

CITY OF ATLANTA, GEORGIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**SHIRLEY FRANKLIN
MAYOR**

**FOR THE YEAR ENDING
JUNE 30, 2009**





**CITY OF ATLANTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

For the Year Ended June 30, 2009

**Shirley Franklin
Mayor**

**James W. Glass
Chief Financial Officer**

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	ix
Organization Chart.....	x
List of Elected and Appointed Officials.....	xi
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet-Governmental Funds.....	22
Reconciliation of Governmental Fund Balance Sheet to the	
Government-wide Statement of Net Assets.....	23
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Governmental Funds.....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances to the Statement of Activities.....	25
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – General Fund.....	26
Statements of Net Assets – Proprietary Funds.....	28
Statements of Revenues, Expenses, and Changes in	
Fund Net Assets – Proprietary Funds.....	30
Statement of Cash Flows – Proprietary Funds.....	31
Statement of Fiduciary Net Assets – Fiduciary Funds.....	33
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	34
Component Units' Financial Statements	
Statement of Net Assets – Component Units.....	36
Statement of Activities – Component Units.....	38
Notes to Financial Statements.....	39

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

	Page
Required Supplementary Information:	
Schedule of Funding Progress – General Employees, Police Officers, and Firefighters Pension Plans	109
Schedule of Funding Progress – Other Post Employment Benefits.....	109
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	112
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds.....	114
Combining Balance Sheet – Nonmajor Governmental Funds Tax Allocation Districts.....	116
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds – Tax Allocation Districts.....	117
Combining Balance Sheet – Nonmajor Governmental Funds Other Special Revenue	118
Combining Statement of Revenue, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds – Other Special Revenue.....	119
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual: Nonmajor Special Revenue Funds.....	120
Debt Service Fund	139
Combining Statement of Net Assets – Nonmajor Proprietary Funds	141
Combining Statement of Revenues, Expenses, and Changes In Net Assets – Nonmajor Proprietary Funds	142
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	143
Combining Statement of Net Assets – Internal Service Funds	144
Combining Statement of Revenues, Expenses, and Changes In Net Assets – Internal Service Funds.....	145
Combining Statement of Cash Flows – Internal Service Funds	146
Combining Statement of Plan Net Assets – Pension Trust Funds	147
Combining Statement of Changes in Plan Net Assets – Pension Trust Funds	148
Statement of Changes in Assets and Liabilities – Agency Fund	149

CITY OF ATLANTA, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

TABLE OF CONTENTS

	Page
STATISTICAL SECTION	
Net Assets by Component.....	151
Changes in Net Assets	152
Program Revenues by Function/Program	153
Fund Balances, Governmental Funds	154
Changes in Fund Balances, Governmental Funds	155
Assessed and Estimated Actual Value of Taxable Property	156
Direct and Overlapping Property Tax Rates.....	157
Principal Property Tax Payers	158
Property Tax Levies and Collections.....	159
Taxable Sales by Category.....	160
Direct and Overlapping Sales Tax Rates	161
Principal Sales Tax Remitters	162
Ratio of Outstanding Debt by Type	163
Ratio of General Bonded Debt Outstanding	164
Direct and Overlapping Governmental Activities Debt.....	165
Legal Debt Margin Information.....	166
Schedule of Revenue Bond Coverage- Department of Aviation	167
Schedule of Revenue Bond Coverage – Department of Watershed Management	168
Demographic and Economic Statistics	169
Principal Employers.....	170
Full-time Equivalent City Government Employees by Function/Program.....	171
Operating Indicators by Function/Program	172
Capital Asset Statistics by Function/Program.....	173



Introductory Section



CITY OF ATLANTA

SHIRLEY FRANKLIN
MAYOR

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

JAMES W. GLASS
CHIEF FINANCIAL OFFICER

December 30, 2009

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

Ladies and Gentlemen:

We are pleased to present the 2009 Comprehensive Annual Financial Report (CAFR) for the City of Atlanta, Georgia (City).

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements, presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The law further requires that these statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In accordance with these requirements, we hereby issue the CAFR of the City of Atlanta for the year ended June 30, 2009.

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

In accordance with Section 6-308 of the City Charter, the governing body shall provide annually for an independent audit of the accounts and other evidences of financial transactions of the City. This audit is to be performed by a certified public accounting firm. The City's financial statements have been audited by Banks, Finley, White & Co; with additional support provided by Tabb & Tabb. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall

financial statement presentation. The independent auditors rendered an unqualified opinion that the City's financial statements for the year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

Profile of the Government

The City, incorporated in 1847, is located in the north-central part of the state, which is the top growth area in the state, and has been one of the highest growth areas of the country for over three decades. The City currently occupies a land area of 131.4 square miles, with a population of 537,958 in the City and 5,376,285 in the Atlanta Metropolitan Area, according to the United States Census Bureau (July 1, 2008 estimates). The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

The City provides a full range of municipal services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; land use and building regulation; and solid waste collection and disposal. The City accounts for solid waste collection and disposal activities separately within the reporting entity and attempts to recover operating costs of the function through user charges. The City operates and maintains the world's busiest airport, financed exclusively with airport-generated income. The City Council has oversight responsibility for the City's Pension Trust Funds and Group Insurance Fund. In addition, the City is financially accountable as of June 30, 2009, for the Atlanta-Fulton County Recreation Authority, the Urban Design Commission (UDC), the Solid Waste Management Authority (SWMA), the Atlanta Public Safety and Judicial Facilities Authority (APSJFA), the Atlanta CoRA Inc., Keep Atlanta Beautiful, Atlanta Housing Opportunity Inc., and the Atlanta Development Authority (ADA), all of which are included as part of the CAFR. Certain organizations are not included within the scope of this report since they are established by the Constitution of the State of Georgia or state laws and are administered by

separate boards that act independently of the City of Atlanta. These include the Atlanta Independent School System (School System) and the Atlanta Housing Authority (AHA).

In March of 2009, the City of Atlanta's Department of Parks, Recreation and Cultural Affairs was awarded accreditation status through the National Parks and Recreation Association's Commission for Accreditation of Park and Recreation Agencies (CAPRA) program. CAPRA reviews best practices of parks and recreation departments' operations, management and service to the community. This award is the highest honor that can be bestowed on this type of agency and reflects diligence responding to 155 standards of effective and efficient operations. Of over 5,000 agencies in the country, the City of Atlanta is the 81st agency to be accredited.

Local economy

The City of Atlanta has a strong economic base grounded in a diverse set of industries. Substantial concentrations of employers in government, manufacturing, education, finance, logistics and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries – combined with an increased interest in living in urban centers – has generated substantial population growth in the City. Following several decades of stagnant or declining population growth, Atlanta has grown by a 3.4% estimated, annual rate since 2000 (US Census Bureau, based on July 1, 2008 and July 1, 2000 estimates). By all accounts the City of Atlanta has achieved its goal of becoming a “global city”. In a recent study published in Foreign Policy magazine, the City of Atlanta ranked 37th among 60 global cities for their importance as national engines of economic growth and connectivity to the global economy. The City ranked 8th among those cities located in the United States¹.

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

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

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

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

With these strong fundamentals in place, the City will continue to be an attractive place to invest in the medium and long-term. However, in the short-term the City of Atlanta's economic conditions are expected to mirror the national economy. The national recession that began in December of 2007 hit the state of Georgia hard, with unemployment in the state exceeding the national rate. However, there are signs of recovery and economic growth is expected to strengthen in 2010.

The City will emerge from this recession in a strong position to attract new residents and businesses and to grow as it has in recent years. Investments in the water and sewer infrastructure, expansion of the Hartsfield Jackson Atlanta International Airport, and the build-out of the BeltLine project put the City in a very strong position to attract future growth. With careful management of its operating budgets – combined with strategic investments in infrastructure - there is every reason to believe that the City's government will maintain its strong fiscal condition.

Transportation

Atlanta's economic foundations are based on its position as a transportation hub. A highly-integrated transportation network, consisting of three major interstate highways (20, 75 and 85), a beltway (Interstate 285), the Metro Atlanta Rapid Transit Authority (MARTA) system, and the busiest airport in the world (Hartsfield-Jackson Atlanta International Airport) provides the City with a unique set of transportation assets.

Education

The Atlanta region is a national leader in higher education. It is home to 57 colleges and universities offering over 1,000 distinct programs of study to more than 220,000 students. The Atlanta region is ranked sixth in annual college graduates at the bachelor's level or higher. In the City of Atlanta, 39.9 percent of adults hold at least a bachelor's degree, while the U.S. average across all states/cities is 27.0%. (Atlanta Regional Council for Higher Education, U.S. Census Bureau)

The Budget Process and Fiscal Policies

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

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

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

Long-Term Capital Planning

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

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

Economic Development

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

Renewal Community Development of Housing and Urban Development will assist in promoting further economic development and affordable housing.

Municipal Facilities

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

Hartsfield-Jackson Atlanta International Airport

Hartsfield-Jackson Atlanta International Airport is the principal air carrier airport in Georgia and the southeastern United States. It serves as a primary connecting or transfer point in the national air transportation system. During the year ended June 30, 2009, approximately 90 million passengers were enplaned or deplaned at the Atlanta Airport, making it the busiest passenger airport in the world according to the Airport Council International. Atlanta's Airport is widely considered to be the economic engine of the southeastern United States. Recognizing the pivotal role played by the Airport, the City has adopted a capital improvement plan to increase airfield capacity and provide additional terminal facilities required to accommodate increased operations and passenger activity at the Airport based on a master plan developed by the Airport and entitled "Hartsfield 2000 and Beyond."

Construction of elements of the Airport's Capital Improvement Plan began in 1999 and is expected to be completed by 2012. This plan as of June 20, 2009 includes the construction of a 9,000 foot fifth parallel runway (Runway 10/28), a new International Terminal (MHJIT), a Consolidated Rental Car Facility (CONRAC), improvements to air cargo facilities, and renovations to the existing terminal complex. Runway 10/28 was completed in May 2006.

Water and Sewer Infrastructure

A major component of the City's long-term capital planning for water and wastewater has been driven by federal and state consent decrees and orders requiring the correction of problems caused by the City's outdated combined sewer facilities and water treatment plants that provide drinking water. Upgrades and improvements are required to address wastewater treatment facilities, pretreatment requirements, and capacity issues of the sewerage collection and transmission system City-wide that has been neglected for decades. Improvements to the wastewater system must be completed by 2014, and together with improvements to the drinking water system, will cost approximately \$3.9 billion. The majority of the water and wastewater improvements will be funded by a planned series of revenue bond issues over the next four years and rate increases for both retail and wholesale users of the City's water and wastewater system.

The City maintains three water treatment plants, one of which is jointly owned with Fulton County, and three initial pumping stations, one of which is jointly owned with Fulton County. The City sells water on

a wholesale basis to other jurisdictions in the Atlanta area, including Coweta, Clayton, and Fayette counties and the cities of Fairburn, Hapeville, and Union City.

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

Economic Factors and Next Year's Budgets and Rates

As the nation and the State of Georgia emerge from one of the worst recessions in decades, the City continues to maintain a conservative fiscal posture due to a slow economic recovery. Unemployment and consumer spending are expected to continue to challenge any meaningful economic growth over the short-term. The fiscal year 2010 economic outlook is consistent with the previous year.

The City is closely monitoring its economically sensitive revenue sources which include building permits, sales taxes, as well as its commercial tax base. Management revenue initiatives include additional resources dedicated to business tax discovery and auditing of businesses and utilities. The business tax collection rate has improved to 98% due to aggressive measures to collect aged accounts receivables.

The City challenges are similar to the state and nation and have dictated a strong fiscal response which included an adjustment in the property tax rate to offset declines in other key sources of income. Notwithstanding the impact that the economic downturn has had on the City finances, conservative budgeting measures are expected to result in an improved financial position.

Awards and Acknowledgements

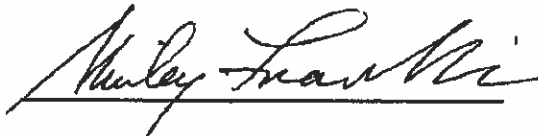
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the 24th consecutive year that the City has received 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.

In fiscal year 2009, the Department of Finance began a transformation effort. This effort focuses on improving the City's finance processes, organization, capabilities, and technology. One key improvement has been to close the financial books on a monthly basis which increases the visibility and understanding of the City's financial position during the year.

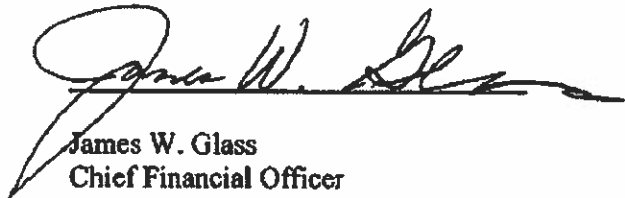
The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Department of Finance and the other operating and support departments of the City. We would like to express our appreciation to all who assisted in and contributed to the preparation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

Respectfully submitted,



Shirley Franklin
Mayor

Respectfully submitted,



James W. Glass
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Atlanta
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



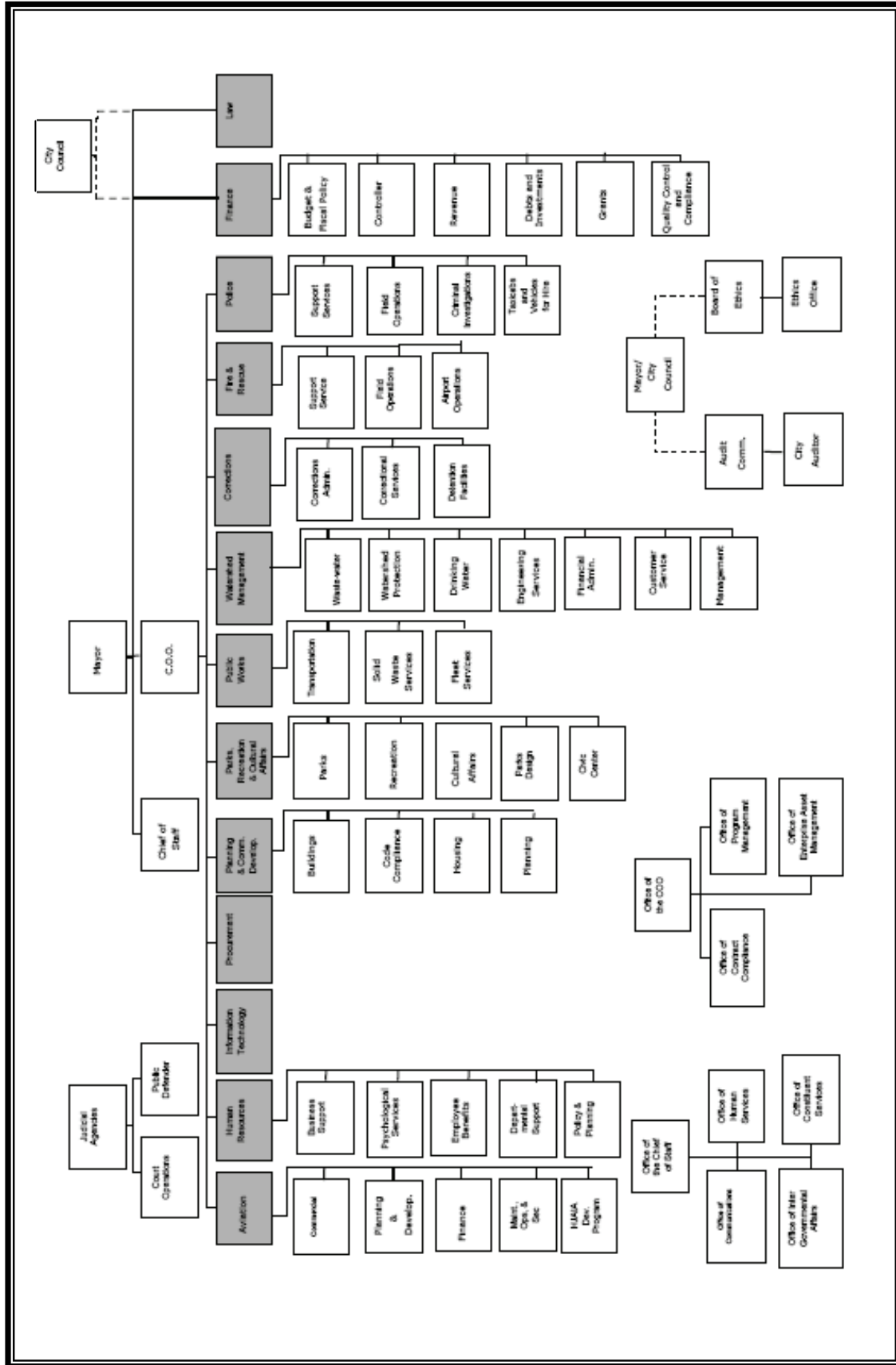
A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

City of Atlanta, Georgia 2009 Organizational Structure



CITY OF ATLANTA OFFICIALS

EXECUTIVE



Mayor..... **Shirley Franklin**

LEGISLATIVE

City Council (Elected)

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

Members of Council

District 1 - Carla Smith	District 7 - Howard Shook
District 2 - Kwanza Hall	District 8 - Clair Muller
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 - Jim Maddox
District 6 - Anne Fauver	District 12 - Joyce M. Sheperd

Members of Council-At-Large

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

ADMINISTRATIVE

(Appointed)

Chief Operating Officer
Gregory Giornelli

Chief of Staff
Greg Pridgeon

Chief Financial Officer
James W. Glass

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



Financial Section



Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining funds information of the City of Atlanta, Georgia (the "City"), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Atlanta-Fulton County Recreation Authority, the Atlanta Development Authority and the Atlanta Housing Opportunity, Inc. representing all of the City's discretely presented component units, which collectively represent total assets of approximately 4.1% as of June 30, 2009 and total revenues of approximately 7.6% for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, in so far as it relates to the amounts included for those entities and funds, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Atlanta, Georgia as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 30, 2009, on our consideration of the City of Atlanta Georgia's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

The Management's Discussion and Analysis and Schedule of Funding Progress on pages 3 through 18 and 109, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to this information, which consists principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

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

Bauer, Finley, White & Co.

December 30, 2009.

Management's Discussion and Analysis

As management of the City of Atlanta (the "City"), Georgia 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, 2009, as a part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2009 with the year ended June 30, 2008. Readers are encouraged to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of 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. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. 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 2009 by \$6.4 billion. That amount represents the City's net assets. Of this amount, \$481.2 million in unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$361 million or 6.0% in 2009. Excluding the effect of a prior period restatement of FY08 net assets of \$103.8 million, the increase was 5.9%.
- As of the close of 2009, the City's governmental funds reported combined ending fund balances of \$352.9 million. The unreserved General Fund balance of \$4.0 million is available for spending at the government's discretion, and represents approximately 1% of General Fund expenditures.
- The City's long-term debt, including capital leases, increased by \$773.7 million, or 12.4% during the current twelve month period. The increase was primarily attributable to an increase of \$714.7 million of Water and Wastewater Revenue Bonds, net of premiums and discounts.

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

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

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

The government-wide financial statements can be found following this section of the report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Hartsfield-Jackson Atlanta International Airport, Water and Wastewater System, Parks and Recreational Facilities, Solid Waste Services, Underground Atlanta, and the Civic Center. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the maintenance and operation of its fleet of vehicles and its group insurance fund for employees and retirees. Because these services benefit both governmental and business-type functions, the net assets and change in net assets have been allocated between governmental activities and business-type activities in the government-wide financial statements.

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

The proprietary funds financial statements follow the governmental funds statements.

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

The fiduciary funds financial statements follow the proprietary funds statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements in this report.

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

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

Financial Analysis - Government-wide Statements

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$6.4 billion at the close of the year ended June 30, 2009. Table 1 summarizes the major categories of assets, liabilities and net assets for governmental activities, business-type activities, and the government as a whole.

Table 1. City of Atlanta Net Assets, Year Ended June 30 2009 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-09	As of 30-Jun-08	As of 30-Jun-09	As of 30-Jun-08	As of 30-Jun-09	As of 30-Jun-08
Current and other assets	\$ 533,428	\$ 475,959	\$ 3,312,792	\$ 3,058,688	\$ 3,846,220	\$ 3,534,647
Capital assets, net of depreciation	<u>1,139,617</u>	<u>1,095,768</u>	<u>9,196,929</u>	<u>8,613,302</u>	<u>10,336,546</u>	<u>9,709,070</u>
Total assets	<u>1,673,045</u>	<u>1,571,727</u>	<u>12,509,721</u>	<u>11,671,990</u>	<u>14,182,766</u>	<u>13,243,717</u>
Long-term liabilities						
Current	247,329	212,352	496,129	619,364	743,458	831,716
Non-Current	<u>1,220,058</u>	<u>1,089,844</u>	<u>5,820,655</u>	<u>5,180,760</u>	<u>7,040,713</u>	<u>6,270,604</u>
Total liabilities	<u>1,467,387</u>	<u>1,302,196</u>	<u>6,316,784</u>	<u>5,800,124</u>	<u>7,784,171</u>	<u>7,102,320</u>
Net assets						
Invested in capital assets, net of related debt	146,670	237,415	4,760,260	4,484,709	4,906,930	4,722,124
Restricted	365,101	352,659	645,351	498,563	1,010,452	851,222
Unrestricted	<u>(306,113)</u>	<u>(320,542)</u>	<u>787,326</u>	<u>888,594</u>	<u>481,213</u>	<u>568,052</u>
Total net assets	<u>\$ 205,658</u>	<u>\$ 269,532</u>	<u>\$ 6,192,937</u>	<u>\$ 5,871,866</u>	<u>\$ 6,398,595</u>	<u>\$ 6,141,398</u>

As of June 30, 2009, the City is able to report positive balances for the government as a whole, as well as for its business-type activities.

By far the largest portion of the City's net assets (76.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debts used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

An additional portion of the City's net assets (15.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$481 million (7.5%) in *unrestricted net assets* may be used to meet the government's ongoing obligations to citizens and creditors.

For business-type activities, the City reported a positive balance of \$787 million in unrestricted net assets and for governmental activities, the City reported a negative balance of \$306 million in unrestricted net assets. However, the City also reported a positive balance of \$4.0 million in unreserved General Fund balance at the end of the fiscal year. The unreserved fund balance represents the spendable resources available for governmental activities. The major contributing factors to the difference between unreserved fund balance and unreserved net assets are decreases in accounts receivable, operating losses in the internal service fund operations, capital asset activities and decreases in other long term liabilities.

Governmental Activities

Total revenue was largely unchanged compared to the year ended June 30, 2008 (down \$571,000). An increase of \$18.9 million in Charges for Services helped offset the substantial decline in consumer spending and construction activity, which impacted the City's tax and permit receipts. The City's economically sensitive revenues which include sales tax, hotel/motel tax, building permits, and real estate transfer taxes have declined during this economic downturn. Property tax revenues increased \$19.1 million during the current period.

The municipal option sales tax (MOST) was recognized as general, non-operating revenue in the business-type funds during 2008. For the fiscal year 2009, the MOST revenue is recorded in Other Taxes of the Governmental funds (\$117 million) and is primarily responsible for the respective changes in reported Governmental Activities and Business-type Activities revenue. An operating transfer is subsequently recorded from the Special Revenue Fund of the General Government to the Department of Watershed Management for use in its operations, and is reflected as such in the financial statements.

The City's net assets increased by \$361 million, or 6.0% during the current period. The majority of this is attributable to increases in property tax revenues, and charges for services within both governmental and business type activities.

Table 2. City of Atlanta's Changes in Net Assets, Year Ended June 30, 2009 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	Year Ended 30-Jun-09	Year Ended 30-Jun-08	Year Ended 30-Jun-09	Year Ended 30-Jun-08	Year Ended 30-Jun-09	Year Ended 30-Jun-08
Revenues						
Program revenues						
Charges for services	\$ 117,383	\$ 131,915	\$ 792,289	\$ 759,630	\$ 909,672	\$ 891,545
Operating grants and contributions	42,336	49,832	-	-	42,336	49,832
Capital grants and contributions	-	-	275,033	250,113	275,033	250,113
General revenues						
Property taxes	250,649	231,541	-	-	250,649	231,541
Other taxes	358,394	246,336	-	127,470	358,394	373,806
State formula aid	3,407	4,461	-	-	3,407	4,461
Investment Income	6,834	18,302	40,739	66,342	47,573	84,644
Other	14,255	14,474	-	1,474	14,255	15,948
Total revenues	793,258	696,861	1,108,061	1,205,029	1,901,319	1,901,890
Expenses:						
General government:	265,596	234,198	-	-	265,596	234,198
Police	192,161	219,614	-	-	192,161	219,614
Fire	84,454	94,871	-	-	84,454	94,871
Corrections	37,264	50,714	-	-	37,264	50,714
Public Works	56,814	79,823	-	-	56,814	79,823
Parks, Recreation and Cultural Affairs	34,161	48,626	-	-	34,161	48,626
Nondepartmental	-	-	-	-	-	-
Interest on long-term debt	51,784	43,734	-	-	51,784	43,734
Water and Wastewater System	-	-	319,790	326,279	319,790	326,279
Department of Aviation	-	-	423,198	356,414	423,198	356,414
Sanitation	-	-	46,121	48,613	46,121	48,613
Other	-	-	14,323	14,017	14,323	14,017
Total Expenses	722,235	771,580	803,432	745,323	1,525,667	1,516,903
Increase (decrease) in net assets before transfers	71,023	(74,719)	304,629	459,706	375,652	384,987
Impairment of assets	-	-	(14,672)	-	(14,672)	-
Transfers in(out)	(118,523)	2,311	118,523	(2,311)	-	-
Increase (decrease) in net assets	(47,500)	(72,408)	408,480	457,395	360,980	384,987
Net Assets, Beginning of Period as previously reported	269,532	572,600	5,871,866	4,854,281	6,141,398	5,426,881
Correction of Prior Year Error	(16,373)	(230,660)	(87,409)	560,190	(103,783)	329,530
Net Assets, Beginning of Period as restated	253,159	341,940	5,784,457	5,414,471	6,037,615	5,756,411
Net Assets, End of Period	\$ 205,659	\$ 269,532	\$ 6,192,937	\$ 5,871,866	\$ 6,398,596	\$ 6,141,398

A comparative analysis of expenses and program revenues is presented below.

Figure 1. Program Revenues Compared to Expenses, Year Ended June 30, 2009 (in thousands)

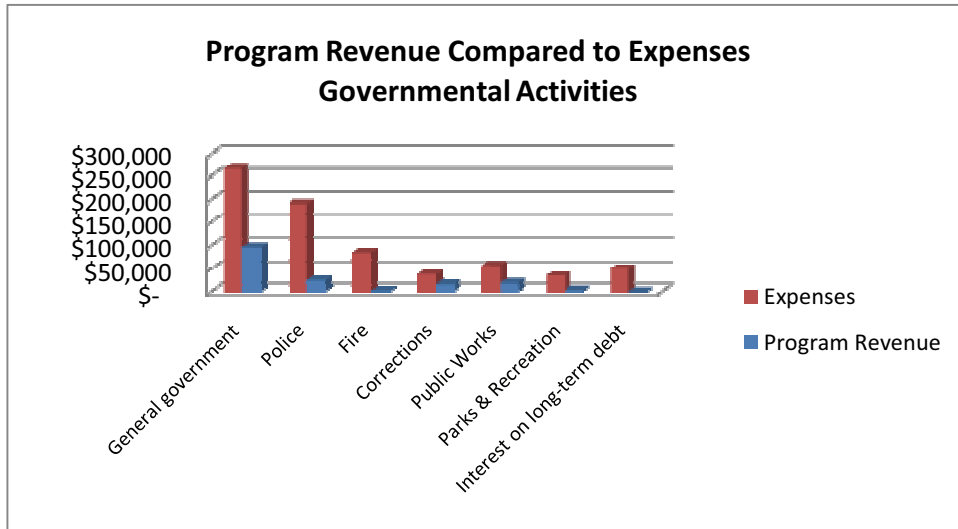
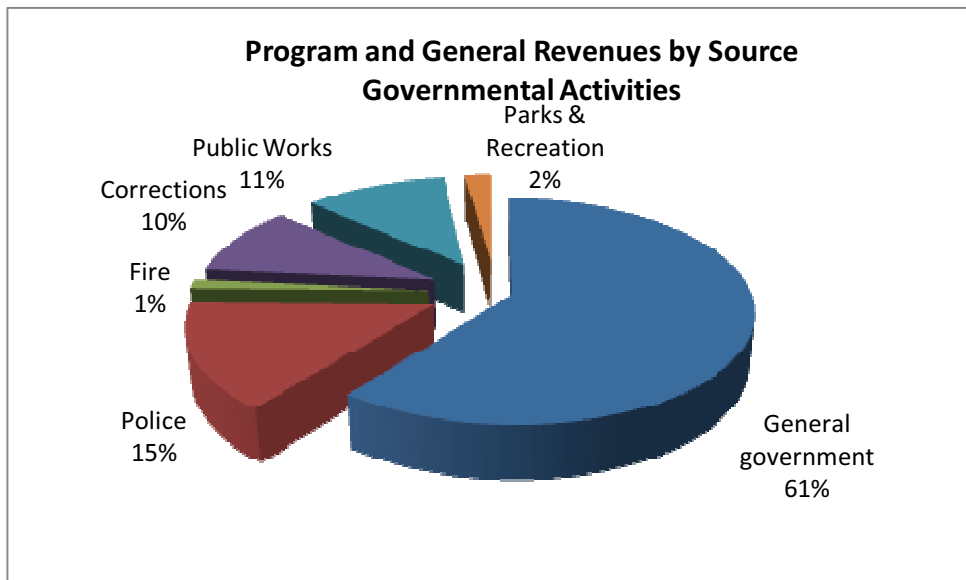


Figure 2. Program Revenues for Governmental Activities, Year Ended June 30, 2009



Business-type activities. The net assets of the City’s business-type activities increased by \$408.5 million, representing growth of 7.1 % since June 30, 2008. This growth is attributable to the operations of the City’s airport and water and waste water systems. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

Figure 3. Expenses for Business-type Activities, Year Ended June 30, 2009 (in thousands)

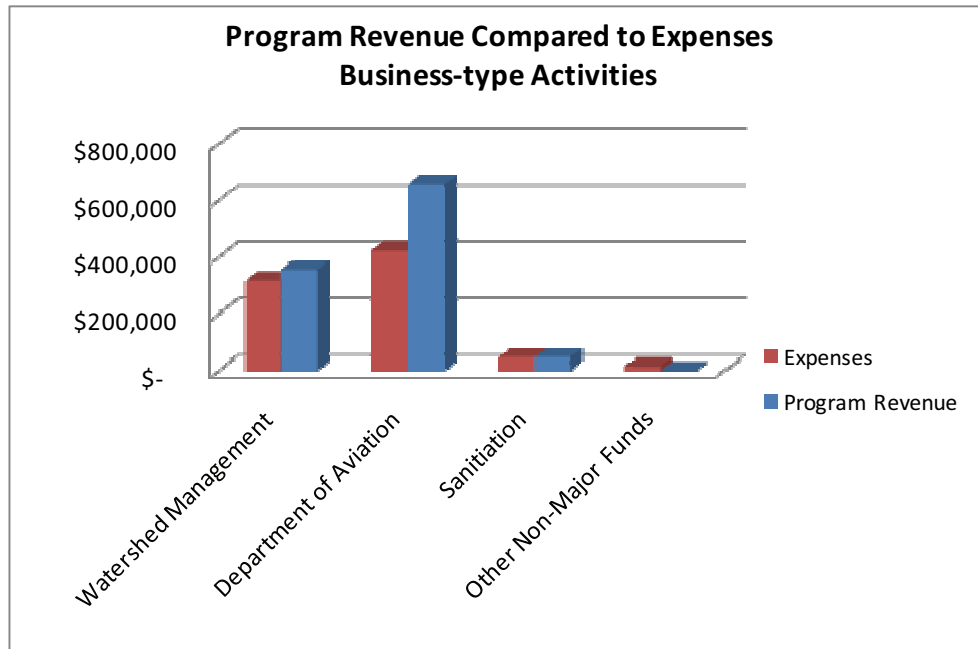
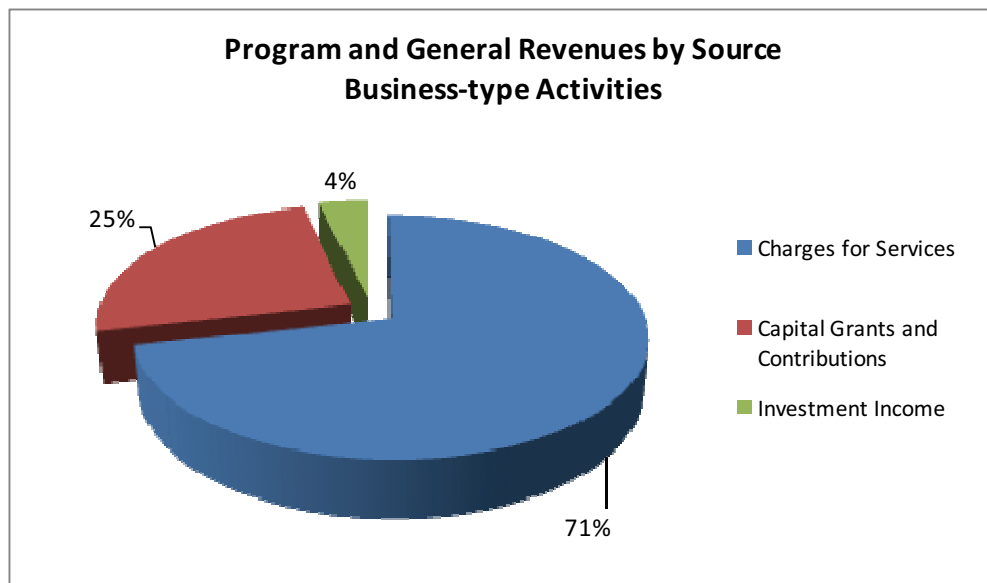


Figure 4. Program Revenues for Business-type Activities, Year Ended June 30, 2009 (in thousands)



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

Department of Watershed Management (DWM) The DWM's Net Assets for the twelve month period ended June 30, 2009 increased by \$166.4 million or 8.0% as compared to the same period ended June 30, 2008.

Table 3. Department of Watershed Management Revenues and Expenses – Year Ended June 30, 2009 and June 30, 2008 (in thousands)

	Year Ended June 30	
	2009	2008
REVENUES		
Total operating revenues	\$ 351,743	\$ 319,087
Non-operating revenues	19,165	147,207
Transfers	118,568	-
Total revenues	<u>\$ 489,476</u>	<u>\$ 466,294</u>
EXPENSES		
Total operating expenses	\$ 231,897	\$ 236,316
Depreciation expenses	76,390	71,392
Non-operating expenses	14,806	27,972
Total expenses	<u>\$ 323,093</u>	<u>\$ 335,680</u>
 Change In Net Assets	 <u>\$ 166,383</u>	 <u>\$ 130,614</u>

Total revenues for the year ended June 30, 2009 increased \$23.2 million or 4.9%. Total operating revenues which primarily consist of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by \$32.7 million or 10.2%. An increase in Water and Sewer Service revenue was due primarily to a rate increase which became effective July 1, 2008.

Total non-operating revenue for the year ended June 30, 2008 included \$127.4 million in funds received for the Municipal Option Sales Tax (MOST). During the same period ended June 30, 2009, MOST revenue of \$117.2 was included in non-operating revenue of the General Government in a Special Revenue Fund. A subsequent operating transfer of this amount was made from the Special Revenue Fund to the DWM for use in its operations and is included in DWM transfers.

Total operating expenses for the year ended June 30, 2009 were down \$4.4 million or 1.9%, compared to the year ended June 30, 2008. The combination of operating revenue increases and operating expense reductions resulted in an operating margin increase of \$37.1 million or 44.8%.

Department of Aviation (DOA) The DOA's Net Assets for the year ended June 30, 2009 increased by \$247.2 million or 6.6%, as compared to the same period ended June 30, 2008.

Table 4. Department of Aviation Revenues and Expenses – Year Ended June 30, 2009 and June 30, 2008 (in thousands)

	<u>Year Ended June 30</u>	
	<u>2009</u>	<u>2008</u>
REVENUES		
Operating revenues	\$ 389,535	\$ 386,206
Investment income	27,254	53,382
Other income	257,456	245,578
Total revenues	<u>\$ 674,245</u>	<u>\$ 685,166</u>
EXPENSES		
Operating expenses	\$ 178,563	\$ 170,838
Interest expenses	81,559	83,226
Other non-operating expenses	2,116	-
Depreciation and amortization	150,133	102,948
Impairment losses	14,672	-
Total expenses	<u>\$ 427,043</u>	<u>\$ 357,012</u>
Change In Net Assets	<u>\$ 247,202</u>	<u>\$ 328,154</u>

Total revenues for the year ended June 30, 2009 were \$674.2 million, down \$10.9 million year over year. Both Investment income and Interest expenses have been restated in 2008 to reflect the prior period adjustment relating to construction in progress (see note below). Operating revenues are diverse and consist primarily of inside concessions, parking, ground transportation, landing fees, terminal rentals, reimbursed operating expenses, and other revenues. Total operating revenues increased \$3.3 million (0.9%) to \$390 million for the year ended June 30, 2009. The Airport was able to increase its operating revenues in the face of decreasing passenger volumes via a combination of new concessions initiatives and the scheduled cancellation of certain airline subsidies.

Non-operating revenues consist of investment income and revenues from passenger facility charges (PFC's) and customer facility charges (CFC's). PFC revenue decreased by \$0.6 million for the year ended June 30, 2009, or 0.4%. This is consistent with the total passenger decrease of 1.1% during the period. The DOA collects a CFC as a means to fund the construction and operation of its Consolidated Rental Car Facility, or CONRAC, which is scheduled to open in December of 2009. The CFC of \$4.00 is a charge on each Airport car rental transaction day applicable to both On-Airport Operators and Off-Airport Operators. The effects of the economic downturn have had an intense impact on the rental car industry across the United States. CFC revenues at the Airport declined \$0.76 million, or 3.2% during the year ended June 30, 2009.

Total expenses for the year ended June 30, 2009 were \$427 million. Operating expenses for the period were \$178.6 million or 42% of total expenses. Total expenses consist of operating, non-operating, depreciation, amortization, and impairment losses. Operating expenses consist of salaries and employee benefits, repairs, maintenance, contractual and general services, utilities, materials and supplies and other expenses. Non-operating expenses consist of interest on long-term debt and other non-operating expenses.

The restricted portion of the DOA's net assets represents bond reserve funds that are restricted under the bond ordinance, and Passenger Facility Charges (PFCs) restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Also included are the Customer Facility Charges (CFCs) used to repay the Consolidated Car Rental Facility (CONRAC) bonds and related expenses. Unrestricted net assets may be used to meet any of the DOA's ongoing capital and operating obligations. The balance in unrestricted assets at June 30, 2009 was \$423.9 million compared to \$482.1 million at June 30, 2008.

Restatement of FY 2008 Financial Statements

On October 9, 2009, the DOA issued a Material Events Notice in which it disclosed its reclassification of certain costs contained within its construction-in-progress (CIP) account. Analysis revealed that a portion of general and administrative costs incurred in connection with managing capital projects should have been charged to operating expenses. Additionally, costs associated with certain completed projects were not timely closed out resulting in the failure to record depreciation expense related to those projects. The results of this reconciliation revealed the need to expense certain costs as follows:

Overhead Expenses	\$ 65.6 million
Operating and Maintenance Expenses	11.0 million
Depreciation Expense	<u>10.8 million</u>
Total	<u>\$ 87.4 million</u>

Financial Analysis of the Government's Funds

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

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

As of June 30, 2009, the City's governmental funds reported combined ending fund balances of \$352.9 million, an increase of \$40.5 million or 13.0%. Unreserved fund balance is available for spending at the City's discretion. As of June 30, 2009, the City has a deficit unreserved fund balance of \$15.5 million, due to a \$45.2 million deficit in the Special Revenue Funds. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the period (\$55.8 million), 2) to fund ongoing programs (\$49.5 million), 3) to fund ongoing and future projects (\$215.3 million) and 4) to pay debt service (\$47.9 million).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4.0 million, while total fund balance within the general fund reached \$7.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The debt service fund has a total fund balance of \$47.9 million, all of which is reserved for the payment of debt service. The net increase in fund balance for the debt service fund was \$2.4 million or 5.4%.

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. The FY09 adopted budget was \$570.8 million. Presented below is a reconciliation to the total revenue and expense budget presented on page 26-27 of the basic financial statements.

	Original Budget	Final Budget	Actual Amounts
Total revenues	\$ 568,075	\$ 565,516	\$ 478,515
Transfers In	2,775	5,334	26,718
Other financing sources	-	-	6,386
Other items treated as revenue	-	-	(745)
	<u>\$ 570,850</u>	<u>\$ 570,850</u>	<u>\$ 510,874</u>
Total expenditures	561,578	560,189	490,466
Transfers Out	9,272	16,070	23,474
Other items treated as expenditures	-	(5,409)	(329)
	<u>\$ 570,850</u>	<u>\$ 570,850</u>	<u>\$ 513,611</u>

Total 2009 General Fund revenues were \$511 million, which were \$60 million lower than the budget of \$571 million. During the fiscal year the City realized this shortfall was occurring and took steps to reduce overall expenditures. General Fund expenditures were \$514 million, which were \$57 million less than the adopted budget of \$571 million. This reduction was achieved by implementing hiring freezes throughout the City, along with employee furloughs and specific cost reduction efforts across all departments.

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, 2009, amounts to \$10.3 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings and systems, improvements, construction in progress, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's investment in capital assets for the twelve month period ended June 30, 2009 was \$627 million or 6.5 %.

Major capital asset events during the year ended June 30, 2009 included the following:

- Buildings and building improvements increased by \$1.5 billion due to buildings and infrastructure valued at \$1.2 billion being placed in service by the DWM, and buildings valued at \$.3 billion being placed in service by the DOA.
- Construction in progress decreased by \$1.2 billion due in primarily to the aforementioned buildings and improvements being placed in service.
- Land Improvements increased by \$357 million due in part to land improvements valued at \$410 million being placed in service, along with an additional \$53 million increase related to the DOA correction.

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

Table 5. Capital Assets Schedule Fiscal 2009

	Governmental Activities		Business-type Activities		Total	
	As of 30-Jun-09	As of 30-Jun-08	As of 30-Jun-09	As of 30-Jun-08	As of 30-Jun-09	As of 30-Jun-08
Land	\$ 122,446	\$ 114,617	\$ 984,695	\$ 983,385	\$ 1,107,141	\$ 1,098,002
Buildings and building improvements	321,396	278,120	4,518,706	3,030,525	4,840,102	3,308,645
Land improvements	9,051	10,196	1,557,065	1,198,410	1,566,116	1,208,606
Other property and equipment	104,280	98,604	100,759	120,391	205,039	218,995
Infrastructure	336,963	344,496	-	-	336,963	344,496
Construction in progress	245,481	249,735	2,035,704	3,280,591	2,281,185	3,530,326
Total	<u>\$ 1,139,617</u>	<u>\$ 1,095,768</u>	<u>\$ 9,196,929</u>	<u>\$ 8,613,302</u>	<u>\$ 10,336,546</u>	<u>\$ 9,709,070</u>

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

Long-term debt. The City's long-term debt, including capital leases, increased by \$773.7 million, or 12.4% during the current twelve month period. The increase was primarily attributable to an increase of \$714.7 million of Water and Wastewater Revenue Bonds, net of premiums and discounts. This additional debt will finance certain capital improvements included as part of a multi-phase, long-term capital improvement program for the Watershed system.

Table 6. Long-Term Debt Schedule Fiscal 2009

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
General obligation and annual bonds	\$ 277,190	\$ 296,915	\$ -	\$ -	\$ 277,190	\$ 296,915
Premium on bonds	17,059	13,411	-	-	17,059	13,411
SWMA revenue refunding bonds	20,265	20,265	-	-	20,265	20,265
Less: Deferred amount on refunding	(452)	(471)	-	-	(452)	(471.00)
Limited obligation bonds	652,075	540,205	-	-	652,075	540,205
Discount on bonds	(1,981)	(1,463)	-	-	(1,981)	(1,463)
Less: Deferred amount on refunding	(13,804)	(14,402)	-	-	(13,804)	(14,402.00)
Section 108 loans	6,175	6,720	-	-	6,175	6,720
Certificates of participation	158,324	149,301	-	-	158,324	149,301
Notes Payable	15,509	17,000	-	-	15,509.00	17,000.00
Water and Wastewater Revenue Bonds	-	-	3,218,275	2,494,575	3,218,275	2,494,575
Premium on bonds	-	-	26,680	35,705	26,680	35,705
GEFA notes payable	-	-	148,768	152,073	148,768	152,073
Airport Facilities Revenue Bonds	-	-	2,343,835	2,419,898	2,343,835	2,419,898
Issuance discount and refunding losses	-	-	(1,404)	(1,036)	(1,404)	(1,036)
Underground Atlanta	-	-	-	52,610	-	52,610
Capital Leases:						
General fund	69,005	26,564	-	-	69,005	26,564
Water and Wastewater System	-	-	13,644	15,640	13,644	15,640
Underground Atlanta	-	-	48,065	-	48,065	-
Total	\$ 1,199,365	\$ 1,054,045	\$ 5,797,863	\$ 5,169,465	\$ 6,997,228	\$ 6,223,510

The City's underlying ratings for its bond issuances at June 30, 2009 were as follows:

Table 7. City of Atlanta Bond Rating Fiscal 2009

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

State statutes limit the amount of general obligation debt a governmental entity may issue 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 the CAFR.

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, although weathering the current recession pressures, benefits from a reliable economic base, primarily attributable to its diverse employment sectors and its strategic location within the southeast region. The City's diverse industry mix is anchored by the government, services, trade, health, education, finance, insurance and real estate, and manufacturing sectors.

The 2010 Atlanta economic outlook is expected to recover in the second half of the year as both the state and nation rebound from one of the most severe economic recessions on record. Key sectors that have contributed to the decline are the construction, business service, and retail trade sectors. Education and health have been stable sectors for the local economy offsetting the unemployment reductions in the aforementioned sectors.

Property tax, building permits and sales taxes continue to be monitored closely as the economy recovers from the slower economic period. The City has made substantial improvements in its financial reporting and forecasting efforts which have enabled management to more timely respond to economic and business cycles. The City has also taken several measures to respond to the current economic environment including the adoption of a 3.12 mill tax rate increase, and focused efforts to both aggressively collect and audit aged and under-reporting accounts. These prudent fiscal policies are expected to offset the challenges of a slowly recovering state and national economy.

The City recently created a Strategic Planning Unit (SPU), dedicated to the enhancement of the City's ability to apply a long-range perspective to critical planning and funding decisions. The unit is organized around four key tasks:

- Articulate the City's strategic objectives
- Apply a long-range perspective to City budgetary planning
- Align City funding choices with strategic objectives
- Monitor progress towards strategic objectives

The unit will be responsible for identifying and monitoring key internal and external impacts and trends that affect the City's fiscal outcome; translating key impacts into long-range forecasts of City operating needs, capital requirements and funding policy; and assessing fiscal and economic impact of major economic development proposals and projects.

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA

Statement of Net Assets

June 30, 2009

(In Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 59,756	\$ 22,172	\$ 81,928	\$ 19,437
Restricted cash	66,344	105,663	172,007	51,295
Investments in pooled investment fund	135,249	566,026	701,275	-
Investments	3,443	-	3,443	3,802
Receivables (net of allowances for uncollectable)	74,715	67,523	142,238	3,376
Due from other governments	20,327	32,477	52,804	155
Internal balances	(101,825)	101,825	0	-
Inventories	-	15,714	15,714	261
Other restricted assets	-	71,139	71,139	-
Prepaid expenses and other assets	4,809	1,534	6,343	3,483
Total current assets	262,818	984,073	1,246,891	81,809
Noncurrent assets:				
Restricted cash	-	-	-	42,124
Restricted investments	217,553	2,028,208	2,245,761	85,557
Due from other governments	-	-	-	-
Capital assets:				
Land and construction in progress	367,927	3,020,399	3,388,326	38,927
Other capital assets, net of depreciation	434,727	6,176,530	6,611,257	221,139
Infrastructure, net of depreciation	336,963	-	336,963	-
Investments in joint venture	-	84,452	84,452	-
Investments in escrow	7,546	-	7,546	-
Investments in direct financing lease	-	-	-	-
Due from component unit	-	30,000	30,000	33,202
Other assets	45,511	186,059	231,570	9,980
Long-term receivable	-	-	-	71,941
Total noncurrent assets	1,410,227	11,525,648	12,935,875	502,870
Total Assets	1,673,045	12,509,721	14,182,766	584,679
LIABILITIES				
Current liabilities				
Accounts payable	50,560	20,888	71,448	5,817
Accrued expenses and vacations	27,982	17,899	45,881	-
Claims payable	25,186	23,121	48,307	-
Contract retentions	1,522	-	1,522	-
Due to other governments	6,379	-	6,379	-
Other liabilities	-	4,424	4,424	958
Unearned revenues	7,629	-	7,629	4,396
Liabilities payable from restricted assets	-	239,136	239,136	38,669
Notes payable	60,226	93,232	153,458	-
Current portion of long-term debt	48,969	87,333	136,302	12,326
Current portion of other liabilities	10,480	2,018	12,498	-
Current portion of capital leases	8,396	8,078	16,474	-
Total current liabilities	247,329	496,129	743,458	62,166
Noncurrent liabilities				
Noncurrent portion of long-term debt	1,081,391	5,648,821	6,730,212	352,076
Noncurrent portion of capital leases	60,609	53,631	114,240	-
Deferred revenue	-	5,744	5,744	-
OPEB liabilities	60,840	49,801	110,641	-
Due to primary government	-	-	-	30,000
Due to component unit	-	-	-	33,202
Other long-term liabilities	17,218	62,658	79,876	-
Total non-current liabilities	1,220,058	5,820,655	7,040,713	415,278
Total Liabilities	1,467,387	6,316,784	7,784,171	477,444
NET ASSETS				
Invested in capital assets, net of related debt	146,670	4,760,260	4,906,930	(1,764)
Restricted for:				
Debt service	47,912	174,761	222,673	-
Programs	79,096	-	79,096	44,597
Capital projects	238,093	470,590	708,683	-
Unrestricted	(306,113)	787,326	481,213	64,402
Total Net Assets	\$ 205,658	\$ 6,192,937	\$ 6,398,595	\$ 107,235

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
Statement of Activities
For the Year Ended June 30, 2009
(In Thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government					
Governmental activities:					
General government	\$ 265,596	\$ -	\$ 67,795	\$ 28,791	\$ -
Police	192,161	-	14,976	8,724	-
Fire	84,454	-	253	1,765	-
Corrections	37,264	-	15,989	61	-
Public Works	56,814	-	16,438	1,728	-
Parks, Recreation and Cultural Affairs	34,161	-	1,932	1,267	-
Interest on long-term debt	51,784	-	-	-	-
Total Governmental activities	722,235	-	117,383	42,336	-
Business-type activities:					
Watershed Management	319,790	-	351,743	-	4,943
Aviation	423,198	-	389,535	-	270,090
Sanitation	46,121	-	46,513	-	-
Parks and Recreational Facilities	756	-	498	-	-
Underground Atlanta	11,193	-	2,340	-	-
Civic Center	2,376	-	1,660	-	-
Total Business-type activities	803,432	-	792,289	-	275,033
Total Primary Government	\$ 1,525,668	\$ -	\$ 909,672	\$ 42,336	\$ 275,033
Component Units	\$ 112,016	\$ -	\$ 46,008	\$ 16,650	\$ 67,000

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

The accompanying notes are an integral part of the statements.

Net (Expenses) Revenues and
Changes in Net Assets

Governmental Activities	Business-type Activities	TOTALS	Component Units
\$ (169,010)		\$ (169,010)	
(168,461)		(168,461)	
(82,436)		(82,436)	
(21,214)		(21,214)	
(38,648)		(38,648)	
(30,962)		(30,962)	
<u>(51,784)</u>		<u>(51,784)</u>	
<u>(562,516)</u>		<u>(562,516)</u>	
	\$ 36,896	36,896	
	236,427	236,427	
	392	392	
	(258)	(258)	
	(8,853)	(8,853)	
	<u>(716)</u>	<u>(716)</u>	
	263,890	263,889	
<u>(562,516)</u>	<u>263,890</u>	<u>(298,627)</u>	
			\$ 17,642
154,567	-	154,567	-
96,082	-	96,082	-
87,789	-	87,789	4,431
51,381	-	51,381	-
219,224	-	219,224	-
3,407	-	3,407	-
6,834	40,739	47,573	864
517	-	517	-
<u>13,738</u>	<u>-</u>	<u>13,738</u>	<u>6,966</u>
633,539	40,739	674,278	12,261
-	(14,672)	(14,672)	-
<u>(118,523)</u>	<u>118,523</u>	<u>-</u>	<u>-</u>
515,016	144,590	659,606	12,261
<u>(47,500)</u>	<u>408,480</u>	<u>360,980</u>	<u>29,903</u>
269,531	5,871,866	6,141,397	77,332
<u>(16,373)</u>	<u>(87,409)</u>	<u>(103,782)</u>	<u>-</u>
253,158	5,784,457	6,037,615	77,332
<u>\$ 205,658</u>	<u>\$ 6,192,937</u>	<u>\$ 6,398,595</u>	<u>\$ 107,235</u>

CITY OF ATLANTA, GEORGIA

Balance Sheet
Governmental Funds
June 30, 2009
(In Thousands)

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 29	\$ 11,042	\$ 16,995	\$ 31,593	\$ 59,659
Cash and cash equivalents, Restricted	-	-	-	66,344	66,344
Investments in pooled investment fund	85,501	329	-	49,419	135,249
Investments	1,229	-	-	2,214	3,443
Receivables:					
Taxes	10,532	-	2,234	20,939	33,705
Accounts	23,467	-	33	3,045	26,545
Due from other governments	27	-	-	20,300	20,327
Due from other funds	171,444	748	30,315	16,533	219,040
Restricted investments	-	76,631	190	140,732	217,553
Other assets	4,809	-	-	-	4,809
Investments in escrow	7,545	-	-	1	7,546
TOTAL ASSETS	\$ 304,583	\$ 88,750	\$ 49,767	\$ 351,120	\$ 794,220
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 31,674	\$ 2,816	\$ 46	\$ 15,139	\$ 49,675
Accrued liabilities, vacations, and compensatory pay	4,893	108	-	375	5,376
Contract retentions	-	982	-	540	1,522
Notes payable	60,226	-	-	-	60,226
Due to other governments	-	-	-	6,379	6,379
Due to other funds	191,380	41,560	-	66,713	299,653
Deferred revenue	9,017	-	1,809	-	10,826
Unearned Revenue	-	-	-	7,629	7,629
Total Liabilities	297,190	45,466	1,855	96,775	441,286
Fund Balances (Deficit):					
Reserved for:					
Encumbrances	3,382	17,606	-	34,849	55,837
Special revenue funds	-	-	-	49,450	49,450
Capital improvements	-	-	-	215,284	215,284
Debt service	-	-	47,912	-	47,912
Unreserved:					
Undesignated, reported in:					
General fund	4,011	-	-	-	4,011
Capital projects fund	-	25,678	-	-	25,678
Special revenue funds	-	-	-	(45,238)	(45,238)
Total fund balances	7,393	43,284	47,912	254,345	352,934
TOTAL LIABILITIES AND FUND BALANCES	\$ 304,583	\$ 88,750	\$ 49,767	\$ 351,120	\$ 794,220

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
 Reconciliation of Governmental Fund Balance Sheet
 To the Government-wide Statement of Net Assets
 June 30, 2009
 (In Thousands)

Total fund balances		\$	352,934
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>			
<p>Accounts receivable used in governmental activities represents amounts that are not financial resources and therefore are not reported in the above funds:</p>			
Accounts receivable	\$	11,886	
Allowance for uncollectible receivables		<u>(9,900)</u>	1,986
<p>Other liabilities are not recognized as current year revenues and, therefore, are classified as deferred in the above funds</p>			
			10,826
<p>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		367,927	
Cost of Capital Assets		1,486,293	
Less: Accumulated Depreciation		<u>(714,603)</u>	1,139,617
<p>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 costs			45,511
<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 assets.</p>			
Net assets for internal service fund		<u>(10,310)</u>	(10,310)
<p>Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in the above funds.</p>			
General obligation and annual bonds		(277,190)	
SWMA revenue refunding bonds		(20,265)	
Limited obligation bonds		(652,075)	
Section 108 loans		(6,175)	
Capital Leases		(69,005)	
Certificates of participation		(158,324)	
Unamortized premiums (discounts) on bond issues		(822)	
Vacation pay		(22,452)	
Notes Payable		(15,509)	
OPEB obligation		(60,840)	
Health, Dental and General claims payable		(30,294)	
Arbitrage rebate		(474)	
Workers' compensation		<u>(21,481)</u>	<u>(1,334,906)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$	<u>205,658</u>

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009
(In Thousands)

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 157,122	\$ -	\$ 31,799	\$ 64,283	\$ 253,204
Local option sales taxes	87,789	-	-	-	87,789
Public utility, alcoholic beverage and other taxes	102,990	-	2,090	165,525	270,605
Licenses and permits	62,503	-	-	-	62,503
Charges for current services	4,970	-	-	15,795	20,765
Fines, forfeitures and penalties	12,631	-	-	3,189	15,820
Investment income	171	1,902	171	4,506	6,750
Intergovernmental revenues and contributions:					
Federal revenues	-	-	-	36,649	36,649
State and local grants and contributions	3,407	-	-	5,687	9,094
Building rentals and concessions	18,295	-	-	-	18,295
Other	5,084	1,396	-	7,258	13,738
Total revenues	454,962	3,298	34,060	302,892	795,212
EXPENDITURES					
Current:					
General government:	109,410	72,800	325	136,667	319,202
Police	163,007	-	-	23,357	186,364
Fire	76,279	1,061	-	5,241	82,581
Corrections	33,917	-	-	2,586	36,503
Public Works	23,177	13,658	-	8,197	45,032
Parks, Recreation and Cultural Affairs	23,635	7,639	-	8,295	39,569
Debt Service:					
Principal payments	22,469	-	17,200	15,250	54,919
Interest payments	15,435	147	14,085	20,762	50,429
Bond issuance costs	-	1,504	17	4,544	6,065
Total Expenditures	467,329	96,809	31,627	224,899	820,664
Excess (deficiency) of revenues over expenditures	(12,367)	(93,511)	2,433	77,993	(25,452)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	5,782	-	-	128,260	134,042
Proceeds from capital leases	-	48,602	-	-	48,602
Premium on bonds sold	-	4,027	-	-	4,027
Discount on bonds sold	-	-	-	(484)	(484)
Refunding bonds issued	-	78,025	-	-	78,025
Payment of refunded bonds to escrow agent	-	(80,550)	-	-	(80,550)
Proceeds from sale of assets	604	-	-	247	851
Transfers in (out)	3,244	6,052	-	(127,819)	(118,523)
Total Other Financing Sources (Uses)	9,630	56,156	-	204	65,990
Net change in fund balances	(2,737)	(37,355)	2,433	78,197	40,538
Fund Balance:					
Beginning of the period	10,130	80,639	45,479	176,148	312,396
FUND BALANCE, END OF PERIOD	\$ 7,393	\$ 43,284	\$ 47,912	\$ 254,345	\$ 352,934

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
 To the Statement of Activities
 For the Year Ended June 30, 2009
 (In Thousands)

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

Net change in fund balance - total governmental funds \$ 40,538

Some revenues reported in the statement of activities are not available as current financial resources and, therefore are not reported as revenue in governmental funds.

Taxes revenues \$ (334) (334)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the above funds (2,221)

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 102,432
 Disposal of assets (334)
 Depreciation Expense (58,249) 43,849

The issuance of long-term debt (capitalized leases) provides current financial resources to governmental funds. Repayment of debt (bonds, certificates of participation and capitalized leases) is an expenditure in the governmental funds but the repayments reduce long-term liabilities in the statement of net assets. This amount is the net effect of these differences in treatment of long-term debt.

Proceeds from refunding of debt (78,025)
 Proceeds from capital leases (48,602)
 Payment of refunded debt 80,550
 Proceeds from long-term debt (134,042)
 Payments on long-term debt 54,919
 Capitalization of issuance costs, premiums and discounts 2,522
 Amortization of issuance costs, premiums and discounts (1,355) (124,033)

Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The net revenues of these activities are reported as governmental funds for affected departments. (3,239)

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 7,239
 Compensated absences 6,040
 OPEB liability (17,149)
 Long-term workers' compensation 1,810 (2,060)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (47,500)

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property taxes	\$ 151,234	\$ 183,305	\$ 157,122	\$ (26,183)
Local option sales tax	109,281	106,384	87,789	(18,595)
Sales, public utility, alcoholic beverage, and other taxes	137,406	101,321	102,990	1,669
Licenses and permits	73,293	74,347	62,503	(11,844)
Intergovernmental revenues:				
State and local grants and contributions	-	-	3,407	3,407
Charges for services:				
Recreation fees and other	7,203	9,931	4,970	(4,961)
Fines, forfeitures, and penalties	9,620	12,067	12,631	564
Revenues from use of money and property:				
Investment income	4,139	4,098	171	(3,927)
Building rentals and concessions	20,244	24,433	18,295	(6,138)
Other income	55,654	49,676	28,637	(21,039)
	<u>\$ 568,074</u>	<u>\$ 565,562</u>	<u>\$ 478,515</u>	<u>\$ (87,047)</u>
Total revenues				

CITY OF ATLANTA, GEORGIA

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
(In Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current:				
General government:				
Executive offices	\$ 18,087	19,547	16,930	\$ 2,617
Personnel and human resources	3,551	3,541	2,779	762
City council	6,898	10,027	5,979	4,048
Courts and judicial agencies	8,919	8,844	8,775	69
Finance	11,309	12,177	10,910	1,267
Department of information technology	25,242	24,949	20,778	4,171
Planning and community development	15,147	15,107	10,149	4,958
Law	6,204	6,143	4,784	1,359
Procurement	1,130	1,128	980	148
Total general government	<u>96,487</u>	<u>101,463</u>	<u>82,064</u>	<u>19,399</u>
Public safety:				
Police	172,494	172,239	163,007	9,232
Fire	73,853	74,873	76,279	(1,406)
Corrections	38,518	38,409	33,917	4,492
Total public safety	<u>284,865</u>	<u>285,521</u>	<u>273,203</u>	<u>12,318</u>
Public works	25,658	25,619	23,177	2,442
Parks, recreation, and cultural affairs	30,320	30,401	23,635	6,766
Nondepartmental expenditures	86,231	72,657	50,899	21,758
Debt service				
Bond principal payments	38,016	38,384	22,469	15,915
Interest on bonds	-	781	15,435	(14,654)
Total debt service	<u>38,016</u>	<u>39,165</u>	<u>37,904</u>	<u>1,261</u>
Total expenditures	<u>561,577</u>	<u>554,826</u>	<u>490,882</u>	<u>63,944</u>
Excess of revenues over expenditures (under) expenditures	<u>6,497</u>	<u>10,736</u>	<u>(12,367)</u>	<u>(23,103)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from general long-term debt	-	-	5,782	5,782
Transfers in	2,775	5,334	26,718	21,384
Transfers out	(9,272)	(16,070)	(23,474)	(7,404)
Proceeds from sale of assets	-	-	604	604
Total other financial sources and uses	<u>(6,497)</u>	<u>(10,736)</u>	<u>9,630</u>	<u>20,366</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>(2,737)</u>	<u>\$ (2,737)</u>
Fund balance, beginning of period				
Beginning of the period	10,130	10,130	10,130	
Correction of prior year error	-	-	-	
Beginning of year, as restated	<u>10,130</u>	<u>10,130</u>	<u>10,130</u>	
End of period	<u>\$ 10,130</u>	<u>\$ 10,130</u>	<u>\$ 7,393</u>	

The accompanying notes are an integral part of the statements

CITY OF ATLANTA, GEORGIA

Statement of Net Assets

Proprietary Funds

June 30, 2009

(In Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 16,843	\$ 5,329	\$ -	\$ 22,172	\$ 97
Restricted cash	6,218	99,445	-	105,663	-
Investments in pooled investment fund	110,645	454,745	636	566,026	-
Receivables:					
Accounts	69,602	15,231	40,433	125,266	-
Less allowance for doubtful accounts	(40,572)	(3,902)	(13,876)	(58,350)	-
Interest	607	-	-	607	-
Total receivables	29,637	11,329	26,557	67,523	-
Due from other governments	32,477	-	-	32,477	-
Due from other funds	34,179	-	77	34,256	-
Inventories	14,350	1,364	-	15,714	-
Prepaid expenses	-	1,534	-	1,534	-
Restricted assets	38,149	32,990	-	71,139	-
Total current assets	282,498	606,736	27,270	916,504	97
Noncurrent assets:					
Restricted Investments	990,852	1,037,356	-	2,028,208	-
Due from other funds	123,467	-	-	123,467	-
Capital assets:					
Land	110,796	582,119	21,621	714,536	136
Land purchased for noise abatement	-	270,158	-	270,158	-
Construction in progress	562,300	1,473,405	-	2,035,705	-
Land improvements	12,072	2,454,328	6,693	2,473,093	29
Buildings and other structures	4,960,848	1,543,227	65,386	6,569,461	5,492
Other property and equipment	198,388	134,139	35,178	367,705	22,286
Less accumulated depreciation	(1,609,202)	(1,528,482)	(96,045)	(3,233,729)	(26,438)
Capital assets, net	4,235,202	4,928,894	32,833	9,196,929	1,505
Investment in joint venture	84,452	-	-	84,452	-
Due from component units	30,000	-	-	30,000	-
Other assets	57,539	115,852	12,668	186,059	-
Total noncurrent assets	5,521,512	6,082,102	45,501	11,649,115	1,505
Total Assets	\$ 5,804,010	\$ 6,688,838	\$ 72,771	\$ 12,565,619	\$ 1,602

The accompanying notes are an integral part of the statements.

	Business Activities - Enterprise Funds				Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
LIABILITIES					
Liabilities:					
Current liabilities					
Accounts payable	\$ 14,945	\$ 5,325	\$ 618	\$ 20,888	\$ 885
Accrued expenses, vacations, and compensatory pay	7,387	8,948	1,564	17,899	789
Claims payable	15,871	7,250	-	23,121	-
Deposits and advance	4,424	-	-	4,424	-
Due to other funds	-	-	51,043	51,043	13,588
Current maturities of long-term debt	3,415	-	-	3,415	-
Current maturities of capital leases	2,103	-	5,975	8,078	-
Current portion of other liabilities	2,018	-	-	2,018	-
	<u>50,163</u>	<u>21,523</u>	<u>59,200</u>	<u>130,886</u>	<u>15,262</u>
Current liabilities payable from restricted assets:					
Accounts payable	34,364	101,119	-	135,483	-
Accrued interest payable	20,276	56,326	-	76,602	-
Contract retention	6,582	18,684	-	25,266	-
Deposits and advances	-	1,785	-	1,785	-
Commercial paper notes payable	-	93,232	-	93,232	-
Current maturities of long-term debt	29,400	54,518	-	83,918	-
	<u>90,622</u>	<u>325,664</u>	<u>-</u>	<u>416,286</u>	<u>-</u>
Total current liabilities payable from restricted assets	<u>90,622</u>	<u>325,664</u>	<u>-</u>	<u>416,286</u>	<u>-</u>
Total current liabilities	<u>140,785</u>	<u>347,187</u>	<u>59,200</u>	<u>547,172</u>	<u>15,262</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	3,360,908	2,287,913	-	5,648,821	-
Capital lease obligations, excluding current maturities	11,541	-	42,090	53,631	-
Other postemployment benefit liability	27,097	17,129	5,575	49,801	-
Deferred revenue	5,744	-	-	5,744	-
Contract retention, excluding current portion	-	20,222	-	20,222	-
Arbitrage rebate liability	301	135	-	436	-
Accrued workers' compensation	6,012	1,436	8,158	15,606	-
Landfill postclosure costs	-	-	26,394	26,394	-
Total noncurrent liabilities	<u>3,411,603</u>	<u>2,326,835</u>	<u>82,217</u>	<u>5,820,655</u>	<u>-</u>
Total Liabilities	<u>3,552,388</u>	<u>2,674,022</u>	<u>141,417</u>	<u>6,367,827</u>	<u>15,262</u>
NET ASSETS (Deficit)					
Invested in capital assets, net of related debt	1,823,911	2,951,581	(15,232)	4,760,260	-
Restricted for:					
Debt service	-	168,786	5,975	174,761	-
Capital projects	-	470,590	-	470,590	-
Unrestricted	427,711	423,859	(59,389)	792,181	(13,660)
Total net assets (deficit)	<u>\$ 2,251,622</u>	<u>\$ 4,014,816</u>	<u>\$ (68,646)</u>	<u>\$ 6,197,792</u>	<u>\$ (13,660)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(4,855)	
Net assets of business-type activities				<u>\$ 6,192,937</u>	

CITY OF ATLANTA, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009
(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	\$ 350,792	\$ 201,281	\$ 45,710	\$ 597,783	\$ 130,123
Rentals, admissions and concessions	-	151,235	4,103	155,338	-
Other	951	37,019	1,198	39,168	1,082
Total operating revenues	<u>351,743</u>	<u>389,535</u>	<u>51,011</u>	<u>792,289</u>	<u>131,205</u>
Operating expenses:					
Salaries and employee benefits	106,095	89,963	26,263	222,321	118,605
Utilities	20,453	8,438	615	29,506	587
Supplies and materials	19,193	5,042	794	25,029	10,561
Repairs, maintenance and other contractual services	18,816	63,812	1,273	83,901	1,569
Motor equipment services	4,721	-	5,118	9,839	7
Engineering and consultant fees	28,627	-	6,205	34,832	199
General services	29,040	11,721	7,980	48,741	4,163
Programs services and other costs	4,952	(413)	54	4,593	7
Total operating expenses	<u>231,897</u>	<u>178,563</u>	<u>48,302</u>	<u>458,762</u>	<u>135,698</u>
Operating income (loss) before depreciation and amortization	119,846	210,972	2,709	333,527	(4,493)
Depreciation and amortization	76,390	150,133	6,600	233,123	685
Operating income (loss)	43,456	60,839	(3,891)	100,404	(5,178)
Non-operating revenues (expenses):					
Investment income	13,421	27,254	64	40,739	84
Interest expense	(11,724)	(81,559)	(4,482)	(97,765)	(126)
Passenger facility charges	-	166,911	-	166,911	-
Customer facility charges	-	23,136	-	23,136	-
Other revenue (expenses)	801	(12,634)	-	(11,833)	-
Total nonoperating revenues (expenses)	<u>2,498</u>	<u>123,108</u>	<u>(4,418)</u>	<u>121,188</u>	<u>(42)</u>
Income (loss) before capital contributions, special items and transfers	45,954	183,947	(8,309)	221,592	(5,220)
Capital Contributions	4,943	80,043	-	84,986	-
Impairment of capital assets	-	(14,672)	-	(14,672)	-
Transfers in	118,568	-	7,464	126,032	-
Transfers out	(3,082)	(2,116)	(2,311)	(7,509)	-
Changes in net assets	166,383	247,202	(3,156)	410,429	(5,220)
Net assets (deficit), beginning of period	2,085,239	3,855,023	(65,490)	5,874,772	(8,440)
Correction of prior year error	-	(87,409)	-	(87,409)	-
Net assets, beginning of year, as restated	<u>2,085,239</u>	<u>3,767,614</u>	<u>(65,490)</u>	<u>5,787,363</u>	<u>(8,440)</u>
Net assets (deficit), end of period	<u>\$ 2,251,622</u>	<u>\$ 4,014,816</u>	<u>\$ (68,646)</u>	<u>\$ 6,197,792</u>	<u>\$ (13,660)</u>
			Change in net assets	410,429	
			Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	(1,949)	
			Change in net assets of business-type activities	<u>\$ 408,480</u>	

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009
(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	\$ 336,434	\$ 391,497	\$ 50,251	\$ 778,182	\$ 131,205
Cash payments to employees for services	(94,996)	(86,554)	(18,437)	(199,987)	(118,801)
Cash payments to suppliers for goods and services	(121,859)	(86,850)	(20,032)	(228,741)	(12,105)
Cash payments to general government for ad valorem taxes and franchise fees	(10,935)	-	-	(10,935)	-
Net cash provided by (used in) operating activities	108,644	218,093	11,782	338,519	299
Cash flows from noncapital financing activities					
Transfers in	123,507	-	5,153	128,660	-
Transfers out	(3,082)	-	-	(3,082)	-
Net cash provided by (used in) noncapital financing activities	120,425	-	5,153	125,578	-
Cash flows from capital and related financing activities					
Capital contributions	4,943	91,470	-	96,413	-
Principal repayments of long-term debts	(164,121)	(65,872)	(8,197)	(238,190)	(55)
Acquisition, construction and improvements of capital assets	(210,479)	(579,490)	38	(789,931)	(105)
Passenger and customer facility charges	-	189,844	-	189,844	-
Proceeds from sale of capital assets	-	-	-	-	-
Accounts payable from restricted assets	-	16,862	-	16,862	-
Proceeds from bond/note issuances	750,000	18,120	-	768,120	-
Refunding of revenue bonds	-	-	(56,836)	(56,836)	-
Proceeds from refunded bonds as capital lease	-	-	52,790	52,790	-
Interest paid on revenue bonds	(144,258)	(155,296)	(4,482)	(304,036)	(126)
Net cash provided by (used in) capital and related financing activities	236,085	(484,362)	(16,687)	(264,964)	(286)
Cash flows from investing activities					
Interest on investments	27,905	45,840	64	73,809	84
Purchases and sales of nonpooled investments, net	(502,467)	252,119	-	(250,348)	-
Net change in investment in pooled funds	(2,041)	51,475	(314)	49,120	-
Net cash provided by (used in) investing activities	(476,603)	349,434	(250)	(127,419)	84
Net change in cash and cash equivalents	(11,449)	83,165	(2)	71,714	97
Cash and cash equivalents, beginning of period	34,510	21,609	2	56,121	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 23,061	\$ 104,774	\$ -	\$ 127,835	\$ 97

Continued

CITY OF ATLANTA, GEORGIA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009
(In Thousands)

	Business Activities - Enterprise Funds			Total	Governmental
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds		Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 43,456	\$ 60,839	\$ (3,891)	\$ 100,404	\$ (5,178)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	76,390	150,133	6,600	233,123	685
Changes in assets and liabilities					
Receivables - net of allowance	(6,035)	1,962	(693)	(4,766)	-
Inventories	356	(35)	-	321	-
Due from other funds	417	-	(67)	350	-
Prepaid expenses and other assets	-	(177)	(163)	(340)	-
Due (from) other governmental units, net	(10,807)	-	-	(10,807)	-
Investment in Joint Venture	773	-	-	773	-
Accounts payable and accrued expenses	4,569	(3,155)	6,473	7,887	(6,059)
Other Liabilities	-	8,526	-	8,526	(196)
Claims payable	(1,591)	-	-	(1,591)	-
Deposits and advances	1,116	-	-	1,116	-
Due to other funds	-	-	3,523	3,523	11,047
Net cash provided by (used in) operating activities	\$ 108,644	\$ 218,093	\$ 11,782	\$ 338,519	\$ 299
Supplemental schedule of non-cash financing activities:					
Appreciation of capital appreciation bonds	\$ -	\$ 3,917	\$ -	\$ 3,917	\$ -

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2009

(In Thousands)

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 137,707	\$ 203
Investments in pooled investment fund	-	31,361
Investments:		
Equities	765,422	578
U. S. government and agency obligations	476,285	-
Corporate bonds	240,573	-
Other	<u>152,231</u>	<u>-</u>
Total Investments	<u>1,634,511</u>	<u>578</u>
Securities lending collateral investment pool	191,121	-
Due from brokers for securities sold	15,558	-
Other receivables	16,588	-
 Total assets	 <u>\$ 1,995,485</u>	 <u>\$ 32,142</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 8,990	\$ 32,142
Other liabilities	54,017	-
Due to other funds	12,479	-
Liability for securities lending agreement	<u>191,121</u>	<u>-</u>
Total liabilities	<u>266,607</u>	<u>32,142</u>
 Net Assets		
Held in trust for pension benefits		
(See Schedule of Funding Progress on page 112)	<u>1,728,878</u>	<u>-</u>
Total net assets	<u>\$ 1,728,878</u>	<u>\$ -</u>

The accompanying notes are an integral part of the statements.

CITY OF ATLANTA, GEORGIA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2009
(In Thousands)

	Pension Trust Funds
Additions	
Employer contributions	\$ 147,586
Employee contributions	23,540
Refunds and other	624
Investment income:	
Net change in	
fair value of investments	(280,118)
Investment income	51,541
Securities lending income	1,170
Less: Investment expenses	<u>(7,638)</u>
Net investment loss	<u>(235,045)</u>
Total Additions	<u>(63,295)</u>
Deductions	
Benefit payments	147,026
Refunds	32
Administrative expenses	<u>547</u>
Total Deductions	<u>147,605</u>
Change in net assets	(210,900)
Net assets held in trust for pension benefits:	
Beginning of period	1,897,393
Correction of prior period error	<u>42,385</u>
Beginning of period, as restated	<u>1,939,778</u>
End of period	<u>\$ 1,728,878</u>

The accompanying notes are an integral part of the statements.

Component Units

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

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

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Net Assets
June 30, 2009
(In Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,293	\$ 12,388	\$ 3,756	\$ 19,437
Restricted cash	-	37,807	13,488	51,295
Short-term investments	3,081	721	-	3,802
Receivables:				
Accounts	335	-	-	335
Pledges	490	-	-	490
Other receivable	-	2,551	-	2,551
Total receivables	<u>825</u>	<u>2,551</u>	<u>-</u>	<u>3,376</u>
Due from other governmental units and agencies	-	-	155	155
Inventories	261	-	-	261
Prepaid expenses and other assets	<u>249</u>	<u>3,234</u>	<u>-</u>	<u>3,483</u>
Total current assets	<u>7,709</u>	<u>56,701</u>	<u>17,399</u>	<u>81,809</u>
Noncurrent Assets:				
Restricted assets:				
Cash and cash equivalents	42,124	-	-	42,124
Investments	12,732	72,825	-	85,557
Mortgage loans receivable	-	2,575	-	2,575
Capital lease receivable	-	69,366	-	69,366
Due from component units	-	33,202	-	33,202
Bond issues costs and discounts	2,051	7,875	-	9,926
Other restricted assets	<u>-</u>	<u>54</u>	<u>-</u>	<u>54</u>
Total restricted assets	<u>56,907</u>	<u>185,897</u>	<u>-</u>	<u>242,804</u>
Property and equipment - at cost:				
Land	22,497	12,496	-	34,993
Construction-in-progress	1,602	2,332	-	3,934
Land improvements	927	-	-	927
Buildings and improvements	289,149	43,000	-	332,149
Other property and equipment	<u>26,994</u>	<u>2,724</u>	<u>-</u>	<u>29,718</u>
	341,169	60,552	-	401,721
Less accumulated depreciation	<u>(131,139)</u>	<u>(10,516)</u>	<u>-</u>	<u>(141,655)</u>
Property and equipment, net	<u>210,030</u>	<u>50,036</u>	<u>-</u>	<u>260,066</u>
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 274,646</u>	<u>\$ 292,634</u>	<u>\$ 17,399</u>	<u>\$ 584,679</u>

The accompanying notes are an integral part of the statements.

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	Totals
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 3,878	\$ 1,939	\$ -	\$ 5,817
Other liabilities	<u>8</u>	<u>950</u>	<u>-</u>	<u>958</u>
Total current liabilities	<u>3,886</u>	<u>2,889</u>	<u>-</u>	<u>6,775</u>
Liabilities payable from restricted assets:				
Current maturities of long-term debt	4,286	8,040	-	12,326
Accrued interest payable	-	3,615	-	3,615
Other liabilities	32,746	2,308	-	35,054
Deferred revenues	<u>1,443</u>	<u>2,953</u>	<u>-</u>	<u>4,396</u>
Total liabilities payable from restricted assets	<u>42,361</u>	<u>19,805</u>	<u>-</u>	<u>62,166</u>
Long-term liabilities:				
Long-term debt, excluding current maturities	155,029	197,047	-	352,076
Due to primary government	-	30,000	-	30,000
Due from component units	<u>-</u>	<u>-</u>	<u>33,202</u>	<u>33,202</u>
Total liabilities	<u>197,390</u>	<u>246,852</u>	<u>33,202</u>	<u>477,444</u>
NET ASSETS				
Investment in capital assets, net of related debt	51,766	(53,530)	-	(1,764)
Restricted for grant programs	22,110	8,999	13,488	44,597
Unrestricted	<u>3,380</u>	<u>90,313</u>	<u>(29,291)</u>	<u>64,402</u>
Total net assets	<u>\$ 77,256</u>	<u>\$ 45,782</u>	<u>\$ (15,803)</u>	<u>\$ 107,235</u>

CITY OF ATLANTA, GEORGIA
Component Units

Statement of Activities
For the Year Ended June 30, 2009
(In Thousands)

Functions/Programs Component Units	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Atlanta Housing Opportunity, Inc.	TOTALS
Business-type activities							
Atlanta Fulton County Recreation Authority	\$ 44,430	\$ 28,152	\$ 1,000	\$ (10,010)	\$ -	\$ -	\$ (10,010)
Atlanta Development Authority	61,684	14,991	66,000	-	30,689	-	30,689
Atlanta Housing Opportunity, Inc.	5,902	2,865	-	-	-	(3,037)	(3,037)
Total Business-type activities	112,016	46,008	67,000	(10,010)	30,689	(3,037)	17,642
Total Component Units	\$ 112,016	\$ 46,008	\$ 67,000	(10,010)	30,689	(3,037)	17,642
General revenues:							
Other taxes	4,431						4,431
Investment income	700					164	864
Other	907				6,059	-	6,966
Total General revenues	6,038				6,059	164	12,261
Change in net assets	(3,972)				36,748	(2,873)	29,903
Net assets - beginning of period, restated	81,228				9,034	(12,930)	77,332
Net assets - end of period	\$ 77,256				\$ 45,782	\$ (15,803)	\$ 107,235

The accompanying notes are an integral part of the statements.



**Notes to
Financial Statements**

City of Atlanta, Georgia

Notes to Financial Statements

Contents

	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity	39
B. Government-Wide and Fund Financial Statements	42
C. Measurement Focus and Basis of Accounting	43
D. Assets, Liabilities and Net Assets or Equity	46
E. New Accounting Pronouncements	52
F. Use of Estimates	52
II. Stewardship, Compliance and Accountability	
A. Budgets and Budgetary Accounting	53
B. Excess of Expenditures Over Appropriations	54
C. Deficit Fund Equity	54
III. Detailed Notes on All Funds	
A. Deposits and Investments	55
B. Property Taxes, LOST, MOST, and Car Rental tax	60
C. Capital Assets	62
D. Interfund Receivables, Payables, and Transfer	63
E. Leases	65
F. Note Payable	68
G. Long-Term Obligations	71
H. Reserved Net Assets and Restricted Assets	89
IV. Other Information	
A. Risk Management	90
B. Employee Retirement Systems and Pension Plans	91
C. Commitments and Contingent Liabilities	101
D. Prior Period Adjustments	106
E. Subsequent Events	107

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Year ended June 30, 2009

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Financial Reporting Entity

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

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

Blended Component Units

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

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

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

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

UDC and KAB did not have any financial activity during the year ended June 30, 2009. 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"), the Atlanta Development Authority ("ADA"), and the Atlanta Housing Opportunity, Inc. ("AHOI"). They are reported in a separate column to emphasize that they are legally separate from the City. All the discretely presented component units are accounted for as proprietary fund types.

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

The City and Fulton County ("County"), by contractual agreement with the Recreation Authority, will fund any deficiencies in principal and interest payments on the applicable revenue bonds issued for construction 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 (See Note IV D). 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. There were no such deficiencies during the fiscal year that required funding by the City or County related to the Arena

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

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

ADA - ADA was created effective January 1, 1997, to promote the revitalization and growth of the City through a comprehensive and centralized program focusing on community development and redevelopment. It combined many previously separate organizations, 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.

AHOI – The AHOI is an affiliate organization of the Atlanta Housing Authority (“AHA”) whose board members are indirectly appointed by the Mayor in that only members of the AHA’s Board of Commissioners can fill these roles. AHOI was created for the sole purpose of facilitating the Housing Opportunity Program for the City. AHOI is financially dependent on the City to pay its debt and cover its operating costs. AHOI is included as a separate component unit for the first time in 2009.

Joint Venture

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

Under the terms of the amended Joint Venture Agreement, the City and the County equally share the costs of all capital expenditures. Capital contributions are recorded during the year in which the additions to capital assets are accrued, whether paid or recorded as a liability, including retainage. The City and the County each contributed \$594,000 during the fiscal year ended June 30, 2009. 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 \$2,698,000 for the year ended June 30, 2009. The costs are reflected in operating costs.

At June 30, 2009 the City owes the County approximately \$312,000 for expenses associated with the joint venture.

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Financial information for the Commission summarized below is as of and for the year ended December 31, 2008 (in thousands):

Total assets (net property, plant, and equipment)	<u>\$177,035</u>
Total fund net assets	<u>\$167,629</u>
Total operating revenue	\$ 8,439
Total operating expenses	<u>\$ 11,174</u>
Net loss	<u>\$ (2,735)</u>

The separate financial statements of the Commission may be obtained from the City's Department of Finance, 68 Mitchell Street, Suite 11100, Atlanta, Georgia 30335.

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, 2009, the City paid approximately \$254,000 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from the Atlanta Regional Commission at 40 Courtland St. NE; Atlanta, Georgia 30303.

Related Organizations

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

B. Government-Wide and Fund Financial Statements

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

Notes to the Financial Statements - Continued

B. Government-Wide and Fund Financial Statements, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include; 1) charges to applicants who use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not meeting the definition of program revenues are reported as *general revenues*.

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

Notes to the Financial Statements - Continued

C. Measurement Focus and Basis of Accounting, continued

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

Notes to the Financial Statements, Continued

C. Measurement Focus and Basis of Accounting, continued

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

Fiduciary Fund Types

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

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

Notes to the Financial Statements, Continued

D. Assets, Liabilities and Net Assets or Equity

1. Cash Equivalents

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

2. Investments

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

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

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

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

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

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

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

Notes to the Financial Statements, Continued

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

3. *Materials and Supplies*

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

4. *Prepaid Items*

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

5. *Restricted Assets*

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

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

6. *Capital Assets*

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

Notes to the Financial Statements - Continued

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

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

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

Governmental-type activities:

Buildings	20-50 years
Building improvements	20 years
Furniture and equipment	3-10 years
Vehicles	5-8 years
Infrastructure	25-50 years

Business-type activities:

Department of Aviation:

Runways, taxiways and other land improvements	15-35 years
Terminal and maintenance buildings and other structures	15-35 years
Other property and equipment	2-20 years

Department of Watershed Management:

Water and wastewater plant and treatment facilities	50-75 years
Water collection and distribution system	75 years
Wastewater system	67 years
Stormwater drainage system	75 years
Machinery, equipment, and other	4-10 years

Sanitation:

Buildings	20-25 years
Equipment	5-20 years

Parks and Recreational Facilities:

Buildings	40 years
Other property and equipment	15-20 years

Underground Atlanta:

Parking garage	30 years
Buildings	15-30 years
Machinery, equipment, and other	5 years

Internal Service Fund:

Buildings	40 years
Other property and equipment	3-8 years

City of Atlanta and Fulton County Recreation Authority

(as a discretely presented component unit):

Buildings and improvements	7-30 years
Other property and equipment	3-20 years

Atlanta Development Authority

(as a discretely presented component unit):

Buildings and improvements	26-30 years
Furniture and equipment	3-5 years

Atlanta Housing Opportunity, Inc.

(as a discretely presented component unit):

No capital assets recorded

Notes to the Financial Statements - Continued

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

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

Interest is capitalized on proprietary fund assets constructed with the proceeds of tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project against interest earned on invested proceeds over the same period. The Department of Watershed Management and the Department of Aviation capitalized \$112,985,000 and \$35,881,000 respectively, in net interest costs during the year ended June 30, 2009.

7. *Compensated Absences*

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

Employees can accrue unlimited amounts of sick leave. Sick leave can be taken only due to personal illness or, in certain cases, illness of family members. 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.

8. *Long-term Obligations*

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

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

Notes to the Financial Statements - Continued

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

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

9. Reservations of Net Assets / Fund Balances

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

- *Net Assets - Reserved for Capital Projects and Debt Service* - This portion of net assets represents various restricted assets of the Enterprise Funds, less liabilities payable from such assets that are not available for appropriation.
- *Fund Balance - Reserved for Encumbrances, Special Programs and Capital Improvements* - This portion of fund balance represents various restricted assets or resources of the City which have been encumbered or appropriated for purchase orders or contractual obligations.
- *Fund Balance - Reserved for Debt Service* - This portion of fund balance represents resources of the City which have been formally set aside for future debt service payments.

10. Net Assets Classifications

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

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

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

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

Notes to the Financial Statements - Continued

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

11. Grants From Other Governments

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

12. General Services Costs

The City allocates a portion of general services costs (such as purchasing, accounting, budgeting, personnel administration, and certain other costs based on allocation methods determined by an independent study) to the Department of Aviation, the Department of Watershed Management, the Sanitation Fund, and the Internal Service Fund in order to more fully reflect the actual cost of operating these Proprietary Funds. For the year ended June 30, 2009, such allocated expenses amounted to \$8,870,000 for the Department of Aviation, \$ 12,966,000 for the Department of Watershed Management, \$8,326,000 for the Sanitation Fund, and \$3,963,000 for the Internal Service Fund.

Costs allocated to the Community Development Fund are based upon a negotiated indirect cost rate, determined by an independent study. The City's indirect cost rate is based upon the prior year's cost calculation, documented in the Cost Allocation Plan. Such expenditures charged to Community Development for the year ended June 30, 2009 amounted to approximately \$123,000. The reimbursement of these costs to the General Fund is recorded as a reduction in expenditures.

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements

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

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

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement improves the financial reporting by requiring governments to measure derivative instruments, with the exception synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2010.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental type definitions. Application of this statement is effective for the City's fiscal year ending June 30, 2011.

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

F. Use of Estimates

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

Notes to the Financial Statements - Continued

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

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

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

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

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, 2009.

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

Notes to the Financial Statements - Continued

B. Excess of Expenditures Over Appropriations

The City, within its General Fund, had the following departmental expenditures in excess of appropriations for the fiscal year ended June 30, 2009 (in thousands):

Interest on bonds	\$14,654
Fire	\$ 1,406

The excess related to Interest on bonds was offset by lower than budgeted expenses for Bond principal payments, which was \$15,915 under the budgeted amount.

C. Deficit Fund Equity

The following funds reported deficits in fund balance at June 30, 2009:

- Sanitation Fund had an accumulated deficit of \$55,407,000 due to deficiencies in operating revenues. Approximately \$20 million of the fund deficit is related to landfill post-closure costs which are being amortized over 15 years. The City is working to eliminate remaining negative net assets in future periods.
- Parks and Recreation Facilities Fund had an accumulated deficit of \$48,000.
- Underground Atlanta Fund had an accumulated deficit of \$14,719,000 due to deficiencies in operating revenue. The management company of the Underground project hopes to eliminate this deficit in the future through better management and cost reductions.
- Emergency Telephone System had an accumulated deficit of \$31,001,000 due to increased public safety expenditures. The City plans to increase the General fund appropriations to fund the Emergency Telephone System. Additionally, plans are being made to better manage the costs of E-911 operations.
- Car Rental Fund had an accumulated deficit of \$58,000. Due to timing differences between the receipt of funds and the transfer to the Car Rental Fund, this deficit should be eliminated in fiscal year 2010.

Notes to the Financial Statements - Continued

III. Detailed Notes on All Funds

A. Deposits and Investments

Pooled Cash and Investments Held in City Treasury

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

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

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

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

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

The City 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.

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

Investments in Employee Retirement Plans

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

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

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

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

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

INVESTMENT RISK DISCLOSURES

Governmental and Business-Type Activities

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

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

The City has the ability and generally has the intention to hold all investments until their respective maturity dates. The average maturity of the City's pooled cash and investments governed by the Policy as of June 30, 2009, was approximately six months. If it becomes necessary or strategically prudent for the City to sell a security prior to maturity, the Policy allows for occasional restructuring of the portfolio to minimize the loss of market value and/or to maximize cash flows.

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

As of June 30, 2009, the City had the following fixed income investments with the corresponding credit ratings and maturities (in thousands):

Type of Investments	Credit Rating	Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years	Over 5 Years	Carrying Value
U.S. Government Obligations	Aaa/AAA	\$ -	\$ 52,000	\$ 53,000	\$ 242,000	\$ 198,000	545,000
State Pool	AAA	263,000	-	-	-	-	263,000
Money Markets	AAA	1,377,000	-	-	-	-	1,377,000
GICs	*	1,000	258,000	-	-	142,000	401,000
		<u>\$ 1,641,000</u>	<u>\$ 310,000</u>	<u>\$ 53,000</u>	<u>\$ 242,000</u>	<u>\$ 340,000</u>	<u>\$ 2,586,000</u>

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

The City requires that all uninsured collected balances plus accrued interest in depository accounts be collateralized and that the market value of collateralized pledged securities must be at least 110% of the deposit balances, and 102% for repurchase agreements. As a result, the City had no deposits with custodial risks as of June 30, 2009. All investments of the City are either held by the City or by a counterparty in the City's name, therefore the City's investments had no custodial risk as of June 30, 2009.

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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

Investments in any one issuer that represent 5% or more of total investments by reporting unit were as follows as of June 30, 2009:

<u>Issuer</u>	<u>Investment Type</u>	<u>Investments %</u>	<u>Reporting Unit</u>
Societe Generale	GIC	0.27%	General Fund
Societe Generale	GIC	0.27%	City of Atlanta - West Side TAD
Societe Generale	GIC	0.94%	Department of Aviation
Societe Generale	GIC	<u>8.16%</u>	Department of Aviation
Total		<u>9.64%</u>	

The City is a voluntary participant in the Georgia Local Government Investment Pool (Georgia Fund 1) that is managed by the Office of Treasury and Fiscal Services. As of June 30, 2009, the City's investment in the Georgia Fund 1 is approximately \$61,179,000. The total amount recorded by all public agencies in Georgia Fund 1 at that date is approximately \$11.1 billion.

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

Pension Trust Fund Activities

Interest Rate and Credit Risks. As of June 30, 2009, the City's Pension Plans had the following fixed income investments, with the corresponding credit ratings and maturities (in thousands):

<u>Type of Investments</u>	<u>Credit Rating</u>	<u>Maturity</u>					<u>Fair Value</u>
		<u>Under 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>5 - 10 years</u>	<u>Over 10 Years</u>	
U.S. Government Agencies	AAA	\$ 13,974	\$ 31,311	\$ 26,730	\$ 72,224	\$ 292,680	\$ 436,919
State and Local Obligations	AA-	-	-	-	-	535	\$ 535
Corporate Bonds	AA/A-	4,602	24,453	26,160	50,087	23,493	\$ 128,795
Corporate Bonds	B+/BBB	5,702	12,308	13,533	24,014	12,315	\$ 67,872
Corporate Bonds	NR	74	9	599	1,020	4,697	\$ 6,399
CMO's	AAA	-	-	-	-	8,429	\$ 8,429
CMO's	NR	-	-	91	1,841	2,095	\$ 4,027
Private Placement Trust	A	-	-	15	-	147	\$ 162
Private Placement Trust	BBB	-	99	-	-	97	\$ 196
Asset Backed Securities	A+/AAA	-	16,235	17,094	10,749	6,663	\$ 50,741
Asset Backed Securities	BBB	-	250	-	-	-	\$ 250
Asset Backed Securities	AGY	568	461	-	4,053	16,854	\$ 21,936
Asset Backed Securities	NR	89	282	1,057	2,212	3,169	\$ 6,809
Other	AAA	-	2,497	-	-	-	\$ 2,497
		<u>\$ 25,009</u>	<u>\$ 87,905</u>	<u>\$ 85,279</u>	<u>\$ 166,200</u>	<u>\$ 371,174</u>	<u>\$ 735,567</u>

Securities Lending Transactions

At June 30, 2009, the Plans had no credit risk exposure to borrowers because the amounts the Plans owed the borrowers exceeded the amounts the borrowers owed the Plans. The contract with the Plans' custodians requires them to indemnify the Plans if the custodians fail to recover borrowed securities and distributions made during the term of the loans. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses. All securities loans can be terminated on demand by either the Plans or the borrower, with the borrower returning equivalent securities to the Plans within a specified period of time.

Notes to the Financial Statements – Continued

A. Deposits and Investments, continued

Custodial Risk. The Pension Plans had no deposits or investments with custodial risk as of June 30, 2009.

Concentration Credit Risk. There were no investments in any one issuer that represent 5% or more of total investments for the combined *Pension Plans* as of June 30, 2009.

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

Issuer	Investment Type	% of Total Investments
Police Officer's Pension Plan:		
Northern Trust Corp	Equities	17.41%
US Government	US Government Security	11.62%
COLTV	Equities	7.75%
ISHARES	Equities	6.70%
NTGI	Equities	5.79%
Northern Trust Bank, N.A.	Equities	5.51%
Fireman's Pension Plan:		
COLTV	Equities	16.33%
FHLMC	Federal Agency Security	8.08%
FNMA	Federal Agency Security	7.74%
US Government	US Government Security	5.79%
General Pension Plan:		
FNMA	Federal Agency Security	25.30%
US Government	US Government Security	12.83%
FHLMC	Federal Agency Security	12.43%

Foreign Currency Risk. The Plans' policies state the portfolio will consist of domestic equities, domestic fixed income and cash equivalents. At June 30, 2009, the Plans were not in compliance with the provisions of its policy requirements for authorized investment purchases. As of June 30, 2009, the Plans had investments in foreign equity securities totaling \$3,630,000.

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

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

Currency	Short Term	Debt	Equity	Total
Canada	\$ -	\$ -	\$ 1,190	\$ 1,190
Netherlands	-	-	1,510	1,510
British Virgin Islands	-	-	30	27
Tunisia	-	880	-	879
Israel	-	-	20	24
Total Securities subject to Foreign Currency Risk	-	880	2,750	3,630
Puerto Rico	-	-	70	70
United States	128,180	906,290	767,510	1,801,980
Total US dollars Securities	128,180	906,290	767,580	1,802,050
Total International & US Investment Securities	\$ 128,180	\$ 907,170	\$ 770,330	\$ 1,805,680

Notes to the Financial Statements - Continued

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

Property taxes include amounts levied against all real, public utility, and tangible property. The City shares a common tax base with the Atlanta Independent School System, portions of Fulton and DeKalb counties (the "Counties"), and a hospital authority. Property taxes are normally levied and billed by July 1, on the assessed value, as of January 1, (lien date), of all real and personal property located in the City. Taxes are due within 45 days of the date billed. The distribution of the City's 2008 levy (tax rate per \$1,000 assessed taxable value) to its funds and to the Atlanta Independent School System (which operates as a separate legal entity and is not included in the City's financial reporting entity) is as follows:

General Fund	7.120%
General Obligation Bond Sinking Fund	
City Bonds	1.180%
School Bonds	0.054%
Park Improvement Fund (incl in Capital Projects Funds)	0.500%
Board of Education (operations)	21.640%
Special Tax District Dekalb County	<u>0.826%</u>
	<u>31.320%</u>

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

Assessed values are established by the Tax Assessors' Office at 40% of appraised market value as required by the State of Georgia. A revaluation of all property is done annually, based on statistical analysis. That valuation in 2008 resulted in an assessed value, prior to freepport exemption, of approximately \$29,569,000,000.

Tax bills are normally sent to property owners in July. Fulton County acts as the City's agent in billing and collecting property taxes levied for property within the City limits and in Fulton County. DeKalb County acts as the City's agent in billing and collecting property taxes levied for property within the City limits and in DeKalb County. The billing and collection fees due to the Counties are withheld from cash remitted to the City and are reported as a reduction to property tax revenue. Such fees amounted to approximately \$1,995,000 in 2009. Real and tangible property taxes are payable to the Counties on August 15th and, if not paid, become delinquent on August 16th. Public utility taxes are due in December and, if not paid before December 20th, become delinquent. Once taxes become delinquent, the Tax Commissioner's Office adds penalties to the original tax and sends past due notices. The delinquent taxpayer then has 30 days to remit payment. After the 30 day period, the Tax Commissioners' Office may begin procedures to sell the property for the collection of the past due tax. The collection period for the City is typically from July 1 to December 31, with pursuance of delinquent taxes early in the following calendar year.

Notes to the Financial Statements – Continued

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

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

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

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

Notes to the Financial Statements – Continued

C. Capital Assets

A summary of capital assets activity and changes in accumulated depreciation for the year ended June 30, 2009 follows (in thousands):

	Balance at June 30, 2008, As restated (Note IV.D)	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2009
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 114,617	\$ 7,829	\$ -	\$ -	\$ 122,446
Construction in progress	249,735	40,376	-	(44,630)	245,481
Total capital assets not being depreciated	<u>364,352</u>	<u>48,205</u>	<u>-</u>	<u>(44,630)</u>	<u>367,927</u>
Capital assets being depreciated:					
Land improvements	24,774	65	-	-	24,839
Buildings and building improvements	371,597	10,884	-	40,800	423,281
Other property and equipment	188,112	35,969	4,869	-	219,212
Infrastructure	807,822	7,309	-	3,830	818,961
Total capital assets being depreciated	<u>1,392,305</u>	<u>54,227</u>	<u>4,869</u>	<u>44,630</u>	<u>1,486,293</u>
Totals at historical cost	<u>1,756,657</u>	<u>102,432</u>	<u>4,869</u>	<u>-</u>	<u>1,854,220</u>
Less: Accumulated Depreciation					
Land improvements	14,578	1,210	-	-	15,788
Buildings and building improvements	93,477	8,408	-	-	101,885
Other property and equipment	89,508	29,959	4,535	-	114,932
Infrastructure	463,326	18,672	-	-	481,998
Total accumulated depreciation	<u>660,889</u>	<u>58,249</u>	<u>4,535</u>	<u>-</u>	<u>714,603</u>
Governmental activities capital assets, net	<u>\$ 1,095,768</u>	<u>\$ 44,183</u>	<u>\$ 334</u>	<u>\$ -</u>	<u>\$ 1,139,617</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 983,385	\$ 1,310	\$ -	\$ -	\$ 984,695
Land purchased for noise abatement	-	-	-	-	-
Construction in progress	3,141,148	900,070	14,721	(1,990,793)	2,035,704
Total capital assets not being depreciated	<u>4,124,533</u>	<u>901,380</u>	<u>14,721</u>	<u>(1,990,793)</u>	<u>3,020,399</u>
Capital assets being depreciated:					
Land improvements	2,062,673	-	-	410,420	2,473,093
Buildings and other structures	4,993,084	-	-	1,576,377	6,569,461
Other property and equipment	357,851	10,394	4,536	3,996	367,705
Total capital assets being depreciated	<u>7,413,608</u>	<u>10,394</u>	<u>4,536</u>	<u>1,990,793</u>	<u>9,410,259</u>
Totals at historical cost	<u>11,538,141</u>	<u>911,774</u>	<u>19,257</u>	<u>-</u>	<u>12,430,658</u>
Less: Accumulated Depreciation					
Furniture	-	-	-	-	-
Land improvements	816,700	99,328	-	-	916,028
Buildings and other structures	1,952,497	98,258	-	-	2,050,755
Other property and equipment	243,042	27,540	3,636	-	266,946
Total accumulated depreciation	<u>3,012,239</u>	<u>225,126</u>	<u>3,636</u>	<u>-</u>	<u>3,233,729</u>
Business-type activities capital assets, net	<u>\$ 8,525,902</u>	<u>\$ 686,648</u>	<u>\$ 15,621</u>	<u>\$ -</u>	<u>\$ 9,196,929</u>

Notes to the Financial Statements – Continued

C. Capital Assets, continued

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

General government:	\$	19,074
Police		3,041
Fire		5,292
Correction		232
Public Works		28,094
Parks, Recreation & Cultural Affairs		2,516
Total governmental funds capital assets	\$	58,249

Department of Aviation (DOA)

In accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, certain amounts previously reported as Construction-in-Progress (CIP) in the amount of \$14.7 million have been deemed to be impaired. Asset adjustments have been made accordingly.

D. Interfund Receivables, Payables, and Transfers

During the course of its operations, the City makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not occurred as of year-end, balances of interfund amounts receivable or payable have been recorded.

Interfund receivable and payable balances as of June 30, 2009, are as follows (in thousands):

	Due from other funds	Due to other funds
General Fund	\$ 171,444	\$ 191,380
Capital projects fund	748	41,560
Debt service fund	30,315	-
Nonmajor governmental funds	16,533	66,713
Department of Watershed Management	157,646	-
Nonmajor enterprise funds	77	51,043
Internal Service Fund	-	13,588
Fiduciary funds	-	12,479
Total Primary Government	\$ 376,763	\$ 376,763

Notes to the Financial Statements – Continued

D. Interfund Receivables, Payables, and Transfers, continued

On December 23, 2008, the Administration of the City and the Department of Watershed Management (DWM) executed a Memorandum of Understanding (MOU) relating to the General Fund and the DWM to establish a repayment plan for amounts borrowed by various governmental funds from DWM equity in the Cash Pool. As of June 30, 2009, the amount owed to the Department was \$118,043,000 which includes accrued interest. The amount will be repaid by the General Fund in the amount of \$10,000,000 per year plus interest until paid in full. Excluding the impact of this MOU, the General Fund investment in cash pool would be negative \$31 million.

On January 12, 2009, the Administration of the City and the Department of Watershed Management (“DWM”) executed a Memorandum of Understanding relating to the General Fund and the DWM to acknowledge the amounts owed to the DWM by the General Fund and to establish a payment plan. The amount owed by the General Fund as of June 30, 2009, was \$22,917,000 including accrued interest, which represented past water and wastewater service charges incurred by other departments of the City, overcharges of indirect costs to the DWM and construction projects completed by the DWM on behalf of the General Fund. This obligation will be repaid by the General Fund in the amount of \$4,000,000 per year plus interest on the outstanding balance commencing on July 1, 2010. Additionally, the repayment provides that the excess of \$9,800,000 in ad valorem taxes and franchise fees that the City currently charges the DWM will be used to further reduce this obligation beginning on June 30, 2009. The Memorandum also establishes that current water charges to the various departments of the City will be paid on a monthly basis.

During the year ended June 30, 2008, the DWM advanced funds to a component unit for future work on a consent decree project. Due to the nature of this transaction, the interfund balances are considered long-term for financial reporting purposes. During 2009, approximately \$8.2 million was spent toward this project by ADA . Balances as of June 30, 2009, are as follows (in thousands):

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

Notes to the Financial Statements – Continued

D. Interfund Receivables, Payables, and Transfers, continued

Operating Transfers

Operating transfers for the year ended June 30, 2009, are as follows:

Transfers From:	General Fund	Capital Projects	Dept of Aviation	Dept of Watershed Management	Non-major Enterprise	Non-major Government	Fiduciary	<u>Total In</u>
Transfers To:								
General Fund		\$ -	\$ (2,115,915)	\$ (3,081,833)	\$ (2,310,987)	\$ (11,456,838)	\$ (7,752,129)	\$ (26,717,702)
Capital Projects	\$ (6,052,361)		-	-	-	-	-	\$ (6,052,361)
Dept of Aviation	-	-		-	-	-	-	\$ -
Dept of Watershed Management	(1,437,738)	-	-		-	(117,130,317)	-	\$ (118,568,055)
Non-major Enterprise	(7,464,000)	-	-	-		-	-	\$ (7,464,000)
Non-major Government	(8,519,837)	-	-	-	-		-	\$ (8,519,837)
Fiduciary	-	-	-	-	-	-		\$ -
Total Out	\$ (23,473,936)	\$ -	\$ (2,115,915)	\$ (3,081,833)	\$ (2,310,987)	\$ (128,587,155)	\$ (7,752,129)	<u>\$ (167,321,955)</u>

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) – Tenants 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 2045. The total cost of the facilities described above which are substantially leased to various tenants is \$3,578,411,000 with a carrying value of \$2,484,624,000. Depreciation expense for 2009 on the facilities was \$ 96,427,000.

Certain of the leases provide for fixed and variable rental payments, and all are generally designed to allow the DOA to meet its debt service requirements and recover certain operating and maintenance costs. Rental receipts related to the terminal are based on the cost of the facilities. In addition, certain of the agreements under which the DOA receives revenue from the operation of concessions at the Airport, provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

Notes to the Financial Statements – Continued

E. Leases, continued

At June 30, 2009 minimum future rentals and fees to be received under non-cancelable leases or concession agreements for each fiscal year are as follows (in thousands):

2010	\$322,658
2011	\$65,477
2012	\$60,452
2013	\$59,192
2014	\$37,917
2015-2019	\$189,976
2020-2024	\$202,619
2025-2029	\$220,676
2030-2034	\$241,569
2035-2039	\$266,024
2040-2044	\$293,712
2045	\$62,313
	<hr/>
Total	<u><u>\$2,022,585</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 parking is solely a function of parking receipts and totaled approximately \$98,016,000 for the year ended June 30, 2009.

The City and most of the airlines serving the airport have entered into operating lease agreements that extend to 2010 relating to the use of the airfields and the Central Passenger Terminal Complex.

Currently, the management of the airport is in negotiations with the signatory Airlines regarding terms of the business arrangements that will replace these operating agreements (See Note IV.E).

Department of Watershed Management (DWM) – Capital Lease Obligations

The DWM has entered into several lease agreements as lessee for power generators. These lease agreements qualify as capital leases for accounting purposes and the lease payments are reflected as capital lease obligations at the present value of the aggregate payments due over the remaining life of the leases. Included in machinery and equipment is \$28,592,000 of equipment acquired under capital leases. The accumulated amortization on this equipment is \$17,597,000 as of June 30, 2009, and is recorded as a component of depreciation expense. Amortization expense was \$1,914,000 for the fiscal year ended June 30, 2009.

Notes to the Financial Statements – Continued

E. Leases, continued

The present values of the future minimum capital lease payments as of June 30, 2009, are as follows (in thousands):

2010	\$	2,835
2011		2,598
2012		2,533
2013		2,532
2014		1,793
2015 – 2017		<u>4,132</u>
 Total minimum payments	 \$	 16,423
Less amounts representing interest		<u>(2,780)</u>
Present value of minimum capital lease payments	\$	<u><u>13,643</u></u>

Governmental Activities – Capital Lease Obligations

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

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

	<u>Traffic Court</u>	<u>Parking Deck</u>	<u>Fire Trucks</u>	<u>Digital Radio Upgrade</u>	<u>Total</u>
2010	\$ 3,939	\$ 1,621	\$ 1,679	\$ 4,892	\$ 12,131
2011	3,928	1,617		4,892	10,437
2012	3,927	1,617		4,892	10,436
2013	3,923	1,620		4,892	10,435
2014	3,926	1,623		4,892	10,441
2015-2019	19,562	8,103		19,569	47,234
2020-2024	19,475	8,091			27,566
2025-2029	11,632	7,995			19,627
2030-2032	-	4,861			4,861
 Total minimum payments	 70,312	 37,148	 1,679	 44,029	 153,168
Less amounts representing interest	<u>(24,772)</u>	<u>(14,243)</u>	<u>(93)</u>	<u>(5,881)</u>	<u>(44,989)</u>
Present value of minimum capital lease payments	<u>\$ 45,540</u>	<u>\$ 22,905</u>	<u>\$ 1,586</u>	<u>\$ 38,148</u>	<u>\$ 108,179</u>
 Gross Capital Asset Value (000's)	 \$ 55,195	 \$ 23,480	 \$ 14,247	 \$ 33,090	 \$ 126,012
Accumulated Depreciation (000's)	<u>(4,694)</u>	<u>(1,174)</u>	<u>(12,181)</u>	<u>(5,515)</u>	<u>(23,564)</u>
Net Capital Asset Value (000's)	<u>\$ 50,501</u>	<u>\$ 22,306</u>	<u>\$ 2,066</u>	<u>\$ 27,575</u>	<u>\$ 102,448</u>

The City also entered into a \$7,000,000 lease agreement during 2009 to purchase furniture and fixtures for the new Atlanta Public Safety Annex. The lease qualifies as a capital lease and is accounted for as such. The present value of the minimum future lease payments as of June 30, 2009 is \$6,366,000.

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 shall be payable solely from moneys payable to DDA by the City of Atlanta under a capital lease arrangement for the Underground Parking Deck.

The lease agreement qualifies as 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.

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

2011	8,112
2012	8,114
2013	8,113
2014	8,111
2015 - 2017	<u>24,337</u>
Total minimum payments	\$ 56,787
Less amounts representing interest	<u>(8,722)</u>
Present value of minimum capital lease payments	<u><u>\$ 48,065</u></u>

General Fund

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

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

2010	\$ 3,147
2011	3,147
2012	<u>3,147</u>
Total minimum payments	<u><u>\$ 9,441</u></u>

F. Notes Payable

General Fund

On February 27, 2008 the City borrowed \$17,000,000 for construction and build-out expenses related to the Public Safety Annex. The loan, in the form of a note payable, has a ten year term and is scheduled to be paid in full by February 1, 2018. The outstanding principal balance as of June 30, 2009 is \$15,509,000.

Notes to the Financial Statements – Continued

F. Notes Payable, continued

On May 13, 2009, the City issued \$59,980,000 of Tax Anticipation Notes (TANs) series 2009. The notes were issued to pay for certain current expenses incurred by the City during fiscal year 2009 and 2010 prior to the receipt of revenues from the taxes levied for the General Fund for fiscal year 2010. The notes are required to be paid in full by December 31, 2009.

Department of Aviation

In July 2005, the City authorized the issuance of Airport General Revenue Commercial Paper Notes, Series 2005A-1 (AMT) and Series 2005A-2 (Non-AMT) up to the amount of \$350,000,000 (the “Series 2005A Notes”) and Airport Passenger Facility Charge and Subordinate Lien General Revenue Commercial Paper Notes, Series 2005B-1 (AMT) and 2005B-2 (Non-AMT) up to the amount of \$200,000,000 (the “Series 2005B Notes”). These notes were issued to finance on an interim basis a portion of the capital improvements for the Hartsfield-Jackson Atlanta International Airport. General revenues are pledged as security for payment on the Series 2005A Notes and PFC Revenues and a subordinate pledge of General Revenues secure the Series 2005B Notes. The Series 2005A Notes and the Series 2005B Notes do not constitute a debt, liability, or obligation of the City, or a pledge of the faith and credit or taxing power of the City. The Series 2005A Notes and the Series 2005B Notes are not considered a long-term obligation of the City of Atlanta Department of Aviation and may be repaid and reissued as often as necessary to affect the purposes set out in the respective program. The Series 2005A Notes and Series 2005B Notes when due, are secured by an irrevocable, direct pay letter of credit issued by a consortium of four banks. The Notes will have varying maturities of not more than 270 days and bear interest at a market rate at the date issued not to exceed 12% per annum. The irrevocable direct pay letter of credit expires on the earliest of: (1) November 30, 2015; (2) the date the City pays in full all outstanding Series A or Series B Notes or delivers a substitute Credit Facility to the Issuing and Paying Agent; (3) July 15, 2010 in the event Bayerische or LBBW delivers a termination notice on or before March 17, 2010; or (4) ten days after the Issuing and Paying Agent receives written notice from the Agent stating that an event of default has occurred under the 2005A or 2005B Reimbursement Agreement and directing the Issuing and Paying Agent to make a final drawing under the corresponding Letter of Credit in an amount equal to the principal of and accrued interest to maturity on all Series 2005A or 2005B Notes outstanding.

Short-term debt activities for the year ended June 30, 2009, were as follows (in thousands):

	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>
Commercial paper notes	\$ 75,112	\$18,120	-	\$93,232

Interest rates on Series 2005A Notes and the Series 2005B Notes issued during the year ended June 30, 2008 ranged from 0.55% to 7.50%.

Notes to the Financial Statements – Continued

F. Notes Payable, continued

Department of Watershed Management

In March 2006, the City authorized the issuance of Water and Wastewater Commercial Paper Notes, Series 2006, up to the amount of \$600,000,000. These notes were issued to finance on an interim basis a portion of the multi-phase, long-term capital improvement program of the DWM and to pay the costs associated with the issuance of the notes. Revenue of the DWM was pledged as security for the payment on the notes, which was junior and subordinate to the pledge of revenue securing the DWM long-term debt. The notes did not constitute a debt, liability, or obligation of the City's governmental funds, or a pledge of the faith and credit or taxing power of the City. These notes were considered a short term obligation of the DWM and were repaid to affect the purposes set out in the program. Repayment of the notes, when due, was secured by an irrevocable, direct pay letter of credit in the amount of \$600,000,000 issued on a several, but not joint, basis by four banks. The notes had varying maturities of not more than 270 days and bore

interest at a market rate at the date issued not to exceed 12% per annum. The irrevocable, direct pay letter of credit had an original expiration date of February 14, 2009. The agreement was extended through May 14, 2009 and the stated amount of the letter was amended to \$171,469,000. On May 15, 2009, the outstanding Commercial Paper of \$157,489,000 became a bank loan, all of which was refunded with a portion of the proceeds of the Series 2009A Water and Wastewater Revenue Bonds dated June 17, 2009.

Short-term debt activities for the year ended June 30, 2009, were as follows (in thousands):

	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>
Commercial paper notes	\$123,495	\$33,994	\$157,489	\$ -

The interest rate on notes issued during the fiscal year ended June 30, 2009, ranged from 0.45% to 9.00%.

Notes to Financial Statements – Continued

G. Long-Term Obligations

Changes in long-term debt during the fiscal year ended June 30, 2009, follow (in thousands):

	Balance at June 30, 2008, As restated (Note IV.D)	Additions	Reductions	Balance at June 30, 2009	Due within One Year
Governmental activities:					
Long-term debt					
General obligation and annual bonds	\$ 296,915	\$ 78,025	\$ (97,750)	\$ 277,190	\$ 16,700
Discounts and premium, net	13,411	4,027	(379)	17,059	-
SWMA revenue refunding bonds	20,265	-	-	20,265	1,030
Less: Deferred amount on refunding	(471)	-	19	(452)	-
Limited obligation bonds	540,205	128,260	(16,390)	652,075	17,456
Discounts and premium, net	(1,463)	(484)	(34)	(1,981)	-
Less: Deferred amount on refunding	(14,402)	-	598	(13,804)	-
Capital leases	26,564	48,602	(6,161)	69,005	8,396
Notes Payable	17,000	-	(1,491)	15,509	1,426
Other General Long-term Obligations					
Section 108 loans	6,720	-	(545)	6,175	1,060
1990 GMA lease pool	5,782	-	(5,782)	-	-
1998 GMA lease pool	32,444	-	-	32,444	-
2008 GMA direct lease program	-	5,782	-	5,782	3,226
2002 COPS	47,080	-	(1,540)	45,540	1,605
2007 Intergovernmental agreement	16,373	-	(390)	15,983	806
Installment sale program	63,995	-	(5,420)	58,575	5,660
Total long-term debt	<u>1,070,418</u>	<u>264,212</u>	<u>(135,265)</u>	<u>1,199,365</u>	<u>57,365</u>
Other long-term liabilities					
Vacation and compensatory payable	28,492	7,580	(13,620)	22,452	21,817
Health and dental claims payable	4,581	51,001	(50,925)	4,657	4,657
General claims payable	32,633	2,500	(9,496)	25,637	25,186
Other postemployment benefit liability	43,691	41,636	(24,487)	60,840	-
Arbitrage rebate	793	-	(319)	474	474
Workers' compensation	23,291	2,411	(4,221)	21,481	5,349
Total other long-term liabilities	<u>133,481</u>	<u>105,128</u>	<u>(103,068)</u>	<u>135,541</u>	<u>57,483</u>
Total long-term liabilities	<u>\$ 1,203,899</u>	<u>\$ 369,340</u>	<u>\$ (238,333)</u>	<u>\$ 1,334,906</u>	<u>\$ 114,848</u>

Notes to Financial Statements – Continued

G. Long-Term Obligations, continued

	Balance at June 30, 2008, As restated (Note IV.D)	Additions	Reductions	Balance at June 30, 2009	Due within One Year
Business-type activities					
Long-term debt					
Department of Aviation:					
Facilities revenue bonds	\$ 2,419,898	\$ -	\$ (76,063)	\$ 2,343,835	\$ 54,518
Issuance discounts and premium	(1,036)	-	(368)	(1,404)	-
Department of Watershed Management:					
System revenue bonds	2,494,575	750,000	(26,300)	3,218,275	29,400
Plus: premium on bonds	35,705	(7,457)	(1,568)	26,680	-
GEFA notes payable	152,073	-	(3,305)	148,768	3,415
Capital lease obligation	15,640	-	(1,996)	13,644	2,103
Nonmajor funds:					
Capital lease obligation (Sanitation fund)	-	-	-	-	-
Revenue bonds (Underground Atlanta)	52,610	-	(52,610)	-	-
Capital lease obligation (Underground Atlanta)	-	52,790	(4,725)	48,065	5,975
Total long-term debt	<u>5,169,465</u>	<u>795,333</u>	<u>(166,935)</u>	<u>5,797,863</u>	<u>95,411</u>
Other long-term liabilities:					
Arbitrage rebate	1,548	2	(1,114)	436	-
Landfill postclosure liability	27,771	-	(1,377)	26,394	-
General Claims Payable	32,030	8,775	(17,684)	23,121	23,121
Other postemployment benefit liability	20,813	33,659	(4,671)	49,801	-
Workers' compensation	19,291	1,994	(3,661)	17,624	2,018
Total other long-term liabilities	<u>101,453</u>	<u>44,430</u>	<u>(28,507)</u>	<u>117,376</u>	<u>25,139</u>
Total long-term liabilities	<u>\$ 5,270,918</u>	<u>\$ 839,763</u>	<u>\$ (195,442)</u>	<u>\$ 5,915,239</u>	<u>\$ 120,550</u>
Component Units					
Long-term debt:					
Atlanta Fulton County Recreation Authority	\$ 163,358	\$ -	\$ (4,042)	\$ 159,316	\$ 4,286
Atlanta Downtown Development Auth. Revenue and other bonds	110,432	52,790	(2,054)	161,168	6,997
Other liabilities	42,717	3,867	(2,665)	43,919	1,043
Total long-term debt	<u>\$ 316,507</u>	<u>\$ 56,657</u>	<u>\$ (8,761)</u>	<u>\$ 364,403</u>	<u>\$ 12,326</u>

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

Governmental-type Activities

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

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

A summary of governmental-type activities long-term debt as of June 30, 2009, is as follows (in thousands):

General Obligation Bonds:

2001B Infrastructure Issue, \$61,220, 4.00% - 5.00%, due December 1, 2021	\$ 15,220
2004B Issue, \$47,500, 5.00%, due December 1, 2021	28,250
2005A Refunding Issue, \$85,980, 3% - 4.125%, due December 1, 2025	81,250
2008 Public Imp. Issue, \$36,820, 4%, due December 1, 2021	36,820
2009A Refunding Issue, \$78,028, 3.00%-5.00%, due December 1, 2023	78,025
	239,565

Annual G.O. Bond Issues:

1999 Issue, \$8,000, 5.125% - 5.8%, due December 1, 2010	255
2000 Issue, \$8,000, 4.75% - 5.5%, due December 1, 2012	455
2001A Issue, \$8,000, 4.00% - 5.00%, due December 1, 2022	2,315
2002 Issue, \$8,000, 3.00% - 5.00%, due December 1, 2022	6,280
2003 Issue, \$8,000, 3.60% - 4.60%, due December 1, 2023	6,485
2004A Issue, \$8,000, 3.00% - 4.40%, due December 1, 2024	7,000
2005B Issue, \$8,000, 4.00% - 4.5%, due December 1, 2025	7,125
2007 Issue, \$8,000, 4.00% - 4.5%, due December 1, 2025	7,710
	37,625

SWMA Revenue Bonds:

Series 2008, \$20,265, 4.00% - 5.00% issued by the Solid Waste Management Authority, due December 1, 2021	20,265
	20,265

Other General Long-Term Obligations

Section 108 Loans, \$23,375, 5.40% - 7.96%, due August 1, 2019	6,175
1998 GMA Loan Pool, \$32,444, 4.75%, due November 30, 2028	32,444
1998 Installment Sale Program, \$103,130, 3.10% - 5.00%, due December 1, 2023	58,575
2002 COPS, \$55,195, 4.00% - 5.125%, due December 1, 2026	45,540
2007 Intergovernmental Agreement Guaranteed payments towards 2007A Zoo, \$14,315, 4.125%-5.00%, due December 1, 2022	10,737
2007 Intergovernmental Agreement Guaranteed payments towards 2007B Zoo, \$7,515, 5.450%-5.480%, due December 1, 2014	5,246
2008 GMA Direct Lease Program, 3.75-3.50%, due September 15, 2010	5,782
	164,499

Limited Obligation Bonds:

2000 Park Imp Rev, 21,400, 4.300%-5.600%, due Dec 1, 2010	2,990
2001 Westside Project, \$14,995, 1.398%, due December 1, 2021	11,920
2005A Westside Project, \$72,350, variable, due December 1, 2023	61,455
2005B Westside Project, \$10,215, variable, due December 1, 2023	9,385
2005A Eastside Project, \$9,480, variable, due December 1, 2016	8,345
2005B Eastside Project, \$38,000, variable, due December 1, 2030	38,000
2005A Park Imp Rev, \$75,510, 4.00%-5.00%, due Dec. 1, 2025	71,640
2005B Park Imp Rev Refunding, \$12,650, 4.00%-4.50%, due Dec. 1, 2020	12,595
2006 Atlantic Station, \$166,515, 3.5% due, December 1, 2024	165,515
2006 Princeton Lakes Project, \$21,000, variable, due January 1, 2031	17,810
2007 Atlanta Public Safety Authority, \$50,000, 4.00% - 5.00%, due December 1, 2026	46,700
2007 Atlantic Station, \$85,495, 4.75%-5.00%, due December 1, 2024	77,460
2008A BeltLine, \$26,420, 7.50%, due January 1, 2031	26,420
2008B BeltLine, \$33,725, 7.50%, due January 1, 2031	33,725
2008C BeltLine, \$4,355, 7.50%, due January 1, 2031	4,355
2008 Westside, \$63,760, 3.27%, due December 1, 2037	63,760
	652,075

Notes:

Series 2008, Atlanta Public Safety Judicial Facilities Authority, \$17,000, 4.40%, due February 1, 2018	15,509
---	--------

Total general long-term debt

\$ 1,129,538

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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

Advance Refunding

In 2009, the City issued \$78,025,000 General Obligation Refunding Bonds, Series 2009. The bonds were issued to: (a) refund and redeem certain of the City’s General Obligation Refunding Bonds Series 1998, with a principal amount equal to \$79,360,000 and the City’s Various Purpose General Obligation Bonds Series 1998 with a principal amount of \$1,190,000, and (b) pay the costs of issuance related to the Bonds. The Bonds maturing on or after December 1, 2020 are subject to redemption prior to maturity, at the option of the City, on or after December 1, 2019. The net premium paid on the new debt was \$4,027,000 and is being amortized over the remaining term of the Series 2009 debt. This advance refunding was undertaken to reduce total debt service payments by \$4,712,000 and resulted in an economic gain of \$4,443,000.

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, 2009, the City calculated the arbitrage rebate liability to be \$436,000 on business type activities long-term debt and \$474,000 on governmental activities long-term debt.

Business-type Activities

Revenue bonds are payable solely from revenues generated by enterprise fund activities. The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of a flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. As of June 30, 2009, the City believes it was in compliance with all such significant financial limitations and restrictions.

The Department of Watershed Management issued \$750,000,000 of Water and Wastewater Revenue Bonds Series 2009A to finance certain capital improvements included as part of a multi-phase long-term capital improvement program for the Watershed system; to repay outstanding Commercial Paper Notes held by the liquidity providers as bank loans for the DWM Commercial Paper Program in the amount of \$157,489,000 plus interest; to fund the Debt Service Reserve Account requirement for the Series 2009A bonds and; to pay the costs of issuance related to the Series 2009A Bonds. The DWM Commercial Paper program is deemed paid and is no longer outstanding at June 30, 2009.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Department of Aviation (DOA)

Long-term debt at June 30, 2009, consists of the following (in thousands):

General Revenue Bonds

Airport Facilities Revenue Bonds, Series 1990, at 7.25%, Capital Appreciation Term Bonds, due January 1, 2010	\$ 14,110
Airport Facilities Revenue Refunding Bonds, Series 1996 at 5.25%, due serially through 2010	4,055
Airport General Revenue and Refunding Bonds, Series 2000A, 2000B and 2000C, at 5.1% - 6.25%, due serially through 2030	521,820
Airport General Revenue Refunding Bonds, Series 2003RF-A, at 5.0%, due serially through 2014	30,475
Variable Rate Airport General Revenue and Refunding Bonds, Series 2003RF-B-1, RF-B-2, RF-B-3, RF-C-1, RF-C-2, RF-C-3, at weekly modal variable interest rate, due serially through 2030	490,170
Airport General Revenue and Refunding Bonds, Series 2003RF-D, at 4.375% - 5.25%, due serially through 2019	99,605
Airport General Revenue Bonds, Series 2004A, combination serial (at 5.25% - 5.375%) and term bond (5.125%) through 2030	164,165
Airport General Revenue Bonds, Series 2004B, at 5.25%, term bond due January 1, 2033	58,655
Airport General Revenue and Refunding Bonds, Series 2004F and Series 2004G, at 4.0% - 5.25%, due serially through 2030	128,465
Total General Revenue and Refunding Bonds	<u>1,511,520</u>

Passenger Facility Charge (PFC) Bonds

PFC and Subordinate Lien General Revenue Bonds, Series 2004C, at 5.0%, a term bond due January 1, 2033	293,070
PFC and Subordinate Lien General Revenue Bonds, Series 2004D-1, 2004D-2, 2004E-1 and 2004E-2, variable auction rate, due serially through 2024	81,750
PFC and Subordinate Lien General Revenue Bonds, Series 2004J, combination serial bond (4.75%-5%) and term bond (5.0%) through 2034	235,860
Total PFC and Subordinate Lien General Revenue Bonds	<u>610,680</u>

Customer Facility Charge (CFC) Bonds

City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Series 2006A at 5.557% - 5.965% (Conduit Debt)	201,045
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)	20,590
Total CFC Restricted Revenue Bonds	<u>221,635</u>

Total bonds	2,343,835
Less:	
Current maturities	(54,518)
Unamortized discounts/premiums, net	(1,404)
Total Long Term Obligations	<u>\$ 2,287,913</u>

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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 the bonds, City adopted an Ordinance imposing a customer facility charge (CFC) and has pledged revenues generated from the CFC to secure debt service payments on the bonds. The City recorded these transactions as released revenue bonds. At June 30, 2009, the balance of outstanding conduit debt totaled \$221,635,000. The City of College Park has no obligation to make debt service payments on these bonds.

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

Department of Aviation (DOA)

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

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

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

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

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

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The DOA will also pay the interest rate resulting from the periodic remarketing of the 2003 variable rate bonds. As of June 30, 2009, rates were as follows:

Interest rate swaps:	Terms	Rates
Fixed payment to counterparty	Fixed	3.01%
Variable payment from counterparty	BMA Municipal Swap Index	0.21%
Net interest rate swap payments (receipts)		2.80%
Variable rate bond coupon payments	Weekly	4.75%
Synthetic interest rate on bonds		7.55%

Fair Value - As of June 30, 2009, the combined fair value of the two swaps was negative \$26,229,000, indicating the amount that the DOA would be required to pay the Counterparties to terminate the swap agreements. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Swap Payments and Associated Debt - As of June 30, 2009, debt service requirements of the variable -rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (in thousands). As rates vary, variable -rate bond interest payments and net swap payments will vary.

Year Ending June 30,	Variable Rate Bonds		Interest Rate Swaps, Net		Total
	Principal	Interest			
2010	\$ -	\$ 23,268	\$ 13,729		\$ 36,997
2011	-	23,268	13,729		36,997
2012	-	23,268	13,729		36,997
2013	-	23,268	13,729		36,997
2014	-	23,268	13,729		36,997
2015-2019	28,195	113,755	67,122		209,072
2020-2024	156,405	99,467	58,691		314,563
2025-2029	250,455	49,513	29,215		329,183
2030	55,115	2,616	1,543		59,274
Total	\$ 490,170	\$ 381,691	\$ 225,216		\$ 1,097,077

Credit Risk - As of June 30, 2009, the fair value of the swaps represent the DOA credit exposure to the Counterparties. Should the Counterparties fail to perform in accordance with the terms of the swap agreements, the DOA faces a maximum possible loss equivalent to the swaps' \$26,229,000 million fair value. As of June 30, 2009, the Counterparties were rated as follows by Moody's and S&P:

	<u>Moody's</u>	<u>S&P</u>
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aa1	AAA
JP Morgan Chase Bank	Aa1	AA-

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

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

Termination Risk - The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination event."

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

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

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

Fair Value - As of June 30, 2009, the combined fair value of the two swaps was negative \$22,581,000, indicating the amount that the DOA would be required to pay the Counterparties to terminate the swap agreements. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Credit Risk - As of June 30, 2009, the DOA was not exposed to credit risk because the Swaps had a negative fair value. However, should interest rates change and the fair market value of the Swaps become positive, the DOA would be subject to credit risk in the amount of the Swap's fair value. In addition, should the Counterparties fail to perform in accordance with the terms of the

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

swap agreements, the DOA would face a maximum possible loss equivalent to the swaps' positive fair value.

As of June 30, 2009, the Counterparties were rated as follows by Moody's and S&P:

	<u>Moody's</u>	<u>S&P</u>
JP Morgan Chase Bank	Aaa	AA-
UBS Loan Finance, LLC	NR	A+

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

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

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Department of Watershed Management

Long-term debt at June 30, 2009 consists of the following (in thousands):

Revenue Bonds

Water and Wastewater Revenue Bonds, \$1,096,140 Series 1999A, 5.00% - 5.50%, due serially through 2038	\$686,095
Water and Wastewater Revenue Bonds, \$415,310 Series 2001A, variable rate demand, due serially through 2039	415,310
Water and Wastewater Revenue Bonds, Series \$335,640 2001B, variable rate demand, due serially through 2038	330,530
Water and Wastewater Revenue Bonds, \$105,705 Series 2001C, variable rate demand, due serially through 2041	105,705
Water and Wastewater Revenue Bonds, \$849,330 Series 2004A, combination serial (3.00% - 5.75%) and term bonds (5.00%) through 2043	823,840
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 (3.00% - 6.00%) and term bonds (6.25%) through 2039	750,000
	3,218,275
Less: Current maturities	(29,400)
Unamortized discounts and premium costs	26,680
Total revenue bonds	3,215,555

Other Debt:

Georgia Environmental Facilities Authority (GEFA) \$4,669 Loan, 3% due serially through 2023	3,702
Georgia Environmental Facilities Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035	17,705
Georgia Environmental Facilities Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036	18,159
Georgia Environmental Facilities Authority (GEFA) \$19,021 Loan, 3.00 %, due serially through 2038	18,552
Georgia Environmental Facilities Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2028	29,852
Georgia Environmental Facilities Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028	30,181
Georgia Environmental Facilities Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2037	30,617
	148,768
Less: Current maturities	(3,415)
Total other debt	145,353
Total long-term debt	\$3,360,908

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

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

Department of Watershed Management (DWM)

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

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

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

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

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

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

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

As of June 30, 2009, rates were as follows:

1999 Swap One

	Rates
Interest rate swap:	
Fixed payment from Counterparty	-5.00%
Variable payment to Counterparty	0.35%
Net interest rate swap payments (receipts)	-4.65%
Fixed rate bond coupons	5.00%
Synthetic interest rate on bonds	0.35%

1999 Swap Two

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

Fair Value – As of June 30, 2009, Swap One had a positive fair value of \$479,000 and Swap Two had a negative fair value of \$7,095,000. A positive fair value indicates the amount that the Counterparty is required to pay the DWM to terminate Swap One. A negative fair value indicates the amount that the DWM would be required to pay the Counterparty to terminate Swap Two. The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Swap Payments and Associated Debt - As of June 30, 2009, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments will vary.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

1999 Series Swap

Year Ending June 30,	Fixed Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2010	\$ 19,640	\$ 35,661	\$ (6,742)	\$ 48,559
2011	20,560	34,627	(6,742)	48,445
2012	21,625	33,466	(6,742)	48,349
2013	22,830	32,244	(6,742)	48,332
2014	24,075	30,954	(6,742)	48,287
2015-2019	141,430	132,838	(33,713)	240,555
2020-2024	155,710	89,128	(33,500)	211,338
2025-2029	71,760	61,436	(27,797)	105,399
2030-2034	91,580	41,115	(18,094)	114,601
2035-2039	116,885	15,180	(5,715)	126,350
Total	<u>\$ 686,095</u>	<u>\$ 506,649</u>	<u>\$ (152,529)</u>	<u>\$ 1,040,215</u>

Credit Risk – The fair value of swaps is a result of changes in interest rates. As of June 30, 2009, Swap One had a positive fair value of \$479,000. The DWM is exposed to credit risk in the amount of the swap’s fair value. As of June 30, 2009, Swap Two had a negative fair value of \$7,095,000. As a result, the DWM is not exposed to a credit risk. However, should interest rates change and the fair market value of the Swap Two become positive, the DWM would be exposed to a credit risk in the amount of the swap’s fair value. In addition, should the counterparties fail to perform in accordance with the terms of the swap agreement, the DWM would face a maximum possible loss equivalent to the swap’s positive fair value.

As of June 30, 2009, the Counterparty’s underlying ratings were Aa2 by Moody’s and A+ by Standard and Poor’s.

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

Swap Three and Four – In December 2001, The City entered into two interest rate swap agreements. These swap agreements are associated with the DWM Water and Wastewater Revenue Bonds Series 2001B and 2001C with a notional amount of \$335,640,000 and \$105,705,000, respectively.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

Swap Three, with the notional amount of \$335,640,000, became effective on January 3, 2002 and will mature on November 1, 2038. Swap Four, with the notional amount of \$105,705,000, became effective on January 3, 2002 and will mature on November 1, 2041.

Term - The swaps, with a total notional amount of \$436,235,000, became effective on January 3, 2002. The notional amount decreases over time, matching the outstanding balance of the variable rate debt. The first notional decrease is November 1, 2002 and November 1, 2040, respectively, with the final maturity of November 1, 2038 and November 1, 2041, respectively. Under the terms of both swap agreements, the DWM will pay the Counterparties a fixed annual interest rate equal to 4.09%. Under the terms of the Swap Three agreement, the DWM will receive from the Counterparty a variable interest rate equal to the lesser of the SIFMA Municipal Swap Index or the variable bond rate to May 1, 2009. After May 1, 2009, the DWM will receive the lesser of 67% of the one month LIBOR or the variable bond rate to the maturity date. Under the terms of the Swap Four agreement, the DWM will receive from the Counterparty a variable interest rate equal to the SIFMA Municipal Swap Index.

As of June 30, 2009, the rates for the Water and Wastewater Revenue Bonds, Series 2001B Bonds and Swap Three were as follows:

	Rates
Interest rate swap:	
Fixed payment to Counterparty	4.09%
Variable payment from Counterparty	-0.21%
Net interest rate swap payments (receipts)	3.88%
Variable rate bond coupons	4.25%
Synthetic interest rate on bonds	8.13%

As of June 30, 2009, the rates for the 2001C Bonds and Swap Four were as follows:

	Rates
Interest rate swap:	
Fixed payment to Counterparty	4.09%
Variable payment from Counterparty	-0.35%
Net interest rate SWAP payments (receipts)	3.74%
Variable rate bond coupons	4.25%
Synthetic interest rate on bonds	7.99%

Fair Value - As of June 30, 2009, Swap Three had a negative fair value of \$80,201,000. Swap Four had a negative fair value of \$6,956,000. A negative fair value indicates the amount that the DWM would be required to pay the Counterparty to terminate Swap Three or Swap Four.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The fair value was estimated using the zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

Swap Payments and Associated Debt - As of June 30, 2009, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments will vary.

2001 Series Swap

Year Ending June 30,	Variable Rate Bonds		Interest Rate	
	Principal	Interest	Swaps, Net	Total
2010	\$ 420	\$ 18,531	\$ 16,762	\$ 35,713
2011	440	18,513	16,744	35,697
2012	460	18,494	16,727	35,681
2013	475	18,474	16,708	35,657
2014	500	18,453	16,689	35,642
2015-2019	2,845	91,921	83,123	177,889
2020-2024	17,115	90,958	81,967	190,040
2025-2029	81,765	74,027	70,326	226,118
2030-2034	101,215	60,209	52,264	213,688
2035-2039	125,295	36,229	29,904	191,428
2040-2042	105,705	8,339	5,823	119,867
Total	\$ 436,235	\$ 454,148	\$ 407,037	\$ 1,297,420

Credit Risk – The fair value of the swaps is a result of changes in the interest rates. As of June 30, 2009, Swap Three and Swap Four had negative fair values of \$80,201,000 and \$6,956,000, respectively. As a result, the DWM is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps become positive, the DWM would be exposed to credit risks in the amount of the swap’s fair value. In addition, should the counterparties fail to perform in accordance with the terms of the swap agreement, the DWM would face a maximum possible loss equivalent to the swap’s positive fair value.

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

Termination Risk - The swap agreement for the Water and Wastewater Revenue Bonds, Series 2001B allows the Counterparty to terminate the agreement by providing 30 days written notice if the arithmetic mean of the SIFMA Municipal Swap Index has exceeded 7% in the preceding 180 days.

As of June 30, 2009, the Counterparty was rated Aa2 by Moody’s and A+ by Standard and Poor’s, respectively.

Notes to the Financial Statements – Continued

G. Long-Term Obligations, continued

The termination option for the Counterparty on the Water and Wastewater Revenue Bonds, Series 2001C has expired.

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

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 \$26,394,000 reported as the landfill post-closure costs liability at June 30, 2009, represents the cumulative amount of post-closure costs expected to be incurred over the required 30 year monitoring period which began in 2001. These amounts are estimates calculated by the management of the City of what it would cost to perform all post-closure care. Actual costs may differ from estimates due to inflation, changes in technology or regulations. Post-closure care costs will be funded by future sanitary charges of the Sanitation Fund or from future contributions from the General Fund if necessary.

Notes to Financial Statements – Continued

G. Long-Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2009:

Year Ended June 30	Governmental Activities					
	General Obligations		Annual Bonds		SWMA Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 14,745	\$ 10,842	\$ 1,955	\$ 1,548	\$ 1,030	\$ 945
2011	13,740	10,193	2,055	1,468	1,215	899
2012	12,265	9,655	2,020	1,386	1,275	837
2013	13,245	9,073	2,115	1,302	1,335	772
2014	14,020	8,451	2,085	1,217	1,405	703
2015-2019	82,615	31,540	10,275	4,855	8,120	2,404
2020-2024	87,210	9,783	13,440	2,292	5,885	399
2025-2029	1,995	78	3,680	185	-	-
2030-2034	-	-	-	-	-	-
2035-2039	-	-	-	-	-	-
	<u>\$ 239,835</u>	<u>\$ 89,615</u>	<u>\$ 37,625</u>	<u>\$ 14,253</u>	<u>\$ 20,265</u>	<u>\$ 6,959</u>

Year Ended June 30	Governmental Activities					
	APSJFA -Note Payable		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,426	\$ 699	\$ 15,590	\$ 32,392	\$ 12,387	\$ 7,906
2011	1,493	632	20,045	31,512	12,144	7,342
2012	1,563	563	23,030	30,561	10,031	6,787
2013	1,635	490	24,790	29,485	10,021	6,291
2014	1,712	413	25,860	28,324	8,054	5,813
2015-2019	7,680	817	157,235	120,337	38,843	22,859
2020-2024	-	-	199,115	77,537	29,810	14,571
2025-2029	-	-	110,760	34,234	43,209	7,031
2030-2034	-	-	54,810	9,979	-	-
2035-2039	-	-	20,840	1,388	-	-
	<u>\$ 15,509</u>	<u>\$ 3,614</u>	<u>\$ 652,075</u>	<u>\$ 395,749</u>	<u>\$ 164,499</u>	<u>\$ 78,600</u>

Year Ended June 30	Business-Type Activities					
	Aviation		GA Environmental Facilities		Watershed Management	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 64,980	\$ 99,339	\$ 3,415	\$ 4,933	\$ 29,400	\$ 117,369
2011	54,675	107,081	3,530	4,818	38,370	115,943
2012	66,080	103,884	3,647	4,699	46,035	114,355
2013	57,040	100,829	3,772	4,577	48,015	112,602
2014	57,035	97,695	3,898	4,450	50,770	110,837
2015-2019	389,685	434,219	21,554	20,191	278,575	523,045
2020-2024	438,585	333,264	25,208	16,302	360,245	459,752
2025-2029	740,540	205,970	62,701	10,015	485,265	381,056
2030-2034	475,215	48,254	13,331	2,923	598,890	282,731
2035-2039	-	-	7,711	459	742,000	163,405
2040-2044	-	-	-	-	540,710	37,203
	<u>\$ 2,343,835</u>	<u>\$ 1,530,535</u>	<u>\$ 148,767</u>	<u>\$ 73,367</u>	<u>\$ 3,218,275</u>	<u>\$ 2,418,298</u>

Year Ended June 30	Component Units			
	Recreation Authority		Atlanta Development Authority	
	Principal	Interest	Principal	Interest
2010	\$ 4,286	\$ 10,429	\$ 6,997	\$ 7,465
2011	4,546	10,166	8,446	8,058
2012	4,826	9,889	8,860	7,713
2013	5,116	9,597	9,379	7,289
2014	5,446	9,268	9,801	6,804
2015-2019	33,032	37,695	39,245	26,780
2020-2024	45,322	28,317	21,830	19,845
2025-2029	56,739	11,509	25,895	12,911
2030-2034	-	-	17,230	6,876
2035-2039	-	-	13,485	1,906
	<u>\$ 159,316</u>	<u>\$ 126,870</u>	<u>\$ 161,168</u>	<u>\$ 105,647</u>

Notes to Financial Statements – Continued

G. Long-Term Obligations, continued

Defeased Debt

The City has defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the City's government-wide and proprietary fund financial statements. At June 30, 2009, the City has \$106,055,000 in defeased Various Purpose General Obligation Bonds, \$431,385,000 in defeased Airport Extension and Improvement Bonds, and \$8,910,000 in defeased Water and Wastewater Revenue Bonds. At June 30, 2009, the unamortized losses on the defeased bonds were \$86,568,000 and \$33,684,000 for the Airport Extension and Improvement Bonds and the Water and Wastewater Revenue Bonds, respectively.

Notes to the Financial Statements - Continued

H. Reserved Net Assets and Restricted Assets

The various bond covenants require certain reservations of Net Assets of the Department of Aviation. Reserved Net Assets at June 30, 2009 are as follows (in thousands):

	<u>Department of Aviation</u>
Passenger and customer facility charges	\$ 471,102
Debt service and debt service reserve	<u>168,786</u>
Total	<u>\$ 639,888</u>

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, 2009 are as follows (in thousands):

	<u>Department of Watershed Management</u>	<u>Department of Aviation</u>	<u>Total</u>
Passenger Facility Charges Fund:			
Investments		\$ 358,317	\$ 358,317
Cash		61,398	61,398
Accounts Receivable		28,359	28,359
Interest receivable		2,492	2,492
Customer Facility Charge Fund:			
Investments		4,102	4,102
Cash		2,138	2,138
Accounts Receivable		16,934	16,934
CONRAC and APM Funds:			
Investments		76,291	76,291
Construction Funds:			
Construction:			
Investments	\$ 778,556	470,018	1,248,574
Debt Reserve Fund:			
Investments	142,730	-	142,730
Sinking Fund:			
Cash	6,218	115,796	122,014
Investments	31,929	33,946	65,875
Debt Reserve Fund	<u>76,312</u>	<u>-</u>	<u>76,312</u>
Total	<u>\$ 1,035,745</u>	<u>\$ 1,169,791</u>	<u>\$ 2,205,536</u>

Notes to the Financial Statements-Continued

IV. Other Information

A. Risk Management

General

The City purchases property insurance in the amount of \$300 million, subject to a range of deductibles up to \$250,000. This coverage protects City owned facilities for covered perils, such as fire, flood and earthquake. There is also a separate property insurance policy for the Airport with a limit of \$1 billion, subject to a range of deductibles up to \$250,000.

Insurance requirements are imposed on contractors and consultants that do business with the City. They are generally asked to maintain certain types of insurance coverages including, but not limited to general liability, workers' compensation, automobile liability, performance and payment bonds and professional liability. There is also an Owner Controlled Insurance Program (OCIP) that the airport participates in. The OCIP has its own set of policies that cover contractor work for certain construction projects at the airport. Policies include but are not limited to builders risk, general employees liability, workers compensation and pollution coverage.

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

Self-insurance

The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. These claims liabilities are accounted for in the general fund and the applicable enterprise funds. Claims generated by 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 both 2009 and 2008.

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

Notes to the Financial Statements-Continued

A. Risk Management, continued

Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the year ended June 30, 2009 and the year ended June 30, 2008 were as follows (in thousands):

	Beginning of period	Period claims and changes in estimates	Claim payments	End of period
Workers' compensation:				
2008	\$ 42,421	\$ 6,913	\$ (6,752)	\$ 42,582
2009	\$ 42,582	\$ 4,405	\$ (8,082)	\$ 38,905
Health and Dental claims:				
2008	\$ 4,575	\$ 51,173	\$ (51,167)	\$ 4,581
2009	\$ 4,581	\$ 51,120	\$ (51,045)	\$ 4,657
General claims liability:				
2008	\$ 36,745	\$ 13,617	\$ (17,729)	\$ 32,633
2009	\$ 32,633	\$ 2,500	\$ (9,496)	\$ 25,637

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

B. Employee Retirement Systems and Pension Plans

Pension Plans

The City maintains the following separately administered pension plans:

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

The funding methods and determination of benefits payable were established by the legislative acts creating such plans, as amended, and in general, provide that the pension funds are to be accumulated from employee contributions, City contributions, and income from the investment of accumulated funds.

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

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

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

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

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

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

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

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

Defined Benefit Plans

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

- General employees – 2.5% for each year of service to a maximum of 32 years or 80% of salary.
- Firefighters – 3% for each year of service to a maximum of 26.67 years or 80% of salary.
- Police Officers – 3% for each year of service to a maximum of 26.67 years or 80% of salary.

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

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

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

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

The City's practice is to have actuarial valuations of its defined benefit pension plans performed annually by an enrolled actuary. The membership as of the latest actuarial valuation reports, in the three defined benefit plans and related current period payrolls are as follows (in thousands):

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3,400	918	1,272	5,590
Current active employees				
Fully vested	2,191	531	819	3,541
Partially vested	646	137	270	1,053
Not vested	<u>1,424</u>	<u>323</u>	<u>722</u>	<u>2,469</u>
Total membership	<u>7,661</u>	<u>1,909</u>	<u>3,083</u>	<u>12,653</u>

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

Total current period payroll	\$134,014	\$41,936	\$75,249	\$251,199
Total current period covered payroll	\$155,185	\$45,686	\$77,168	\$278,039

The latest valuation reports are as of July 1, 2008 for the General Employees Plan and as of January 1, 2008 for the Police Officers and Firefighters Plans.

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

Funding Policy

The City's funding policy for its defined benefit plans is to contribute a percentage of each plan's covered employee payroll as developed in the actuarial valuation for the individual plan. Active participants are required to contribute 7% of base pay (or 8% if participant has a covered beneficiary). The City's contribution percentage is the actuarially determined amount necessary to fund plan benefits after consideration of employee contributions. During 2009 the City made an additional contribution of 1% of payroll, which effectively decreases the employees' required contribution percentage to 6% (or 7% if participant has a covered beneficiary), but has no effect on the overall required contribution. The City is not obligated to continue the 1% supplemental contribution for any specified period of time.

The actuarially determined annual required contribution amount is the sum of the annual normal cost (determined under the entry age normal actuarial cost method) and the amortization of the unfunded actuarial accrued liability as a level percentage of future payrolls. In 2005, the amortization period was changed to 20 years as directed by the Board of Trustees in accordance with the City charter. As of July 1, 2008, there would have been 16.5 years remaining on this schedule. The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the actuarial accrued liability.

The required contribution percentages, developed in the most recent actuarial valuations for the plans, to cover pension liabilities and the actual 2009 contribution amounts are (in thousands):

	<u>General Employees</u>	<u>Firefighters</u>	<u>Police Officers</u>
Normal cost	15.24%	26.53%	28.14%
Amortization of the unfunded actuarial accrued liability	<u>32.74%</u>	<u>46.66%</u>	<u>35.15%</u>
Total required contributions as a percentage of covered payroll	<u>47.98%</u>	<u>73.19%</u>	<u>63.29%</u>
2009 actual employee contributions			
Dollar amount	\$13,290	\$3,177	\$5,557
Percent of covered payroll	8.56%	6.95%	7.20%
2009 actual City contributions			
Dollar amount	\$69,991	\$28,752	\$44,810

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

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

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

Annual Pension Cost

The City's annual pension cost for the year ended June 30, 2009, were as follows for the respective plans:

General Employees	\$	69,991
Firefighters	\$	28,752
Police Officers	\$	44,810

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

The City's annual pension cost and net pension obligation for the current year ended June 30, 2009 and each of the two preceding years were as follows (in thousands):

Plan/Period	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees:			
Year Ended 6/30/07	\$ 51,772	100%	\$ -
Year Ended 6/30/08	\$ 59,780	100%	\$ -
Year Ended 6/30/09	\$ 69,991	100%	\$ -
Firefighters:			
Year Ended 6/30/07	\$ 27,502	100%	\$ -
Year Ended 6/30/08	\$ 26,373	100%	\$ -
Year Ended 6/30/09	\$ 28,752	100%	\$ -
Police Officers:			
Year Ended 6/30/07	\$ 47,365	100%	\$ -
Year Ended 6/30/08	\$ 45,730	100%	\$ -
Year Ended 6/30/09	\$ 44,810	100%	\$ -

The actuarial cost method used for funding purposes and to calculate the actuarial accrued liability is the Entry Age Normal Cost Method. This method is one of the approved methods for such plans in Georgia, and provides for contributions estimated to be a level percentage of future payroll. The unfunded actuarial accrued liability for funding purposes, effective with the January 1, 2006 actuarial report, is to be amortized over a closed period of 19 years as a level percentage of estimated future payroll, with a remaining amortization period of 16 years, in accordance with State of Georgia guidelines.

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

Other actuarial assumptions used to perform the most recent calculation (July 1, 2007 calculations for funding purposes) are:

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

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

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

Funded Status and Funding Progress

As of July 1, 2008, the most recent actuarial valuation date, the General Employees Pension Plan was 55.9 percent funded. The actuarial accrued liability for benefits was \$1.5 billion, and the actuarial value of assets was \$830 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$654 million. The covered payroll (annual payroll of active employees covered by the plan) was \$180 million, and the ratio of the UAAL to the covered payroll was 363.4 percent.

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

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

Defined Contribution Plan

The City's General Employees' Defined Contribution Plan provides funds at retirement for employees of the City and in the event of death, provides funds for their beneficiaries, through an arrangement by which contributions are made to the Plan by employees and the City. The current contribution of the City is 6% of employee payroll.

Employees also make a mandatory pretax contribution of 6% plus have the option to contribute amounts up to the amount legally limited for retirement contributions. All modifications to the Plan, including contribution requirements, must receive the recommendations and advice from the offices of the Chief Financial Officer and the City Attorney, respectively. Each pension law modification must be adopted by at least two-thirds vote of the City Council and approved by the Mayor.

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

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

As of June 30, 2009 there were 1,632 participants in the Defined Contribution Plan. The covered payroll for employees in the Plan was \$55,782,000. Employee contributions for the year ended June 30, 2009 were \$4,060,000 and employer contributions were \$4,034,000 or 14.5% of covered payroll.

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

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

Condensed financial statement information for the Defined Contribution Plan for the year ended June 30, 2009 is shown below (in thousands):

Current assets:	
Investments	\$ 36,332
Other Assets	<u>47</u>
Total assets	<u>\$ 36,379</u>
Current liabilities:	
Due to other funds	<u>757</u>
Total current liabilities	<u>\$ 757</u>
Additions:	
Employer contributions	4,034
Employee contributions	4,060
Net Investment income (loss)	<u>(2,415)</u>
Total additions	<u>5,679</u>
Deductions:	
Benefit Payments	3,738
Administrative expenses	<u>127</u>
Total deductions:	<u>3,865</u>
Change in Net Assets held in trust	1,814
Net Assets held in trust for pension benefits:	
Beginning of period	<u>33,758</u>
End of period	<u>\$ 35,572</u>

Postretirement Benefits

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

Funding Policy: The City is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amounts necessary to provide current benefits to retirees, eligible dependents and beneficiaries. For the fiscal year ended June 30, 2009, the City made \$29.2 million “pay-as-you-go” payments on behalf of the Plan. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed \$11.1 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.

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

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, 2009 (in thousands):

	June 30, 2009 City-Wide	DWM	DOA	Other	General Government
Annual Required Contribution	\$ 77,257	\$ 18,945	\$ 11,223	\$ 3,457	\$ 43,631
Interest on Net OPEB Obligation	935	229	136	42	528
Adjustment to Annual Required Contribution	<u>(2,620)</u>	<u>(642)</u>	<u>(381)</u>	<u>(117)</u>	<u>(1,479)</u>
Annual OPEB Cost (expense)	75,572	18,532	10,978	3,382	42,680
"Pay As You Go" Payments Made	<u>(29,158)</u>	<u>(2,449)</u>	<u>(1,567)</u>	<u>(655)</u>	<u>(24,487)</u>
Increase in Net OPEB Obligation	46,414	16,083	9,411	2,727	18,193
Net OPEB Obligation - Beginning of Year	<u>64,227</u>	<u>11,014</u>	<u>7,718</u>	<u>2,849</u>	<u>42,647</u>
Net OPEB Obligation - End of Year	<u>\$ 110,641</u>	<u>\$ 27,097</u>	<u>\$ 17,129</u>	<u>\$ 5,575</u>	<u>\$ 60,840</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 year ended June 30, 2009 were as follows (in thousands):

<u>Fiscal Year Ended</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Paid</u>	Net OPEB <u>Obligation</u>
June 30, 2008	\$ 83,159	22.8%	\$ 64,227
June 30, 2009	\$ 75,572	38.6%	\$ 110,641

Funded Status and Funding Progress: As of June 30, 2008, the most recent (initial) actuarial valuation date, the Plan was not funded, except "pay-as-you-go" payments. The unfunded actuarial accrued liability (UAAL) for benefits was \$1.09 billion. The covered payroll was \$278 million, and the ratio of the UAAL to the covered payroll was 390%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The determined actuarial valuations of OPEB provided under the Plan incorporated the use of various assumptions including demographic and salary increases among others. Amounts determined regarding the funded status of the Plan and the annual required contributions of the City are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule funding progress, shown as required supplementary information following the notes to the financial statement, presents the results of the OPEB valuation as of June 30, 2008, the schedule will eventually provide additional multiyear trend information about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Notes to the Financial Statements - Continued

B. Employee Retirement Systems and Pension Plans, continued

in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Deferred Compensation Plan

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

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities

Litigation

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

Grants from Governments

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

Construction and Commitments

At June 30, 2009, the total estimated costs on committed projects are \$432,002,000 and \$345,634,000 for the Department of Aviation and Department of Watershed Management, respectively.

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.

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

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' shares of the operation and maintenance costs for the plants for the period ended June 30, 2009 was \$20,542,000. These payments are treated as operating revenue for the DWM.

The Municipalities have agreed to share in the capital improvement costs made to certain plants with their share being based on their portion of the sewerage flow. There was \$9,084,000 of capital improvement costs for the plants charged to the municipalities in fiscal year 2009. These charges, when earned, are treated as non-operating revenue and are included in capital contributions. The amounts receivable from the Municipalities is included in the amount due from other governmental units in the accompanying financial statements.

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.

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

CSO Consent Decree

With respect to the October 10, 1995, action brought against the City by the Riverkeeper, the court dismissed allegations regarding the phosphorus reduction program and common law nuisance claims, but found that the City violated federal and State water pollution laws with regard to the City's operation of its Tanyard Creek, Proctors Creek/North Avenue, and Proctor Creek/Greensferry CSO treatment facilities. As mentioned, the City and the citizen plaintiffs settled the lawsuit in what is referred to as the CSO Consent Decree (EPA and the EPD also joined). The CSO Consent Decree required the City to study the performance of the existing CSO treatment facilities, evaluate treatment alternatives that may be necessary for meeting State water quality standards, and improve the performance, maintenance, operation, and management of the existing treatment facilities. As of June 30, 2009, all projects required under the CSO Consent Decree were substantially complete.

First Amended Consent Decree

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

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

- Municipal Option Sales Tax (MOST) - Effective October 1, 2004, a 1% Municipal sales and use tax is being collected for retail sales and use occurring in the incorporated city limits of Atlanta. Proceeds from this tax are used for operations, debt service and funding renovations to the City's water and sewer system. The MOST was approved by the residents of the City in the July 2004 general election for a period not to exceed four years and for raising not more than \$750,000,000. Up to two extensions, at four years each can be approved by a vote of residents of the City. In the February 2008 elections, the City's residents approved one of the two extensions. Proceeds from the MOST for fiscal year 2009 were \$117,130,000, of which \$16,990,000 was receivable from the Georgia Department of Revenue at June 30. For fiscal 2009, the MOST revenue was recorded by law in a Special Revenue fund with the total revenue amount subsequently transferred to the DWM fund.
- Federal Appropriation – Some small Federal grants have been obtained and efforts to secure additional federal grants continue.

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 2009, the City received \$50,000,000 in GEFA funding. As of June 30, 2009, the City had \$148,768,000 of loans outstanding to GEFA.
- The Atlanta City Council approved annual increases to the current water and wastewater rates to support revenue bond's financing the five year portion (2008 – 2012) of the CWA Capital Improvement Program. The graduated three tiered rate structure is intended to minimize, to the extent possible, the impact of rate increases on ratepayers to maintain affordability and to permit water conservation. The fiscal year 2008-2012 rates are summarized below. In addition to the rates shown below, each water and wastewater bill includes a \$.15 per 100 cubic feet security surcharge.

Graduated Monthly Wastewater Rate Structure:

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

Graduated Monthly Water Rate Structure:

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

Consent Orders for Drinking Water System

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

Notes to the Financial Statements - Continued

C. Commitments and Contingent Liabilities, continued

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 \$4.1 billion, which has increased 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 2010-2014 CIP (In Millions)
Wastewater Projects:	
CSO Consent Decree	\$ 7
First Amended Decree	1,056
Regulatory	45
R&E Fund Projects	116
Subtotal	<u>1,224</u>
Water Projects:	
Consent Order	69
Non-Consent Order	996
Subtotal	<u>1,065</u>
Grand total	<u>\$ 2,289</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 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.

Notes to the Financial Statements - Continued

D. Prior Period Adjustments

General Government

2007 Intergovernmental Agreement – Zoo Bonds

In June 2007, the Recreation Authority issued \$14,315,000 non-taxable and 7,515,000 taxable bonds (the Series 2007 Bonds) for the benefit of the Atlanta Zoo. The agreed upon ownership interest is 75% for the City and 25% for Fulton County. When the Series 2007 Bonds were issued the Zoo entered into a new operating agreement which requires it to make payments on the Bonds to the extent attendance exceeds 900,000 annual visitors. Since that time the City and Fulton County have made these bond payments on behalf of the Zoo. As a result of this recent activity and the fact the Series 2007 Bonds were not reflected in the Recreation Authority's financial statements, the City decided to record its portion of the 2007 Series Bonds on its financial statements. This action resulted in a net asset reduction on the City's government-wide financial statements of \$16,373,000.

Department of Aviation

On October 9, 2009, the DOA issued a Material Events Notice in which it disclosed its reclassification of certain costs contained within its construction-in-progress (CIP) account. Analysis revealed that a portion of general and administrative costs incurred in connection with managing capital projects should have been charged to operating expenses. Additionally, costs associated with certain completed projects were not timely closed out resulting in the failure to record depreciation expense related to those projects. The results of this reconciliation revealed the need to expense certain costs as follows:

Overhead Expenses	\$ 65.6 million
Operating and Maintenance Expenses	11.0 million
Depreciation Expense	<u>10.8 million</u>
Total	<u>\$ 87.4 million</u>

Beginning net assets have been adjusted for the correction of these errors in prior years' financial statements.

Fiduciary Funds

During the current year, it was discovered that factors used to allocate investments and related investment accounts within the General Employees Pension Fund between the City and Atlanta Independent School System (the "School System") were misstated for periods back to fiscal year 2005. Recomputations were performed of the factors for the affected periods and the related cumulative impact resulted in an increase in the City's portion of net assets of the pension fund in the amount of \$42.3 million and a corresponding decrease in the net assets of the School System's portion of net assets of the pension fund. The related amount is reflected as a correction of an error in the beginning balance of the General Employees Pension Fund as reported in the statement of changes in fiduciary net assets.

Notes to the Financial Statements - Continued

E. Subsequent Events

Department of Aviation (DOA)

With the unavailability of credit and the high volatility within the financial markets in fiscal year 2009, the city in consultation with its financial advisors decided to reduce its risk exposure by terminating two outstanding Interest Rate Exchange Agreement (SWAP) transactions with its counterparties. These interest rate agreements were tied to the Series 2003RF-B/C bonds. With approval from the City Council, the DOA negotiated a SWAP termination agreement with the counterparties Goldman Sachs and JP Morgan Chase Bank. On July 6, 2009 the department of Aviation terminated the Interest Rate Exchange Agreements that existed on the Variable Rate Airport General Revenue Refunding Bonds (Series 2003RF-B1, RF-B-2, RF-B-3, RF-C-1, RF-C-2, and RF-C-3) for \$18,470,000.

During the fiscal year 2009 the DOA received \$17,751,000 from the TSA as grant reimbursements for MOA #HSTS04-04-A-DEPO53 that was entered into on February 17, 2004. These grant reimbursements were to pay down part of the outstanding principal amount that exists on the bonds issued for the MOA project. Redemption notices were issued by the Trustee/Paying establishing July 2, 2009 as the bonds redemption date. On July 2, 2009 \$8,875,000 of the City of Atlanta GA Airport PFC Revenue Bonds Series 2004D1(AMT) and \$8,875,000 of Series 2004D2 (AMT) bonds were redeemed.

In connection with the prior period adjustment related to the construction in progress accounts, the DOA filed a Material Events Notice on October 9, 2009 pursuant to the City's continuing disclosure and other obligations related to such Airport General Revenue Bonds.

In connection with ongoing negotiation with the signatory airlines, on December 21, 2009, the DOA entered into an airline lease agreement with Delta Airlines that extends to 2017. This agreement relates to Delta's continued use and lease of the Central Passenger terminal facility.

The new 70 acre Consolidated Car Rental facility opened on December 8, 2009. All rental car services are centralized off-site and include a 60,000 square foot customer service center with two garages, 8,700 vehicle spaces, and an Automated People Mover train. The elimination of buses is expected to eliminate congestion on terminal roadways.

Department of Watershed Management (DWM)

In October 2009, the DWM issued Series 2009B Revenue Bonds for \$ 448,965,000. The DWM used the proceeds to refund all of the Series 2001C outstanding Water and Wastewater Revenue Bonds, to fund the increase in the Debt Service Reserve Requirement resulting from the issuance of the Series 2009B Bonds, and to pay the cost of issuance related to the Series 2009B Bonds.

Notes to the Financial Statements - Continued

E. Subsequent Events, continued

General Government

On December 1, 2009 the City of Atlanta Tax Allocation Bonds (BeltLine Project) Series 2008A, 2008B and 2008C bonds were remarketed. In addition to the remarketing, the City sold the initial offering of City of Atlanta Tax Allocation Bonds (BeltLine Project) Series 2009B and Series 2009C. The proceeds of remarketing of the Series 2008 Bonds and the issuance of the Series 2009 Bonds, together with other available funds, will be used by or on behalf of the City to: (a) fund the payment of the Tender Price to the prior holders of the Series 2008 Bonds by operation of an Optional Tender Right and a Purchase in Lieu of Redemption, (b) fund an additional deposit to the Series 2008 Debt Service Reserve Account and a deposit to the Series 2009 Debt Service Reserve Account, (c) fund an additional deposit to the Series 2008 Capitalized Interest Account and a deposit to the Series 2009 Capitalized Interest Account, and (d) pay certain costs of remarketing and/or issuance of the Series 2008/2009. The proceeds from the initial issuance of the Series 2008 Bonds have been or are being used to finance or refinance certain qualified Redevelopment Costs and projects in the Beltline Tax Allocation District.

The City of Atlanta, like many other local municipalities, was impacted by the flooding across North Georgia in September 2009. There has been significant damage because of the flooding to various areas within the City. The cost of the damages has been initially estimated at \$61 million. As a result, the City is anticipating up front funds from the insurance carrier totaling \$10.5 million. Subsequent funds are anticipated once an assessment is completed by the insurance carrier. FEMA/GEMA are funding sources of last resort; therefore, any funding expected will be net of insurance proceeds at a rate of 85%. The City expects to cover the remaining 15% with operating funds.

**Required Supplementary
Information**



Atlanta

CITY OF ATLANTA, GEORGIA

Required Supplementary Information

Schedule of Funding Progress for Pension Plans (in thousands)

Plan/Valuation Date	Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Accrued Liabilities	Current Year Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
General						
Employees						
1/1/2006	\$702,178	\$1,335,974	52.6%	\$633,796	\$152,408	415.9%
7/1/2007	\$749,352	\$1,436,278	52.2%	\$686,925	\$155,185	442.6%
7/1/2008	\$829,734	\$1,483,733	55.9%	\$653,999	\$179,982	363.4%
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%
Police Officers						
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%

Schedule of Funding Progress for OPEB (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	AAL projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2006	\$0	\$1,260,312,750	\$1,260,312,750	0.0%	\$361,839,302	348.3%
6/30/2007	\$0	\$1,125,647,778	\$1,125,647,778	0.0%	\$280,031,000	402.0%
6/30/2008	\$0	\$1,085,315,020	\$1,085,315,020	0.0%	\$278,039,000	390.3%

THIS PAGE IS INTENTIONALLY LEFT BLANK

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Atlantic Station

Westside

Northwest Atlanta

Princeton Lake

Eastside

Hollowell/M.L.King

Atlanta Beltline

Campbellton Road

Metropolitan Parkway

Stadium Neighborhoods

Municipal Option Sales Tax (MOST) - Established to record receipts of a 1% sales and use tax collected for retail sales and use occurring in the incorporated city limits of Atlanta. Proceeds from this tax are used for operations, debt service and funding renovations to the City's water and sewer system.

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

Home Investment Trust Fund

Rental Rehabilitation Fund

Car Rental Excise Tax Fund

Section 108 Loan Fund

Trust Fund

Hotel/Motel Excise Tax Fund

Capital Projects Funds

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

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

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

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

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2009
(In Thousands)

	Special Revenue Funds					
	Community Development	Emergency Telephone System	Inter - governmental Grants	Tax Allocation Districts	Municipal Option Sales Tax	Other Special Revenue
ASSETS						
Cash, Unrestricted	\$ 4,669	\$ -	\$ 7,004	-	\$ -	\$ 14,576
Cash, Restricted	-	-	-	66,344	-	-
Investments in pooled investment fund	-	-	-	-	-	41,407
Investments	-	-	-	-	102	2,112
Receivables						
Taxes	-	-	-	-	16,863	3,357
Accounts	-	2,119	-	-	-	550
Due from other governmental units and agencies	2,962	-	16,721	-	-	617
Due from other funds	17	-	621	-	-	-
Restricted investments	-	-	-	121,286	-	-
Investment in escrow	-	-	-	-	-	-
Total assets	\$ 7,648	\$ 2,119	\$ 24,346	\$ 187,630	\$ 16,965	\$ 62,619
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 350	\$ 184	\$ 2,392	\$ 9,660	\$ -	\$ 2,204
Accrued salaries, vacation, and compensatory pay	30	158	92	-	-	76
Contract retentions	45	-	172	-	-	21
Due to other governments	-	-	-	4,634	-	1,745
Due to other funds	2,319	32,778	11,368	1,389	16,965	1,874
Unearned revenue	19	-	6,522	-	-	525
Total liabilities	2,763	33,120	20,546	15,683	16,965	6,445
Fund balances:						
Reserved for:						
Encumbrances	-	153	14,561	-	-	14,932
Programs	4,885	-	-	-	-	44,565
Capital Projects	-	-	-	171,947	-	-
Unreserved	-	(31,154)	(10,761)	-	-	(3,323)
Total fund balances	4,885	(31,001)	3,800	171,947	-	56,174
Total liabilities and fund balances	\$ 7,648	\$ 2,119	\$ 24,346	\$ 187,630	\$ 16,965	\$ 62,619

Capital Projects Funds

<u>Park Improvement</u>	<u>Special Assessment</u>	<u>General Governmental Capital Outlay</u>	<u>Solid Waste Management Authority</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 3,287	\$ 2,057	\$ 31,593
-	-	-	-	66,344
5,590	2,422	-	-	49,419
-	-	-	-	2,214
219	-	-	-	20,939
230	3	-	143	3,045
-	-	-	-	20,300
-	-	15,895	-	16,533
-	-	18,490	956	140,732
-	-	1	-	1
<u>\$ 6,539</u>	<u>\$ 2,425</u>	<u>\$ 37,673</u>	<u>\$ 3,156</u>	<u>\$ 351,120</u>

\$ 26	\$ -	\$ 323	\$ -	\$ 15,139
17	-	2	-	375
3	-	299	-	540
-	-	-	-	6,379
1	-	19	-	66,713
<u>563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,629</u>
610	-	643	-	96,775

171	330	4,353	349	34,849
-	-	-	-	49,450
5,758	2,095	32,677	2,807	215,284
-	-	-	-	(45,238)
<u>5,929</u>	<u>2,425</u>	<u>37,030</u>	<u>3,156</u>	<u>254,345</u>
<u>\$ 6,539</u>	<u>\$ 2,425</u>	<u>\$ 37,673</u>	<u>\$ 3,156</u>	<u>\$ 351,120</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2009
(In Thousands)

	Special Revenue Funds					
	Community Development	Emergency Telephone System	Inter-governmental Grants	Tax Allocation Districts	Municipal Option Sales Tax	Other Special Revenue
Revenues						
Property taxes	\$ -	\$ -	\$ -	53,135	\$ -	\$ -
Other taxes	-	-	-	-	117,106	48,419
Charges for current services	-	11,533	-	-	-	2,149
Charges for special assessments	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	3,189
Investment income	112	(18)	99	1,829	24	1,702
Intergovernmental revenues:						
U.S. Government grants	10,289	-	23,102	-	-	3,258
State and local governments	-	-	5,359	-	-	328
Total intergovernmental revenues	10,289	-	28,461	-	-	3,586
Other	143	-	336	-	-	6,779
Total revenues	10,544	11,515	28,896	54,964	117,130	65,824
Expenditures:						
Current:						
General government						
Executive Offices	2,430	-	8,075	-	-	29,572
Personnel and human services	-	-	-	-	-	9
City Council	-	-	-	-	-	43
Nondepartmental	-	-	-	2,237	-	7
Courts and judicial agencies	-	-	133	-	-	42
Finance	821	-	411	72,797	-	3
Housing, planning and development	2,638	-	10,366	-	-	6,560
Total general government	5,889	-	18,985	75,034	-	36,156
Police	-	16,075	6,312	-	-	956
Fire	-	-	1,760	1,503	-	2
Corrections	22	-	35	-	-	2,529
Public Works	698	-	339	319	-	5,623
Parks, Recreation, and Cultural Affairs	998	-	1,167	-	-	2,780
Debt service:						
Principal payments	545	-	-	12,485	-	-
Interest payments	328	72	-	15,119	-	128
Bond issuance costs	-	-	-	4,535	-	-
Total debt service	873	72	-	32,139	-	128
Total expenditures	8,480	16,147	28,598	108,995	-	48,254
Excess (Deficiency) of revenues over (under) expenditures	2,064	(4,632)	298	(54,031)	117,130	17,570
Other financing sources (uses)						
Transfers in (out)	-	7,152	437	-	(117,130)	(19,209)
Proceeds from sale of assets	-	-	-	-	-	247
Proceeds from long-term debt	-	-	-	128,260	-	-
Discount on sale of bonds	-	-	-	(484)	-	-
Total other financing sources (uses)	-	7,152	437	127,776	(117,130)	(18,962)
Net change in fund balances	2,064	2,520	735	73,745	-	(1,392)
Fund balances, beginning of period	2,821	(33,521)	3,065	98,202	-	57,566
Fund balances, end of period	\$ 4,885	\$ (31,001)	\$ 3,800	\$ 171,947	\$ -	\$ 56,174

Capital Projects Funds

Park Improvement	Special Assessment	General Governmental Capital Outlay	Solid Waste Management Authority	Totals
\$ 11,148	\$ -	\$ -	\$ -	\$ 64,283
-	-	-	-	165,525
803	-	-	-	14,485
-	61	1,249	-	1,310
-	-	-	-	3,189
173	74	471	40	4,506
-	-	-	-	36,649
-	-	-	-	5,687
-	-	-	-	42,336
-	-	-	-	7,258
12,124	135	1,720	40	302,892
-	-	-	2	40,079
-	-	-	-	9
-	-	-	-	43
-	-	6	-	2,250
-	-	-	-	175
-	-	-	-	74,032
-	-	515	-	20,079
-	-	521	2	136,667
14	-	-	-	23,357
-	-	1,976	-	5,241
-	-	-	-	2,586
-	-	1,070	148	8,197
2,690	-	660	-	8,295
2,220	-	-	-	15,250
4,178	6	-	931	20,762
3	-	-	6	4,544
6,401	6	-	937	40,556
9,105	6	4,227	1,087	224,899
3,019	129	(2,507)	(1,047)	77,993
-	-	-	931	(127,819)
-	-	-	-	247
-	-	-	-	128,260
-	-	-	-	(484)
-	-	-	931	204
3,019	129	(2,507)	(116)	78,197
2,910	2,296	39,537	3,272	176,148
\$ 5,929	\$ 2,425	\$ 37,030	\$ 3,156	\$ 254,345

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

Combining Balance Sheet
June 30, 2009
(In Thousands)

		Atlantic Station	Westside	Northwest Atlanta	Princeton Lake	Eastside	Hollowell/ M.L. King	Atlanta Beltline	Campbellton Road	Metropolitan Parkway	Stadium Neighborhoods		
ASSETS													
Cash, Restricted	\$	3,417	\$ 31,134	\$ 5,833	\$ 1,939	\$ 18,142	\$ 419	\$ 4,812	\$ 295	\$ 260	\$ 93	\$	66,344
Restricted investments		<u>20,440</u>	<u>62,665</u>	<u>4,094</u>	<u>3,652</u>	<u>14,642</u>	-	<u>15,793</u>	-	-	-	-	<u>121,286</u>
Total assets	\$	<u>23,857</u>	<u>\$ 93,799</u>	<u>\$ 9,927</u>	<u>\$ 5,591</u>	<u>\$ 32,784</u>	<u>\$ 419</u>	<u>\$ 20,605</u>	<u>\$ 295</u>	<u>\$ 260</u>	<u>\$ 93</u>	<u>\$</u>	<u>187,630</u>
LIABILITIES AND FUND BALANCES													
Liabilities:													
Accounts payable	\$	-	\$ 53	\$ 4,078	\$ -	\$ -	\$ -	\$ 5,529	\$ -	\$ -	\$ -	\$ -	9,660
Due to other governments		-	-	-	-	4,634	-	-	-	-	-	-	4,634
Due to other funds		<u>1,389</u>	-	-	-	-	-	-	-	-	-	-	<u>1,389</u>
Total liabilities		<u>1,389</u>	<u>53</u>	<u>4,078</u>	<u>-</u>	<u>4,634</u>	<u>-</u>	<u>5,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,683</u>
Fund balances:													
Reserved for:													
Programs													
Capital Projects		22,468	93,746	5,849	5,591	28,150	419	15,076	295	260	93		171,947
Total fund balances		<u>22,468</u>	<u>93,746</u>	<u>5,849</u>	<u>5,591</u>	<u>28,150</u>	<u>419</u>	<u>15,076</u>	<u>295</u>	<u>260</u>	<u>93</u>		<u>171,947</u>
Total liabilities and fund balances	\$	<u>23,857</u>	<u>\$ 93,799</u>	<u>\$ 9,927</u>	<u>\$ 5,591</u>	<u>\$ 32,784</u>	<u>\$ 419</u>	<u>\$ 20,605</u>	<u>\$ 295</u>	<u>\$ 260</u>	<u>\$ 93</u>	<u>\$</u>	<u>187,630</u>

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

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2009
(In Thousands)

	Atlantic Station	Westside	NW Atlanta	Princeton Lake	Eastside	Hollowell/ M.L.King	Atlanta Beltline	Campbellton Road	Metropolitan Parkway	Stadium Neighborhoods	Total
Revenues:											
Property taxes	\$ 16,427	\$ 15,939	\$ 1,747	\$ 1,772	\$ 9,991	\$ 321	\$ 6,431	\$ 225	\$ 202	\$ 80	\$ 53,135
Investment income	585	494	104	188	371	-	86	-	1	-	1,829
Total revenues	17,012	16,433	1,851	1,960	10,362	321	6,517	225	203	80	54,964
Expenditures:											
Current:											
General government	254	15,691	6	2,183	3,759	5	53,118	6	6	6	75,034
Fire	1,503	-	-	-	-	-	-	-	-	-	1,503
Public Works	-	319	-	-	-	-	-	-	-	-	319
Debt service:											
Principal payments	4,750	3,515	-	3,085	1,135	-	-	-	-	-	12,485
Interest payments	9,220	1,527	-	1,149	2,643	-	580	-	-	-	15,119
Bond issuance costs	142	2,460	-	4	8	-	1,921	-	-	-	4,535
Total debt service	14,112	7,502	-	4,238	3,786	-	2,501	-	-	-	32,139
Total expenditures	15,869	23,512	6	6,421	7,545	5	55,619	6	6	6	108,995
Excess (Deficiency) of revenues over (under) expenditures	1,143	(7,079)	1,845	(4,461)	2,817	316	(49,102)	219	197	74	(54,031)
Other financing sources (uses):											
Proceeds from long-term debt	-	63,760	-	-	-	-	64,500	-	-	-	128,260
Discount on sale of bonds	-	-	-	-	-	-	(484)	-	-	-	(484)
Total other financing sources	-	63,760	-	-	-	-	64,016	-	-	-	127,776
Net change in fund balances	1,143	56,681	1,845	(4,461)	2,817	316	14,914	219	197	74	73,745
Fund balances, beginning of period	21,325	37,065	4,004	10,052	25,333	103	162	76	63	19	98,202
Fund balances, end of period	\$ 22,468	\$ 93,746	\$ 5,849	\$ 5,591	\$ 28,150	\$ 419	\$ 15,076	\$ 295	\$ 260	\$ 93	\$ 171,947

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2009
(In Thousands)

	Other Special Revenue Funds						
	Expendable Trust	Rental Housing Rehabilitation	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Total Other Special Revenue
ASSETS							
Cash	\$ 7,728	\$ 2	\$ 1,578	\$ 5,268	\$ -	\$ -	\$ 14,576
Investments in pooled investment fund	41,407	-	-	-	-	-	41,407
Investments	286	-	-	1,826	-	-	2,112
Receivables							
Taxes	-	-	-	-	-	3,357	3,357
Accounts	-	-	-	550	-	-	550
Due from other governmental units and agencies	7	-	610	-	-	-	617
Total assets	\$ 49,428	\$ 2	\$ 2,188	\$ 7,644	\$ -	\$ 3,357	\$ 62,619
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 1,949	\$ -	\$ 253	\$ 2	\$ -	\$ -	\$ 2,204
Accrued salaries, vacation, and compensatory pay	68	-	8	-	-	-	76
Contract retentions	21	-	-	-	-	-	21
Due to other governments	-	-	-	-	-	1,745	1,745
Due to other funds	5	-	199	-	58	1,612	1,874
Deferred revenues	525	-	-	-	-	-	525
Total liabilities	2,568	-	460	2	58	3,357	6,445
Fund balances:							
Reserved for							
Encumbrances	7,166	-	4,993	2,773	-	-	14,932
Programs	39,694	2	-	4,869	-	-	44,565
Unreserved	-	-	(3,265)	-	(58)	-	(3,323)
Total fund balances	46,860	2	1,728	7,642	(58)	-	56,174
Total liabilities and fund balances	\$ 49,428	\$ 2	\$ 2,188	\$ 7,644	\$ -	\$ 3,357	\$ 62,619

CITY OF ATLANTA, GEORGIA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2009
(In Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Rental Housing Rehabilitation	Home Investment Partnership	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	
Revenues							
Other taxes	\$ 7,779	\$ -	\$ -	\$ -	\$ 1,128	\$ 39,512	\$ 48,419
Charges for current services	2,149	-	-	-	-	-	2,149
Fines, forfeitures and penalties	3,189	-	-	-	-	-	3,189
Investment income	1,574	-	52	76	-	-	1,702
Intergovernmental revenues:							
U S Government grants	-	-	3,257	1	-	-	3,258
State and local governments	328	-	-	-	-	-	328
Total intergovernmental revenues	328	-	3,257	1	-	-	3,586
Other	6,684	-	95	-	-	-	6,779
Total revenues	21,703	-	3,404	77	1,128	39,512	65,824
Expenditures							
Current							
General government							
Executive Offices	60	-	271	-	1,186	28,055	29,572
Personnel and human services	9	-	-	-	-	-	9
City Council	43	-	-	-	-	-	43
Nondepartmental	4	-	2	1	-	-	7
Courts and judicial agencies	42	-	-	-	-	-	42
Finance	-	-	3	-	-	-	3
Housing, planning and development	3,512	1	3,046	1	-	-	6,560
General government	3,670	1	3,322	2	1,186	28,055	36,236
Police	956	-	-	-	-	-	956
Fire	2	-	-	-	-	-	2
Corrections	2,529	-	-	-	-	-	2,529
Public Works	5,623	-	-	-	-	-	5,623
Parks, Recreation, and Cultural Affairs	2,780	-	-	-	-	-	2,780
Debt service							
Interest payments	128	-	-	-	-	-	128
Total debt service	128	-	-	-	-	-	128
Total expenditures	15,688	1	3,322	2	1,186	28,055	48,254
Excess (Deficiency) of revenues over (under) expenditures	6,015	(1)	82	75	(58)	11,457	17,570
Other financing sources (uses)							
Transfers in (out)	(7,752)	-	-	-	-	(11,457)	(19,209)
Proceeds from sale of assets	247	-	-	-	-	-	247
Total other financing sources (uses)	(7,505)	-	-	-	-	(11,457)	(18,962)
Net changes in fund balances	(1,490)	(1)	82	75	(58)	-	(1,392)
Fund balances, beginning of period	48,350	3	1,646	7,567	-	-	57,566
Fund balances, end of period	\$ 46,860	\$ 2	\$ 1,728	\$ 7,642	\$ (58)	\$ -	\$ 56,174

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, 2009
(In Thousands)

	Community Development Fund			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenues-				
U.S. government grants	\$ 13,550	\$ 13,550	\$ 10,289	\$ (3,261)
Investment Income	-	-	112	112
Other income	-	-	143	143
Total revenues	<u>13,550</u>	<u>13,550</u>	<u>10,544</u>	<u>(3,006)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	4,757	4,757	2,430	2,327
Finance	9,451	9,451	821	8,630
Planning and community development	19,619	19,619	2,638	16,981
Total general government	<u>33,827</u>	<u>33,827</u>	<u>5,889</u>	<u>27,938</u>
Public safety:				
Fire	37	37		37
Corrections	75	75	22	53
Total public safety	<u>112</u>	<u>112</u>	<u>22</u>	<u>90</u>
Public works	1,871	1,871	698	1,173
Parks, recreation, and cultural affairs	4,770	4,770	998	3,772
Debt Service:				
Bond principal payments	105	105	545	(440)
Interest on Bonds	171	171	328	(157)
Total expenditures	<u>40,856</u>	<u>40,856</u>	<u>8,480</u>	<u>32,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,306)</u>	<u>(27,306)</u>	<u>2,064</u>	<u>\$ 29,370</u>
Fund balance - beginning	2,821	2,821	2,821	
Fund balance - ending	<u>\$ (24,485)</u>	<u>\$ (24,485)</u>	<u>\$ 4,885</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, 2009
(In Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other Revenue				
Charges for Services	\$ 9,941	\$ 22,285	\$ 11,533	\$ (10,752)
Investment income	-	42	(18)	(60)
Total revenues	9,941	22,327	11,515	(10,812)
EXPENDITURES				
Current:				
Police Services	17,093	16,063	16,075	(12)
Bond interest payments	-	-	72	(72)
Total expenditures	17,093	16,063	16,147	(84)
Excess (deficiency) of revenues over (under) expenditures	(7,152)	6,264	(4,632)	(10,896)
OTHER FINANCING SOURCES (USES):				
Transfers in	7,152	14,376	7,152	(7,224)
	7,152	14,376	7,152	(7,224)
Excess (deficiency) of revenues over (under) expenditures	-	20,640	2,520	\$ (18,120)
Fund balance - beginning	(33,521)	(33,521)	(33,521)	
Fund balance - ending	\$ (33,521)	\$ (12,881)	\$ (31,001)	

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, 2009

(In Thousands)

	Intergovernmental Grant Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. Government grants	\$ 13,927	\$ 13,927	\$ 23,102	\$ 9,175
State of Georgia grants	7,511	7,511	5,359	(2,152)
Investment Income	-	-	99	99
Other income	-	-	336	336
Total revenues	<u>21,438</u>	<u>21,438</u>	<u>28,896</u>	<u>7,458</u>
EXPENDITURES				
Current:				
General government:				-
Executive offices	21,159	21,159	8,075	13,084
City Council	8	8	-	8
Courts and judicial agencies	327	327	133	194
Finance	1,121	1,121	411	710
Planning and community development	69,326	69,326	10,366	58,960
Total general government	<u>91,941</u>	<u>91,941</u>	<u>18,985</u>	<u>72,956</u>
Public safety:				
Police	17,262	17,262	6,312	10,950
Fire	4,891	4,891	1,760	3,131
Corrections	(54)	(54)	35	(89)
Total public safety	<u>22,099</u>	<u>22,099</u>	<u>8,107</u>	<u>13,992</u>
Public works	10,477	10,477	339	10,138
Parks, recreation, and cultural affairs	4,110	4,110	1,167	2,943
Total expenditures	<u>128,627</u>	<u>128,627</u>	<u>28,598</u>	<u>100,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,189)</u>	<u>(107,189)</u>	<u>298</u>	<u>107,487</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from general long-term debt				
Transfers in	712	712	437	(275)
Total other financial sources and uses	<u>712</u>	<u>712</u>	<u>437</u>	<u>(275)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(106,477)</u>	<u>(106,477)</u>	<u>735</u>	<u>\$ 107,212</u>
Fund balance - beginning	3,065	3,065	3,065	
Fund balance - ending	<u>\$ (103,412)</u>	<u>\$ (103,412)</u>	<u>\$ 3,800</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, 2009
(In Thousands)

	Atlantic Station TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	14,041	14,041	16,427	2,386
Investment income	150	150	585	435
Total revenues	<u>14,191</u>	<u>14,191</u>	<u>17,012</u>	<u>2,821</u>
EXPENDITURES				
Current:				
Fire	1,639	1,639	1,503	136
General government	3,122	3,122	254	2,868
Nondepartmental	13,453	13,453	-	13,453
Debt Service:				
Bond principal payments	4,750	4,750	4,750	-
Interest payments	12,306	12,306	9,220	3,086
Bond issuance costs	246	246	142	104
Total expenditures	<u>35,516</u>	<u>35,516</u>	<u>15,869</u>	<u>19,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,325)</u>	<u>(21,325)</u>	<u>1,143</u>	<u>\$ 22,468</u>
Fund balance - beginning	21,325	21,325	21,325	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,468</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, 2009
(In Thousands)

	Westside TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 10,879	\$ 10,879	\$ 15,939	\$ 5,060
Investment income	-	-	494	494
Total revenues	10,879	10,879	16,433	5,554
EXPENDITURES				
Current:				
Public Works	1,269	1,269	319	950
General government	26,798	26,798	15,691	11,107
Finance	72,968	72,968		72,968
Debt Service:				
Bond principal payments	3,515	3,515	3,515	-
Interest payments	4,654	4,654	1,527	3,127
Bond issuance costs	2,501	2,501	2,460	41
Total debt service	10,670	10,670	7,502	3,168
Total expenditures	111,705	111,705	23,512	88,193
Excess (deficiency) of revenues over (under) expenditures	(100,826)	(100,826)	(7,079)	93,747
OTHER FINANCING SOURCES (USES):				
Proceeds from Bonds	63,760	63,760	63,760	
Total other financial sources and uses	63,760	63,760	63,760	-
Excess (deficiency) of revenues over (under) expenditures	(37,066)	(37,066)	56,681	93,747
Fund balance - beginning	37,066	37,066	37,066	
Fund balance - ending	\$ -	\$ -	\$ 93,747	

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, 2009
(In Thousands)

	NW Atlanta TAD			
	Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 3,098	\$ 3,098	\$ 1,747	\$ (1,351)
Investment income			104	104
Total revenues	<u>3,098</u>	<u>3,098</u>	<u>1,851</u>	<u>(1,247)</u>
EXPENDITURES				
Current				
General government	7,102	7,102	6	7,096
Debt Service				
Bond principal payments	-	-	-	-
Total expenditures	<u>7,102</u>	<u>7,102</u>	<u>6</u>	<u>7,096</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,004)</u>	<u>(4,004)</u>	<u>1,845</u>	<u>\$ 5,849</u>
Fund balance - beginning	<u>4,004</u>	<u>4,004</u>	<u>4,004</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,849</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, 2009
(In Thousands)

Princeton Lakes TAD Fund				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 1,195	\$ 1,195	\$ 1,772	\$ 577
Investment income	-	-	188	188
Total revenues	1,195	1,195	1,960	765
EXPENDITURES				
Current:				
General government:	6,798	6,798	2,183	4,615
Principal payments	3,295	3,295	3,085	210
Interest payments	1,149	1,149	1,149	-
Bond issuance costs	4	4	4	-
Total expenditures	11,246	11,246	6,421	4,825
Excess (deficiency) of revenues over under expenditures	(10,051)	(10,051)	(4,461)	\$ 5,590
Fund balance - beginning	10,052	10,052	10,052	
Fund balance - ending	\$ 1	\$ 1	\$ 5,591	

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, 2009
(In Thousands)

	Eastside 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	\$ 6,611	\$ 6,611	\$ 9,991	\$ 3,380
Investment income	-	-	371	371
Total revenues	<u>6,611</u>	<u>6,611</u>	<u>10,362</u>	<u>3,751</u>
EXPENDITURES				
Current:				
General government:	28,158	28,158	3,759	24,399
Principal payments	1,135	1,135	1,135	-
Interest payments	2,643	2,643	2,643	-
Bond issuance costs	8	8	8	-
Total expenditures	<u>31,944</u>	<u>31,944</u>	<u>7,545</u>	<u>24,399</u>
Excess (deficiency) of revenues over under expenditures	<u>(25,333)</u>	<u>(25,333)</u>	<u>2,817</u>	<u>28,150</u>
Fund balance - beginning	25,333	25,333	25,333	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,150</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, 2009
(In Thousands)

Hollowell -Martin Luther King Dr. 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	\$ 100	\$ 100	\$ 321	\$ 221
Investment income	-	-	-	-
Total revenues	<u>100</u>	<u>100</u>	<u>321</u>	<u>221</u>
EXPENDITURES				
Current:				
General government	203	203	5	198
Debt Service:				
Bond principal payments	-	-	-	-
Total expenditures	<u>203</u>	<u>203</u>	<u>5</u>	<u>198</u>
Excess (deficiency) of revenues over under expenditures	<u>(103)</u>	<u>(103)</u>	<u>316</u>	<u>\$ 419</u>
Fund balance - beginning	103	103	103	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419</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, 2009
(In Thousands)

	Atlanta Beltline TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 9,015	\$ 9,015	\$ 6,431	\$ (2,584)
Investment income	-	-	86	86
Total revenues	9,015	9,015	6,517	(2,498)
EXPENDITURES				
Current:				
Finance	56,389	56,389	53,118	3,271
Nondepartmental	11,775	11,775	-	11,775
Debt Service:				
Interest payments	3,204	3,204	580	2,624
Bond issuance costs	1,825	1,825	1,921	(96)
Total expenditures	73,193	73,193	55,619	17,574
Excess (deficiency) of revenues over under expenditures	(64,178)	(64,178)	(49,102)	15,076
OTHER FINANCING SOURCES (USES):				
Proceeds from Bonds	64,500	64,500	64,500	-
Discount on bonds	(484)	(484)	(484)	-
Total other financial sources and uses	64,016	64,016	64,016	-
Excess (deficiency) of revenues over (under) expenditures	(162)	(162)	14,914	\$ 15,076
Fund balance - beginning	162	162	162	
Fund balance - ending	\$ -	\$ -	\$ 15,076	

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, 2009
(In Thousands)

	Campbellton Road TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 76	\$ 76	\$ 225	\$ 149
Investment income	-	-	-	-
Total revenues	76	76	225	149
EXPENDITURES				
Current:				
General government	152	152	6	(146)
Total expenditures	152	152	6	(146)
Excess (deficiency) of revenues over under expenditures	(76)	(76)	219	\$ 295
Fund balance - beginning	76	76	76	
Fund balance - ending	\$ -	\$ -	\$ 295	

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, 2009
(In Thousands)

	Metropolitan Parkway TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 65	\$ 65	\$ 202	\$ 137
Investment income	-	-	1	1
Total revenues	65	65	203	138
EXPENDITURES				
Current:				
General government	128	128	6	122
Total expenditures	128	128	6	122
Excess (deficiency) of revenues over under expenditures	(63)	(63)	197	260
Fund balance - beginning	63	63	63	
Fund balance - ending	\$ -	\$ -	\$ 260	

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, 2009
(In Thousands)

	Stadium Neighborhoods TAD Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes				
Taxes, Current Property Increment	\$ 25	\$ 25	\$ 80	\$ 55
Investment income	-	-	-	-
Total revenues	25	25	80	55
EXPENDITURES				
Current:				
General government:	44	44	6	38
Total expenditures	44	44	6	38
Excess (deficiency) of revenues over under expenditures	(19)	(19)	74	\$ 93
Fund balance - beginning	\$ 19	\$ 19	\$ 19	
Fund balance - ending	\$ -	\$ -	\$ 93	

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, 2009

(In Thousands)

	Expendable Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other taxes	\$ 7,752	\$ 7,752	\$ 7,779	\$ 27
Charges for current services	2,645	2,645	2,149	(496)
Fines, forfeitures and penalties	4,049	4,049	3,189	(860)
Investment income	16	16	1,574	1,558
Intergovernmental revenues-				
State of Georgia grants	247	247	328	81
Other income	10,482	10,482	6,684	(3,798)
Total revenues	<u>10,729</u>	<u>25,191</u>	<u>21,703</u>	<u>(3,488)</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	679	679	60	619
Personnel and human resources	101	101	9	92
City council	77	77	43	34
Courts and judicial agencies	1,068	1,068	42	1,026
Finance	7,895	7,895	-	7,895
Information technology	91	91	-	91
Planning and community development	12,587	12,587	3,512	9,075
Procurement	2	2	-	2
Total general government	<u>22,500</u>	<u>22,500</u>	<u>3,666</u>	<u>18,834</u>
Public safety:				
Police	6,869	6,869	956	5,913
Fire	205	205	2	203
Corrections	10,934	10,934	2,529	8,405
Total public safety	<u>18,008</u>	<u>18,008</u>	<u>3,487</u>	<u>14,521</u>
Public works	9,086	9,086	5,623	3,463
Parks, recreation, and cultural affairs	13,213	13,213	2,780	10,433
Nondepartmental expenditures	3,984	3,984	132	3,852
Total expenditures	<u>66,791</u>	<u>66,791</u>	<u>15,688</u>	<u>51,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,062)</u>	<u>(41,600)</u>	<u>6,015</u>	<u>47,615</u>
Other Financing Sources				
Transfer out	-	-	(7,752)	(7,752)
Proceeds from sale of assets	-	-	247	247
Total other financial sources and uses	<u>-</u>	<u>-</u>	<u>(7,505)</u>	<u>(7,505)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,062)</u>	<u>(41,600)</u>	<u>(1,490)</u>	<u>\$ 40,110</u>
Fund balance - beginning	48,350	48,350	48,350	
Fund balance - ending	<u>\$ (7,712)</u>	<u>\$ 6,750</u>	<u>\$ 46,860</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, 2009

(In Thousands)

	Rental Rehabilitation Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Interest Income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Planning and community development	4	4	1	3
Total expenditures	<u>4</u>	<u>4</u>	<u>1</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4)</u>	<u>(4)</u>	<u>(1)</u>	<u>\$ 3</u>
Fund balance - beginning	3	3	3	
Fund balance - ending	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 2</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, 2009

(In Thousands)

	Home Investment Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues-				
U.S. Government grants	\$ 1,400	\$ 1,400	\$ 3,257	\$ 1,857
Other income				
Interest Income			52	52
Other Revenue			95	95
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>3,404</u>	<u>2,004</u>
EXPENDITURES				
Current:				
General government:				
Executive offices	1,388	1,388	271	1,117
Finance	2,755	2,755	3	2,752
Planning and community development	16,500	16,500	3,046	13,454
Total expenditures	<u>20,643</u>	<u>20,643</u>	<u>3,320</u>	<u>17,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,243)</u>	<u>(19,243)</u>	<u>84</u>	<u>19,327</u>
Fund balance - beginning	1,646	1,646	1,646	
Fund balance - ending	<u>\$ (17,597)</u>	<u>\$ (17,597)</u>	<u>\$ 1,730</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, 2009

(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	\$ -	\$ -	\$ 1	\$ 1
Other income				
Interest Income			76	76
Total revenues	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>
EXPENDITURES				
Current:				
Finance	4,543	4,543		4,543
Planning and community development	1,556	1,556	1	1,555
Total general government	<u>6,099</u>	<u>6,099</u>	<u>1</u>	<u>6,098</u>
Public works	625	625		625
Parks, recreation, and cultural affairs	37	37		37
Nondepartmental expenditures	289	289	1	288
Total expenditures	<u>7,050</u>	<u>7,050</u>	<u>2</u>	<u>7,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,050)</u>	<u>(7,050)</u>	<u>75</u>	<u>\$ 7,125</u>
Fund balance - beginning	7,567	7,567	7,567	
Fund balance - ending	<u>\$ 517</u>	<u>\$ 517</u>	<u>\$ 7,642</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, 2009
(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	\$ -	\$ -	\$ 1,128	\$ 1,128
Investment income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1,128</u>	<u>1,128</u>
EXPENDITURES				
Current:				
General government	-	-	1,186	(1,186)
Planning and Community Development	-	-	-	-
Parks, Recreation, and Cultural Affairs	-	-	-	-
Public Works	-	-	-	-
Fire	-	-	-	-
Debt Service:				
Bond principal payments	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,186</u>	<u>(1,186)</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>-</u>	<u>(58)</u>	<u>\$ (58)</u>
Fund balance - beginning	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58)</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, 2009
(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	\$ -	\$ -	\$ 39,512	\$ 39,512
Investment income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>39,512</u>	<u>39,512</u>
EXPENDITURES				
Current:				
General government:	-	-	28,055	(28,055)
Debt Service:				
Bond principal payments	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>28,055</u>	<u>(28,055)</u>
Excess (deficiency) of revenues over under expenditures	<u>-</u>	<u>-</u>	<u>11,457</u>	<u>\$ 11,457</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(11,457)	
Total other financial sources and uses	<u>-</u>	<u>-</u>	<u>(11,457)</u>	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	
Fund balance - beginning	-	-	-	
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

CITY OF ATLANTA, GEORGIA
Debt Service Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
(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	\$ 27,801	\$ 27,801	\$ 31,799	\$ 3,998
Other taxes	2,195	2,195	2,090	(105)
Miscellaneous Expenses				
Investment income	173	173	171	(2)
	<u>30,169</u>	<u>30,169</u>	<u>34,060</u>	<u>3,891</u>
Total revenues				
	<u>30,169</u>	<u>30,169</u>	<u>34,060</u>	<u>3,891</u>
EXPENDITURES				
Current:				
General government	3,988	3,988	325	3,663
Debt Service:				
Principal payments	42,032	42,032	17,200	24,832
Interest payments	24,257	24,257	14,085	10,172
Bond issuance costs	54	54	17	37
Total expenditures	<u>66,343</u>	<u>66,343</u>	<u>31,627</u>	<u>38,704</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(36,174)</u>	<u>(36,174)</u>	<u>2,433</u>	<u>\$ 42,595</u>
Fund balance - beginning	45,479	45,479	45,479	
Fund balance - ending	<u>\$ 9,305</u>	<u>\$ 9,305</u>	<u>\$ 47,912</u>	

THIS PAGE IS INTENTIONALLY LEFT BLANK

Nonmajor Proprietary Funds

Enterprise Funds

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

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

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

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

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

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

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Net Assets
June 30, 2009
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Civic Center	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments in Pooled Investment Fund	-	-	70	566	636
Receivables:					
Accounts	40,432	1	-	-	40,433
Less allowance for doubtful accounts	(13,876)	-	-	-	(13,876)
Total receivables	26,556	1	-	-	26,557
Due from other funds	5	-	-	72	77
Total current assets	26,561	1	70	638	27,270
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	4,357	65,386
Other property and equipment	21,832	134	12,670	542	35,178
Less accumulated depreciation	(21,475)	(854)	(64,944)	(8,772)	(96,045)
Property and equipment, net	3,868	304	27,168	1,493	32,833
Other assets	191	-	12,477	-	12,668
Total assets	\$ 30,620	\$ 305	\$ 39,715	\$ 2,131	\$ 72,771
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 559	\$ 16	\$ -	\$ 43	\$ 618
Accrued salaries and vacation	1,483	22	-	59	1,564
Current maturities of capital leases	-	-	5,975	-	5,975
Due to other funds	44,119	201	6,369	354	51,043
Total current liabilities	46,161	239	12,344	456	59,200
Long-term liabilities:					
Capital lease obligation, excluding current maturities shown above	-	-	42,090	-	42,090
Other postemployment benefit liability	5,314	114	-	147	5,575
Accrued workers' compensation	8,158	-	-	-	8,158
Landfill post-closure costs	26,394	-	-	-	26,394
Total long-term liabilities	39,866	114	42,090	147	82,217
Total liabilities	86,027	353	54,434	603	141,417
Net Assets:					
Investment in capital assets, net of related debt	3,868	304	(14,922)	1,493	(9,257)
Unreserved (deficit)	(59,275)	(352)	203	35	(59,389)
Total net assets (deficit)	(55,407)	(48)	(14,719)	1,528	(68,646)
Total liabilities and net assets	\$ 30,620	\$ 305	\$ 39,715	\$ 2,131	\$ 72,771

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Civic Center	Total
Operating revenues:					
Charges for services	\$ 45,125	\$ 384	\$ -	\$ 201	\$ 45,710
Rentals, admissions, and concessions	191	113	2,340	1,459	4,103
Other	1,197	1	-	-	1,198
Total operating revenues	46,513	498	2,340	1,660	51,011
Operating expenses:					
Salaries and employee benefits	24,807	467	-	989	26,263
Utilities	91	43	1	480	615
Materials and supplies	750	7	-	37	794
Repairs, maintenance, and other contractual services	107	14	1,008	144	1,273
Motor equipment service	5,076	2	-	40	5,118
Engineering and consultant fees	4,905	72	1,228	-	6,205
General services	7,880	79	21	-	7,980
Program services and other	-	47	6	1	54
Total operating expenses	43,616	731	2,264	1,691	48,302
Operating income (loss) before depreciation/amortization	2,897	(233)	76	(31)	2,709
Depreciation and amortization	1,358	22	4,543	677	6,600
Operating income (loss)	1,539	(255)	(4,467)	(708)	(3,891)
Nonoperating revenues (expenses):					
Interest expense	(87)	(2)	(4,386)	(7)	(4,482)
Investment income (loss)	21	3	11	29	64
Total nonoperating revenues (expenses)	(66)	1	(4,375)	22	(4,418)
Income (loss) before transfers	1,473	(254)	(8,842)	(686)	(8,309)
Transfers in(out)	(2,311)	-	7,464	-	5,153
Net income (loss)	(838)	(254)	(1,378)	(686)	(3,156)
Beginning of the period	(54,569)	206	(13,341)	2,214	(65,490)
Net assets (deficit), end of period	\$ (55,407)	\$ (48)	\$ (14,719)	\$ 1,528	\$ (68,646)

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2009
(In Thousands)

	Sanitation	Parks and Recreational Facilities	Underground Atlanta	Civic Center	Total
Cash flow from operating activities					
Cash received from user charges	\$ 45,821	\$ 497	\$ 2,345	\$ 1,588	\$ 50,251
Cash payments to employees for services	(17,455)	(88)	-	(894)	(18,437)
Cash payments to suppliers for goods and services	(22,517)	(400)	3,407	(522)	(20,032)
Net cash provided by (used in) operating activities	5,849	9	5,752	172	11,782
Cash flows from noncapital financing activities					
Transfers in (out)	(2,311)	-	7,464	-	5,153
Net cash provided by (used in) noncapital financing activities	(2,311)	-	7,464	-	5,153
Cash flows from capital and related financing activities					
Payments on landfill postclosure costs	(416)	-	-	-	(416)
Principal paid on long term debt	(3,056)	-	(4,725)	-	(7,781)
Refunding of revenue bonds	-	-	(56,836)	-	(56,836)
Proceeds from refunded bonds as capital lease	-	-	52,790	-	52,790
Interest paid on bonds	(87)	(2)	(4,386)	(7)	(4,482)
Acquisition of capital assets	-	(12)	-	50	38
Net cash provided by (used in) capital and related financing activities	(3,559)	(14)	(13,157)	43	(16,687)
Cash flows from investing activities					
Net change in investment in pooled funds	-	-	(70)	(244)	(314)
Interest on investments	21	3	11	29	64
Net cash provided by (used in) investing activities	21	3	(59)	(215)	(250)
Net increase (decrease) in cash and cash equivalents	-	(2)	-	-	(2)
Cash and cash equivalents, beginning of period	-	2	-	-	2
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,539	\$ (255)	\$ (4,467)	\$ (708)	\$ (3,891)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and depreciation	1,358	22	4,543	677	6,600
Increase (decrease) in receivables	(697)	(1)	5	-	(693)
Increase (decrease) in due from other funds	5	-	-	(72)	(67)
Increase (decrease) in other assets	(191)	28	-	-	(163)
Increase (decrease) in accounts payable	(770)	(29)	(241)	(1)	(1,041)
Increase (decrease) in other liabilities	7,352	67	-	95	7,514
Increase (decrease) in due to other funds	(2,747)	177	5,912	181	3,523
Net cash provided by (used in) operating activities	\$ 5,849	\$ 9	\$ 5,752	\$ 172	\$ 11,782

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Net Assets
June 30, 2009
(In Thousands)

	Motor Transport	Group Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 97	\$ 97
Investments in Pooled Investment Fund	-	-	-
Receivables:			
Accounts	-	-	-
Less allowance for doubtful accounts	-	-	-
Total receivables	-	-	-
Due from other funds	-	-	-
Total current assets	-	97	97
Property and equipment - at cost:			
Land	136	-	136
Construction-in-progress	-	-	-
Land improvements	29	-	29
Buildings and other structures	5,492	-	5,492
Other property and equipment	22,286	-	22,286
Less accumulated depreciation	(26,438)	-	(26,438)
Property and equipment, net	1,505	-	1,505
Other assets			
Total assets	\$ 1,505	\$ 97	\$ 1,602
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 867	\$ 18	\$ 885
Accrued salaries and vacation,	731	58	789
Current maturities of long-term debt	-	-	-
Current portion of other long-term liabilities	-	-	-
Due to other funds	12,203	1,385	13,588
Total current liabilities	13,801	1,461	15,262
Long-term liabilities :			
Long-term debt, excluding current maturities shown above	-	-	-
Accrued workers' compensation	-	-	-
Landfill postclosure costs	-	-	-
Total long-term liabilities	-	-	-
Total liabilities	13,801	1,461	15,262
Net Assets:			
Investment in capital assets, net of related debt	1,505	-	1,505
Unreserved (deficit)	(13,801)	(1,364)	(15,165)
Total net assets (deficit)	(12,296)	(1,364)	(13,660)
Total liabilities and net assets	\$ 1,505	\$ 97	\$ 1,602

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009
(In Thousands)

	<u>Motor Transport</u>	<u>Group Insurance</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 23,731	\$ 106,392	\$ 130,123
Rentals, admissions, and concessions	-	-	-
Other	<u>11</u>	<u>1,071</u>	<u>1,082</u>
Total operating revenues	<u>23,742</u>	<u>107,463</u>	<u>131,205</u>
Operating expenses:			
Salaries and employee benefits	11,406	107,199	118,605
Utilities	587	-	587
Materials and supplies	10,548	13	10,561
Repairs, maintenance, and other contractual services	1,408	161	1,569
Motor equipment service	7	-	7
Engineering and consultant fees	199	-	199
General services	3,323	840	4,163
Program services and other	<u>7</u>	<u>-</u>	<u>7</u>
Total operating expenses	<u>27,485</u>	<u>108,213</u>	<u>135,698</u>
Operating income (loss) before depreciation/amortization	(3,743)	(750)	(4,493)
Depreciation and amortization	<u>685</u>	<u>-</u>	<u>685</u>
Operating income (loss)	<u>(4,428)</u>	<u>(750)</u>	<u>(5,178)</u>
Nonoperating revenues (expenses):			
Interest expense	(67)	(59)	(126)
Investment income (loss)	<u>66</u>	<u>18</u>	<u>84</u>
Total nonoperating revenues (expenses)	<u>(1)</u>	<u>(41)</u>	<u>(42)</u>
Income (loss) before transfers	(4,429)	(791)	(5,220)
Transfers in/(out)	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	(4,429)	(791)	(5,220)
Beginning of the period	(7,867)	(573)	(8,440)
Correction of prior year error	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated	<u>(7,867)</u>	<u>(573)</u>	<u>(8,440)</u>
Net assets (deficit), end of period	<u>\$ (12,296)</u>	<u>\$ (1,364)</u>	<u>\$ (13,660)</u>

CITY OF ATLANTA, GEORGIA
Internal Service Funds

Combining Statement of Cash Flows
For the Year Ended June 30, 2009
(In Thousands)

	Motor Transport	Group Insurance	Total
Cash flow from operating activities			
Cash received from user charges	\$ 23,742	\$ 107,463	\$ 131,205
Cash payments to employees for services	(11,573)	(107,228)	(118,801)
Cash payments to suppliers for goods and services	(12,008)	(97)	(12,105)
	161	138	299
Net cash provided by (used in) operating activities			
Cash flows from noncapital financing activities			
Transfers in (out)	-	-	-
	-	-	-
Net cash provided by (used in) noncapital financing activities			
Cash flows from capital and related financing activities			
Payments on landfill postclosure costs	-	-	-
Principal paid on bonds	(55)	-	(55)
Interest paid on bonds	(67)	(59)	(126)
Acquisition of capital assets	(105)	-	(105)
	(227)	(59)	(286)
Net cash provided by (used in) capital and related financing activities			
Cash flows from investing activities			
Net change in investment in pooled funds	-	-	-
Interest on investments	66	18	84
	66	18	84
Net cash provided by (used in) investing activities			
Net increase (decrease) in cash and cash equivalents	-	97	97
Cash and cash equivalents, beginning of period	-	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ 97	\$ 97
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (4,428)	\$ (750)	\$ (5,178)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and depreciation	685	-	685
Increase (decrease) in receivables	-	-	-
Increase (decrease) in other assets	-	-	-
Increase (decrease) in accounts payable	(5,591)	(468)	(6,059)
Increase (decrease) in other liabilities	(167)	(29)	(196)
Increase (decrease) in due to other funds	9,662	1,385	11,047
	161	138	299
Net cash provided by (used in) operating activities	\$ 161	\$ 138	\$ 299

Fiduciary Funds

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

PENSION TRUST FUNDS

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

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

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

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

AGENCY FUNDS

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

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Plan Net Assets
June 30, 2009
(In Thousands)

	Pension Trust Funds				Totals
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,750	\$ -	\$ 66,794	\$ 63,163	\$ 137,707
Investments:					
Equities	320,052	36,332	177,031	232,007	765,422
U. S. government and agency obligations	295,312	-	89,975	90,998	476,285
Corporate bonds	144,743	-	51,206	44,624	240,573
Other	21,869	-	12,428	117,934	152,231
Total Investments	<u>781,976</u>	<u>36,332</u>	<u>330,640</u>	<u>485,563</u>	<u>1,634,511</u>
Securities lending collateral investment pool	60,888		60,903	69,330	191,121
Due from brokers for securities sold	13,927	-	956	675	15,558
Other receivables	8,182	47	3,952	4,407	16,588
Due from other funds	-	-	-	-	-
 Total assets	 <u>\$ 872,723</u>	 <u>\$ 36,379</u>	 <u>\$ 463,245</u>	 <u>\$ 623,138</u>	 <u>\$ 1,995,485</u>
LIABILITIES AND NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Current liabilities:					
Accounts payable and other liabilities	\$ 2,819	\$ -	\$ 1,073	\$ 5,098	\$ 8,990
Due to brokers for securities purchased	15,028	-	33,859	5,130	54,017
Due to other funds	11,636	757	31	55	12,479
Liability for securities lending agreement	60,888	-	60,903	69,330	191,121
Total current liabilities	<u>90,371</u>	<u>757</u>	<u>95,866</u>	<u>79,613</u>	<u>266,607</u>
Net Assets Held in Trust for Pension Benefits:	<u>\$ 782,352</u>	<u>\$ 35,622</u>	<u>\$ 367,379</u>	<u>\$ 543,525</u>	<u>\$ 1,728,878</u>

CITY OF ATLANTA, GEORGIA
Pension Trust Funds

Combining Statement of Changes in Plan Net Assets
For the Year Ended June 30, 2009
(In Thousands)

	Pension Trust Funds				
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Totals
Additions:					
Employer contributions	\$ 69,990	\$ 4,034	\$ 28,752	\$ 44,810	\$ 147,586
Employee contributions	10,746	4,060	3,177	5,557	23,540
Refunds and other	319	-	127	178	624
Investment income:					
Net depreciation in fair value of investments	(115,326)	(3,091)	(68,752)	(92,949)	(280,118)
Investment income	27,463	676	10,841	12,561	51,541
Securities lending income	288	-	469	413	1,170
Less: Investment expenses	(3,360)	-	(2,106)	(2,172)	(7,638)
Net investment income	(90,935)	(2,415)	(59,548)	(82,147)	(235,045)
Total additions	(9,880)	5,679	(27,492)	(31,602)	(63,295)
Deductions:					
Benefit payments	78,411	3,688	23,087	41,840	147,026
Refunds	32	-	-	-	32
Administrative expenses	276	127	58	86	547
Total deductions	78,719	3,815	23,145	41,926	147,605
Net increase in net assets held in trust for pension benefits	(88,599)	1,864	(50,637)	(73,528)	(210,900)
Net assets held in trust for pension benefits:					
Beginning of period	828,566	33,758	418,016	617,053	1,897,393
Correction of prior period error	42,385	-	-	-	42,385
Beginning of period, as restated	870,951	33,758	418,016	617,053	1,939,778
End of period	<u>\$ 782,352</u>	<u>\$ 35,622</u>	<u>\$ 367,379</u>	<u>\$ 543,525</u>	<u>\$ 1,728,878</u>

CITY OF ATLANTA, GEORGIA
Agency Fund

Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2009
(In Thousands)

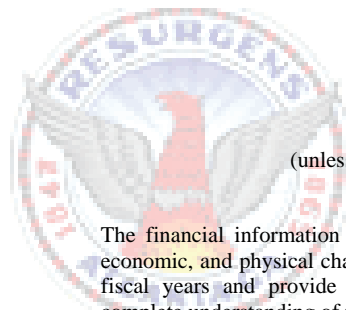
ASSETS				
	Balance, Beginning of Period	Additions	Deductions	Balance, End of Period
Assets:				
Cash and cash equivalents	\$ 197	\$ 6	\$ -	\$ 203
Investments in pooled investment fund	34,864	28,768	(32,271)	31,361
Investments:				
Equities	578	-	-	578
Total Investments	578	-	-	578
Total Assets	\$ 35,639	\$ 28,774	\$ (32,271)	\$ 32,142

LIABILITIES				
Liabilities:				
Accounts payable	\$ 35,639	\$ 28,774	\$ (32,271)	\$ 32,142
Total Liabilities	\$ 35,639	\$ 28,774	\$ (32,271)	\$ 32,142

THIS PAGE IS INTENTIONALLY LEFT BLANK

Statistical Section

(Unaudited)



Cash Basis
(unless otherwise noted)

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

Atlanta

**City of Atlanta, Georgia
Statistical Section**

Contents

Financial Trends (Schedule 1 through 5)

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

Revenue Capacity (Schedule 6 through 12)

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

Debt Capacity (Schedule 13 through 17)

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

Demographic and Economic Information (Schedule 18 through 19)

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

Operating Information (Schedule 20 through 22)

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

Sources

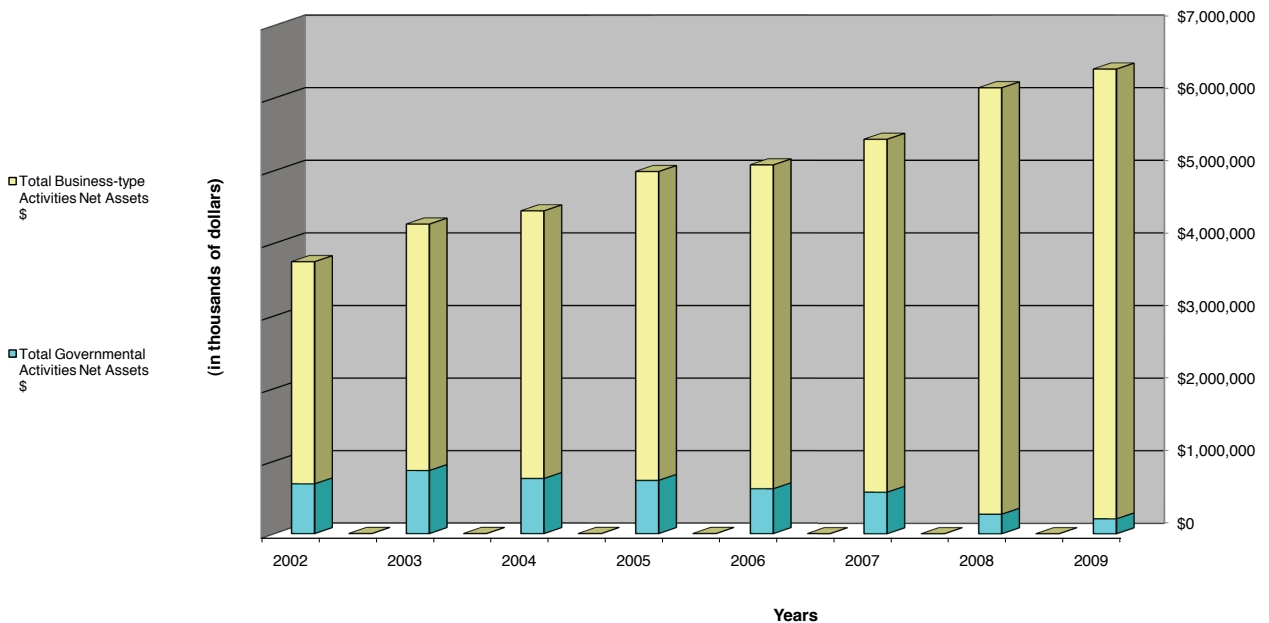
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Atlanta

2009 Comprehensive Annual Financial Report

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

	Fiscal Period							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities								
Invested in capital assets, net of related debt	\$ 521,789	\$ 712,791	\$ 541,003	\$ 543,166	\$ 482,373	\$ 488,569	\$ 237,415	\$ 146,670
Restricted for								
Debt service	21,863	27,470	37,556	39,818	36,532	40,162	45,479	47,912
Programs	122,999	74,521	69,511	207,039	173,138	113,914	87,259	79,096
Capital projects	104,291	97,799	139,431	104,529	127,021	137,651	219,921	238,093
Unrestricted	(84,288)	(41,942)	(26,666)	(159,662)	(199,434)	(207,696)	(320,542)	(306,113)
Total Governmental Activities Net Assets	\$ 686,654	\$ 870,639	\$ 760,835	\$ 734,890	\$ 619,630	\$ 572,600	\$ 269,532	\$ 205,658
Business-type Activities								
Invested in capital assets, net of related debt	\$ 1,900,982	\$ 2,638,247	\$ 2,826,354	\$ 3,237,337	\$ 3,177,702	\$ 3,466,892	\$ 4,484,709	\$ 4,760,260
Restricted								
Debt service	4,549	(8,041)	528,879	76,817	104,864	40,253	114,869	174,761
Programs	-	-	-	-	-	-	-	-
Capital projects	700,154	429,754	-	565,012	565,012	565,012	383,694	470,590
Unrestricted	453,896	333,029	329,966	373,465	612,037	787,003	888,594	787,326
Total Business-type Activities Net Assets	\$ 3,059,581	\$ 3,392,989	\$ 3,685,199	\$ 4,252,631	\$ 4,459,615	\$ 4,859,160	\$ 5,871,866	\$ 6,192,937
Primary Government								
Invested in capital assets, net of related debt	\$ 2,422,771	\$ 3,351,038	\$ 3,367,357	\$ 3,780,503	\$ 3,660,075	\$ 3,955,461	\$ 4,722,124	\$ 4,906,930
Restricted								
Debt service	26,412	19,429	566,435	116,635	141,396	80,415	160,348	222,673
Programs	122,999	74,521	69,511	207,039	173,138	113,914	87,259	79,096
Capital projects	804,445	527,553	139,431	669,541	692,033	702,663	603,615	708,683
Unrestricted	369,608	291,087	303,300	213,803	412,603	579,307	568,052	481,213
Total Primary Government Activities Net Assets	\$ 3,746,235	\$ 4,263,628	\$ 4,446,034	\$ 4,987,521	\$ 5,079,245	\$ 5,431,760	\$ 6,141,398	\$ 6,398,595

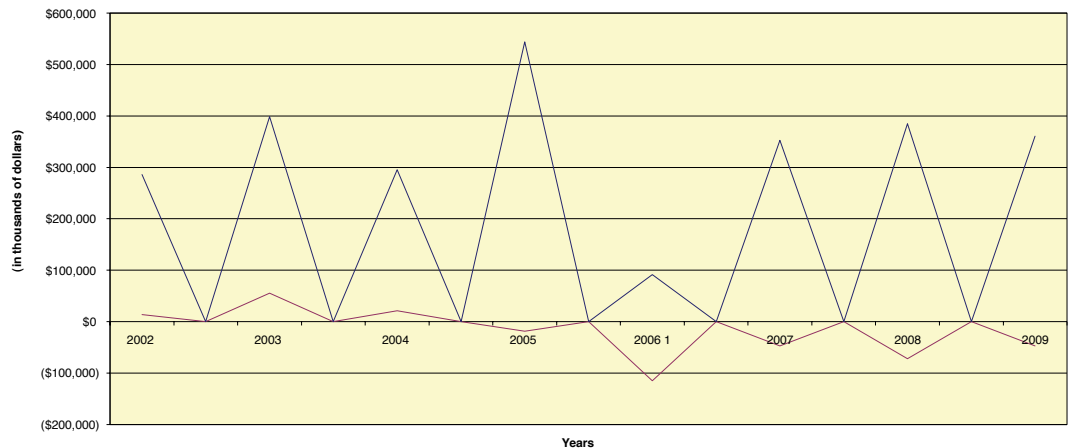


City of Atlanta
2009 Comprehensive Annual Financial Report

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

	Fiscal							
	2002	2003	2004	2005	2006 ¹	2007	2008	2009
EXPENSES								
Governmental Activities								
General government	\$ 189,386	\$ 169,284	\$ 167,074	\$ 207,529	\$ 113,068	\$ 264,221	\$ 234,198	\$ 265,596
Police	140,204	133,349	134,950	150,007	97,514	222,490	219,614	192,161
Fire	65,275	66,354	63,714	69,425	35,715	86,775	94,871	84,454
Corrections	37,627	32,245	35,107	39,028	20,921	45,178	50,714	37,264
Public works	65,136	63,336	68,675	81,954	45,231	47,707	79,823	56,814
Parks, recreation and cultural affairs	31,527	30,062	32,739	37,611	10,768	20,387	48,626	34,161
Interest on long-term debt	25,602	22,709	22,101	33,429	19,546	40,949	43,734	51,784
Total Governmental Activities Expenses	564,757	517,339	524,360	618,983	342,763	727,707	771,580	722,234
Business-type Activities								
Watershed Management	233,704	233,542	228,554	232,514	140,848	334,755	326,279	319,790
Aviation	233,459	240,687	303,703	230,933	126,399	315,104	386,316	423,198
Other	52,080	55,478	60,828	60,064	31,500	62,898	62,630	60,446
Total Business-type Activities Expenses	519,243	529,707	593,085	523,511	298,747	712,757	775,225	803,434
Total Primary Government Expenses	\$ 1,074,000	\$ 1,047,046	\$ 1,117,445	\$ 1,142,494	\$ 641,510	\$ 1,440,464	\$ 1,546,805	\$ 1,525,668
Program Revenues								
Governmental activities								
Charges for services								
General government	\$ 36,528	\$ 38,326	\$ 77,014	\$ 77,279	\$ 72,668	\$ 85,490	\$ 93,169	\$ 67,795
Public safety	20,823	21,850	27,619	32,311	1,747	36,849	31,989	31,218
Public works	4,203	4,410	3,876	5,084	2,857	9,907	5,090	16,438
Parks recreation and cultural affairs	1,500	1,574	1,622	2,431	1,787	1,667	1,667	1,932
Operating grants and contributions	55,071	30,933	48,194	51,365	21,182	48,620	49,832	42,336
Total Governmental Activities Program Revenues	118,125	97,093	158,325	168,470	99,022	182,553	181,747	159,719
Business-type Activities								
Charges for services								
Watershed Management	202,729	206,343	252,007	242,573	113,377	302,273	319,087	351,743
Aviation	244,997	247,845	273,575	289,478	147,221	330,228	386,206	389,535
Other	54,270	41,250	51,756	53,736	3,519	53,050	54,337	51,011
Capital grants and contributions	197,531	283,779	229,610	254,797	141,741	259,916	250,113	275,033
Total Business-type Activities Revenues	699,527	779,217	806,948	840,584	405,858	945,467	1,009,743	1,067,322
Total primary Government Revenues	\$ 817,652	\$ 876,310	\$ 965,273	\$ 1,009,054	\$ 504,880	\$ 1,128,120	\$ 1,191,490	\$ 1,227,041
Net (expense) revenue	(436,632)	(420,246)	(366,035)	(450,513)	(243,741)	(545,054)	(589,833)	(582,515)
Governmental activities	180,284	249,510	213,863	317,073	107,111	232,710	234,518	263,888
Business-type activities	(256,348)	(170,736)	(152,172)	(133,440)	(136,630)	(312,344)	(355,315)	(298,627)
Total Primary Government Net Expense	\$ (256,348)	\$ (170,736)	\$ (152,172)	\$ (133,440)	\$ (136,630)	\$ (312,344)	\$ (355,315)	\$ (298,627)
GENERAL REVENUES and OTHER CHANGES in NET ASSETS								
Governmental Activities								
Taxes								
Property taxes levied for general purposes	\$ 183,604	\$ 194,935	\$ 198,875	\$ 127,738	\$ 8,739	\$ 125,999	\$ 141,913	\$ 154,567
Property taxes levied for debt service	-	-	-	54,278	1,522	61,736	89,628	96,082
Local option sales tax	94,773	101,218	83,518	90,488	50,460	111,978	104,101	87,789
Public utilities franchise taxes	47,300	42,350	46,809	37,534	8,488	39,364	16,230	51,381
Business taxes	106,656	113,092	38,262	79,571	38,234	97,662	126,005	219,224
Federal and state aid not restricted for specific purposes	-	537	542	4,723	334	4,229	4,461	3,407
Investment income	10,348	7,904	5,022	13,171	9,312	23,920	18,302	6,834
Gain on Sale of Assets	-	-	-	-	-	-	5,764	517
Other	14,106	22,330	9,657	21,814	11,398	26,822	8,710	13,738
Transfers	(6,682)	(7,023)	4,208	2,349	(5)	6,314	2,311	(118,523)
Total Governmental Activities	\$ 450,105	\$ 475,343	\$ 386,893	\$ 431,666	\$ 128,482	\$ 498,024	\$ 517,425	\$ 515,016
Business-Type Activities								
Property taxes levied for debt service	-	-	20,449	-	-	-	-	-
Local option sales tax	-	-	-	102,171	59,035	120,954	127,470	-
Investment income	85,392	86,905	44,452	145,900	40,831	91,596	96,244	40,739
Other	-	-	-	-	-	(39,401)	1,474	(14,672)
Transfers	6,682	7,023	(4,208)	(2,349)	5	(6,314)	(2,311)	118,523
Total Business-type Activities	92,074	93,928	60,693	245,722	99,871	166,835	222,877	144,590
Total Primary Government	\$ 542,179	\$ 569,271	\$ 447,586	\$ 677,388	\$ 228,353	\$ 664,859	\$ 740,302	\$ 659,606
Change in Net Assets								
Governmental activities	13,473	55,097	20,858	(18,847)	(115,259)	(47,030)	(72,408)	(47,499)
Business-type activities	272,358	343,438	274,556	582,795	208,982	399,545	457,395	408,478
Total Primary Government	\$ 285,831	\$ 398,535	\$ 295,414	\$ 543,948	\$ 91,723	\$ 352,515	\$ 384,987	\$ 360,979

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

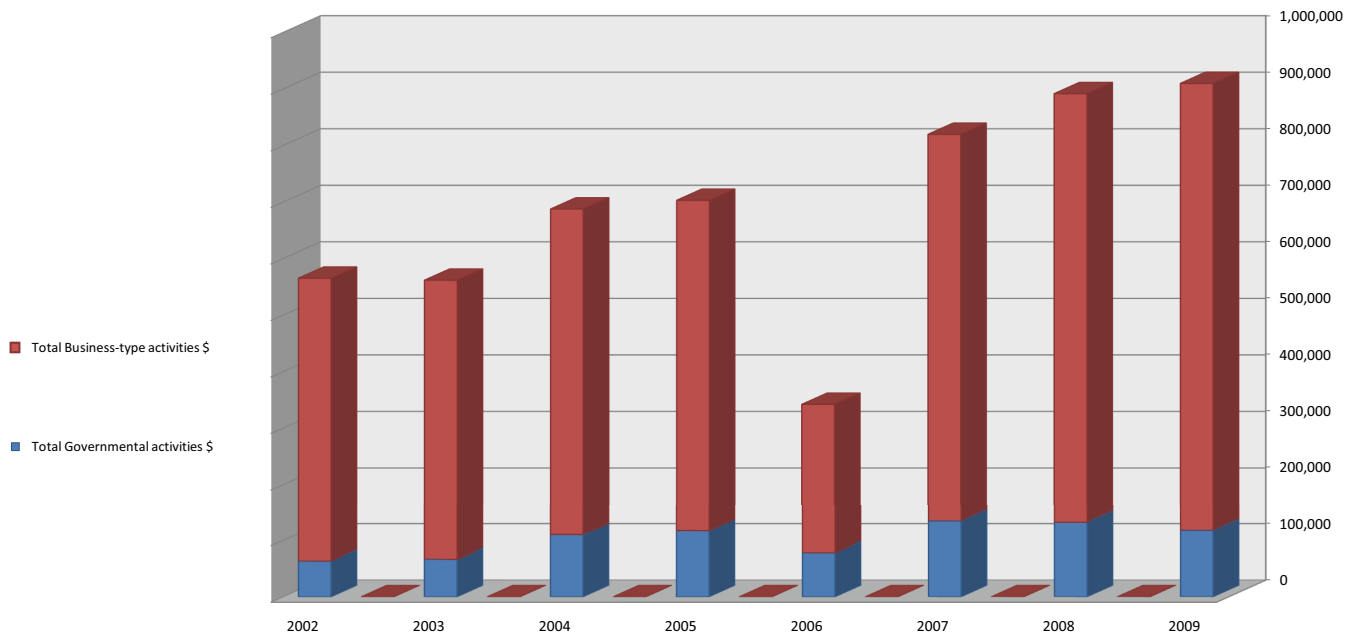
2009 Comprehensive Annual Financial Report

Schedule 3
Program Revenues by Function/Program
Last Eight Fiscal Periods
(amounts expressed in thousands)
(accrual basis of accounting)

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

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".



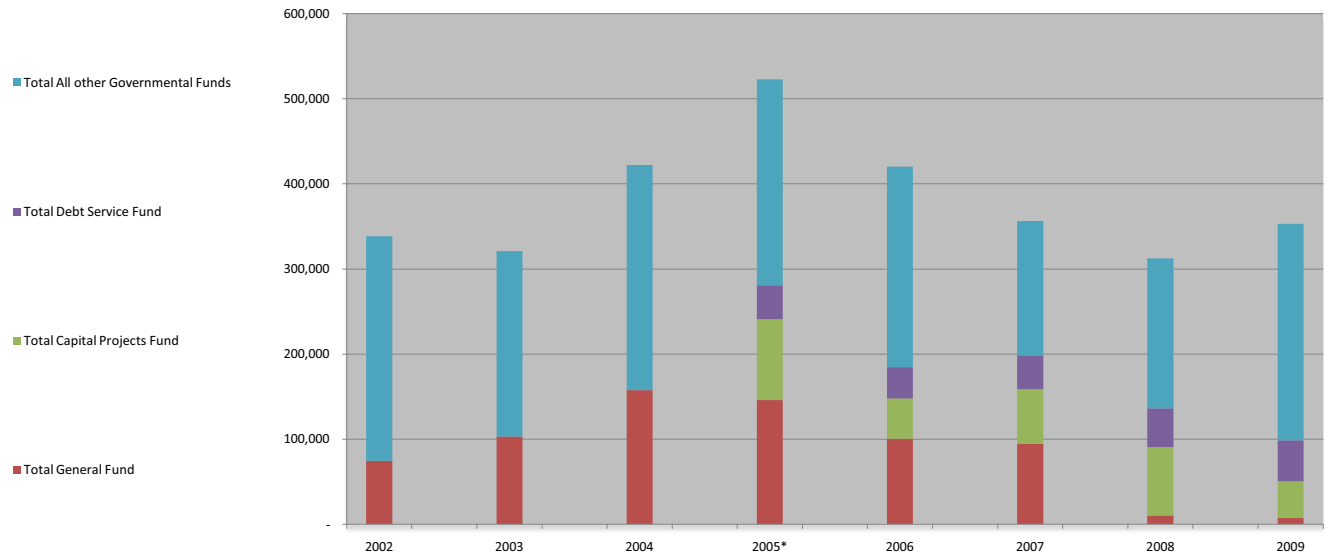
City of Atlanta

2009 Comprehensive Annual Financial Report

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

	Fiscal Period							
	2002	2003	2004	2005*	2006	2007	2008	2009
General Fund								
Reserved	\$ 24,002	\$ 6,433	\$ 6,353	\$ 5,783	\$ 7,602	\$ 2,614	\$ 4,367	\$ 3,382
Unreserved	50,380	96,504	151,349	140,193	92,947	91,808	5,763	4,011
Total General Fund	<u>\$ 74,382</u>	<u>\$ 102,937</u>	<u>\$ 157,702</u>	<u>\$ 145,976</u>	<u>\$ 100,549</u>	<u>\$ 94,422</u>	<u>\$ 10,130</u>	<u>\$ 7,393</u>
Capital Projects Fund								
Reserved	\$ -	\$ -	\$ -	\$ 95,129	\$ 47,397	\$ 64,163	\$ 73,703	\$ 17,606
Unreserved	-	-	-	-	-	-	6,936	25,678
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,129</u>	<u>\$ 47,397</u>	<u>\$ 64,163</u>	<u>\$ 80,639</u>	<u>\$ 43,284</u>
Debt Service Fund								
Reserved	\$ -	\$ -	\$ -	\$ 39,818	\$ 36,532	\$ 40,162.00	\$ 45,479	\$ 47,912
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,818</u>	<u>\$ 36,532</u>	<u>\$ 40,162</u>	<u>\$ 45,479</u>	<u>\$ 47,912</u>
All Other Governmental Funds								
Reserved	\$ 263,874	\$ 218,285	\$ 285,892	\$ 251,298	\$ 245,160	\$ 177,862	\$ 233,477	\$ 299,583
Unreserved, reported in Special revenue funds	-	-	(21,416)	(9,240)	(9,240)	(20,091)	(57,328)	(45,238)
Total All other Governmental Funds	<u>\$ 263,874</u>	<u>\$ 218,285</u>	<u>\$ 264,476</u>	<u>\$ 242,058</u>	<u>\$ 235,920</u>	<u>\$ 157,771</u>	<u>\$ 176,149</u>	<u>\$ 254,345</u>

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



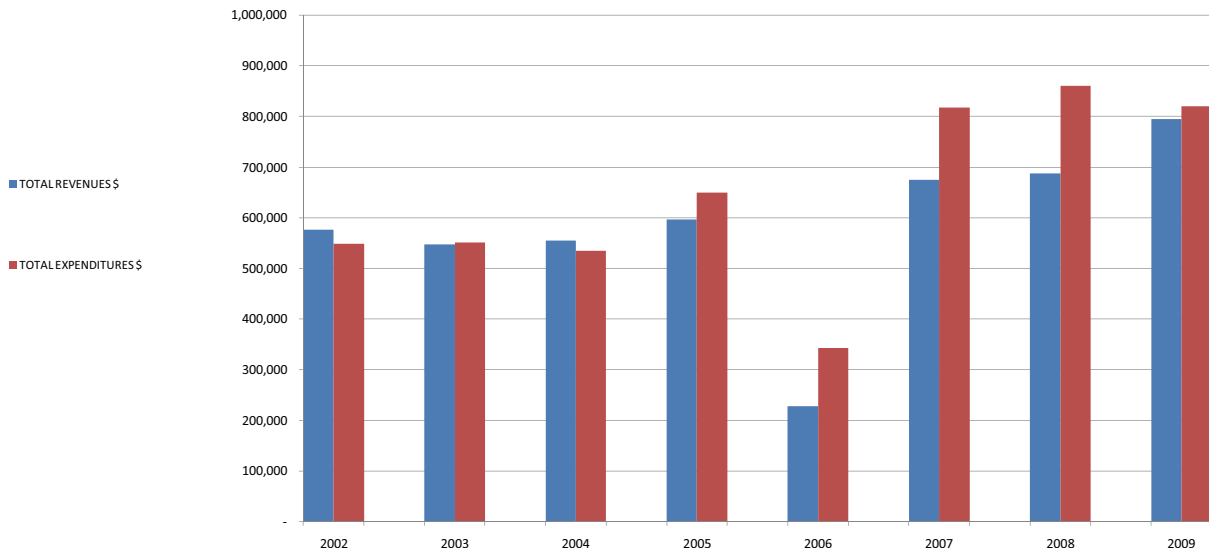
City of Atlanta

2009 Comprehensive Annual Financial Report

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

	Fiscal Period							
	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES								
Property taxes	\$ 182,035	\$ 193,244	\$ 192,927	\$ 179,685	\$ 10,261	\$ 195,048	\$ 227,563	\$ 253,204
Local option sales taxes	94,773	94,374	83,518	90,488	50,460	111,978	104,101	87,789
Public utility, alcoholic beverages and other taxes	113,625	100,347	106,449	122,015	8,488	137,922	142,235	270,605
Licenses and permits	52,403	50,516	54,327	58,285	38,234	76,915	69,127	62,503
Charges for current services	24,060	23,951	24,761	21,576	65,235	23,482	27,729	20,765
Fines, forfeitures and penalties	20,390	19,908	18,504	17,895	6,727	14,710	18,323	15,820
Investment income	10,301	7,917	4,934	12,926	9,312	23,468	18,182	6,750
Intergovernmental revenues and contributions								
Federal revenues	39,201	23,067	31,659	30,480	334	28,784	34,709	36,649
State and local grants and contributions	16,408	4,181	16,991	20,500	21,182	24,065	17,358	9,094
Other	-	-	542	4,723	-	-	-	-
Building rentals and contributions	8,552	6,981	10,394	11,339	5,877	18,926	18,962	18,295
Other	14,106	22,330	9,657	26,584	11,398	19,844	8,710	13,738
TOTAL REVENUES	\$ 575,854	\$ 546,816	\$ 554,663	\$ 596,496	\$ 227,508	\$ 675,142	\$ 686,999	\$ 795,212
EXPENDITURES								
Current								
General government	\$ 175,110	\$ 163,041	\$ 173,027	\$ 231,207	\$ 113,068	\$ 290,882	\$ 285,698	\$ 319,202
Police	123,021	124,811	142,958	149,450	97,514	225,815	230,571	186,364
Fire	54,677	61,473	61,011	67,486	35,715	83,506	87,559	82,581
Corrections	34,591	31,111	35,283	38,678	20,921	44,456	47,711	36,503
Public works	26,369	25,989	34,506	59,679	45,231	48,393	69,004	45,032
Parks, recreation and cultural affairs	26,436	26,766	33,006	42,764	10,768	44,939	53,542	39,569
Capital outlay	56,335	68,164	15,330	-	-	-	-	-
Debt service								
Principal	26,672	27,567	13,348	26,573	-	36,290	39,293	54,919
Interest	25,602	22,709	25,646	32,706	19,546	40,949	42,879	50,429
Bond issuance costs	(599)	137	31	723	-	1,996	4,438	6,065
TOTAL EXPENDITURES	\$ 548,214	\$ 551,768	\$ 534,146	\$ 649,266	\$ 342,763	\$ 817,226	\$ 860,695	\$ 820,664
Excess of Revenues Over (Under) Expenditures	27,640	(4,952)	20,517	(52,770)	(115,255)	(142,084)	(173,696)	(25,452)
Other Financing Sources (Uses)								
Proceeds from borrowing	\$ 76,840	\$ 12,001	\$ 58,553	\$ 145,809	\$ -	\$ 58,000	\$ 53,820	\$ 134,042
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)
Refunding bonds issued	-	-	-	85,980	-	-	105,760	78,025
Payment to refunded bond escrow agent	-	-	-	(85,605)	-	-	(106,177)	(80,550)
Sale of asset	-	-	-	1,600	7,036	9,304	6,794	851
Transfers in (out)	(6,682)	(7,013)	3,322	1,149	(5)	19,280	2,311	(118,523)
Total Other Financing Sources (Uses)	\$ 70,158	\$ 4,988	\$ 65,451	\$ 160,670	\$ 7,031	\$ 89,055	\$ 91,775	\$ 65,990
Correction of a Prior Year Error	-	(17,069)	14,988	(6,108)	-	-	37,800	-
NET CHANGE IN FUND BALANCE	\$ 97,798	\$ (17,033)	\$ 100,956	\$ 101,792	\$ (108,224)	\$ (53,029)	\$ (44,121)	\$ 40,538
Debt service as a percentage of noncapital expenditures	11.7%	11.6%	8.1%	11.2%	15.0%	12.6%	13.5%	18.4%

* 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.



City of Atlanta 2009 Comprehensive Annual Financial Report

Schedule 6 Assessed Value and Estimated Actual Value of Taxable Property Last Eight Fiscal Periods

Fiscal Period Ended	Residential Property	Commercial Property	Industrial Property	Other Property ¹	Less exempt Property ²	Total Taxable Assessed Value	Total Direct Tax Rate
December 31, 2002	\$ 8,567,121,679	\$ 6,901,913,667	\$ 366,881,480	\$ 1,662,085,635	\$ 188,994,248	\$ 17,309,008,213	32.64%
December 31, 2003	9,578,478,978	7,104,858,403	323,814,720	1,590,030,109	160,151,146	18,437,031,064	32.08%
December 31, 2004	10,282,698,452	7,433,699,007	308,725,135	1,626,457,946	1,732,722,383	17,918,858,157	31.00%
December 31, 2005	10,842,205,309	7,255,025,020	618,322,584	1,590,005,363	186,756,118	20,118,802,158	30.09%
June 30, 2006	11,954,278,920	8,069,483,015	699,409,813	1,621,488,855	1,720,017,791	20,624,642,812	32.13%
June 30, 2007 (3)	13,202,618,136	9,744,120,546	776,908,905	1,595,456,173	1,887,341,520	23,431,762,240	31.61%
June 30, 2008	13,980,076,949	13,067,992,615	1,031,326,231	1,615,241,347	2,093,949,974	27,600,687,168	30.49%
June 30, 2009	13,872,372,979	11,249,746,299	890,877,231	1,720,999,874	1,910,282,501	25,823,713,882	30.49%

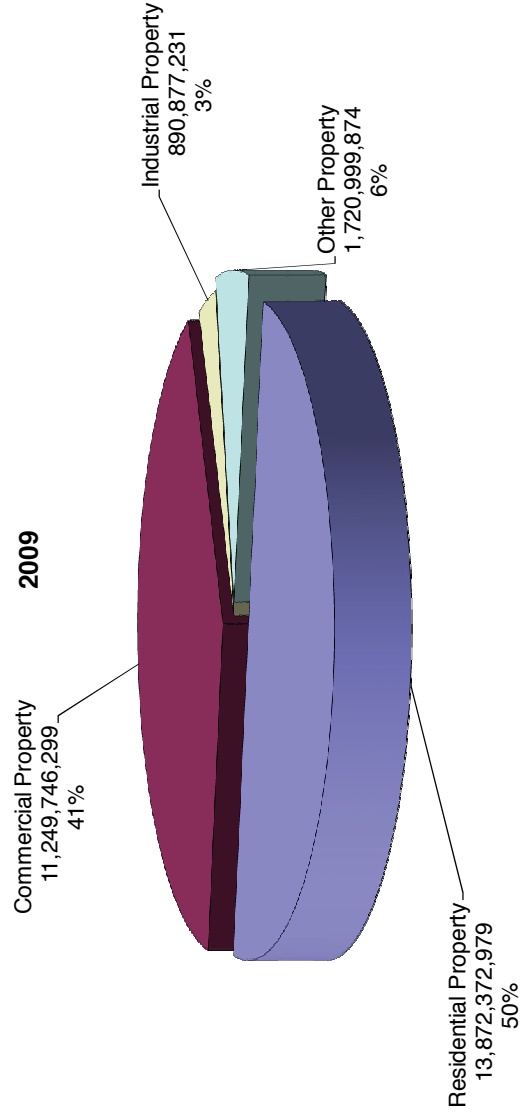
Notes:

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

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

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

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



City of Atlanta 2009 Comprehensive Annual Financial Report

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

Fiscal Period Ended	City Direct Rates								Total Direct Tax Rate
	General Levy	School Levy	Parks Levy	City Bond Levy	School Bond Levy	City Bond Levy	School Bond Levy	School Bond Levy	
December 31, 2002	\$ 9.020	\$ 21.670	\$ 0.500	\$ 1.340	\$ 0.110	\$ 0.110	\$ 0.110	\$ 0.110	\$ 32.640
December 31, 2003	8.710	21.460	0.500	1.300	0.110	0.110	0.110	0.110	32.080
December 31, 2004	8.250	20.870	0.500	1.270	0.110	0.110	0.110	0.110	31.000
December 31, 2005	7.640	20.420	0.500	1.430	0.100	0.100	0.100	0.100	30.090
June 30, 2006	7.530	22.640	0.500	1.410	0.054	0.054	0.054	0.054	32.134
June 30, 2007	7.090	22.640	0.500	1.330	0.054	0.054	0.054	0.054	31.614
June 30, 2008	7.120	21.640	0.500	1.180	0.050	0.050	0.050	0.050	30.490
June 30, 2009	7.120	21.640	0.500	1.180	0.054	0.054	0.054	0.054	30.494

Fiscal Period Ended	Overlapping Rates						Total
	Atlanta/DeKalb County	Downtown Improvement District	Fulton County, Georgia	County Levy	County Bond Levy	Georgia State Levy	
December 31, 2002	\$ 1.300	\$ 2.500	\$ 0.280	\$ 12.530	\$ 0.280	\$ 0.250	\$ 13.060
December 31, 2003	1.140	3.600	0.270	12.050	0.270	0.250	12.570
December 31, 2004	1.050	4.200	0.070	11.590	0.070	0.250	11.910
December 31, 2005	2.050	5.000	0.060	11.580	0.060	0.250	11.890
June 30, 2006	0.991	5.000	0.063	11.407	0.063	0.250	11.720
June 30, 2007	0.956	5.000	0.057	10.281	0.057	0.250	10.588
June 30, 2008	0.830	5.000	-	10.280	-	0.250	10.530
June 30, 2009	0.826	5.000	-	10.280	-	0.250	10.530

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

City of Atlanta

2009 Comprehensive Annual Financial Report

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

Fiscal Period Ended	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽¹⁾	Percentage of Levy		Amount	Percentage of Levy
December 31, 2002	\$ 173,920,120	\$ 158,225,729	90.98%	\$ 15,105,557	\$ 173,331,286	99.66%
December 31, 2003	178,909,014	166,815,658	93.24%	11,462,115 ⁽²⁾	178,277,773	99.65%
December 31, 2004	180,733,587	170,502,285	94.34%	9,752,408 ⁽²⁾	180,254,693	99.74%
December 31, 2005	178,703,068	160,301,279	89.70%	17,909,963 ⁽²⁾	178,211,242	99.72%
June 30, 2006	6,750,195	6,750,195	100.00%	-	6,750,195	100.00%
June 30, 2007	179,606,933	164,976,460	91.85%	11,685,144 ⁽²⁾	176,661,604	98.36%
June 30, 2008	182,020,745	173,030,142	95.06%	6,494,066	179,524,207	98.63%
June 30, 2009	198,377,854	190,475,498	96.02%	7,422,956	197,898,454	99.76%

- (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
2009 Comprehensive Annual Financial Report

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

Local Option Sales Tax	Fiscal Period							
	2002	2003	2004	2005	2006**	2007***	2008	2009
Food	\$ -	\$ 15,663,417	\$ 17,085,817	\$ 18,227,462	\$ 21,181,670	\$ 12,524,653	\$ 21,765,330	\$ 20,038,407
Apparel	-	3,128,059	3,391,724	3,657,878	4,043,395	2,503,914	4,191,287	5,594,865
General	-	9,028,363	9,378,994	9,816,473	10,542,134	6,748,029	10,710,270	10,374,329
Automotive	-	7,798,800	8,576,677	8,986,665	10,704,116	6,322,706	11,180,684	9,275,605
Home	-	8,746,596	9,656,318	11,420,684	12,488,531	7,223,408	11,335,795	9,939,476
Lumber	-	5,525,925	6,215,037	6,590,849	7,436,668	4,228,072	6,228,429	4,235,049
Miscellaneous Services	-	10,505,516	10,144,407	10,575,829	12,396,264	6,765,846	12,651,427	12,773,311
Manufacturers	-	2,155,805	2,614,909	3,025,195	4,333,126	2,195,509	3,636,616	3,425,878
Utilities	-	7,331,954	7,679,384	8,016,539	9,234,770	5,247,921	9,691,811	10,274,982
Miscellaneous	-	6,686,294	7,965,956	8,228,806	8,651,981	6,688,032	11,774,540	9,864,146
Total	\$ 0.00	\$ 76,570,729.10	\$ 82,709,223.66	\$ 88,546,378.26	\$ 101,012,654.89	\$ 60,448,089.82	\$ 103,166,189	\$ 95,796,047
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%

Municipal Option Sales Tax (1)	Fiscal Period							
	2002	2003	2004	2005	2006	2007	2008	2009
Food	\$ -	\$ -	\$ 1,244,484	\$ 20,262,057	\$ 12,415,988	\$ 26,529,627	\$ 27,367,773	\$ 25,487,704
Apparel	-	-	329,493	5,268,202	3,200,528	6,232,358	6,537,725	8,265,601
General	-	-	560,254	9,817,354	5,876,141	10,818,855	10,801,409	10,829,434
Automotive	-	-	185,286	2,951,697	3,770,532	4,125,484	5,190,562	5,489,521
Home	-	-	723,835	13,940,445	1,686,685	16,480,009	15,614,925	13,952,527
Lumber	-	-	453,282	6,870,413	8,952,687	8,107,471	7,926,075	5,591,719
Miscellaneous Services	-	-	857,201	13,772,985	3,472,644	17,745,384	19,228,289	19,360,539
Manufacturers	-	-	132,360	2,827,119	8,352,696	3,680,987	4,804,876	4,399,557
Utilities	-	-	534,743	9,725,057	1,730,697	11,045,370	11,307,471	12,691,282
Miscellaneous	-	-	578,069	11,969,607	5,573,612	15,347,660	16,126,286	15,976,758
Total	\$ -	\$ -	\$ 5,599,006.15	\$ 97,404,934.98	\$ 55,032,209.38	\$ 120,113,205.98	\$ 124,905,391	\$ 122,044,642
City direct sales tax rate	N/A	N/A	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

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

City of Atlanta

2009 Comprehensive Annual Financial Report

Schedule 11

City of Atlanta, Georgia

Direct and Overlapping Sales Tax Rates

Last Eight Fiscal Periods

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Fulton County</u>
2002	0.00%	7.00%
2003	0.00%	7.00%
2004	0.00%	7.00%
2005	1.00%	7.00%
2006	1.00%	7.00%
2007	1.00%	7.00%
2008	1.00%	7.00%
2009	1.00%	7.00%

Source: Commodity Report, Georgia Department of Revenue

City of Atlanta 2009 Comprehensive Annual Financial Report

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

Tax Remitters	2004		2005		2006	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 1,244,484	22.23%	\$ 20,262,057	20.80%	\$ 12,415,988	22.56%
Apparel	329,493	5.88%	5,268,202	5.41%	3,200,528	5.82%
General	560,254	10.01%	9,817,354	10.08%	5,876,141	10.68%
Automotive	185,286	3.31%	2,951,697	3.03%	3,770,532	6.85%
Home	723,835	12.93%	13,940,445	14.31%	1,686,685	3.06%
Lumber	453,282	8.10%	6,870,413	7.05%	8,952,687	16.27%
Miscellaneous Services	857,201	15.31%	13,772,985	14.14%	3,472,644	6.31%
Manufacturers	132,360	2.36%	2,827,119	2.90%	8,352,696	15.18%
Utilities	534,743	9.55%	9,725,057	9.98%	1,730,697	3.14%
Miscellaneous	578,069	10.32%	11,969,607	12.29%	5,573,612	10.13%
Total	\$ 5,599,006	100%	\$ 97,404,935	100%	\$ 55,032,209	100%

Tax Remitters	2007		2008		2009	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 26,529,627	22.09%	\$ 27,367,773	21.91%	\$ 25,487,704	20.89%
Apparel	6,232,358	5.19%	6,537,725	5.23%	8,265,601	6.77%
General	10,818,855	9.01%	10,801,409	8.65%	10,829,434	8.88%
Automotive	4,125,484	3.43%	5,190,562	4.16%	5,489,521	4.50%
Home	16,480,009	13.72%	15,614,925	12.50%	13,952,527	11.44%
Lumber	8,107,471	6.75%	7,926,075	6.35%	5,591,719	4.58%
Miscellaneous Services	17,745,384	14.77%	19,228,289	15.39%	19,360,539	15.87%
Manufacturers	3,680,987	3.06%	4,804,876	3.85%	4,399,557	3.61%
Utilities	11,045,370	9.20%	11,307,471	9.05%	12,691,282	10.40%
Miscellaneous	15,347,660	12.78%	16,126,286	12.91%	15,941,494	13.07%
Total	\$ 120,113,206	100%	\$ 124,905,391	100%	\$ 122,009,378	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

2009 Comprehensive Annual Financial Report

Schedule 13

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

Fiscal Period Ended	Governmental Activities											Notes Payable	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)	
	General Obligation Debt	SWMA Revenue Refunding Bonds	Limited Obligation Bonds	Section 108 Loans	Capital Leases	1990 GMA Lease Pool	1998 GMA Lease Pool	2002 Certificates of Participation	Citywide Radio System	Installment Sale Program	Inter-Governmental Agreements					
December 31, 2002	\$ 238,510	\$ 25,710	\$ 91,500	\$ 14,660	\$ -	\$ 597	\$ 18,476	\$ 53,785	\$ 5,085	\$ 87,610	\$ -	\$ -	\$ -	\$ 3,994,431	26.66%	\$ 9,331
December 31, 2003	239,360	24,855	91,500	12,965	-	-	15,827	52,560	-	83,280	-	-	-	4,011,355	26.77%	9,224
December 31, 2004	290,385	23,865	90,895	11,250	-	3,053	32,444	51,280	-	78,780	-	-	-	6,199,613	40.50%	14,023
December 31, 2005	283,865	23,035	218,740	9,515	5,835	10,054	32,444	49,950	-	74,080	-	-	-	6,202,331	38.22%	13,734
June 30, 2006	283,865	23,035	406,295	9,515	5,835	11,800	32,444	49,950	-	74,080	-	-	-	6,567,090	37.93%	14,542
June 30, 2007	276,510	22,060	396,675	8,200	4,499	9,055	32,444	48,550	-	69,190	-	-	-	6,463,446	35.20%	14,357
June 30, 2008	296,915	20,265	540,205	6,720	26,564	5,782	32,444	47,080	-	63,995	-	-	-	6,174,648	33.52%	13,366
June 30, 2009	277,190	20,265	652,075	6,175	69,005	5,782	32,444	45,540	-	58,575	-	-	-	6,893,497	35.05%	14,443

Fiscal Period Ended	Department of Aviation					Department of Watershed Management					Sanitation Fund Capital Lease Obligation	Underground Atlanta Revenue Bonds	Underground Atlanta Capital Lease	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Facilities Revenue Bonds*	Bond Anticipation Notes	Issuance Discounts and Refunding Losses	System Revenue Bonds	Premium on Bonds	GEFA Notes Payable	Capital Lease Obligation	25,579	5,075	71,625						
December 31, 2002	\$ 1,682,273	\$ -	\$ -	\$ 1,673,966	\$ -	\$ -	\$ -	\$ 25,579	\$ 5,075	\$ 71,625	\$ -	\$ -	\$ 3,994,431	26.66%	\$ 9,331	
December 31, 2003	1,442,984	395,000	(116,676)	1,718,110	-	(41,544)	23,944	22,299	3,217	69,190	-	-	4,011,355	26.77%	9,224	
December 31, 2004	2,927,307	-	1,521	2,558,000	39,867	-	22,299	20,520	2,205	65,330	-	-	6,199,613	40.50%	14,023	
December 31, 2005	2,805,127	-	662	2,542,765	38,881	-	23,373	20,520	2,205	61,280	-	-	6,202,331	38.22%	13,734	
June 30, 2006	2,984,043	-	(19)	2,542,765	38,388	-	23,106	19,614	1,134	61,280	-	-	6,567,090	37.93%	14,542	
June 30, 2007	2,890,474	-	(575)	2,518,555	37,402	-	95,701	17,651	-	57,055	-	-	6,463,446	35.20%	14,357	
June 30, 2008	2,419,898	-	(1,037)	2,464,575	35,705	(34,856)	152,073	15,710	-	52,610	-	-	6,174,648	33.52%	13,366	
June 30, 2009	2,343,835	-	(1,404)	3,218,275	26,680	(23,350)	13,643	-	-	-	-	-	6,893,497	35.05%	14,443	

(*) Net of any discount or premium

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

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

City of Atlanta 2009 Comprehensive Annual Financial Report

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

Fiscal Period Ended	General Obligation Debt *	SWMA			Inter- Governmental Agreements	Section 108 Loans	Capital Leases	Total	Percentage of Actual Taxable Value of Property	Per Capita
		Revenue Refunding Bonds	Limited Obligation Bonds*							
December 31, 2002	\$ 238,510	\$ 25,710	\$ 91,500	\$	14,660	\$ -	370,380	2.37%	\$ 856	
December 31, 2003	239,360		91,500		12,965	-	343,825	2.04%	791	
December 31, 2004	290,365	23,965	90,935		11,250	-	416,515	2.56%	942	
December 31, 2005	283,865	23,035	218,740		9,515	5,835	540,990	2.92%	1,198	
June 30, 2006	283,865	23,035	406,235		9,515	5,835	728,485	3.83%	1,613	
June 30, 2007	276,510	22,060	399,985		8,200	4,499	711,254	3.26%	1,575	
June 30, 2008	296,915	20,265	540,205	16,373	6,720	26,564	907,042	3.49%	1,963	
June 30, 2009	277,190	20,265	652,075	15,983	6,175	69,605	1,041,293	4.03%	2,182	

* Net of any discount or premium.

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

City of Atlanta 2009 Comprehensive Annual Financial Report

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
2002	\$ 492,075	55.70%	\$ 274,093
2003	474,841	55.19%	262,048
2004	606,651	58.31%	353,731
2005	720,722	65.77%	473,999
2006	720,722	65.77%	473,999
2007	707,593	66.88%	473,246
2008	761,811	62.11%	473,154
2009	696,259	62.66%	436,255

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

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

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

City of Atlanta 2009 Comprehensive Annual Financial Report

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

	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 2,073,582,315	\$ 2,198,052,425	\$ 2,278,113,865	\$ 2,349,127,724	\$ 2,657,777,842	\$ 2,464,044,067	\$ 2,943,835,276	\$ 2,730,015,271
Total net debt applicable to limit	238,510,000	239,360,000	290,365,000	239,360,000	302,654,250	673,185,000	699,290,000	795,340,000
Legal debt margin	\$ 1,835,072,315	\$ 1,958,692,425	\$ 1,987,748,865	\$ 2,109,767,724	\$ 2,355,123,592	\$ 1,790,859,067	\$ 2,244,545,276	\$ 1,934,675,271

City of Atlanta

2009 Comprehensive Annual Financial Report

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

Period (4)	Operating Revenue ¹	Current Operating Expenses ²	Net Revenue available for Debt Service	Debt Service Requirements (5)				
				Principal	Interest ³	Net Swap Payments & Liquidity Fees (6)	Total	% Coverage
2000	254,699	76,383	178,316	42,670	49,787	-	92,457	1.93
2001	257,119	84,788	172,331	48,110	43,270	-	91,380	1.89
2002	250,917	93,131	157,786	50,775	49,932	-	100,707	1.57
2003	251,579	122,017	129,562	49,937	53,418	5,487	108,842	1.19
2004	292,375	134,528	157,847	52,183	40,362	10,990	103,535	1.52
2005	305,484	148,728	156,756	33,935	64,167	5,470	103,572	1.51
2006	152,601	74,353	78,248	-	23,727	334	24,061	3.25
2007	339,164	133,440	205,724	37,487	56,186	(1,186)	92,487	2.22
2008	405,868	166,274	239,594	40,906	70,131	3,275	114,312	2.10
2009	404,724	173,404	231,320	42,502	67,392	19,187	129,081	1.79

- (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. Periods 2007 and 2008 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

2009 Comprehensive Annual Financial Report

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

<u>Period</u> ¹	<u>Operating Revenue</u> ²	<u>Current Operating Expenses</u> ³	<u>Net Revenue available for Debt Service</u>	<u>Principal</u> ⁴	<u>Interest</u>	<u>Total</u>	<u>Coverage Ratio</u>
2000	\$ 208,463	\$ 125,968	\$ 82,495	\$ 10,000	\$ 30,959	\$ 40,959	2.01
2001	185,957	121,102	64,855	10,000	29,334	39,334	1.65
2002	240,954	121,732	119,222	-	42,420	42,420	2.81
2003	227,441	137,284	90,157	325	69,667	69,992	1.29
2004	287,778	133,146	154,632	9,375	82,284	91,659	1.69
2005	385,697	159,081	226,616	10,655	81,519	92,174	2.46
2006	189,844	96,345	93,499	0	61,842	61,842	1.51
2007	435,715	240,848	194,867	24,210	128,435	152,645	1.28
2008	460,285	236,316	223,969	27,647	126,285	153,932	1.45
2009	498,216	220,962	277,254	26,300	127,452	153,752	1.80

- (1) Fiscal years 1999 thru 2005 is a 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 year 2007 thru 2009 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 \$117 million was transferred for Special Revenue Fund to DWM for operating expenses.)
- (3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation and amortization, and contingent liability.
- (4) Annual debt service includes sinking fund requirements of the Water and Sewerage Revenue Fund net of capitalized interest

City of Atlanta 2009 Comprehensive Annual Financial Report

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

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

¹Atlanta Regional Commission - re-benchmarked to U.S. Census 2000 estimate for year ending 2008.

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-Marrietta.

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

⁴U.S. Census Bureau, American Community Survey data for city of Atlanta; data limited to household population, excludes institutions, college dormitories, & other group quarters; data available through 2007

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

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

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

* 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

2009 Comprehensive Annual Financial Report

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

2002				2003			
Employer ¹	Type of Business	Employees	Percentage of Total City Employment	Employer ¹	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,851	1.99%	International Business Machine Corp.	Technology Services	3,683	1.90%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,245	1.68%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,352	1.73%
Efficiency Plus Consultants	Consulting	3,200	1.65%	Efficiency Plus Consultants	Consulting	3,200	1.65%
The Coca-Cola Company	Marketing and Manufacturing	3,181	1.64%	The Coca-Cola Company	Marketing and Manufacturing	3,095	1.60%
Cable News Network, Inc.	Media	2,055	1.06%	Cable News Network, Inc.	Media	2,087	1.08%
Atlanta Journal and Constitution	Media	1,423	0.73%	Atlanta Journal and Constitution	Media	1,664	0.86%
Tenet Healthsystem, Inc.	Healthcare	1,336	0.69%	Tenet Healthsystem, Inc.	Healthcare	1,400	0.72%
Turner Entertainment Networks	Entertainment	1,019	0.53%	Turner Entertainment Networks	Entertainment	1,029	0.53%
Atlanta Marriott Marquis Hotel	Hospitality	1,000	0.52%	Turner Broadcasting System, Inc.	Media/Entertainment	912	0.47%
Turner Broadcasting System, Inc.	Media/Entertainment	943	0.49%	Skanska USA Building, Inc.	Construction-related Services	793	0.41%
Total		21,253	10.97%	Total		21,215	10.95%
2004				2005			
Employer ¹	Type of Business	Employees	Percentage of Total City Employment	Employer ¹	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,864	1.97%	International Business Machine Corp.	Technology Services	3,697	1.81%
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	3,358	1.71%	The Coca-Cola Company	Marketing and Manufacturing	3,096	1.52%
The Coca-Cola Company	Marketing and Manufacturing	3,062	1.56%	Accenture LLP	Consulting	3,000	1.47%
Cable News Network, Inc.	Media	1,953	0.99%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	2,434	1.19%
Atlanta Journal and Constitution	Media	1,407	0.72%	Cable News Network, Inc.	Media	1,922	0.94%
Tenet Healthsystem, Inc.	Healthcare	1,377	0.70%	Allied Barton Security Services	Security Services	1,896	0.93%
Turner Entertainment Networks	Entertainment	1,067	0.54%	Tenet Healthsystem, Inc.	Healthcare	1,410	0.69%
Turner Broadcasting System, Inc.	Media/Entertainment	974	0.50%	Turner Broadcasting System, Inc.	Media/Entertainment	1,351	0.66%
Atlanta Spirit, Inc.	Sports	797	0.41%	Turner Entertainment Networks	Entertainment	1,118	0.55%
Air Serv Corp.	Transportation	767	0.39%	Atlanta Journal and Constitution	Media	1,017	0.50%
Total		18,626	9.49%	Total		20,941	10.26%
2006				2007			
Employer ¹	Type of Business	Employees	Percentage of Total City Employment	Employer ¹	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	4,225	2.00%	The Coca-Cola Company	Marketing and Manufacturing	3,029	1.66%
The Coca-Cola Company	Marketing and Manufacturing	3,178	1.51%	Allied Barton Security Services	Security Services	2,395	1.30%
Allied Barton Security Services	Security Services	2,148	1.02%	Accenture LLP	Consulting	2,100	1.14%
Cable News Network, Inc.	Media	1,924	0.91%	Cable News Network, Inc.	Media	1,809	0.98%
Air Serv Corp.	Transportation	1,721	0.82%	Turner Broadcasting System, Inc.	Media/Entertainment	1,710	0.93%
Accenture LLP	Consulting	1,700	0.81%	Air Serv Corp.	Transportation	1,391	0.76%
Turner Broadcasting System, Inc.	Media/Entertainment	1,528	0.72%	Turner Entertainment Networks	Entertainment	1,290	0.70%
Tenet Healthsystem, Inc.	Healthcare	1,408	0.67%	Tenet Healthsystem, Inc.	Healthcare	1,279	0.69%
Turner Entertainment Networks	Entertainment	1,054	0.50%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,106	0.60%
Atlanta Journal and Constitution	Media	1,036	0.49%	Earthlink, Inc.	Internet	1,106	0.60%
Total		19,922	9.44%	Total		17,215	9.35%
2008				2009***			
Employer ¹	Type of Business	Employees	Percentage of Total City Employment	Employer ¹	Type of Business	Employees	Percentage of Total City Employment
International Business Machine Corp.	Technology Services	3,827	1.95%	The Coca-Cola Company	Marketing and Manufacturing		
Allied Barton Security Services	Security Services	3,702	1.88%	Allied Barton Security Services	Security Services		
The Coca-Cola Company	Marketing and Manufacturing	3,009	1.53%	Accenture LLP	Consulting		
Accenture LLP	Consulting	1,900	0.97%	Cable News Network, Inc.	Media		
Cable News Network, Inc.	Media	1,871	0.95%	Turner Broadcasting System, Inc.	Media/Entertainment		
Turner Broadcasting System, Inc.	Media/Entertainment	1,781	0.91%	Air Serv Corp.	Transportation		
Tenet Health System, Inc.	Healthcare	1,251	0.64%	Turner Entertainment Networks	Entertainment		
Georgia-Pacific Corporation	Pulp and Paper Manufacturing	1,099	0.56%	Tenet Healthsystem, Inc.	Healthcare		
Air Service Corp	Transportation	1,060	0.54%	Georgia-Pacific Corporation	Pulp and Paper Manufacturing		
Atlanta Journal and Constitution	Media	1,008	0.51%	Earthlink, Inc.	Internet		
Total		20,508	10.43%	Total		0	0.00%

¹Employee data from City of Atlanta, Office of Revenue, Business License division
^{**}Atlanta city total employment data from U.S. Department of Labor, Bureau of Labor Statistics
^{***}2009 data will not be available until after February 15. This is the renewal due date for all businesses.

City of Atlanta

2009 Comprehensive Annual Financial Report

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

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

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

City of Atlanta

2009 Comprehensive Annual Financial Report

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

Function/Program	Fiscal Period							
	2002	2003	2004	2005	2006	2007	2008	2009
Police								
Arrests	49,450	46,722	41,107	38,609	39,954	59,374	142,361	42,670
Parking violations	67,883	38,808	54,730	39,619	37,339	42,668	79,546	52,577
Traffic violations	156,182	133,730	136,043	115,573	102,878	113,925	102,264	107,050
Fire								
Emergency responses	51,017	48,303	49,450	58,334	41,886	24,847	54,756	57,292
Fires extinguished	2,999	2,546	2,464	2,247	1,620	1,235	2,263	2,096
Inspections	12,324	12,867	11,961	9,996	9,317	7,261	7,200	6,439
Refuse collection								
Refuse collected (tons per day)	169,000	168,363	153,630	NA	NA	NA	198,954	113,204
Other public works								
Miles of streets resurfaced	41	49	43	81	64	78	-	33
Potholes repaired	N/A	6,422	6,251	3,710	1,158	1,944	1,953	1,152
Parks and recreation								
Athletic field permits issued	90	84	85	46	59	59	185	172
Community center admissions	57,000	57,000	57,500	58,000	59,000	64,900		97,264
Water								
New connections	N/A	N/A	N/A	25,989	27,288	15,716	2,057	1,084
Water main breaks	N/A	N/A	204	224	154	241	329	475
Average daily consumption (thousands of gallons)	107,600,000	106,400,000	107,900,000	106,600,000	107,600,000	113,875,000	101,655,000	93,100,000
Peak daily consumption (thousands of gallons)	138,100,000	142,500,000	141,000,000	132,700,000	138,100,000	144,908,000	143,530,000	111,370,000
Wastewater								
Average daily sewage treatment (thousands of gallons)	132,200,000	145,300,000	135,700,000	144,500,000	132,000,000	128,337,000	119,900,000	112,194,000
Aviation								
Number of passengers served	75,858,500	79,086,792	83,606,583	86,583,210	42,546,000	85,037,680	87,700,000	88,648,633

Sources: Various city departments

City of Atlanta

2009 Comprehensive Annual Financial Report

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

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