CITY OF ATLANTA, GEORGIA
ATLANTIC STATION
TAX ALLOCATION DISTRICT FUND

Financial Statements and Supplementary Information

June 30, 2010

(With Independent Auditor's Report Thereon)

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND
JUNE 30, 2010

Table of Contents

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Atlanta Development Authority

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Atlanta, Georgia Atlantic Station Tax Allocation District Fund (the "Fund") as of and for the year ended June 30, 2010, which collectively comprise the Fund's basic financial statements. These financial statements are the responsibility of the Fund's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the Atlantic Station Tax Allocation District Fund and do not purport to, and do not, present fairly the financial position of the City of Atlanta, Georgia, as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the City of Atlanta, Georgia Atlantic Station Tax Allocation District Fund as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2011 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
Members of The American Institute of Certified Public Accountants • RSM International

The management's discussion and analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted 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 express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The supplementary information included in schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 18, 2011

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND
Management's Discussion and Analysis

June 30, 2010

This section of the annual financial report of the Atlantic Station Tax Allocation District Fund ("Fund") presents the analysis of the Fund's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the financial statements and their accompanying notes, which follow this section. The financial statements include only the financial activities of the Atlantic Station Tax Allocation District. The Fund is an integral part of the City of Atlanta's ("City") government reporting entity and its results are included in the Comprehensive Annual Financial Report (CAFR) of the City as a Nonmajor Governmental Fund.

The Atlanta Development Authority ("ADA") is the redevelopment agent for the Atlantic Station TAD and is responsible for all the financial reporting and compliance required by the 2001, 2006, and the 2007 Bond documents.

As mentioned above, while the tax allocation districts are shown on the City's CAFR, both the City and ADA jointly decide which district should have a separate financial statement. A separate financial statement provides the reader with more financial information pertaining to each individual tax allocation district.

The Atlantic Station Tax Allocation District

On October 4, 1999, the Atlanta City Council adopted Resolution 99-R-1344 that established the Tax Allocation District Number Two-Atlantic Steel which became known as the Atlantic Station Tax Allocation District. The tax allocation district was created on December 31, 1999 and will continue in existence for twenty-five years. The Redevelopment Powers Law provided for the establishment of a redevelopment plan to improve economic and social depressed urban areas. ADA was designated as the redevelopment agent and prepared a Redevelopment Plan for the Atlantic Steel Brownfield Area pursuant to O.C.G.A. Section 36-44-3(9).

The City of Atlanta was authorized to issue tax allocation bonds. The proceeds were to be used for eligible costs including environmental services, environmental remediation and public improvements per the provisions outlined in the Redevelopment Plan and according to the Redevelopment Powers Law.

In December 2001, $76,505,000 of tax exempt bonds were issued. The repayment of the bonds is from the positive ad valorem tax allocation increments derived from the Atlantic Station Tax Allocation District. To the extent the ad valorem increments are insufficient to pay the principal and interest on the bonds, a portion of the Local Option Sales Tax collected in the tax allocation district were pledged through December 31, 2009. Subsequent to the issuance of the Series 2001 bonds, Fulton County consented to the extension of its pledge of its Local Option Sales Tax revenues to December 1, 2024. Both the Board of Commissioners of Fulton County and the Board of Education of the City of Atlanta consented to the inclusion for the computation of the tax allocation increment.

On December 5, 2005, the City Council of the City adopted Ordinance #-05-O-2437 and signed by the Mayor on December 13, 2005 that amended Resolution 99-R-1344 to issue its subordinate Lien Tax Allocation Bonds not to exceed an aggregate principal amount of $173,495,000. On April 27, 2006, additional bonds were issued in the amount of $166,515,000.00. The use of proceeds of the TAD Bonds were for reimbursable costs as defined by Redevelopment Law.

On September 4, 2007, the City of Atlanta issued the Atlantic Station 2007 Refunding TAD Bonds for a par value of $85,495,000. The proceeds from the sale of the Series 2007 Bonds were applied by the City (i) to refund the Series 2001 Bonds currently outstanding in the aggregate principal amount of $73,060,000, (ii) to establish a debt service reserve fund for the Series 2007 Bonds, and (iii) to pay costs incident to issuing the Series 2007 Bonds and refunding the Series 2001 Bonds. The City Council of the City adopted Resolution 07-R-1465 and was approved by the Mayor on July 16, 2007. A supplemental Resolution 07-R-1783 was adopted by the City Council of the City and approved by the Mayor on August 29, 2007.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Fund's basic financial statements. The Funds' basic financial statements consist of four components: 1) governmental fund financial statements, 2) government-wide financial statements, 3) notes to the financial statements, and 4) supplemental schedules. Because the Fund's activities are single purpose in nature the governmental fund and government-wide financial statements are presented together in the statements with an adjustment column reconciling the differences.

Governmental Fund Financial Statements

The governmental fund financial statements focus only on the Fund's balances of spendable resources available at the end of the year and are presented on a modified accrual basis. Only current assets and liabilities are presented in the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance focus only on the Fund's near-term inflows and outflows of spendable resources for the year. Revenues are considered available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Fund considers revenues to be available if they are collected within 60 days after the end of the fiscal year.

Government-wide Financial Statements

The government-wide financial statements are reported using the full accrual basis of accounting, similar to that used by private sector companies. The Statement of Net Assets column reports information about all assets and liabilities of the Fund – both current and long-term. The Statement of Activities measures the success of the Fund's operations over the past year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to a gain a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 12 to 19 of this report.

Supplemental Schedules

ADA, as Redevelopment Agent, is responsible for the compliance reporting to the Atlanta City Council, City of Atlanta, ADA Board of Directors, the Board of Commissioners of Fulton County and the Board of Education of the City of Atlanta. Quarterly reporting consists of cash basis financials for the Tax Allocation District and meets the compliance requirement. The reporting reflects all activities of the Tax Allocation District from 1999 through June 30, 2010. The cash basis financials consist of two statements: the Fund Balance Sheet Comparison and the Flow of Funds Comparison. These schedules are presented as Schedules 1 and 2 in the supplementary information section of this report.

The City's Continuing Disclosure Agreement requires a schedule of the balance on deposit in each fund and account under the Trust Indenture. The schedule must also include a statement as to any withdrawals from any Debt Service Reserve Fund. These requirements are included in Schedule 3 in the supplementary information section of this report.

Schedule 4 presents the history of the Fund's debt service coverage ratio. Schedule 5 presents the activity of the 2007 Escrow account for the refunding of the 2001 Series Bonds. Note that this escrow account is not included in the Fund's financial statements.

A summary comparison of the governmental fund financial statements for June 30, 2009 and June 30, 2010 is presented below:

Summary Comparison of Governmental Fund Balance Sheets
As of June 30, 2009 and June 30, 2010

	2009	2010
Assets:		
Cash and investments	$ 10,769,417	$ 16,476,569
Property taxes receivable	740,234	234,630
Restricted investments	13,087,527	9,526,992
Total Assets	$ 24,597,178	$ 26,238,191
Liabilities:		
Accounts payable	$ 55,535	$ 2,164
Deferred revenue	279,596	222,152
Due to City of Atlanta	1,388,486	-
Total Liabilities	1,723,617	224,316
Fund Balance:		
Reserved for debt service	7,969,048	7,963,396
Reserved for fire station development	4,845,594	1,145,832
Unreserved	10,058,919	16,904,647
Total Fund Balance	22,873,561	26,013,875
Total Liabilities and Fund Balance	$ 24,597,178	$ 26,238,191

Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance
For the Years Ended June 30, 2009 and June 30, 2010

	2009	2010
Expenditures:		
Community development	$ 1,708,755	$ 2,148,298
General government	246,272	70,735
Debt service-principal	4,750,000	6,455,000
Debt service- interest	9,219,800	8,574,416
Total Expenditures	15,924,827	17,248,449
General Revenues:		
Tax increment revenue	16,887,842	19,927,164
Investment earnings	584,972	461,599
Total General Revenues	17,472,814	20,388,763
Net change in fund balance	1,547,987	3,140,314
Fund Balance		
Beginning of the year	21,325,574	22,873,561
End of the year	$ 22,873,561	$ 26,013,875

On the Balance Sheet, assets include predominately cash and investments. These assets are held for future payments on the bonds of the Fund and for future investment in the District. Cash and investments are the Special Fund held by the City of Atlanta. Tax increment collections have increased and the Special Fund has a year end balance of $16,476,569 which represents an increase over last year of $5,707,152. Restricted investments decreased as the City of Atlanta continues to construct the fire station in the District.

The Comparison of Revenues, Expenditures and Changes in Fund Balance statements shows an increase of tax increment revenue of $3,039,322. The 2009 property taxes for fiscal year 2010 were billed and collected under a Temporary Collection Order and this information is reflected in the current financial statements. The 2008 Tax Digest was certified on July 30, 2010 and the 2009 Tax Digest was certified on September 9, 2010. The tax increment adjustments from the certifications will be reflected in the financial statements for fiscal year ending June 30, 2011. The 2009 Certified Tax Digest reflects taxable assessed value in the District as $507,203,740 which is an increase of $500,030,500 over the 1999 base year. The 2009 certified growth rate over the base value is 98.586%. Investment earnings for fiscal year ended June 30, 2010 reflect a decrease from last year due to prevailing economic conditions.

Expenditures for community development consist of construction expenditures related to the fire station.

For the year ended June 30, 2010, total debt service was $15,029,416. Debt service for the 2006 bonds was $10,790,647 and was $4,238,769 for the 2007 bonds. Debt service expenditures for the 2007 Bonds are due semi- annually on June 1st and December 1st with principal being paid annually on December 1st. The 2006 Bonds have interest paid monthly with optional principal payments due December 1st.

The government wide financial statements for June 30, 2009 and June 30, 2010 are presented below:

Summary Comparison of Statement of Net Assets
As of June 30, 2009 and June 30, 2010

	2009	2010
Assets:		
Cash and investments	$ 10,769,417	$ 16,476,569
Property taxes receivable	740,234	234,630
Deferred charges, unamortized	2,838,424	2,546,098
Restricted investments	13,087,527	9,526,992
Capital assets (net of depreciation)	1,364,357	1,271,791
Total Assets	28,799,959	30,056,080
Liabilities:		
Accounts payable	55,535	2,164
Accrued interest payable	309,539	734,071
Due to City of Atlanta	1,388,486	-
Long- term debt		
Due within one year	6,455,000	9,185,000
Due after one year	221,844,441	213,807,062
Total Liabilities	230,053,001	223,728,297
Net Assets (Deficit)	$ (201,253,042)	$ (193,672,217)

Summary Comparison of Statement of Activities
For the Years ended June 30, 2009 and June 30, 2010

	2009	2010
Expenses:		
Community development	$ 344,398	$ 2,240,864
Amortization expense	1,457,577	1,439,947
General government	246,272	70,735
Interest expense	8,990,344	8,998,948
Total Expenses	11,038,591	12,750,494
General Revenues:		
Tax increment revenue	16,496,400	19,869,720
Investment earnings	584,972	461,599
Total General Revenues	17,081,372	20,331,319
Change in Net Assets	6,042,781	7,580,825
Net Assets (Deficit)		
Beginning of the year	(207,295,823)	(201,253,042)
End of the year	$ (201,253,042)	$ (193,672,217)

As noted above in the discussion, the difference between Governmental Fund and Government-wide Financial Statements is that the Government-wide Financial Statements present the information on an accrual basis. The expenditures for the fire engines were reclassed to capital assets on the government wide financials, which are currently being depreciated on a straight line basis over fifteen years. Fire Station #11 received its certificate of occupancy on August 10, 2010. Title of the fire station was transferred to the City of Atlanta on December 6, 2010.

Long Term Debt

In April 2006, the City issued $166,515,000 and in September 2007 issued $85,495,000 in limited obligation bonds for the Atlantic Station Tax Allocation District. The issuances are a limited obligation of the City, not secured by the full faith and credit of the City, but rather is secured and payable solely from the pledged revenues. Pledged revenues are defined as the positive ad valorem tax allocation increments collected above the base at the time of the creation of the Tax Allocation District. Legislation for the pledged revenues was adopted by the City of Atlanta, the Board of Commissioners of Fulton County, and the Board of Education of Atlanta Public Schools.

To the extent that ad valorem increments are insufficient to pay the debt service on the bonds, the pledge property will also include the portion of the revenues derived from the Atlantic Station Tax Allocation District that is attributable to local option sales taxes collected to December 1, 2024.

The 2006 Bonds have annual optional principal payments due on December 1st with monthly interest payments. The outstanding principal balance on the 2006 Bonds as June 30, 2010 is $159,595,000. The 2006 Bonds are variable rate bonds and pay interest monthly. Total interest and principal paid on the 2006 Bonds for the comparative years 2009 and 2010 were $6,411,581, and $10,790,647 respectively.

On September 5, 2007, the Series 2007 Bonds were issued in the amount of $85,495,000. The proceeds from the sale of the Series 2007 Bonds were applied by the City to refund the Series 2001 Bonds with an outstanding aggregate principal amount of $73,060,000; establish a debt service reserve fund for the Series 2007 Bonds; and to pay costs of issuance expenses. Total interest and principal paid on the 2007 Bonds for the comparative years 2009 and 2010 were $7,558,219 and $4,238,769 respectively. Interest is paid semi- annually and principal is paid annually.

The amortization schedule for the bonds is listed in note 6 to the financial statements.

Economic Factors and Outlook

The Atlantic Station TAD is a project-oriented district created specifically to finance the infrastructure needs of the mixed-use development on the former site of the Atlantic Steel Company. The 2001 and 2006 Bonds were used for clearing, grading, and the preparation of the Atlantic Station Property for redevelopment; environmental remediation; design, construction and installation of utilities such as water, sewer, storm drainage, electric, gas and telecommunications; design, construction and installation of streets, sidewalks, curbs, gutters and other public works; design and construction of parking facilities and other facilities and improvements related to the Atlantic Station TAD that were eligible to be financed or refinanced under the Act. The 2006 bond proceeds also established a Public Purpose Fund of $5,000,000 to cover the costs of locating, constructing, and equipping a fire station according to the City Services Agreement between the City and the developer. The 2007 Bonds were issued to refund the 2001 Bonds.

The Atlantic Station mixed-use development is less than halfway completed. Unit closings recently began at the Atlantic Station, a 46-story, 400-unit luxury condominium developed by Novare in partnership with Atlantic Station, LLC. 171 17th Street, a 509,237 square foot office tower anchored by Wells Fargo, is currently 97.5% leased. 201 17th Street, a 349,502 square foot office tower, is currently 52% leased. 271 17th Street is a 534,274 square foot office tower anchored by BB&T. Completed in 2009, this is the newest office building at the project and is currently 40% leased.

The Town Center retail area in the District is approximately 89% leased.

Requests for Information

This financial report is designed to provide a general overview of the Fund's finances for all those with an interest in them. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Chief Financial Officer, Atlanta Development Authority, 86 Pryor Street, SW, Suite 300, Atlanta, GA 30303.

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND
Statement of Net Assets and Governmental Fund Balance Sheet
June 30, 2010

	Atlantic Station Tax Allocation District Fund	Adjustments (Note 3)	Statement of Net Assets
Assets			
Cash	$ 15,611,508	-	$ 15,611,508
Investments	865,061	-	865,061
Property taxes receivable, net of allowance	234,630	-	234,630
Restricted assets:			
Investments	9,526,992	-	9,526,992
Deferred charges, unamortized balance	-	2,546,098	2,546,098
Capital assets, net of accumulated depreciation	-	1,271,791	1,271,791
Total assets	$ 26,238,191	3,817,889	30,056,080
Liabilities			
Deferred revenue	$ 222,152	(222,152)	-
Liabilities payable from restricted assets:			
Accounts payable	2,164	-	2,164
Accrued interest payable	-	734,071	734,071
Long-term debt:			
Due within one year	-	9,185,000	9,185,000
Due after one year	-	213,807,062	213,807,062
Total liabilities	224,316	223,503,981	223,728,297
Fund Balance/Net Assets (Deficit)			
Fund balance:			
Reserved for debt service	7,963,396	(7,963,396)	-
Reserved for development	1,563,596	(1,563,596)	-
Unreserved	16,486,883	(16,486,883)	-
Total fund balance	26,013,875	(26,013,875)	-
Total liabilities and fund balance	$ 26,238,191		
Net assets (deficit):			
Invested in capital assets		1,271,791	1,271,791
Restricted		9,526,992	9,526,992
Unrestricted		(204,471,000)	(204,471,000)
Total net assets (deficit)		$ (193,672,217)	$ (193,672,217)

See accompanying notes to basic financial statements.

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND
Statement of Activities and Governmental Fund
Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2010

	Atlantic Station Tax Allocation District Fund	**Adjustments (Note 3)**	**Statement of Activities**
Expenditures/expenses:			
General government	$ 70,735	$ -	$ 70,735
Community development	2,148,298	92,566	2,240,864
Amortization expense	-	1,439,947	1,439,947
Debt service:			
Principal	6,455,000	(6,455,000)	-
Interest	8,574,416	424,532	8,998,948
Total expenditures/expenses	17,248,449	(4,497,955)	12,750,494
Net program expense			12,750,494
General revenues:			
Tax increment revenue	19,927,164	(57,444)	19,869,720
Investment earnings	461,599	-	461,599
Total general revenues	20,388,763	(57,444)	20,331,319
Excess (deficiency) of revenues over (under) expenditures	3,140,314	(3,140,314)	-
Net change in fund balance	3,140,314	(3,140,314)	-
Change in net assets		(7,580,825)	7,580,825
Fund balance/net assets (deficit)			
Beginning of the year	22,873,561	(224,126,603)	(201,253,042)
End of the year	$ 26,013,875	$ (219,686,092)	$ (193,672,217)

See accompanying notes to basic financial statements.

(1) Reporting Entity

The Atlantic Station Tax Allocation District (the "Fund") of the City of Atlanta, Georgia (the "City") was created in 1998 in order to finance permitted redevelopment costs within the Atlantic Station Tax Allocation District. These redevelopment costs, primarily infrastructure related, were provided to the area incorporated within the Atlantic Station Tax Allocation District in order to facilitate overall development of the area by a private developer. The financing of these redevelopment costs is able to be provided by bonds, notes or other obligations of the City which are payable from ad valorem property taxes levied on assessed value of the property within the Atlantic Station Tax Allocation District after development, less the amount of ad valorem property taxes assessed before redevelopment. These ad valorem property taxes assessed include those assessed on behalf of the City, Fulton County, and the Atlanta Public Schools Board of Education. On February 11, 2008, the Supreme Court of Georgia decided that School tax funds shall be expended only for the support and maintenance of public schools and cannot be utilized or diverted for any other purpose. The City of Atlanta petitioned in the Superior Court of Fulton County, State of Georgia on March 4, 2008 for a Writ of Mandamus, requesting preliminary and permanent injunctive relief for Atlanta Public School tax funds on previously validated bonds. The Superior Court concluded that the Supreme Court decision did not have any effect on any bonds which have already been validated. The Fulton County Tax Commissioner was ordered to continue to forward the School tax funds to the Tax Allocation Districts with validated bonds.

The City has designated the Atlanta Development Authority as the redevelopment agent for the Atlantic Station Tax Allocation District. The accompanying financial statements include only the financial activities of the Fund. The Fund is an integral part of the City's government reporting entity and its results are included in the Comprehensive Annual Financial Report (CAFR) of the City as a governmental fund. The latest available CAFR is as of and for the year ended June 30, 2010; that CAFR should be read in conjunction with these financial statements.

(2) Summary of Significant Accounting Policies

(a) General

In its accounting and financial reporting in conformity with accounting principles generally accepted in the United States of America, the Fund follows the pronouncements of the Governmental Accounting Standards Board (GASB).

(b) Government-wide and Fund Financial Statements

The Fund presents government-wide financial statements which are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements (i.e. the statement of net assets and the statement of activities) do not provide information by fund, but present the governmental activities using a different basis of accounting. Significantly, the statement of net assets includes noncurrent assets and liabilities and the government-wide statement of activities reflects changes in long-term assets and liabilities. Net assets in the statement of net assets are distinguished between amounts that are invested in capital assets net of related debt, restricted for use by third parties or outside requirements, and amounts that are unrestricted.

The statement of activities demonstrates the degree to which 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 customers who purchase, use, or benefit from the services 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. Unrestricted interest income and other items not properly included among program revenues are reported as general revenues.

In addition to the government-wide financial statements, the Fund has prepared separate fund financial statements. The fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. Due to the single purpose nature of the activities of the Fund, the government-wide and fund financial statements have been presented together with an adjustments column reconciling the differences.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 considered measurable and available. Revenues are considered available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Fund considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Property taxes and investment income associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year if available. Expenditures generally are recorded when a liability is incurred, with an exception for principal and interest on long-term debt, which is recognized when due.

The Fund has only one governmental fund – the Atlantic Station Tax Allocation District Fund – which records all of its activity and is used to account for all financial resources of the Fund.

When both restricted and unrestricted resources are available for use, it is the Fund’s policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Cash and Cash Equivalents

Cash includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date acquired by the Fund.

(e) Investments

Investments are recorded on the statement of net assets and the balance sheet at fair value. All investment income, including changes in the fair value of investments, is reported as revenue in the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

(f) Restricted Assets

The bond indenture states that the trustee shall establish and maintain segregated trust accounts in the issuer’s name for debt service, capitalized interest, and other related reserves.

(g) Taxes Receivable

Although the Atlantic Station Tax Allocation District ("TAD") in not a taxing authority, it is the direct recipient of positive ad valorem tax allocation increments derived from the Atlantic Station Tax Allocation District each year. The TAD's revenue stream from the incremental ad valorem taxes is based upon the annual assessed value of property and the property tax billings in excess of the District's 1999 base year. For tax year 2009, a temporary collection order ("TCO") was filed by the Superior Court of Fulton County as to allow the Fulton County Tax Commissioner legal rights to bill based on 2009 assessments that were not yet certified. Under the TCO, property taxes were billed as only a temporary measure and the final billing may be more or less than the amount billed under the TCO. In the past, the TAD has used the most recent assessed values when determining the annual incremental growth rate to use when calculating billed and property taxes receivable. For fiscal year 2010, the District has elected to use the 2007 growth rate, instead of the interim 2009 or 2008 growth rates, because of the uncertainty surrounding the amount of final property tax billings.

(h) Capital Assets

Capital assets are stated at cost. Depreciation on capital assets is calculated on the straight-line method over the estimated useful lives as follows:

Vehicles	15 years

(i) Fund Balance

In the governmental fund financial statements, reservations of fund balance are reported for amounts that are legally restricted by the bond indenture for debt service.

(j) Deferred Charges

In the government-wide financial statements, bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the effective interest method. In the governmental fund financial statements, these costs are expended.

(k) Budget

The Fund does not have a legally adopted annual operating budget. Accordingly, no statement of revenues, expenditures, and changes in fund balance – budget to actual is presented.

(l) 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(3) Reconciliation of Government-wide and Fund Financial Statements

(a) Explanation of adjustments between the governmental fund balance sheet and the government-wide statement of net assets

The Governmental fund balance sheet is adjusted for the following items to report the statement of net assets.

Amounts paid for the costs to issue long-term debt are expended in governmental funds, but are deferred in the government-wide statements and recognized over the life of the debt.	$	2,546,098
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,271,791
Amounts of property taxes receivable not available as of year end are deferred in governmental funds, but are recognized as revenue when earned.		222,152
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(734,071)
Long-term liabilities applicable to the Fund's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term – are reported in the statement of net assets.		(222,992,062)

(b) Explanation of adjustments between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The Governmental fund statement of revenues, expenditures, and changes in fund balance is adjusted for the following items to report the statement of activities.

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Payments on bonds	$ 6,4550,000
Amortization of discount	(675,575)
Amortization of issuance costs	(292,326)

Amortization of refunding premium	164,654
Amortization of deferred loss on refunding of debt	(636,700)
Payments for interest on the bonds are accrued in the statement of activities, but only reported when due in the statement of revenues, expenditures, and changes in fund balance. This is the amount of the change in the accrued interest payable.	424,532
Tax revenue in the statement of activities differs from the amount reported in the governmental funds due to the change in deferred revenue between year ends.	57,444
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 of depreciation expense in the current period:	
Depreciation expense	(92,566)

(4) Deposits and Investments

Investments, with a carrying value of $865,061, consist of investment in the Georgia Fund 1, a local government investment pool administered by the State of Georgia Office of Treasury and Fiscal Services (OTFS). As the investments represent ownership of a portion of a large pool of investments these amounts are not categorical for custodial risk disclosure. The pooled investments are not registered with the Securities and Exchange Commission (SEC) but are managed in a manner consistent with SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the Fund's investments in the Georgia Fund 1 have been determined based on the pool's share price as adjusted to market.

Credit risk. State statutes authorize the Fund to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2010, the Fund's investments in Georgia Fund 1 and AIM Treasury Short-term Investment Fund were rated AAAm by Standard & Poor's and the investments in the Guaranteed Investment Contract were rated A+ by Standard & Poor's.

(4) Deposits and Investments (Continued)

At June 30, 2010, the Fund had the following investments:

Investment	Maturities / Duration	Fair Value
Guaranteed Investment Contract	December 1, 2024	$ 7,822,788
Georgia Fund 1	46 days	865,061
AIM Treasury Short-term Investment Fund	35 days	1,704,204
Total		$ 10,392,053

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of the bonds in a portfolio will decline if market interest rates rise. At June 30, 2010, interest rate risk is reported in the above table as "Maturities" for each investment classification.

Custodial Credit Risk-Deposits. 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the Fund had no bank balances that were exposed to custodial credit risk.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2010 consists of the following:

	June 30, 2009	Additions	Deletions	June 30, 2010
Capital assets:				
Vehicles	$ 1,388,486	$ -	$ -	$ 1,388,486
Total capital assets	1,388,486	-	-	1,388,486
Less accumulated depreciation				
Vehicles	(24,129)	(92,566)	-	(116,695)
Total accumulated depreciation	(24,129)	(92,566)	-	(116,695)
Net capital assets	$ 1,364,357	$ (92,566)	$ -	$ 1,271,791

Depreciation expense is all charged to community development.

(6) Bonds Payable

During 2007, the City issued $85,495,000 in limited obligation tax allocation refunding bonds for the Atlantic Station Tax Allocation District. These limited obligation tax allocation bonds were issued for the purpose of refunding the City's 2001 Series limited obligation bonds for the Atlantic Station Tax Allocation District. The proceeds from the issuance of the Series 2007 Bonds was applied by the City to refund the Series 2001 Bonds with an outstanding principal amount of $73,060,000, establish a debt service reserve fund for the Series 2007 Bonds, and to pay the cost of issuance.

In addition to the 2007 bonds issued by the City of Atlanta, in 2006 the City issued $166,515,000 in limited obligation bonds for the Atlantic Station Tax Allocation District. The issuances are limited obligations of the City, not secured by the full faith and credit of the City, but rather are secured solely by, and payable solely from, the pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Fulton County, and the Atlanta Public Schools Board of Education. Additionally, the Atlantic Station Bonds are secured by the tax increments of sales taxes collected by the City and Fulton County within the developed area until December 31, 2024 for both the 2006 and 2007 Bonds. The property tax increments are pledged until the payment in full of the bonds.

The 2006 Bonds have a variable interest rate with the interest rate being the greater of: (i) the average interest rate on the Series 2006 Bonds for the interest rate period immediately preceding such determination; and (ii) the 30-year Revenue Bond Index most recently published in the Bond Buyer plus 50 basis points. The Fund's debt service requirements based upon required sinking fund and interest payments, using 3.25% as the interest rate for the 2006 Bonds (which was the rate in effect at June 30, 2010) are as follows:

		Principal	Interest	Total debt service
Fiscal year ending June 30:				
	2011	$ 9,185,000	$ 8,704,716	$ 17,889,716
	2012	11,770,000	8,347,190	20,117,190
	2013	12,940,000	7,915,241	20,855,241
	2014	13,435,000	7,450,222	20,885,222
	2015	13,950,000	6,962,197	20,912,197
	2016-2020	78,770,000	26,306,818	105,076,818
	2021-2025	96,470,000	9,424,684	105,894,684
		$ 236,520,000	$ 75,111,068	$ 311,631,068

(6) Bonds Payable (Continued)

The Fund's long-term liability activity for the fiscal year ended June 30, 2010, was as follows:

Bonds	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Amount Due In One Year
Series 2006 Bonds	$ 165,515,000	$ -	$ 5,920,000	$ 159,595,000	$ 8,170,000
Series 2007 Bonds	77,460,000	-	535,000	76,925,000	1,015,000
Discount on bonds	(6,127,477)	-	(675,575)	(5,451,902)	-
Unamortized bond premium	1,639,122	-	164,654	1,474,468	-
Deferred loss on defeasance	(10,187,204)	-	(636,700)	(9,550,504)	-
Total	$ 228,299,441	$ -	$ 5,307,379	$ 222,992,062	$ 9,185,000

The District had defeased the 2001 Bond Issue by creating an irrevocable trust fund. The proceeds from the new debt were used to purchase investments which were placed in the trust. The investments and earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and, therefore, removed as a liability along with the assets in the trust. At June 30, 2010, the Fund had $70,746,788 in defeased 2001 Series Bonds.

SCHEDULE 1

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND

Supplementary Information

Atlantic Station TAD
Fund Balance Sheet Comparison - Cash Basis
For the Period Ended

	December 31, 2001	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
ASSETS:										
Restricted Cash: Tax Increments	$ 535,395.37	$ 622,172.33	$ 1,638,479.51	$ 3,876,757.32	$ 5,691,544.14	$ 2,861,002.19	$ 6,039,610.63	$ 7,971,585.73	$ 10,769,417.27	$ 16,476,568.79
Restricted Cash: 2001 Other Funds	18,316,910.57	15,879,239.93	13,169,066.66	10,066,181.74	7,635,592.19	7,635,499.81	7,635,874.72	140,094.92	140,607.45	140,607.62
Restricted Cash: 2006 Other Funds	-	-	-	-	-	10,843,997.82	5,540,606.27	5,406,364.57	5,106,030.24	1,563,595.66
Restricted Cash: 2007 Other Funds	-	-	-	-	-	-	-	7,807,529.38	7,840,889.79	7,822,788.25
TOTAL ASSETS	**$ 18,852,305.94**	**$ 16,501,412.26**	**$ 14,807,546.17**	**$ 13,942,939.06**	**$ 13,327,136.33**	**$ 21,340,499.82**	**$ 19,216,091.62**	**$ 21,325,574.60**	**$ 23,856,944.75**	**$ 26,003,560.32**
LIABILITIES/FUND BALANCE:										
Cash Pool Payable							3,408.00	-	1,388,486.00	-
Fund Balance	$ -	$ 18,852,305.94	$ 16,501,412.26	$ 14,807,546.17	$ 13,942,939.06	$ 13,327,136.33	$ 21,340,499.82	$ 19,212,683.62	$ 21,325,574.60	$ 22,468,458.75
Sources (Uses) Balance	18,852,305.94	(2,350,893.68)	(1,693,866.09)	(864,607.11)	(615,802.73)	8,013,363.49	(2,127,816.20)	2,112,890.98	1,142,884.15	3,535,101.57
Total Fund Balance	18,852,305.94	16,501,412.26	14,807,546.17	13,942,939.06	13,327,136.33	21,340,499.82	19,212,683.62	21,325,574.60	22,468,458.75	26,003,560.32
TOTAL LIABILITIES/FUND BALANCE	**$ 18,852,305.94**	**$ 16,501,412.26**	**$ 14,807,546.17**	**$ 13,942,939.06**	**$ 13,327,136.33**	**$ 21,340,499.82**	**$ 19,216,091.62**	**$ 21,325,574.60**	**$ 23,856,944.75**	**$ 26,003,560.32**

The Fund Balance Sheet Comparison lists the bank balances as of year-end and is reported on the cash basis of accounting.

SCHEDULE 2

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND

Supplementary Information

Atlantic Station TAD
Flow of Funds Comparison - Cash Basis
For the Period Ended

	January 1, 2001 - December 31, 2002	January 1, 2003 - December 31, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	Total
SOURCES OF FUNDS:								
Tax Increments from Fulton County	$ 3,792,349.37	$ 15,008,613.78	$ 81,583.44	$ 10,778,346.94	$ 14,191,942.02	$ 16,427,203.91	$ 20,375,324.49	$ 80,655,363.95
Tax Increment- 2005 City of Atlanta 07-R-0518	-	-	-	2,587.33	-	-	-	2,587.33
Bond Proceeds	76,505,000.00	-	166,515,000.00	-	85,495,000.00	-	-	328,515,000.00
Bond Premium	-	-	-	-	1,938,865.65	-	-	1,938,865.65
Temporary Loan City of Atlanta	-	-	-	-	-	-	-	-
Deferred Interest	47,260.80	(47,260.80)	-	-	-	-	-	-
Interest Income	867,095.65	2,056,123.99	645,340.61	1,082,389.97	908,914.97	584,971.80	461,598.68	6,606,435.67
Short Term Capital Gain (Loss)	-	-	-	-	692.40	-	-	692.40
Gain (Loss) for Capitalized Interest Fund	45,709.55	(491,582.32)	-	-	-	-	-	(445,872.77)
TOTAL SOURCES	**81,257,415.37**	**16,525,894.65**	**167,241,924.05**	**11,863,324.24**	**102,535,415.04**	**17,012,175.71**	**20,836,923.17**	**417,273,072.23**
USES OF FUNDS:								
Cost of Issuance Expenses	2,741,813.60	-	942,825.39	-	439,627.22	-	-	4,124,266.21
Underwriter discount, Adm fees, Credit Facility	-	-	7,864,178.05	-	2,092,513.66	-	-	9,956,691.71
Reimbursement to City of Atlanta	10,000,000.00	-	-	-	-	-	-	10,000,000.00
2007 Original Issue Discount	-	-	-	-	363,758.50	-	-	363,758.50
Development Costs Atlantic Station LLC	45,399,446.27	-	146,852,939.15	-	-	-	-	192,252,385.42
Development Costs Fire Station	-	-	-	-	251,898.49	1,708,754.61	2,148,298.39	4,108,951.49
Trustee Fees	3,705.00	7,125.00	-	3,500.00	7,015.00	8,955.00	8,955.00	39,255.00
Accounting and Auditing Fees	-	27,700.00	18,200.00	28,900.00	19,400.00	16,700.00	17,600.00	128,500.00
Legal Fee	-	-				8,899.26	65,282.00	74,181.26
Arbitrage Report	-	4,500.00	1,000.00	3,408.00	-	10,025.00	5,750.00	24,683.00
Remarketing Fees	-	-	-	156,569.71	100,274.45	132,907.09	23,217.45	412,968.70
Bank Charges - Administration Costs	11,546.99	7,233.08	23,327.68	2,985.52	16,534.32	13,250.22	3,302.78	78,180.59
2007 Escrow Fund - Refunding 2001 Bonds	-	-	-	-	84,520,603.49	-	-	84,520,603.49
Bond Principal - 2001	-	1,655,000.00	-	1,790,000.00	-	-	-	3,445,000.00
Bond Principal - 2006						1,000,000.00	5,920,000.00	6,920,000.00
Bond Interest -2006	-	-	586,315.29	6,195,589.71	5,391,595.63	5,411,581.62	4,870,647.22	22,455,729.47
Bond Interest -2001	6,599,491.25	17,998,612.50	2,939,775.00	5,810,187.50	-	-	-	33,348,066.25
Bond Interest -2007	-	-	-	-	2,934,303.30	3,808,218.76	3,703,768.76	10,446,290.82
Bond Principal -2007	-	-	-	-	4,285,000.00	3,750,000.00	535,000.00	8,570,000.00
TOTAL USES OF FUNDS	**64,756,003.11**	**19,700,170.58**	**159,228,560.56**	**13,991,140.44**	**100,422,524.06**	**15,869,291.56**	**17,301,821.60**	**391,269,511.91**
SOURCES (USES) BALANCE	**$ 16,501,412.26**	**$ (3,174,275.93)**	**$ 8,013,363.49**	**$ (2,127,816.20)**	**$ 2,112,890.98**	**$ 1,142,884.15**	**$ 3,535,101.57**	**$ 26,003,560.32**

The Flow of Funds Comparison is reported on the cash basis of accounting which reports only cash collected and disbursed during the period presented.

SCHEDULE 3

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND

Supplementary Information

Balances of Funds Under the Bond Indenture

June 30, 2010

Trust Funds - Bank of New York		
2001 Interest Fund	$	140,608
2006 Project Fund		254,784
2006 Public Purpose Fund		1,308,812
2007 Debt Service Reserve Fund		7,822,788
Total Trust Funds	$	9,526,992

As of June 30, 2010, there were no withdrawals from the Debt Service Reserve Fund.

SCHEDULE 4

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND

Supplementary Information

Debt Service Coverage Ratio

Calculation Based on Offering Memorandum

	January 1, 2002-December 31, 2002	*January 1, 2003-December 31, 2003*	*January 1, 2004-December 31, 2004*	*January 1, 2005-December 31, 2005*	*January 1, 2006-June 30, 2006*		*July 1, 2006-through June 30, 2007*	*July 1, 2007-through June 30, 2008*	*July 1, 2008-through June 30, 2009*	*July 1, 2009-through June 30, 2010*
Actual Collections	$ 3,284,255	$ 3,868,387	$ 4,671,712	$ 6,468,515	$ 81,583		$ 10,778,347	$ 14,191,942	$ 16,427,204	$ 20,375,324
Debt Requirements:										
2001 Bonds Interest	5,999,538	5,999,538	5,999,538	5,999,538	2,939,775		5,810,187	-	-	-
2001 Bonds Principal	-	-	-	1,655,000	-		1,790,000	-	-	-
2006 Interest	-	-	-	-	586,315		6,195,590	5,391,596	5,411,582	4,870,647
2006 Principal	-	-	-	-	-		-	-	1,000,000	5,920,000
2007 Interest	-	-	-	-	-		-	2,934,303	3,808,219	3,703,769
2007 Principal	-	-	-	-	-		-	4,285,000	3,750,000	535,000
Debt Requirements	5,999,538	5,999,538	5,999,538	7,654,538	3,526,090		13,795,777	12,610,899	13,969,801	15,029,416
Debt Service Reserve Earnings Fixed Rate 4.91%-GIC-2001 Bonds	(336,918)	(372,165)	(373,201)	(373,201)	(186,601)		(373,201)	-	-	-
Debt Service Reserve Earnings Interest-Trustee - 2001 Bonds	(14,321)	(192)	(51)	(85)	(54)		(193)	-	-	-
Debt Service Reserve Earnings -Fixed Rate 5.105% - GIC 2007 Bonds	-	-	-	-	-		-	(287,622)	(419,045)	(387,805)
Capitalized Interest per Trust Indenture-2006 Bonds	-	-	-	-	(586,315)		(5,634,639)	-	-	-
Capitalized Interest per Trust Indenture/DDA Revenues-2001 Bonds	(2,975,088)	(2,975,088)	(2,975,088)	(2,245,391)	-		-	-	-	-
Adjusted Debt Service Requirements	$ 2,673,211	$ 2,652,093	$ 2,651,198	$ 5,035,861	$ 2,753,120		$ 7,787,744	$ 12,323,277	$ 13,550,756	$ 14,641,611
EXCESS (DEFICIT) OVER DEBT COVERAGE	**$ 611,044**	**$ 1,216,294**	**$ 2,020,514**	**$ 1,432,654**	**$ (2,671,537)**		**$ 2,990,603**	**$ 1,868,665**	**$ 2,876,448**	**$ 5,733,713**
ACTUAL DEBT SERVICE RATIO	**1.229**	**1.459**	**1.762**	**1.284**	**0.030**	**(1)**	**1.384**	**1.152**	**1.212**	**1.392**

(1) On January 1, 2006 the City of Atlanta changed their financial reporting from a December 31st year end to a June 30th year end. This change resulted in financial statements being issued for a short period of six months from January 1, 2006 to June 30, 2006. This change in reporting affected the Debt Service Coverage Ratio calculations. Since property tax revenue is primarily received in August and October of each year, there is only a limited amount of revenue for the six month period ending June 30, 2006. However, debt service payments remain constant. The deficit for the short period ending June 30, 2006 was covered by prior years excess collections over debt service.

The Debt Service Coverage Ratio for the six month period ending June 30, 2006 is not a good indicator of the performance of the Atlantic Station TAD due to the timing of the property tax collection dates referred to above and the one time issuance of financial statements for a six month period.

SCHEDULE 5

CITY OF ATLANTA, GEORGIA
ATLANTIC STATION TAX ALLOCATION DISTRICT FUND

Supplementary Information

2007 Escrow – 2001 Bond Refunding – Year Ended June 30, 2010

June 30, 2009	Balance	75,215,052.78
December 1, 2009	Interest on 2001 Bonds	(2,714,443.75)
December 1, 2009	Principal on 2001 Bonds	(2,255,000.00)
December 31, 2009	Interest income	1,599,421.61
May 31, 2010	Balance	71,845,030.64
June 1, 2010	Interest income	1,528,819.65
June 1, 2010	Interest on 2001 Bonds	(2,627,062.50)
June 30, 2010	Balance	$ 70,746,787.79

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERMENT AUDITING STANDARDS*

The Board of Directors
Atlanta Development Authority

We have audited the financial statements of the governmental activities and the major fund of the City of Atlanta, Georgia Atlantic Station Tax Allocation District Fund (the "Fund"), as of and for the year ended June 30, 2010, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated January 18, 2011, which references that the Fund is not the entire reporting entity of the City of Atlanta. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 18, 2011