

**CITY OF ATLANTA, GEORGIA  
PRINCETON LAKES  
TAX ALLOCATION DISTRICT FUND**

Financial Statements and Supplementary Information

June 30, 2014

(With Independent Auditor's Report Thereon)

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
**June 30, 2014**

**Table of Contents**

	<b>Page</b>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	11
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	12
Notes to Basic Financial Statements	13
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	20
Supplementary Information:	
Schedule 1: Fund Balance Sheet Comparison – Cash Basis	21
Schedule 2: Flow of Funds Comparison – Cash Basis	22
Schedule 3: Balances of Funds Under the Bond Indenture – Cash Basis	23
Schedule 4: Debt Service Coverage Ratio – Cash Basis	24
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 <i>Government Auditing Standards</i>	25



## INDEPENDENT AUDITOR'S REPORT

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**The Board of Directors  
The Atlanta Development Authority, d/b/a Invest Atlanta**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Atlanta, Georgia Princeton Lakes Tax Allocation District Fund (the "Fund") as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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***Opinions***

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 Fund, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Princeton Lakes 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, 2014 and the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison information on pages 4 through 10 and 20, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, Balances of Funds Under the Bond Indenture – Cash Basis, and Debt Service Coverage Ratio – Cash Basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, Balances of Funds Under the Bond Indenture – Cash Basis, and Debt Service Coverage Ratio – Cash Basis are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Fund Balance Sheet Comparison – Cash Basis, Flow of Funds Comparison – Cash Basis, Balances of Funds Under the Bond Indenture – Cash Basis, and Debt Service Coverage Ratio – Cash Basis are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015 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* in considering the Fund's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
January 28, 2015

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Management's Discussion and Analysis

June 30, 2014

This section of the annual financial report of the Princeton Lakes Tax Allocation District Fund ("Fund" or "District") presents the analysis of the Fund's financial performance during the fiscal year ended on June 30, 2014. 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 Princeton Lakes 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, d/b/a Invest Atlanta ("ADA") is the redevelopment agent for the Princeton Lakes Tax Allocation District and is responsible for all the financial reporting and compliance required by the 2006 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 audit. A separate audit provides the reader of the financial statements with more financial information pertaining to each individual tax allocation district.

**The Princeton Lakes Tax Allocation District**

On March 15, 2006, the City of Atlanta, Georgia issued \$21,000,000 Series 2006A Tax Allocation Bonds pursuant to the Constitution and laws of the State of Georgia, in particular Chapter 44 of Title 36 of the Official Code of Georgia Annotated, as amended, known as the Redevelopment Powers Law (the "Act"). The Initial Resolution 02-R-1775 was adopted by the City Council on November 18, 2002, and signed by the Mayor on November 26, 2002. On February 8, 2006, Ordinance 06-O-0263 was adopted by the City Council and signed by the Mayor on February 9, 2006.

ADA was designated as the redevelopment agent to implement the Princeton Lakes Redevelopment Plan. Pursuant to the Act, the Tax Allocation Bonds were issued to finance public improvements serving the properties located with the tax allocation district.

The properties in the tax allocation district are located in the City of Atlanta, Georgia with boundaries consisting of Hogan Road SW to the north; the City of East Point to the east; Camp Creek Parkway SW to the south; and Fairburn Road SW to the west.

The Mixed Use Development in the Princeton Lakes TAD, includes retail, hotel, office and residential components to be located on a 188-acre parcel in the TAD between Redwine Road and Camp Creek Parkway. The residential development, which is a master planned residential community that will include 844 single family homes and townhomes on a 238- acre parcel in the northwest portion of the TAD.

The Board of Commissioners of Fulton County, Georgia by Resolution 02-1414 adopted on December 18, 2002, consented to the inclusion of their respective shares of positive ad valorem tax increments derived for the Princeton Lakes TAD as security for the Series 2006 Bonds.

On July 1, 2010, the City of Atlanta and U.S. Bank National Association (Trustee) entered into the First Supplemental Indenture of Trust. With the majority consent of the bondholders with the aggregate principal amount of the Bonds then outstanding, it was agreed that the City had the option to purchase bonds for cancellation from excess tax increment and from funds on deposit in the Redemption Account of the Bond Fund.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Management's Discussion and Analysis

June 30, 2014

**Overview of Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Fund's financial statements. The Funds' financial statements consist of five (5) components: 1) governmental fund financial statements, 2) government-wide financial statements, 3) notes to the financial statements, 4) required supplemental schedule, and 5) other 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 fiscal year and are presented on a modified accrual basis. Only current assets, current liabilities, and deferred inflows of resources for unavailable property taxes 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 fiscal year. Revenues are considered available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal 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 Position 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 fiscal year. All changes in net position 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 gain a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 to 19 of this report.

**Required Supplemental Schedule**

Included in these financial statements is the schedule of revenues, expenditures, and changes in fund balances – budget to actual for the Princeton Lakes Tax Allocation District governmental fund. This schedule can be found on page 20.

**Supplemental Schedules**

ADA, as Redevelopment Agent, is responsible for the compliance reporting to the Atlanta City Council, City of Atlanta, ADA Board of Directors, and the Board of Commissioners of Fulton County. Quarterly reporting consists of cash basis financials for the tax allocation district and meets the compliance requirement. 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.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
 Management's Discussion and Analysis

June 30, 2014

Schedule 3 consists of balances on deposit in each of the funds held by the Trustee. The schedule also includes a statement as to whether there were withdrawals from the Debt Service Reserve Fund. Schedule 4 presents the Fund's debt service coverage ratio.

A summary comparison of the governmental fund statements for June 30, 2013 and June 30, 2014 are presented below:

Princeton Lakes Tax Allocation District Fund  
 Summary Comparison of Governmental Fund Balance Sheets  
 As of June 30, 2013 and June 30, 2014

	2013	2014
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,758,668	\$ 3,842,338
Property taxes receivable, net of allowance	41,321	48,294
Due from other governments	3,090	250
Restricted investments	2,022,021	2,022,022
Total Assets	\$ 4,825,100	\$ 5,912,904
<b>Liabilities and Deferred Inflows of Resources:</b>		
Accounts payable	\$ 162	\$ 1,615
Due to the City of Atlanta	-	1,850
Deferred inflow - unavailable revenue	40,502	37,983
Total Liabilities and Deferred Inflows of Resources	40,664	41,448
<b>Fund Balance:</b>		
Restricted	4,784,436	5,871,456
Total Fund Balance	4,784,436	5,871,456
Total liabilities and fund balance	\$ 4,825,100	\$ 5,912,904



**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
 Management's Discussion and Analysis

June 30, 2014

Princeton Lakes Tax Allocation District Fund  
 Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance  
 For the Fiscal Years Ended June 30, 2013 and June 30, 2014

	2013	2014
<b>Expenditures:</b>		
General government	\$ 48,217	\$ 48,242
Debt service - interest	724,900	724,900
Total Expenditures	773,117	773,142
<b>General Revenues:</b>		
Tax increment revenue	1,704,278	1,856,528
Investment earnings	4,109	3,634
Total General Revenues	1,708,387	1,860,162
Excess (deficiency) of revenues over (under) expenditures	935,270	1,087,020
Net change in fund balance	935,270	1,087,020
<b>Fund Balance:</b>		
Beginning of the fiscal year	3,849,166	4,784,436
End of the fiscal year	\$ 4,784,436	\$ 5,871,456

Assets include predominately cash and cash equivalents plus restricted investments. These assets are held for future payments on the 2006 Bonds. Cash and cash equivalents are the Special Fund bank account held by the City of Atlanta. The Special Fund bank account balance at fiscal year-end is \$3,842,338 and represents an increase of \$1,083,670 from the previous fiscal year as a result of there being no principal payments being made during the current fiscal year.

The Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance statements show an increase in tax increment revenue of \$152,250 which is mainly from the increase in assessed value of taxable property in the District. The certified growth rate for property tax year 2013 is 99.195% compared to property tax year 2012 of 99.183%. The 2013 Certified Tax Digest reflects taxable assessed valued in the District as \$102,695,580 which is an increase of \$101,868,820 over the 2002 base year.

Interest on the 2006 Bonds is paid semi-annually. The amount of interest paid for the fiscal year ended June 30, 2014 was \$724,900.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
 Management's Discussion and Analysis

June 30, 2014

The government wide financial statements for June 30, 2013 and June 30, 2014 are presented below:

Princeton Lakes Tax Allocation District Fund  
 Summary Comparison of Government wide Statement of Net Position  
 As of June 30, 2013 and June 30, 2014

	2013	2014
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,758,668	\$ 3,842,338
Property taxes receivable, net of allowance	41,321	48,294
Due from other governments	3,090	250
Restricted investments	2,022,021	2,022,022
Total Assets	4,825,100	5,912,904
<b>Liabilities:</b>		
Accounts payable	162	1,615
Due to the City of Atlanta	-	1,850
Accrued interest payable	362,450	362,450
Long- term debt	13,015,944	13,031,419
Total Liabilities	13,378,556	13,397,334
<b>Total Net Position (deficit)</b>	<b>\$ (8,553,456)</b>	<b>\$ (7,484,430)</b>

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
 Management's Discussion and Analysis

June 30, 2014

Princeton Lakes Tax Allocation District Fund  
 Summary Comparison of Government wide Statement of Activities  
 For the Fiscal Years Ended June 30, 2013 and June 30, 2014

	2013	2014
Expenses:		
Amortization expense	\$ 15,995	\$ 15,475
General government	48,217	48,242
Interest expense	724,900	724,900
Total Expenses	789,112	788,617
General Revenues:		
Tax increment revenue	1,699,158	1,854,009
Investment earnings	4,109	3,634
Total General Revenues	1,703,267	1,857,643
Change in net position	914,155	1,069,026
Net Position (Deficit)		
Beginning of the fiscal year	(9,467,611)	(8,553,456)
End of the fiscal year	\$ (8,553,456)	\$ (7,484,430)

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. Under the accrual basis of accounting, the tax increment revenue includes the accounts receivable from the taxpayers in the District. As of June 30, 2014, the amount of Property Tax Receivable is \$48,294. The government wide financial statements show the amount of bonds outstanding on the Statement of Net Position.

**Long-Term Debt**

In March 2006, the City issued \$21,000,000 in limited obligation bonds for the Princeton Lakes TAD. The issuance is 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 Atlanta City Council and the Board of Commissioners of Fulton County.

The 2006 Bonds have annual principal payments due on January 1<sup>st</sup> and semi-annual interest payments due on July 1<sup>st</sup> and January 1<sup>st</sup>.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**

Management's Discussion and Analysis

June 30, 2014

On December 2, 2008, the bondholders declined to consent to the proposed amendment to extend the extraordinary mandatory redemption from unexpended proceeds. On January 1, 2009, in addition to the normal interest and principal due, a payment of \$2,825,000 of remaining bond proceeds were used to redeem bonds in accordance with the Indenture of Trust and DTC procedures. The early redemption was applied to future principal payments on the bonds. The next principal payment is due January 1, 2021.

On January 29, 2010, a majority of bondholders provided their consent to amend the Indenture and approve the First Supplemental Indenture of Trust. This document, executed on July 1, 2010, allows for the use of excess tax increment and excess investment earnings to purchase outstanding 2006 Bonds tendered for purchase prior to the optional and special mandatory redemption dates otherwise provided for in the Indenture. During Fiscal Year 2014, there was no purchase of outstanding 2006 Bonds. See Note 6 to the financial statements for more information.

**Economic Factors and Outlook**

The 2006 Bonds provided funding for the Mixed Use Development which consists of approximately 430,000 square feet of retail development including major national and regional retailers. The Publix-anchored retail center, Camp Creek Marketplace Phase II and all of the Redwine Road commercial properties are complete. The Mixed Use Development also includes three medical office buildings, all of which are complete. In addition, the Mixed Use Development includes 776 residential units consisting of 656 market rate garden apartments, which are complete and approximately 94% leased, and 120 townhomes, of which 35 are complete. Proceeds of the bonds were used to reimburse the developer for a portion of the costs associated with the public improvements required to support the Mixed Use Development, which included: water detention facility improvements, installation of sewer and water improvements, installation of intersections, and traffic signals on major connecting parkways, and road improvements.

The Residential Development is a master planned residential community which includes 844 single family homes and townhomes on a 238-acre parcel. The development consists primarily of single-family detached homes, with one planned neighborhood of approximately 150 townhomes. All of the single-family homes and townhomes are complete and sold. The Residential Development has greenways and pedestrian pathways connecting the homes to adjacent commercial developments and existing public transportation routes. The proceeds from the bonds have been used to reimburse the developer for site preparation, clearance, grading, installation of detention ponds, installation of sewer and water infrastructure and sidewalks.

**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, 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Statement of Net Position and Governmental Fund Balance Sheet  
June 30, 2014

	<b>Princeton Lakes Tax Allocation District</b>	<b>Adjustments (Note 3)</b>	<b>Statement of Net Position</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,842,338	\$ -	\$ 3,842,338
Property taxes receivable, net of allowance	48,294	-	48,294
Due from Invest Atlanta	250	-	250
Restricted assets:			
Investments	2,022,022	-	2,022,022
Total assets	\$ 5,912,904	-	5,912,904
<b>Liabilities</b>			
Accounts payable	\$ 1,615	-	1,615
Due to the City of Atlanta	1,850	-	1,850
Liabilities payable from restricted assets:			
Accrued interest payable	-	362,450	362,450
Long-term debt:			
Due after one year	-	13,031,419	13,031,419
Total liabilities	3,465	13,393,869	13,397,334
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	37,983	(37,983)	-
Total deferred inflows of resources	37,983	(37,983)	-
<b>Fund Balance/Net Position (Deficit)</b>			
Fund balance:			
Restricted for debt service	5,871,456	(5,871,456)	-
Total fund balance	5,871,456	(5,871,456)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 5,912,904		
Net position (deficit):			
Restricted for debt service		5,871,456	5,871,456
Unrestricted		(13,355,886)	(13,355,886)
Total net position (deficit)		\$ (7,484,430)	\$ (7,484,430)

**See accompanying notes to basic financial statements.**

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Statement of Activities and Governmental Fund  
Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2014

	<b>Princeton Lakes Tax Allocation District</b>	<b>Adjustments (Note 3)</b>	<b>Statement of Activities</b>
<b>Expenditures/expenses</b>			
General government	\$ 48,242	\$ -	\$ 48,242
Amortization expense	-	15,475	15,475
Debt service:			
Interest	724,900	-	724,900
Total expenditures/expenses	773,142	15,475	788,617
Net program expense			788,617
<b>General revenues</b>			
Tax increment revenue	1,856,528	(2,519)	1,854,009
Investment earnings	3,634	-	3,634
Total general revenues	1,860,162	(2,519)	1,857,643
Excess (deficiency) of revenues over (under) expenditures	1,087,020	(1,087,020)	-
Net change in fund balance	1,087,020	(1,087,020)	-
Change in net position	-	(1,069,026)	1,069,026
<b>Fund balance/net position (deficit)</b>			
Beginning of the fiscal year	4,784,436	(13,337,892)	(8,553,456)
End of the fiscal year	\$ 5,871,456	\$ (13,355,886)	\$ (7,484,430)

See accompanying notes to basic financial statements.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Notes to Basic Financial Statements

June 30, 2014

**(1) Reporting Entity**

The Princeton Lakes Tax Allocation District (the “Fund”) of the City of Atlanta, Georgia (the “City”) was created in 2002 in order to finance permitted redevelopment costs within the Princeton Lakes Tax Allocation District. These redevelopment costs, primarily infrastructure related, were provided to the area incorporated within the Princeton Lakes 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 Princeton Lakes 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 and Fulton County. The City has designated the Atlanta Development Authority, d/b/a Invest Atlanta as the redevelopment agent for the Princeton Lakes 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 fiscal year ended June 30, 2014; 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 position 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 position includes noncurrent assets and liabilities and the government-wide statement of activities reflects changes in long-term assets and liabilities. Net position in the statement of net position is distinguished between amounts that are 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

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Notes to Basic Financial Statements

June 30, 2014

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 fiscal year or soon enough thereafter to pay liabilities of the current fiscal 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 Princeton Lakes Tax Allocation District Fund – which records all of its activity and is used to account for all financial resources of the Fund.

**(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 position 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.



**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**

Notes to Basic Financial Statements

June 30, 2014

**(g) Taxes Receivable**

Although the Princeton Lakes Tax Allocation District (“TAD”) is not a taxing authority, it is the recipient of positive ad valorem tax allocation increments derived from the Princeton Lakes Tax Allocation District each fiscal 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 2002 base fiscal year.

**(h) Fund Equity and Net Position**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the TAD is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

*Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Council. Only the City Council may modify or rescind the commitment by passage of a subsequent ordinance.

*Assigned* – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The Chief Financial Officer of the City may recommend assignment of fund balances subject to approval of the City Council.

*Unassigned* – Fund balances are reported as unassigned for the residual amount when the balances do not meet any of the above criterion.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Fund’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Fund’s

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Notes to Basic Financial Statements

June 30, 2014

policy, by default, to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

**Net Position** – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Amounts shown as net investment in capital assets are made up of capital asset costs, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the TAD has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. The TAD applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and the Bond Indenture.

**(j) Budget**

The Fund legally adopts an annual operating budget. A schedule of revenues, expenditures, and changes in fund balance – budget to actual is presented in the required supplementary information section of this financial report.

**(k) 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, deferred inflows and outflows of resources 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.

**(l) Deferred Outflows/Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Fund has one type of deferred inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**

Notes to Basic Financial Statements

June 30, 2014

**(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 position***

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

Amounts of property taxes receivable not available as of fiscal year end are deferred inflows in governmental funds, but are recognized as revenue when earned in the government-wide statements. \$ 37,983

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (362,450)

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 for bonds – both current and long-term – are reported in the statements of net position. (13,031,419)

**(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 position. Also, governmental funds report the effect of premiums or discounts 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:

Amortization of discount \$ (15,475)

Tax revenue in the statement of activities differs from the amount reported in the governmental funds due to the change in deferred inflows for unavailable revenue between fiscal year ends. (2,519)

**(4) Legal Compliance – Budgets**

The City of Atlanta, Georgia is required to adopt a balanced budget each fiscal year and maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**

Notes to Basic Financial Statements

June 30, 2014

approved by the Mayor and City Council. Annual budgets are adopted for the Tax Allocation District with the level of legal budgetary control established by the City Council at the department level.

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

The responsibility for revenue anticipations and specified appropriations is fixed by law by the Budget Commission, which is composed of the Mayor, the Chief Financial Officer, the Chair of the City Council Finance Committee, and two other members of City Council. The Budget Commission may not anticipate in any fiscal year an amount in excess of 99% of the normal revenues of the City actually collected during the previous fiscal year (unless tax rates are increased) plus any accumulated cash surplus carried forward from the previous fiscal year.

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 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 fiscal 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 fiscal year ended June 30, 2014.

**(5) Deposits and Investments**

**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.

At June 30, 2014, the Fund had the following investments:

<b>Investment</b>	<b>Maturities/Duration</b>	<b>Fair Value</b>
First American U.S. Treasuries - Mutual Funds	40 days	\$ 2,022,022

**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, 2014, interest rate risk is reported in the above table as "Maturities/Duration" for each of the applicable investment classifications.

**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

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Notes to Basic Financial Statements

June 30, 2014

collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014, the Fund had no bank balances that were exposed to custodial credit risk.

**(6) Bonds Payable**

During 2006, the City issued \$21,000,000 in limited obligation bonds for the Princeton Lakes 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 and Fulton County. The property tax increments are pledged until the payment in full of the bonds.

The Fund's debt service requirements based upon required sinking fund and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
Fiscal year ending June 30:			
2015	\$ -	\$ 724,900	\$ 724,900
2016	-	724,900	724,900
2017	-	724,900	724,900
2018	-	724,900	724,900
2019	-	724,900	724,900
2020-2024	3,760,000	3,348,400	7,108,400
2025-2029	6,360,000	1,928,300	8,288,300
2030-2031	3,060,000	254,650	3,314,650
	<u>\$ 13,180,000</u>	<u>\$ 9,155,850</u>	<u>\$ 22,335,850</u>

The Fund's long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

<u>Bonds</u>	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Amount Due In One Year</u>
Series 2006 Bonds	\$ 13,180,000	\$ -	\$ -	\$ 13,180,000	\$ -
Less: Discount	(164,056)	-	(15,475)	(148,581)	-
Total	<u>\$ 13,015,944</u>	<u>\$ -</u>	<u>\$ (15,475)</u>	<u>\$ 13,031,419</u>	<u>\$ -</u>

**CITY OF ATLANTA, GEORGIA  
PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Tax increment revenue	\$ 1,519,722	\$ 1,519,722	\$ 1,856,528	\$ 336,806
Investment earnings	5,000	5,000	3,634	(1,366)
Total revenues	<u>1,524,722</u>	<u>1,524,722</u>	<u>1,860,162</u>	<u>335,440</u>
<b>Expenditures</b>				
Current:				
General government:				
Nondepartmental	40,000	146,000	48,242	97,758
Total general government	<u>40,000</u>	<u>146,000</u>	<u>48,242</u>	<u>97,758</u>
Debt service:				
Principal	3,000,000	3,116,000	-	3,116,000
Interest	724,900	840,000	724,900	115,100
Total debt service	<u>3,724,900</u>	<u>3,956,000</u>	<u>724,900</u>	<u>3,231,100</u>
Total expenditures	<u>3,764,900</u>	<u>4,102,000</u>	<u>773,142</u>	<u>3,328,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,240,178)</u>	<u>(2,577,278)</u>	<u>1,087,020</u>	<u>3,664,298</u>
Net change in fund balances	(2,240,178)	(2,577,278)	1,087,020	3,664,298
<b>Fund balance, beginning of fiscal year</b>	<u>4,784,436</u>	<u>4,784,436</u>	<u>4,784,436</u>	<u>-</u>
<b>Fund balance, end of fiscal year</b>	<u>\$ 2,544,258</u>	<u>\$ 2,207,158</u>	<u>\$ 5,871,456</u>	<u>\$ 3,664,298</u>

SCHEDULE 1

CITY OF ATLANTA, GEORGIA  
 PRINCETON LAKES TAX ALLOCATION DISTRICT FUND  
 Fund Balance Sheet Comparison - Cash Basis  
 As of the Period Ended

SUPPLEMENTARY INFORMATION

	December 31, 2004	December 31, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>ASSETS:</b>											
Restricted Cash- Tax Increment	18,877.46	48,312.40	43,703.59	587,304.60	1,150,043.13	1,938,696.90	2,863,099.37	4,032,560.90	1,841,174.13	2,788,667.55	3,842,338.32
Restricted Cash Tax Increment Investment Fund-Slate Pool	-	-	1,703.97	3.94	-	4.00	4.00	-	-	-	-
<b>Total Restricted Cash Tax Increment Fund</b>	<b>18,877.46</b>	<b>48,312.40</b>	<b>45,407.56</b>	<b>589,008.47</b>	<b>1,150,047.07</b>	<b>1,938,700.90</b>	<b>2,863,103.37</b>	<b>4,032,560.90</b>	<b>1,841,174.13</b>	<b>2,788,667.55</b>	<b>3,842,338.32</b>
<b>Restricted Cash- Other Funds</b>											
Restricted Cash- Capitalized Interest Fund	-	-	1,869,826.20	1,013,083.39	145,754.89	0.01	0.01	-	-	-	-
Restricted Cash- Debt Service Reserve Fund	-	-	318,507.94	724,225.91	1,506,274.46	1,575,313.99	1,659,650.00	1,659,663.29	1,659,550.00	1,659,554.00	1,659,555.32
Restricted Cash-Cost of Issuance Fund	-	-	14,064.96	14,718.56	-	-	-	-	-	-	-
Restricted Cash- Project Fund	-	-	17,319,283.13	13,263,208.76	6,505,868.31	1,507,821.56	1,507,821.56	468,501.47	-	-	-
Restricted Cash-Tax Increment	-	-	-	52.29	730,131.59	20.09	9,795.09	90.00	-	-	-
Restricted Cash- Redemption Fund	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash- Interest Fund	-	-	-	-	15,172.49	568,894.07	579,119.07	460,628.46	362,466.75	362,466.75	362,467.04
<b>Total Restricted Cash- Other Funds</b>	<b>-</b>	<b>-</b>	<b>19,521,672.23</b>	<b>15,015,288.91</b>	<b>8,903,201.74</b>	<b>3,651,848.72</b>	<b>3,786,085.73</b>	<b>2,588,783.22</b>	<b>2,022,016.75</b>	<b>2,022,020.75</b>	<b>2,022,022.36</b>
<b>Due from Invest Atlanta</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250.00</b>
<b>Fulton County Tax Commissioner</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,089.90</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>18,877.46</b>	<b>48,312.40</b>	<b>19,565,375.82</b>	<b>15,604,297.38</b>	<b>10,053,246.81</b>	<b>5,590,550.62</b>	<b>6,619,189.10</b>	<b>6,621,364.12</b>	<b>3,863,190.88</b>	<b>4,783,778.20</b>	<b>5,864,610.68</b>
<b>LIABILITIES/FUND BALANCE:</b>											
<b>Fulton County Tax Commissioner</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,076.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,434.65</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payables- Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,580.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>City of Atlanta- Payable Cash Pool</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,486.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,306.25</b>	<b>4,872.90</b>	<b>160.01</b>	<b>2,380.01</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,562.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,320.90</b>	<b>4,872.90</b>	<b>160.01</b>	<b>2,380.01</b>
<b>Fund Balance</b>	<b>18,877.46</b>	<b>48,312.40</b>	<b>19,565,375.82</b>	<b>15,563,734.60</b>	<b>10,053,246.81</b>	<b>5,590,550.62</b>	<b>6,619,189.10</b>	<b>6,619,189.10</b>	<b>6,586,043.22</b>	<b>4,783,317.88</b>	<b>4,783,618.19</b>
<b>Source (Uses) Balance</b>	<b>29,434.94</b>	<b>19,517,063.42</b>	<b>(4,001,691.22)</b>	<b>(5,510,485.79)</b>	<b>(4,402,696.19)</b>	<b>(33,145.68)</b>	<b>1,028,638.48</b>	<b>(33,145.68)</b>	<b>(2,727,725.24)</b>	<b>925,300.21</b>	<b>1,078,612.48</b>
<b>Total Fund Balance</b>	<b>18,877.46</b>	<b>48,312.40</b>	<b>19,565,375.82</b>	<b>15,563,734.60</b>	<b>10,053,246.81</b>	<b>5,590,550.62</b>	<b>6,619,189.10</b>	<b>6,586,043.22</b>	<b>3,863,317.98</b>	<b>4,783,618.19</b>	<b>5,862,230.57</b>
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>18,877.46</b>	<b>48,312.40</b>	<b>19,565,375.82</b>	<b>15,604,297.38</b>	<b>10,053,246.81</b>	<b>5,590,550.62</b>	<b>6,619,189.10</b>	<b>6,621,364.12</b>	<b>3,863,190.88</b>	<b>4,783,778.20</b>	<b>5,864,610.68</b>

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

SCHEDULE 2

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
**Flow of Funds Comparison - Cash Basis**  
**For the Period Ended**

	December 31, 2004	December 31, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	Total
<b>SOURCES OF FUNDS:</b>												
Tax increments	\$ 18,877.46	\$ 29,434.94	\$ 70,602.79	\$ 506,105.47	\$ 1,328,005.49	\$ 1,772,432.85	\$ 2,057,518.63	\$ 2,036,068.38	\$ 1,806,440.82	\$ 1,706,632.18	\$ 1,847,035.63	\$ 13,179,154.64
Bond Proceeds	-	-	21,000,000.00	-	-	-	-	-	-	-	-	21,000,000.00
Developers Contribution to Capitalized Interest Fund	-	-	-	-	379,438.75	-	-	-	-	-	-	379,438.75
Interest Income:												
Interest Income Tax Increment Investment-State Pool	-	-	378.36	5,414.74	40.47	0.06	-	-	-	-	-	5,833.63
Interest Income Tax Increment Wachovia	-	-	15,504.64	15,079.54	32,079.54	15,792.23	13,664.94	9,131.41	5,572.81	4,104.91	3,633.99	99,484.47
Interest Income COI Fund	-	-	190.76	663.60	438.98	-	-	-	-	-	-	1,293.34
Interest Income Interest Fund	-	-	-	14.95	29.18	-	-	3.46	-	-	-	47.59
Interest Income Project Fund	-	-	-	672,126.39	526,198.68	162,700.53	-	3.80	-	-	-	1,596,696.68
Interest Income Debt Service Reserve Fund	-	-	235,667.28	113.26	7,848.09	-	-	13.29	-	4.00	-	84,053.36
Interest Income Principal Fund	-	-	-	52.29	1,385.80	-	-	-	0.01	-	-	1,948.56
Interest Income Tax Increment Trustee	-	-	25,848.68	60,840.52	13,232.75	187,908.99	13,664.94	9,151.96	5,572.82	4,108.91	3,633.99	1,007,075.05
Interest Income Capitalized Interest Fund	-	-	262,198.34	754,607.43	656,066.31	1,960,341.84	2,071,183.57	2,045,220.34	1,812,013.64	1,710,741.09	1,850,668.62	13,866,933.69
<b>TOTAL SOURCES</b>	<b>18,877.46</b>	<b>29,434.94</b>	<b>21,332,801.13</b>	<b>1,260,712.90</b>	<b>2,363,530.55</b>	<b>1,960,341.84</b>	<b>2,071,183.57</b>	<b>2,045,220.34</b>	<b>1,812,013.64</b>	<b>1,710,741.09</b>	<b>1,850,668.62</b>	<b>36,455,527.08</b>
<b>USES OF FUNDS:</b>												
Cost of Issuance Expenses	-	-	327,135.80	-	-	-	-	-	-	-	-	327,135.80
Underwriters Discount	-	-	289,000.00	-	-	-	-	-	-	-	-	289,000.00
Developer-Princeton Lakes LLC	-	-	1,199,601.91	1,897,717.62	2,317,671.65	1,223,064.47	-	-	-	-	-	6,638,255.65
Developer-Pulte Homes	-	-	-	2,424,770.42	4,259,688.40	915,607.99	-	-	-	-	-	7,600,066.81
Trustee Fees	-	-	-	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,120.00	4,400.00	32,520.00
Accounting and Auditing Fees	-	-	-	11,200.00	19,700.00	16,700.00	17,400.00	18,100.00	18,800.00	19,300.00	19,300.00	140,500.00
Legal	-	-	-	5,174.35	-	9,283.87	10,628.90	11,800.65	4,106.36	5,696.50	5,500.00	47,016.28
Municipal- Compliance Investors	-	-	-	-	11,997.50	15,778.75	28,555.42	15,210.00	6,718.39	16,718.76	11,658.75	111,811.92
The Riddle Company	-	-	-	-	-	-	-	5,833.33	2,000.00	-	-	2,000.00
Consulting-Buxton	-	-	-	-	-	-	-	1,872.00	-	-	-	7,833.33
Gamer Economic Study	-	-	-	-	-	-	-	1,200.00	1,200.00	1,200.00	-	1,872.00
First SouthWest-FC for COA	-	-	-	1,704.00	-	3,500.00	1,750.00	1,200.00	16,000.00	-	-	11,754.00
S & P Credit Rating	-	-	-	-	-	-	-	-	29.15	-	-	29.15
La Madeleine	-	-	-	-	-	-	-	-	2,000.00	12,579.80	-	14,579.80
HR&A Advisors, Inc.	-	-	-	-	-	-	-	-	190.00	-	-	190.00
Maxberry Consulting	-	-	-	-	-	-	-	-	-	-	-	120.00
DCA Charge-Bondholder listing	-	-	-	204.40	758.79	120.00	660.77	1,676.35	1,279.14	925.82	3,098.39	9,363.61
Bank & Service Charges	-	-	-	759.95	3,085,000.00	3,085,000.00	-	1,060,000.00	3,570,000.00	-	-	7,820,000.00
Bond Principal	-	-	-	-	-	-	-	323.89	1,090.84	-	-	1,414.73
Additional Bond Interest	-	-	-	-	-	-	-	(21,200.00)	(6,925.00)	-	-	(30,125.00)
Principal Discount	-	-	-	-	-	-	-	979,550.00	921,250.00	724,900.00	-	7,551,958.33
Bond Interest	-	-	-	917,583.33	1,149,225.00	1,149,225.00	979,550.00	979,550.00	921,250.00	724,900.00	-	7,551,958.33
<b>TOTAL USES OF FUNDS</b>	<b>18,877.46</b>	<b>29,434.94</b>	<b>1,815,737.71</b>	<b>5,262,354.12</b>	<b>7,874,016.34</b>	<b>6,423,040.03</b>	<b>1,042,545.09</b>	<b>2,078,366.22</b>	<b>4,539,728.88</b>	<b>785,440.88</b>	<b>772,057.14</b>	<b>30,593,296.41</b>
<b>SOURCES (USES) BALANCE</b>	<b>\$ 18,877.46</b>	<b>\$ 29,434.94</b>	<b>\$ 19,517,063.42</b>	<b>\$ (4,007,641.22)</b>	<b>\$ (5,510,465.79)</b>	<b>\$ (4,462,698.19)</b>	<b>\$ 1,028,638.48</b>	<b>\$ (33,145.88)</b>	<b>\$ (2,727,725.24)</b>	<b>\$ 925,300.21</b>	<b>\$ 1,078,612.48</b>	<b>\$ 5,862,230.67</b>

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



**CITY OF ATLANTA, GEORGIA  
PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**

**SUPPLEMENTARY INFORMATION**

Balances of Funds under the Bond Indenture - Cash Basis

June 30, 2014

**Trust Funds - US Bank:**

Capitalized Interest Fund	\$	-
Tax Increment Fund		-
Project Fund		-
Cost of Issuance Fund		-
Interest Fund		362,467
Debt Service Reserve Fund		<u>1,659,555</u>
Total Trust Funds		<u><u>\$ 2,022,022</u></u>

As of June 30, 2014, there have not been any withdrawals from the Debt Service Reserve Fund.

**CITY OF ATLANTA, GEORGIA**  
**PRINCETON LAKES TAX ALLOCATION DISTRICT FUND**  
Debt Service Coverage Ratio - Cash Basis  
June 30, 2014

**SUPPLEMENTARY INFORMATION**

**Revenue for debt service calculation:**

Tax increment collections- 2013 Property Tax Year	\$ 1,769,979
Tax increment collections- 2012 Property Tax Year	72,429
Tax increment collections- 2011 Property Tax Year	2,622
Tax increment collections- 2010 Property Tax Year	1,950
Tax increment collections- 2009 Property Tax Year	-
Tax increment collections- 2008 Property Tax Year	56
Total Tax Increment Collections	<u>1,847,036</u>

Interest income DSR fund	3,634
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Total revenue for debt service calculation	<u>1,850,670</u>
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**Expenditures for debt service calculation:**

Debt service paid	
Interest paid July 1, 2013	362,450
Interest paid January 1, 2014	362,450
Total debt service paid	<u>724,900</u>

Total expenditures for debt service calculation	<u>724,900</u>
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Excess revenue over expenditures	<u>\$ 1,125,770</u>
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DSC Ratio for the Fiscal Year Ended June 30, 2014	<u>\$ 2.55</u>
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**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 *GOVERNMENT AUDITING STANDARDS***

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**The Board of Directors  
The Atlanta Development Authority, d/b/a Invest Atlanta**

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the City of Atlanta, Georgia Princeton Lakes Tax Allocation District Fund (the "Fund"), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated January 28, 2015. Our report includes a reference that the Fund is not the entire reporting entity of the City of Atlanta, Georgia.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion of the effectiveness of the Fund's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia  
January 28, 2015