,381	91,844
Total Primary Government	\$ 569,271	\$ 447,586	\$ 677,388	\$ 228,353	\$ 664,859	\$ 740,302	\$ 659,606	\$ 640,306	\$ 638,602	\$ 648,185
Change in Net Position										
Governmental activities	55,097	20,858	(18,847)	(118,684)	(58,724)	(79,165)	(47,499)	66,762	117,819	34,654
Business-type activities	343,438	274,556	562,795	206,982	399,545	457,395	408,478	192,931	265,502	238,863
Total Primary Government	\$ 398,535	\$ 295,414	\$ 543,948	\$ 88,298	\$ 340,821	\$ 378,230	\$ 360,979	\$ 259,693	\$ 383,320	\$ 273,517

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

2012 Comprehensive Annual Financial Report

Schedule 3

City of Atlanta, Georgia

Program Revenues by Function/Progr (unaudited)

Last Ten Fiscal Periods

(accrual basis of accounting)

(Dollars in thousands)

Function/Program	Program Revenues									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Primary Government										
Governmental activities:										
Charges for Services										
General government	\$ 38,326	\$ 77,014	\$ 77,279	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795	\$ 66,148	\$ 94,307	\$ 91,008
Police	15,655	19,135	22,417	1,374	19,103	15,258	14,976	14,643	19,228	16,729
Fire	46	416	346	1	316	258	253	428	496	640
Corrections	6,149	8,068	9,548	372	17,430	16,473	15,989	5,556	2,003	2,300
Public works	4,410	3,876	5,084	2,857	9,907	5,090	16,438	13,168	2,383	2,421
Parks, Recreation, and Cultural Affairs	1,574	1,622	2,431	568	1,787	1,667	1,932	1,418	2,267	2,556
Total Governmental activities	\$ 66,160	\$ 110,131	\$ 117,105	\$ 77,840	\$ 134,033	\$ 131,915	\$ 117,383	\$ 101,361	\$ 120,684	\$ 115,654
Operating Grants	\$ 30,933	\$ 48,194	\$ 51,365	\$ 21,182	\$ 48,620	\$ 49,832	\$ 42,336	\$ 78,533	\$ -	\$ 56,663
Business-type activities:										
Charges for Services										
Watershed Management	\$ 206,343	\$ 252,007	\$ 242,573	\$ 113,377	\$ 302,273	\$ 319,087	\$ 351,743	\$ 380,413	\$ 433,183	\$ 466,052
Aviation	247,845	273,575	289,478	147,221	330,228	386,206	389,535	400,799	411,213	394,132
Sanitation**	41,250	-	-	-	-	-	-	-	-	53,993
Parks and Recreational Facilities**	-	47,219	49,351	663	47,951	49,768	46,513	51,414	51,985	512
Underground Atlanta**	-	539	564	386	522	509	498	472	487	1,898
Parking Deck**	-	2,651	2,414	1,507	2,509	2,563	2,340	2,220	1,941	698
Permit Fund	-	-	-	-	-	-	-	1,340	740	10,716
Civic Center**	-	1,347	1,407	963	2,068	1,497	1,660	1,697	1,601	1,428
Total Business-type activities	\$ 495,438	\$ 577,338	\$ 585,787	\$ 264,117	\$ 685,551	\$ 759,630	\$ 792,289	\$ 838,355	\$ 901,150	\$ 929,429
Total Primary Government	\$ 592,531	\$ 735,663	\$ 754,257	\$ 363,139	\$ 868,204	\$ 941,377	\$ 952,008	\$ 1,018,249	\$ 1,021,834	\$ 1,101,746

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

2012 Comprehensive Annual Financial Report

Schedule 4

City of Atlanta, Georgia

Fund Balances, Governmental Funds (unaudited)

Last Ten Fiscal Periods

(modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Period									
	2003	2004	2005*	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 6,433	\$ 6,353	\$ 5,783	\$ 7,602	\$ 2,614	\$ 4,367	\$ 3,382	\$ -	\$ -	\$ -
Unreserved	96,504	151,349	140,193	92,947	91,808	5,763	4,011	-	-	-
Nonspendable	-	-	-	-	-	-	-	10,383	7,834	4,377
Restricted	-	-	-	-	-	-	-	11,398	6,388	15,231
Committed	-	-	-	-	-	-	-	16,260	-	-
Assigned	-	-	-	-	-	-	-	9,919	6,912	26,877
Unassigned	-	-	-	-	-	-	-	24,473	73,216	80,235
Total General Fund	\$ 102,937	\$ 157,702	\$ 145,976	\$ 100,549	\$ 94,422	\$ 10,130	\$ 7,393	\$ 72,433	\$ 94,350	\$ 126,720
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	\$ 45,479	\$ 47,912	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	51,828	265,371	-
	\$ -	\$ -	\$ 39,818	\$ 36,532	\$ 40,162	\$ 45,479	\$ 47,912	\$ 51,828	\$ 265,371	\$ -
All Other Governmental Funds										
Reserved	\$ 218,285	\$ 285,892	\$ 251,298	\$ 245,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	-	(21,416)	(9,240)	(9,240)	(20,091)	(57,328)	(45,238)	-	-	-
Restricted	-	-	-	-	-	-	-	292,839	292,839	406,854
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(29,043)	(28,661)	(23,388)
Total All other Governmental Funds	\$ 218,285	\$ 264,476	\$ 242,058	\$ 235,920	\$ (20,091)	\$ (57,328)	\$ (45,238)	\$ 263,796	\$ 264,178	\$ 383,466

* 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.

**** In FY12 the Capital Projects and Debt Service funds are not considered to be major funds, and are therefore included in All Other Governmental Funds.

City of Atlanta

2012 Comprehensive Annual Financial Report

Schedule 5

City of Atlanta, Georgia

Changes in Fund Balances, Governmental Funds (unaudited)

Last Ten Fiscal Periods

(modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Period									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Property taxes	\$ 193,244	\$ 192,927	\$ 179,685	\$ 10,261	\$ 195,048	\$ 227,563	\$ 253,204	\$ 329,127	\$ 321,425	\$ 288,771
Local and municipal option sales taxes **	94,374	83,518	90,488	50,460	111,978	104,101	87,789	202,014	203,887	212,536
Public utility, alcoholic beverages and other taxes **	100,347	106,449	122,015	8,488	137,922	142,235	270,605	148,332	172,597	168,894
Licenses and permits	50,516	54,327	58,285	38,234	76,915	69,127	62,503	58,130	63,889	59,922
Charges for current services	23,951	24,761	21,576	65,235	23,482	27,729	20,765	17,843	17,312	16,745
Fines, forfeitures and penalties	19,908	18,504	17,895	6,727	14,710	18,323	15,820	15,847	22,368	24,550
Investment income	7,917	4,934	12,926	9,312	23,468	18,182	6,750	3,975	3,819	2,698
Intergovernmental revenues and contributions										
Federal revenues	23,067	31,659	30,480	334	28,784	34,709	36,649	65,422	43,437	40,671
State and local grants and contributions	4,181	16,991	20,500	21,182	24,065	17,358	9,094	14,307	16,576	16,291
Other	-	542	4,723	-	-	-	-	-	-	-
Building rentals and contributions	6,981	10,394	11,339	5,877	18,926	18,962	18,295	8,344	7,153	7,583
Other	22,330	9,657	26,584	11,398	19,844	8,710	13,738	17,491	9,995	6,854
TOTAL REVENUES	\$ 546,816	\$ 554,663	\$ 596,496	\$ 227,508	\$ 675,142	\$ 686,999	\$ 795,212	\$ 880,832	\$ 882,458	\$ 845,515
EXPENDITURES										
Current										
General government	\$ 163,041	\$ 173,027	\$ 231,207	\$ 113,068	\$ 290,882	\$ 285,698	\$ 319,202	\$ 250,558	\$ 215,655	\$ 217,879
Police	124,811	142,958	149,450	97,514	225,815	230,571	186,364	179,455	189,309	190,917
Fire	61,473	61,011	67,486	35,715	83,506	87,559	82,581	75,180	74,608	78,018
Corrections	31,111	35,283	38,678	20,921	44,456	47,711	36,503	28,037	23,929	30,675
Public works	25,989	34,506	59,679	45,231	48,393	69,004	45,032	45,477	51,622	41,547
Parks, recreation and cultural affairs	26,766	33,006	42,764	10,768	44,939	53,542	39,569	35,866	43,799	40,565
Capital outlay	68,164	15,330	-	-	-	-	-	-	-	-
Debt service										
Principal	27,567	13,348	26,573	-	36,290	39,293	54,919	55,730	49,155	52,648
Interest	22,709	25,646	32,706	19,546	40,949	42,879	50,429	47,617	48,909	46,640
Bond issuance costs	137	31	723	-	1,996	4,438	6,065	4,446	1,433	311
TOTAL EXPENDITURES	\$ 551,768	\$ 534,146	\$ 649,266	\$ 342,763	\$ 817,226	\$ 860,695	\$ 820,664	\$ 722,366	\$ 698,419	\$ 699,020
Excess of Revenues Over (Under) Expenditures	(4,952)	20,517	(52,770)	(115,255)	(142,084)	(173,696)	(25,452)	158,466	184,039	146,495
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 12,001	\$ 58,553	\$ 145,809	\$ -	\$ 58,000	\$ 53,820	\$ 134,042	\$ 78,120	\$ -	\$ -
Capital leases	-	-	7,097	-	-	23,480	48,602	-	-	-
Premium on bonds sold	-	3,576	6,221	-	2,548	5,787	4,027	-	-	-
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)	-	-
Sales of assets	-	-	1,600	7,036	9,304	6,794	851	456	7,089	14,623
Transfers in (out)	(7,013)	3,322	1,149	(5)	19,280	2,311	(118,523)	(119,590)	(120,880)	(123,580)
Total Other Financing Sources (Uses)	\$ 4,988	\$ 65,451	\$ 160,670	\$ 7,031	\$ 89,055	\$ 91,775	\$ 65,990	\$ (106,771)	\$ (113,791)	\$ (108,957)
Extraordinary Loss	-	-	-	-	-	-	-	(2,231)	-	-
Correction of a Prior Year Error	(17,069)	14,988	(6,108)	-	-	37,800	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (17,033)	\$ 100,956	\$ 101,792	\$ (108,224)	\$ (53,029)	\$ (44,121)	\$ 40,538	\$ 49,464	\$ 70,248	\$ 37,538
Debt service as a percentage of noncapital expenditures	10.4%	7.5%	9.9%	13.0%	10.9%	11.3%	14.7%	15.4%	15.2%	14.7%

* 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

2012 Comprehensive Annual Financial Report

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

Fiscal Period Ended	Residential Property	Commercial Property	Industrial Property	Other Property¹	Less: Tax-exempt Property²	Total Taxable Assessed Value	Total Direct Tax Rate
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%
June 30, 2012	11,506,413,986	11,148,297,009	758,400,890	1,528,992,043	2,880,803,214	22,061,300,714	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... .

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

2012 Comprehensive Annual Financial Report

Schedule 7

City of Atlanta, Georgia

Direct and Overlapping Property Tax Rates (unaudited)

Last Ten Fiscal Periods

(per \$1,000 of assessed value)

City Direct Rates

Fiscal Period Ended	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	Total Direct Tax Rate
December 31, 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
June 30, 2012	\$ 10.24	\$ 21.54	\$ 0.50	\$ 1.20	\$ 0.05	\$ 33.63

Overlapping Rates

Fiscal Period Ended	Atlanta/DeKalb County		Downtown Improvement District		Fulton County, Georgia			Total
	Special Tax District	Special Tax District ⁽¹⁾	County Levy	County Bond Levy	Georgia State Levy			
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	
June 30, 2012	\$ 1.02	\$ 5.00	\$ 10.28	\$ -	\$ 0.25		\$ 10.53	

Notes: (1) 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 (unaudited)

Last Ten Fiscal Periods

Taxpayer	Type of Business	2002				2003				2004				2005				2006			
		Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	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	#		#	#	#		0	0	#		0	0	86,232,080	0	6	0.42%	0	6	0	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	0.00%
Peachtree TSG Associates LLC	Commercial Real Estate	#		#	#	#		93,540,108	5	0.48%	#	80,353,590	9	#	0.40%	#	#	0	9	0	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*				2011**			
		Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	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%	\$ 652,260,501		1	3.09%
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%	258,789,449		2	1.25%
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%	160,539,113		3	0.76%
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	0.62%	128,772,451		5	0.61%
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	0.64%	135,349,360		4	0.64%
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	0.49%	96,150,900		6	0.46%
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%	-				84,328,320		8	0.40%
IEP Peachtree, LLC	Unclassified	#		#	#	#		#	#	#		#	#	93,279,610	10	0.44%	#	#	91,879,110	7	0.44%
Hines One Atlantic Center LP	Commercial Real Estate	83,995,120		10	0.36%	101,252,131		9	0.41%	91,879,110		9	0.40%	86,807,370		10	0.38%	74,287,820		10	0.35%
GA Promenade LLC	Residential Real Estate	84,941,760		9	0.36%	-				#		#	#	#	#	#	#	#			#
Kan AM Grand America LP	Commercial Real Estate Investment	#		#	#	91,507,582		10	0.37%	#		#	#	#	#	#	#	#			#
Copart Property Corporation	Commercial Real Estate Investment	#		#	#	#		#	#	#		#	#	233,061,383	5	1.10%	#	#	87,232,239	9	0.41%
AT&T	Communication Service	#		#	#	#		#	#	#		#	#	144,071,482	6	0.68%	#	#	#		#
Delta Airlines	Communication Service	#		#	#	#		#	#	#		#	#	#		#	#	#			#
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%	\$ 1,769,589,263			8.38%

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

** Tax Year 2011 (FY2012) is based on Net Assessed Value of \$21,120,062,847

City of Atlanta

2012 Comprehensive Annual Financial Report

Schedule 9
City of Atlanta, Georgia
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Periods
(Dollars 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, 2003	\$ 178,909	\$ 166,816	93.24%	\$ 11,462	\$ 178,278	99.65%
December 31, 2004	180,734	170,502	94.34%	9,752	180,255	99.74%
December 31, 2005	178,703	160,301	89.70%	17,910	178,211	99.72%
June 30, 2006	6,750	6,750	100.00%	-	6,750	100.00%
June 30, 2007	179,607	164,976	91.85%	13,851	178,827	99.57%
June 30, 2008	182,021	173,030	95.06%	7,844	180,874	99.37%
June 30, 2009	198,378	190,475	96.02%	5,882	196,358	98.98%
June 30, 2010	264,371	257,062	97.24%	3,606	260,669	98.60%
June 30, 2011	240,586	234,895	97.63%	-	234,895	97.63%
June 30, 2012	\$ 222,633	\$ 218,472	98.13%	-	\$ 218,472	98.13%

(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

2012 Comprehensive Annual Financial Report

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

Local Option Sales Tax

	Fiscal Period									
	2003	2004	2005	2006**	2007***	2008	2009	2010	2011	2012
Food	\$ 15,663,417	\$ 17,085,817	\$ 18,227,462	\$ 21,181,670	\$ 12,524,653	\$ 21,525,653	\$ 20,038,407	\$ 18,811,248	\$ 18,665,973	\$ 19,260,191
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	8,735,985
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	11,840,986
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	7,620,570
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	8,237,476
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	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	11,682,787
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	5,043,131
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	5,653,587
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	20,689,057
Total	\$ 76,570,729	\$ 82,709,224	\$ 88,546,378	\$ 101,012,655	\$ 60,448,090	\$ 102,926,512	\$ 95,796,048	\$ 92,461,649	\$ 93,258,711	\$ 99,351,665
City direct sales tax rate	0%	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	2012
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	\$ 24,474,659
Apparel	-	329,493	5,268,202	3,200,528	6,232,358	6,537,725	8,265,601	6,819,859	7,411,259	7,844,861
General	-	560,254	9,817,354	5,876,141	10,818,855	10,801,409	10,829,434	13,496,332	14,539,307	15,198,078
Automotive	-	185,286	2,951,697	3,770,532	4,125,484	5,190,562	5,489,521	929,297	1,021,811	1,006,061
Home	-	723,835	13,940,445	1,686,685	16,480,009	15,614,925	13,952,527	8,302,473	10,528,843	11,254,508
Lumber	-	453,282	6,870,413	8,952,687	8,107,471	7,926,075	5,591,719	991,117	858,527	811,933
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	12,914,807
Manufacturers	-	132,360	2,827,119	8,352,696	3,680,987	4,804,876	4,399,557	6,763,647	7,374,252	6,797,657
Utilities	-	534,743	9,725,057	1,730,697	11,045,370	11,307,471	12,691,282	7,177,663	8,488,688	12,243,140
Miscellaneous	-	578,069	11,969,607	5,573,612	15,347,660	16,126,286	15,976,758	25,295,149	24,720,146	26,593,552
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	\$ 119,139,256
City direct sales tax rate	0.00%	1.00%	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 Calanedar year
 ***2007 represents six months of activity, January through June 2007

City of Atlanta

2012 Comprehensive Annual Financial Report

Schedule 11

City of Atlanta, Georgia

Direct and Overlapping Sales Tax Rates (unaudited)

Last Ten Fiscal Periods

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Fulton County</u>
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%
2012	1.00%	7.00%

Source: Sales Tax Rates, Georgia Department of Revenue

City of Atlanta

2012 Comprehensive Annual Financial Report

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

Tax Remitters	2005		2006		2007		2008	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 20,262,057	20.80%	\$ 12,415,988	22.56%	\$ 26,529,627	22.09%	\$ 27,367,773	21.91%
Apparel	5,268,202	5.41%	3,200,528	5.82%	6,232,358	5.19%	6,537,725	5.23%
General	9,817,354	10.08%	5,876,141	10.68%	10,818,855	9.01%	10,801,409	8.65%
Automotive	2,951,697	3.03%	3,770,532	6.85%	4,125,484	3.43%	5,190,562	4.16%
Home	13,940,445	14.31%	1,686,685	3.06%	16,480,009	13.72%	15,614,925	12.50%
Lumber	6,870,413	7.05%	8,952,687	16.27%	8,107,471	6.75%	7,926,075	6.35%
Miscellaneous Services	13,772,985	14.14%	3,472,644	6.31%	17,745,384	14.77%	19,228,289	15.39%
Manufacturers	2,827,119	2.90%	8,352,696	15.18%	3,680,987	3.06%	4,804,876	3.85%
Utilities	9,725,057	9.98%	1,730,697	3.14%	11,045,370	9.20%	11,307,471	9.05%
Miscellaneous	11,969,607	12.29%	5,573,612	10.13%	15,347,660	12.78%	16,126,286	12.91%
Total	\$ 97,404,935	100%	\$ 55,032,209	100%	\$ 120,113,205	100%	\$ 124,905,391	100%

Tax Remitters	2009		2010		2011		2012	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 25,487,704	20.89%	\$ 23,115,908	21.42%	\$ 24,249,636	21.31%	\$ 24,474,659	28.29%
Apparel	8,265,601	6.77%	6,819,859	6.32%	7,411,259	6.51%	7,844,861	9.07%
General	10,829,434	8.88%	13,496,332	12.51%	14,539,307	12.78%	15,198,078	17.56%
Automotive	5,489,521	4.50%	929,297	0.86%	1,021,811	0.90%	90,710	0.10%
Home	13,952,527	11.44%	8,302,473	7.69%	10,528,843	9.25%	19,669	0.02%
Lumber	5,591,719	4.58%	991,117	0.92%	858,527	0.75%	2,421	0.00%
Miscellaneous Services	19,360,539	15.87%	15,006,917	13.91%	14,608,176	12.84%	2,556	0.00%
Manufacturers	4,399,557	3.61%	6,763,647	6.27%	7,374,252	6.48%	56,959	0.07%
Utilities	12,691,282	10.40%	7,177,663	6.65%	8,488,688	7.46%	12,243,140	14.15%
Miscellaneous	15,941,494	13.07%	25,295,149	23.44%	24,720,146	21.72%	26,593,552	30.73%
Total	\$ 122,009,378	100%	\$ 107,898,362	100%	\$ 113,800,645	100.00%	\$ 86,526,605	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

2012 Comprehensive Annual Financial Report

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

Governmental Activities														
Fiscal Period Ended	General Obligation Debt*	SWMA Revenue Refunding Bonds	Limited Obligation Bonds*	Section 108 Loans	Capital Leases	1990 GMA Lease Pool	1998 GMA Lease Pool	2002 Certificates of Participation	Installment Sale Program	Inter-Govt Agreements	Notes Payable	Total Governmental Activities	%- Personal Income (a)	Per Capita (a)
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	48.70%	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
June 30, 2012	\$ 239,310	\$ 16,419	\$ 603,862	\$ 2,890	\$ 69,349	\$ -	\$ 32,444	\$ -	\$ 40,660	\$ 13,432	\$ 11,027	\$ 1,029,393	5.05%	\$ 2,381

Business-Type Activities															
Department of Aviation			Department of Watershed Management					Nonmajor Proprietary							
Fiscal Period Ended	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	Total Business-Type Activities	Total Primary Government	%- Personal Income (a)	Per Capita (a)
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
	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	-	-	-	-	-	5,712,803	6,911,346	34.80%	14,480
June 30, 2010	2,235,572	-	(1,737)	3,202,025	25,830	145,353	-	-	-	-	-	5,607,043	6,740,610	32.65%	14,022
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
June 30, 2012	\$ 3,156,265	\$ -	\$ 46,345	\$ 3,117,570	\$ 23,526	\$ 147,940	\$ -	\$ -	\$ -	\$ 21,040	\$ 29,415	\$ 6,542,101	7,571,494	37.38%	17,509

(* 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.

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Schedule 14
City of Atlanta, Georgia
Ratio of General Bonded Debt Outstanding (unaudited)
Last Ten Fiscal Periods
(Dollars 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, 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	275,269	18,837	633,806	15,177	5,115	83,396	1,031,600	4.30%	2,146
June 30, 2011	255,077	17,658	623,602	14,329	4,025	76,567	991,258	4.29%	2,360
June 30, 2012	\$ 230,680	\$ 16,745	\$ 606,045	\$ 13,433	\$ 2,890	\$ 69,349	\$ 939,142	4.26%	2,172

* Net of any discount or premium.

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Schedule 15
 City of Atlanta, Georgia
 Direct and Overlapping Governmental Activities Debt (unaudited)
 Last Ten Fiscal Periods
 (Dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
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
2012	666,127	74.20%	494,281

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.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 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	2,354,198,460
Total net debt applicable to limit	<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>	<u>230,680,000</u>
Legal debt margin	\$ <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>	<u>2,123,518,460</u>
Total net det applicable to the limit as a percentage of debt limit	10.89%	12.75%	10.19%	11.39%	27.32%	23.75%	29.13%	9.92%	10.06%	9.80%

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SCHEDULE 17A
City of Atlanta, Georgia
Department of Aviation
Schedule of Revenue Bond Coverage (unaudited)
Last Ten Fiscal Periods
(Dollars 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
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
2012	\$ 407,094	\$ 209,548	\$ 197,546	\$ 55,310	\$ 57,206	\$ 4,549	\$ 117,066	1.69

- (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

2012 Comprehensive Annual Financial Report

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

<u>Period</u> ¹	<u>Operating Revenue</u> ²	<u>Current Operating Expenses</u> ³	<u>Net Revenue available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage Ratio</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u> ⁴	
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
	511,649	206,170	305,479	28,980	172,074	201,054	1.52
2011	561,485	191,816	369,669	38,370	182,157	220,527	1.68
2012	\$ 596,680	\$ 192,179	\$ 404,501	\$ 46,085	\$ 180,893	\$ 226,978	1.78

- (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 amorti
- (4) Annual debt service includes sinking fund requirements of the Water and Sewerage Revenue Fund.

City of Atlanta

2012 Comprehensive Annual Financial Report

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

Fiscal Year Ended	Population¹	Personal Income (thousands of dollars)²	Per Capita Personal income³	Median Age⁴	Educational Attainment⁵	School Enrollment⁶	Unemployment Rate⁷
December 31, 2003	432,900	\$ 153,070	\$ 32,739	34.0	82.9	53,485	7.7%
December 31, 2004	434,900	162,297	33,838	33.8	81.7	51,358	7.4%
December 31, 2005	442,100	173,159	34,825	34.7	82.9	50,188	5.9%
June 30, 2006	451,600	184,186	35,846	34.7	82.9	49,924	5.3%
June 30, 2007	451,600	184,186	35,846	34.7	82.9	49,707	4.5%
June 30, 2008	461,956	196,683	36,309*	32*	87.0	51,377*	5.9%
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%
June 30, 2012	432,427	\$ 202,577	\$ 38,321	32.9	86.8	49,474	8.9%

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

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

* 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

2012 Comprehensive Annual Financial Report

Schedule 19 City of Atlanta, Georgia Principal Employers (unaudited) Last Ten 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 ²	Type of Business	Employees	Percentage of Total City Employment	Employer ²	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	

		2006				2007	
Employer ²	Type of Business	Employees	Percentage of Total City Employment	Employer ²	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 ²	Type of Business	Employees	Percentage of Total City Employment	Employer ²	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	Employer	Type Of Business	Employees	Percentage of Total City Employment
Allied Barton Security Services	Security Services	4,205	2.24%	Delta Air Lines, Inc.	Transportation	3,678	1.87%
International Business Machine Corp.	Technology Services	3,769	2.01%	The Coca-Cola Company	Marketing and Manufacturing	3,670	1.87%
The Coca-Cola Company	Marketing and Manufacturing	3,608	1.92%	International Business Machine Corp.	Technology Services	3,561	1.81%
Turner Broadcasting System, Inc.	Media/Entertainment	2,000	1.07%	Turner Broadcasting System, Inc.	Media/Entertainment	2,090	1.06%
Cable News network	Media	1,889	1.01%	Cable News network	Media	1,884	0.96%
Air Service Corp	Transportation	1,665	0.89%	AT & T Services Inc.	Telecommunication	1,845	0.94%
Accenture LLP	Consulting	1,555	0.83%	Air Service Corp	Transportation	1,733	0.88%
AT & T Services Inc.	Telecommunication	1,247	0.67%	Accenture LLP	Consulting	1,725	0.88%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,170	0.62%	Allied Barton Security Services	Security Services	1,465	0.74%
Tenet Health System, Inc.	Healthcare	1,164	0.62%	Tenet Health System, Inc.	Healthcare	1,166	0.59%
Total		22,272	11.88%	Total		22,817	11.60%

¹Employee data from City of Atlanta, Office of Revenue, Business License division (Calendar year basis)
²Atlanta city total employment data from City of Atlanta, Office of Revenue, Business License division

City of Atlanta

2012 Comprehensive Annual Financial Report

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

		Fiscal Period									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government											
	Mayors Office	4	4	4	4	4	3	3	3	4	5
	City Council	48	48	49	49	46	42	39	39	40	46
	Finance	200	187	200	239	233	210	183	174	159	153
	Planning	303	310	322	354	388	295	227	181	167	193
	Procurement	39	49	50	56	56	50	40	39	34	34
	Human Resources	50	49	53	73	74	73	62	56	56	57
Police											
	Officers	1,478	1,558	1,585	1,647	1,780	1,836	1,786	1,751	1,772	1,959
	Civilian	441	466	473	483	527	543	434	445	452	475
Fire											
	Officers	899	949	976	1,005	1,054	1,070	939	938	975	985
	Civilian	61	63	65	67	83	49	38	46	46	49
Corrections											
	Officers	321	454	551	615	620	560	473	313	313	309
Public Works											
	Streets	438	354	358	358	416	399	468	397	396	390
	Refuse Collection	426	418	418	418	453	452	385	337	336	348
Parks, Recreation and Cultural Affairs											
		331	341	346	405	405	441	377	304	352	358
Water/Wastewater											
		591	1,064	1,133	1,351	1,547	1,964	1,816	1,680	1,545	1,535
Aviation											
		451	488	593	606	633	690	707	705	575	594
Total full-time equivalent employees		6,081	6,802	7,176	7,730	8,319	8,677	7,977	7,408	7,222	7,490

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

City of Atlanta

2012 Comprehensive Annual Financial Report

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

Function/Program	Fiscal Period									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Police										
Arrests	41,107	38,609	39,954	59,374	142,361	42,670	38,628	37,276	38,773	
Parking violations	54,730	39,619	37,339	42,668	79,546	52,577	56,692	17,599	17,105	
Traffic violations	136,043	115,573	102,878	113,925	102,264	107,050	125,011	138,244	167,848	
Fire										
Emergency responses	49,450	58,334	41,886	24,847	54,756	57,292	53,089	58,943	67,420	
Fires extinguished	2,464	2,247	1,620	1,235	2,263	2,096	1,994	2,252	1,892	
Inspections	11,961	9,996	9,317	7,261	7,200	6,439	10,777	9,987	1,155	
Refuse collection										
Refuse collected (tons per day)	153,630	NA	NA	NA	198,954	113,204	115,142	111,312	99,236	
Other public works										
Miles of streets resurfaced	43	81	64	78	-	33	13	17	5	
Potholes repaired	6,251	3,710	1,158	1,944	1,953	1,152	5,892	6,367	3,255	
Parks and recreation										
Athletic field permits issued	85	46	59	59	185	172	165	180	109	
Community center admissions	57,500	58,000	59,000	64,900	N/A	97,264	474,945	522,440	478,535	
Water										
New connections	N/A	25,989	27,288	15,716	2,057	1,084	1,100	947	820	
Water main breaks	204	224	154	241	329	475	495	431	401	
Average daily consumption (thousands of gallons)	107,900,000	106,600,000	107,600,000	113,875,000	101,655,000	93,100,000	90,320,000	94,130,000	95,030,000	
Peak daily consumption (thousands of gallons)	141,000,000	132,700,000	138,100,000	144,908,000	143,530,000	111,370,000	101,690,000	118,820,000	119,230,000	
Wastewater										
Average daily sewage treatment (thousands of gallons)	135,700,000	144,500,000	132,000,000	128,337,000	119,900,000	112,194,000	131,709,000	121,950,000	111,000,000	
Aviation										
Number of passengers served	83,606,583	86,583,210	42,546,000	85,037,680	87,700,000	88,648,633	88,430,343	90,852,787	94,393,355	

Sources: Various city departments

City of Atlanta

2012 Comprehensive Annual Financial Report

Schedule 22

City of Atlanta, Georgia

Capital Asset Statistics by Function/Program (unaudited)

Last Ten Fiscal Periods

Function/Program	Fiscal Period									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	10	10	10	10	10	10	10	9	10	15
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	416	355	355	355	338	336	336	311	376	355
Fire stations	34	34	35	35	36	37	36	36	35	35
Refuse collection										
Collection trucks	66	66	66	83	83	73	66	66	78	84
Parks and recreation										
Acreage	2,835	3,354	3,533	3,533	3,682	3,748	3,755	3,781	3,818	3,904
Playgrounds	110	105	101	101	101	105	106	107	109	109
Baseball/softball diamonds	81	81	82	82	82	82	82	82	84	85
Soccer/football fields	5	5	5	5	5	21	26	26	26	31
Community centers	33	49	49	49	49	41	42	42	42	42
Water										
Water mains (miles)	2,414	2,424	2,424	2,424	2,424	2,766	2,766	2,766	2,766	2,766
Storage capacity (thousands of gallons)	247	247	247	247	247	247	246	246	246	246
Wastewater										
Sanitary sewers (miles)	2,000	2,000	2,000	2,000	2,000	2,259	2,259	2,259	2,259	2,259
Treatment capacity (thousands of gallons)	156.1 MGD	135 MGD	154MGD	170MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD	181.7MGD	155.3MGD
Aviation										
Number of Runways	4	4	4	5	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