

CITY OF ATLANTA, GEORGIA
WESTSIDE TAX ALLOCATION DISTRICT FUND

Financial Statements and Supplementary Information

June 30, 2015

(With Independent Auditor's Report Thereon)

CITY OF ATLANTA, GEORGIA
WESTSIDE TAX ALLOCATION DISTRICT FUND
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

**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 Westside Tax Allocation District Fund (the "Fund") as of and for the fiscal year ended June 30, 2015, 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.

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, 2015, 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 Westside 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, 2015 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 13 and 24, 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.

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, and Debt Service Coverage Ratio 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, and Debt Service Coverage Ratio 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, and Debt Service Coverage Ratio 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 22, 2016 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 22, 2016

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

June 30, 2015

This section of the annual financial report of the Westside Tax Allocation District ("Fund" or "District") represents the analysis of the Fund's financial performance during the fiscal year ended on June 30, 2015. 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 Westside 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 Westside Tax Allocation District and is responsible for all the financial reporting and compliance required by the 2001, 2005, and 2008 Bond documents.

As mentioned above, while the tax allocation districts are shown on the City's CAFR, both the City and ADA jointly decided that each 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 Westside Tax Allocation District (TAD)

On September 14, 1992, the City of Atlanta passed Resolution 92-R-1575 authorizing the creation of the Techwood Park Urban Redevelopment Area and Tax Allocation District Number 1. The Resolution designated the boundaries of the redevelopment area, established the tax increment base and adopted a redevelopment plan for the area. A substitute resolution, 98-R-0777, was passed by the Atlanta City Council on July 13, 1998 which renamed the Techwood Park Urban Redevelopment to the Westside Tax Allocation District. The redevelopment plan and boundaries were expanded to include distressed and vacant properties west of the original boundaries. On October 27, 1998, the Atlanta City Council passed resolution 98-R-1910 to further expand the Westside Redevelopment Plan and the Tax Allocation Bond District by adding three parcels which were located on the eastern boundary.

Resolutions were passed both by the Board of Education of the Atlanta Independent School System and the Board of Commissioners of Fulton County in 1998 consenting to the inclusion of their respective tax allocation increments in the Westside TAD.

On February 15, 2000, the Mayor approved Resolution 00-R-0067 which created the Westside TAD Downtown Area Advisory Board for the purpose of advising the City of Atlanta and the Atlanta Development Authority on projects to be funded by the Westside TAD.

The 2001 Westside Tax Allocation Bonds were issued December 20, 2001 in the amount of \$14,995,000 in accordance with Ordinance 01-0-1988 that was passed by the City of Atlanta City Council.

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On September 19, 2005, the City of Atlanta City Council adopted amended Ordinance 05-O-1729 which allowed the additional issuance of its Variable Rate Bonds in the aggregate principal amount of \$82,565,000. The Series A bonds were for \$72,350,000 and the Series B bonds were for \$10,215,000. The bonds were issued on December 8, 2005.

On August 18, 2008, the City of Atlanta City Council adopted Ordinance 08-O-1548 which outlined the City of Atlanta's intent to issue Subordinate Lien Tax Allocation Variable Rate Bonds Series 2008. The aggregate principal amount of \$63,760,000 is to be used for Redevelopment Costs associated with various projects located in the Westside Tax Allocation District. The City of Atlanta City Council and the Mayor also adopted Resolution 08-R-1549 in which the City amended the Enabling Resolution and amended the Westside Redevelopment Plan to extend the termination of the Westside TAD from December 31, 2023 to December 31, 2038.

On August 15, 2011, the City of Atlanta City Council adopted Ordinance 11-O-1027 which allowed for the direct purchase by Wells Fargo Bank (the "Bank") of the outstanding bonds pursuant to the Continuing Covenants Agreement, dated as of September 1, 2011 between the City and the Bank. The Bank, as the Credit Provider for the Outstanding Bonds has consented to the Third Supplemental Indenture and each Rating Agency maintaining a rating on any of the Outstanding Bonds has received notice of the Third Supplemental Indenture.

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 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, 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.

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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 16 to 23 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 Westside Tax Allocation District governmental fund. This schedule can be found on page 24.

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 Atlanta Independent School System. Quarterly reporting consists of cash basis financials for the Tax Allocation District and meets the compliance requirement. The cash basis financial consists of two schedules: 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.

Schedule 3 in the supplementary information section of this report consists of the balance on deposit in each fund and account under the Trust Indenture. Schedule 4 presents the history of the Fund's debt service coverage ratio.

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A summary comparison of the Government Fund financial statements for June 30, 2014 and June 30, 2015 is presented below:

Westside Tax Allocation District Fund
Summary Comparison of Governmental Fund Balance Sheets
As of June 30, 2014 and June 30, 2015

	2014	2015
Assets:		
Cash and cash equivalents	\$ 65,965,233	\$ 54,353,397
Property taxes receivable, net of allowance	2,292,216	2,074,306
Advance to Invest Atlanta	-	11,531,723
Land held for development		54,364
Due from Fulton County Tax Commissioner	1,895	12,058
Due from Invest Atlanta	293,044	-
Due from other governments	-	600
Restricted cash and investments	12,973,399	13,105,608
Total Assets	81,525,787	81,132,056
Liabilities and deferred inflows of resources:		
Accounts payable	856,226	411,399
Due to the City of Atlanta	81,770	320,066
Due to other governments	2,250	348
Deferred inflow - unavailable revenue	2,194,355	2,058,311
Total Liabilities and Deferred Inflows of Resources	3,134,601	2,790,124
Fund Balance:		
Restricted	78,391,186	78,341,932
Total Fund Balance	78,391,186	78,341,932
Total Liabilities and Fund Balance	\$ 81,525,787	\$ 81,132,056

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Management's Discussion and Analysis

June 30, 2015

Westside Tax Allocation District Fund
Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2014 and June 30, 2015

	2014	2015
Expenditures:		
Community development	\$ 31,814,457	\$ 3,161,250
General government	1,347,206	1,513,443
Debt service - principal	5,360,000	6,785,000
Debt service - interest	1,638,823	1,646,686
Total Expenditures	40,160,486	13,106,379
General Revenues:		
Tax increment revenue	12,323,687	13,031,219
Other revenue	22,403	7,500
Investment earnings	75,220	18,406
Total General Revenues	12,421,310	13,057,125
Net change in Fund Balance	(27,739,176)	(49,254)
Fund Balance		
Beginning of the fiscal year	106,130,362	78,391,186
End of the fiscal year	\$ 78,391,186	\$ 78,341,932

Assets include predominately cash and cash equivalents plus restricted investments. These assets are held for future payments on the bonds of the Fund and for future investment in the District. Tax increment collections have decreased and the Cash and Cash Equivalents balance has decreased by \$11,611,836 compared to the previous fiscal year. The ending balance of the restricted Special Fund bank accounts for June 30, 2015 is \$13,105,608. The restricted cash and investments increased as increases from increments exceeded payments made to the developers for community development.

The Summary Comparison of Revenues, Expenditures, and Changes in Fund Balance statements show an increase of tax increment revenue of \$707,532. This net increase is mainly due to higher assessed values within the District for tax year 2014 than for tax year 2013. The taxable assessed values for tax years 2014 and 2013 were \$607,528,750 and \$606,680,530, respectively.

Expenditures for community development for fiscal year 2015 decreased by \$28,653,207 from fiscal year 2014. This decrease is mostly due to disbursements from the Cultural Facilities Fund for the National Center for Civil and Human Rights which were made predominately in fiscal year 2014. The expenditure for general government

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for fiscal year 2015 increased by \$166,237 from fiscal year 2014. This increase is attributable to administrative costs.

Interest is paid monthly and principal is paid annually on December 1st. For the fiscal year ended June 30, 2014, the interest on the 2001, 2005, and 2008 bonds was \$103,366, \$750,007, and \$785,450, respectively, while the principal payments were \$830,000, \$3,580,000, and \$950,000, respectively. For the fiscal year ended June 30, 2015, the interest on the 2001, 2005, and 2008 bonds was \$98,323, \$742,845, and \$805,518, respectively, while the principal payments were \$865,000, \$3,740,000, and \$2,180,000, respectively.

Analysis of the Fund's Government-wide Activity

The Governmental wide financial statements for June 30, 2014 and June 30, 2015 are presented below:

Westside Tax Allocation District Fund
Summary Comparison of Statement of Net Position
As of June 30, 2014 and June 30, 2015

	2014	2015
Assets:		
Cash and cash equivalents	\$ 65,965,233	\$ 54,353,397
Property taxes receivable, net of allowance	2,292,216	2,074,306
Advance to Invest Atlanta	-	11,531,723
Land held for development	-	54,364
Due from Invest Atlanta	293,044	-
Due from other governments	-	600
Due from Fulton County Tax Commissioner	1,895	12,058
Restricted cash and investments	12,973,399	13,105,608
Capital assets (nondepreciable)	1,128,510	900,000
Total assets	82,654,297	82,032,056
Liabilities:		
Accounts payable	856,226	411,399
Due to the City of Atlanta	81,770	320,066
Due to other governments	2,250	348
Accrued interest payable	137,228	788,039
Current debt	6,785,000	7,055,000
Long- term debt	111,515,000	104,460,000
Total Liabilities	119,377,474	113,034,852
Total Net Position (Deficit)	\$ (36,723,177)	\$ (31,002,796)

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Westside Tax Allocation District Fund
Summary Comparison of Statement of Activities
For the Fiscal Years ended June 30, 2014 and June 30, 2015

	2014	2015
Expenses:		
General government	\$ 1,118,696	\$ 1,513,443
Community development	31,814,457	3,389,760
Interest expense	1,668,958	2,297,497
Total Expenses	34,602,111	7,200,700
General Revenues:		
Tax increment revenue	12,475,049	12,895,175
Other revenue	22,403	7,500
Investment earnings	75,220	18,406
Total General Revenues	12,572,672	12,921,081
Change in Net Position	(22,029,439)	5,720,381
Net Position (Deficit)		
Beginning of the fiscal year	(14,693,738)	(36,723,177)
End of the fiscal year	\$ (36,723,177)	\$ (31,002,796)

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 a full accrual basis.

Revenues for tax increments on the government wide financials include the total amounts billed compared to governmental fund which adjusts the property tax receivable to those amounts collected within a 60 day period following the fiscal year end.

Expenses for community development are adjusted on the government wide financials for those projects which are capitalized. Government wide statements also reflect debt service as a liability compared to the governmental fund which carries debt service as an expenditure.

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Management's Discussion and Analysis

June 30, 2015

Capital Assets

As of June 30, 2015, capital assets consisted of \$900,000 of land. See Note 6 of the financial statement for more information.

Long-Term Debt

On December 20, 2001, the City issued \$14,995,000 in limited obligation bonds for the Westside Tax Allocation District. On December 8, 2005 and December 11, 2008, an additional amount of limited obligation bonds in the amount of \$82,565,000 and \$63,760,000, respectively, were issued for the District. 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 City of Atlanta, the Board of Commissioners of Fulton County, and the Board of Education of the Atlanta Independent School System.

Interest payments are paid monthly using a variable interest rate which is based on a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market condition, would be the minimum interest rate required to sell the Bonds of a particular Series at a price of Par on such date. Principal payments are due annually on December 1st of each fiscal year. Refer to the notes to the financial statements for the bond amortization schedule.

On September 1, 2011, the net direct purchase of outstanding bonds by Wells Fargo Bank was \$9,620,000 for the 2001 Series; \$60,065,000 for the 2005 Series and \$60,005,000 for the 2008 Series thereby eliminating the then existing irrevocable direct-pay letter of credit. The direct purchase included a redemption of \$3,845,000 for the 2005 Series and \$1,215,000 on the 2008 Series. See note 7 to the financial statements for more information.

Debt Service Coverage Ratios

The Westside Tax Allocation District consistently exceeded the Debt Service Coverage Ratios as defined by the Letter of Credit and Reimbursement Agreement. Total tax increments are divided by actual annual debt service plus letter of credit and remarketing fees. The debt service coverage ratio for each fiscal year or period is listed below:

December 31, 2002	2.14
December 31, 2003	2.41
December 31, 2004	3.22
January 1, 2005 to June 30, 2006	1.84
June 30, 2007	1.54

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June 30, 2008	2.17
June 30, 2009	2.68
June 30, 2010	2.94
June 30, 2011	2.99
June 30, 2012	4.44
June 30, 2013	1.96
June 30, 2014	1.58
June 30, 2015	1.33

The Debt Service Coverage Ratios are provided each fiscal year to Wells Fargo Bank, the sole holder of the Westside TAD bonds.

Economic Factors and Outlook

The Westside Tax Allocation District continues to be a tremendous success. Not only have tax increments covered the debt service, the issuance of the bonds has jump-started significant new Downtown development.

The Series 2005 Bond issue of \$82,565,000 supported seven projects which have added approximately 480 hotel rooms, 320,000 square feet of office space, almost 200,000 square feet of retail and entertainment space, 210 condominiums and much needed structured parking to downtown. All of these projects have received their certificate of occupancy and are open for business. In addition to these projects, a significant amount of funding was raised to build supportive housing, assessment centers, and other facilities to reduce homelessness in Atlanta. The projects will all further the goals of the Homelessness Commission's "Blueprint to End Homelessness."

Approximately \$14 million of the Series 2005 Bonds were deposited with the Trustee for the Westside TAD Neighborhood Fund bank account. The Neighborhood Fund bank account was established in the City's legislation to help promote redevelopment of the Vine City and English Avenue neighborhoods. The Atlanta Development Authority's Board of Directors approved funding for ten projects from the Neighborhood Fund bank account. Money from the Fund bank account allowed for the construction of approximately 50 new residential units, the rehabilitation of approximately 45 residential units, the renovation of a neighborhood health center and the demolition of blighted structures. The Westside TAD Neighborhood Fund bank account is serving as the catalyst for the revitalization of Vine City and English Avenue communities.

On December 11, 2008, the City of Atlanta issued the Series 2008 Bonds. A total of \$63,760,000 in bond proceeds was initially issued to support six projects. On May 3, 2010, \$1,995,000 in bonds associated with the Northside Plaza project were redeemed because the project could not secure the necessary additional funding required to construct the project. Collectively, these projects will add 188 housing units, nearly 143,000 square

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feet of retail and entertainment space and 170,000 square feet of office space. Three of these projects have received Certificates of Occupancy.

Approximately \$2.8 million of the Series 2008 Bonds were deposited with the Trustee for the Westside Neighborhood Fund bank account. Funds have been allocated through a Request for Proposals process to a total of seven projects throughout the communities. Additionally, approximately \$1 million in Series 2008 bond proceeds has been allocated to the Public Purpose Project Fund bank account, which was established to provide funding for public projects that, in and of themselves, do not generate tax revenue, but add value to the District as a whole.

Requests for Information

This financial report is designated 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
WESTSIDE TAX ALLOCATION DISTRICT FUND
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2015

	Westside Tax Allocation District Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 54,353,397	\$ -	\$ 54,353,397
Property taxes receivable, net of allowance	2,074,306	-	2,074,306
Advance to Invest Atlanta	11,531,723	-	11,531,723
Land held for development	54,364	-	54,364
Due from other governments	600	-	600
Due from Fulton County Tax Commissioner	12,058	-	12,058
Restricted assets:			
Cash and cash equivalents	6,018,221	-	6,018,221
Investments	7,087,387	-	7,087,387
Capital assets, nondepreciable	-	900,000	900,000
Total assets	<u>81,132,056</u>	<u>900,000</u>	<u>82,032,056</u>
Liabilities			
Accounts payable	411,399	-	411,399
Due to the City of Atlanta	320,066	-	320,066
Due to other governments	348	-	348
Liabilities payable from restricted assets:			
Accrued interest payable	-	788,039	788,039
Long-term debt:			
Due within one year	-	7,055,000	7,055,000
Due after one year	-	104,460,000	104,460,000
Total liabilities	<u>731,813</u>	<u>112,303,039</u>	<u>113,034,852</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	2,058,311	(2,058,311)	-
Total deferred inflows of resources	<u>2,058,311</u>	<u>(2,058,311)</u>	<u>-</u>
Fund Balance/Net Position (Deficit)			
Fund balance:			
Restricted for debt service	11,998,183	(11,998,183)	-
Restricted for redevelopment	66,343,749	(66,343,749)	-
Total fund balance	<u>78,341,932</u>	<u>(78,341,932)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 81,132,056</u>		
Net position (deficit):			
Investment in capital assets		900,000	900,000
Restricted for debt service		11,998,183	11,998,183
Restricted for redevelopment		66,343,749	66,343,749
Unrestricted		<u>(110,244,728)</u>	<u>(110,244,728)</u>
Total net position (deficit)		<u>\$ (31,002,796)</u>	<u>\$ (31,002,796)</u>

See accompanying notes to basic financial statements.

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WESTSIDE TAX ALLOCATION DISTRICT FUND
Statement of Activities and Governmental Fund
Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2015

	Westside Tax Allocation District Fund	Adjustments (Note 3)	Statement of Activities
Expenditures/expenses			
General government	\$ 1,513,443	\$ -	\$ 1,513,443
Community development	3,161,250	228,510	3,389,760
Debt service:			
Principal	6,785,000	(6,785,000)	-
Interest	1,646,686	650,811	2,297,497
Total expenditures/expenses	<u>13,106,379</u>	<u>(5,905,679)</u>	<u>7,200,700</u>
General revenues			
Tax increments	13,031,219	(136,044)	12,895,175
Investment/interest income	18,406	-	18,406
Other revenues	7,500	-	7,500
Total general revenues	<u>13,057,125</u>	<u>(136,044)</u>	<u>12,921,081</u>
Excess (deficiency) of revenues over (under) expenditures	(49,254)	49,254	-
Net change in fund balance	(49,254)	49,254	-
Change in net position	-	5,769,635	5,720,381
Fund balance/net position (deficit)			
Beginning of the fiscal year	78,391,186	(115,114,363)	(36,723,177)
End of the fiscal year	<u>\$ 78,341,932</u>	<u>\$ (109,344,728)</u>	<u>\$ (31,002,796)</u>

See accompanying notes to basic financial statements.

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Notes to Basic Financial Statements

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(1) Reporting Entity

The Westside 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 Westside Tax Allocation District. These redevelopment costs, primarily infrastructure related, were provided to the area incorporated within the Westside Tax Allocation District in order to facilitate overall development of the area by private developers. 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 Westside 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 Independent School System. 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 Independent School System’s 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, d/b/a Invest Atlanta as the redevelopment agent for the Westside 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, 2015; 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 invested in capital assets, 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

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WESTSIDE TAX ALLOCATION DISTRICT FUND
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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 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 Westside 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.

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(f) Taxes Receivable

Although the Westside Tax Allocation District (“TAD”) is not a taxing authority, it is the direct recipient of positive ad valorem tax allocation increments derived from the Westside 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 1998 base year.

(g) Capital Assets

Donated capital assets are stated at fair market value at the date of donation. The District’s capital assets only consist of non-depreciable assets which were donated to the District in prior fiscal years.

(h) 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.

(i) 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 measurement 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.

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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 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.

(k) Budget

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

(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, 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.

(m) 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
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Notes to Basic Financial Statements

June 30, 2015

(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.

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	900,000
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(788,039)
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Long-term liabilities applicable to the Fund’s governmental activities are not due and payable in the current fiscal year and accordingly are not reported as fund liabilities. All liabilities for bonds – both current and long-term – are reported in the statement of net position.	(111,515,000)
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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.	2,058,311
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(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:

Payments for principal payments on bonds.	6,785,000
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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.	(650,811)
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CITY OF ATLANTA, GEORGIA
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Notes to Basic Financial Statements

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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. (136,044)

Amounts originally recorded as construction in progress were reclassified as advances to Invest Atlanta due to a change in the intended funding of the related project. 288,510

(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 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, 2015.

(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. As of June 30, 2015, the investments in the Guaranteed Investment Contract were rated A by Standard & Poor's.

CITY OF ATLANTA, GEORGIA
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Notes to Basic Financial Statements

June 30, 2015

At June 30, 2015, the Fund had the following investments:

<u>Investment</u>	<u>Maturities / Duration</u>	<u>Fair Value</u>
Guaranteed Investment Contract	December 1, 2015	\$ 5,979,962
Fidelity Treasury Money Market	41 Days	1,559
Dreyfus Treasury Cash Management	56 Days	<u>1,105,866</u>
Total		<u><u>\$ 7,087,387</u></u>

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, 2015, 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 collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, the Fund had no bank balances that were exposed to custodial credit risk.

(6) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2015 consists of the following:

	<u>June 30,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2015</u>
Capital assets, nondepreciable:				
Land and land improvements	\$ 900,000	\$ -	\$ -	\$ 900,000
Construction in progress	<u>228,510</u>	<u>-</u>	<u>(228,510)</u>	<u>-</u>
Total capital assets, nondepreciable	<u><u>\$ 1,128,510</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (228,510)</u></u>	<u><u>\$ 900,000</u></u>

(7) Bonds Payable

During 2001, 2005, and 2008, the City issued \$14,995,000, \$82,565,000, and 63,760,000, respectively, in limited obligation bonds for the Westside Tax Allocation District. These 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, Atlanta Public Schools, and Fulton County. The property tax increments are pledged until the payment in full of the bonds.

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June 30, 2015

On September 1, 2011, the net direct purchase of outstanding bonds was made by Wells Fargo Bank of \$9,620,000 for the 2001 Series; \$60,065,000 for the 2005 Series and \$60,005,000 for the 2008 Series, which cancelled the previous letter of credit which was active on the bonds prior to the net direct purchase. In addition to the net direct purchase, the City redeemed \$1.2 million of the Series 2008 bonds as required by the City of Atlanta because of the failure of the Developer to meet conditions prerequisite to the disbursements of Bond proceeds allocable to the Developer. The City also made additions/redemptions on the Series 2005 bonds of \$3.8 million which was made predominately from interest earnings on the 2005 Project Fund account. The Fund's debt service requirements based upon required sinking fund and interest payments, using the variable interest rate in effect as of June 30, 2015 of 2.12% are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
Fiscal year ending June 30:				
	2016	\$ 7,055,000	\$ 2,276,871	\$ 9,331,871
	2017	7,365,000	2,123,472	9,488,472
	2018	7,685,000	1,963,376	9,648,376
	2019	8,030,000	1,796,188	9,826,188
	2020	8,355,000	1,621,933	9,976,933
	2021-2025	40,370,000	5,337,012	45,707,012
	2026-2030	11,385,000	2,853,600	14,238,600
	2031-2035	13,365,000	1,541,214	14,906,214
	2036-2038	7,905,000	215,790	8,120,790
		<u>\$ 111,515,000</u>	<u>\$ 19,729,456</u>	<u>\$ 131,244,456</u>

The Fund's long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

<u>Bonds</u>	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
Series 2001 Bonds	\$ 7,235,000	\$ -	\$ 865,000	\$ 6,370,000	\$ 905,000
Series 2005 Bonds	53,620,000	-	3,740,000	49,880,000	3,905,000
Series 2008 Bonds	57,445,000	-	2,180,000	55,265,000	2,245,000
Total Long-term Liabilities	<u>\$ 118,300,000</u>	<u>\$ -</u>	<u>\$ 6,785,000</u>	<u>\$ 111,515,000</u>	<u>\$ 7,055,000</u>

(8) Advance to Invest Atlanta

During the year ended June 30, 2015, the Fund advanced \$11,531,723 of TAD funds to Invest Atlanta for the purchase of Morris Brown property which is being held by Invest Atlanta for redevelopment. It is anticipated that Invest Atlanta will sell this property to a developer and the recoupment of funds from this sale will go to repay the Fund for this advance.

**CITY OF ATLANTA, GEORGIA
WESTSIDE 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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Tax increment revenue	\$ 11,482,307	\$ 11,482,307	\$ 13,031,219	\$ 1,548,912
Investment earnings	120,000	120,000	18,406	(101,594)
Other revenues	-	-	7,500	7,500
Total revenues	<u>11,602,307</u>	<u>11,602,307</u>	<u>13,057,125</u>	<u>1,454,818</u>
Expenditures				
Current:				
General government:				
Nondepartmental	78,043,588	78,043,588	4,562,693	73,480,895
Finance	364,710	364,710	112,000	252,710
Total general government	<u>78,408,298</u>	<u>78,408,298</u>	<u>4,674,693</u>	<u>73,733,605</u>
Debt service:				
Principal	6,785,000	6,785,000	6,785,000	-
Interest	4,800,195	4,800,195	1,646,686	3,153,509
Total debt service	<u>11,585,195</u>	<u>11,585,195</u>	<u>8,431,686</u>	<u>3,153,509</u>
Total expenditures	<u>89,993,493</u>	<u>89,993,493</u>	<u>13,106,379</u>	<u>76,887,114</u>
Excess of revenues over expenditures	<u>(78,391,186)</u>	<u>(78,391,186)</u>	<u>(49,254)</u>	<u>78,341,932</u>
Net change in fund balances	(78,391,186)	(78,391,186)	(49,254)	78,341,932
Fund balance, beginning of fiscal year	<u>78,391,186</u>	<u>78,391,186</u>	<u>78,391,186</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,341,932</u>	<u>\$ 78,341,932</u>

CITY OF ATLANTA, GEORGIA
WESTSIDE TAX ALLOCATION DISTRICT FUND
SUPPLEMENTARY INFORMATION
FUND BALANCE SHEET COMPARISON - CASH BASIS
AS OF THE PERIOD ENDED

	December 31, 2001	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	June 30, 2015
ASSETS:												
Restricted Cash: Tax Increments	\$ 91,602.27	\$ 5,386,232.49	\$ 3,795,182.03	\$ 9,120,401.01	\$ 15,287,959.25	\$ 24,720,431.93	\$ 35,851,107.29	\$ 46,617,797.00	\$ 59,791,341.68	\$ 66,538,613.46	\$ 65,965,232.50	\$ 54,353,397.08
Restricted Cash: Other Funds-2001 Bonds	10,849,137.36	5,477,263.61	5,551,524.62	1,408,686.67	1,434,268.82	1,439,729.90	1,438,297.65	1,438,725.28	1,436,108.72	1,437,333.63	1,437,220.20	1,443,332.60
Restricted Cash: Other Funds-2005 Bonds	-	83,657,434.65	49,249,086.18	33,646,657.49	20,668,709.29	15,965,238.09	13,146,381.71	10,350,659.48	6,505,268.41	6,505,227.25	6,505,022.75	6,568,681.13
Restricted Cash: Other Funds-2008 Bonds	-	-	-	-	-	51,671,622.10	36,702,423.99	34,943,692.93	32,376,322.39	32,185,353.81	5,031,157.07	5,093,594.20
TOTAL RESTRICTED CASH	10,849,738.63	94,430,930.75	58,595,792.83	44,175,547.17	37,390,337.36	93,797,022.02	87,138,210.64	95,350,764.69	100,109,041.20	106,666,728.15	78,938,632.52	\$ 67,471,062.84
Accounts Receivable Fulton County Tax Commissioner	-	-	-	-	-	-	-	140,773.91	6,406.03	-	1,895.47	12,057.83
Accounts Receivable - Invest Atlanta	-	-	-	-	-	-	-	-	-	-	292,794.26	-
Due from Invest Atlanta	-	-	-	-	-	-	-	-	-	-	250.00	-
TOTAL ASSETS	\$ 10,849,738.63	\$ 94,430,930.75	\$ 58,595,792.83	\$ 44,175,547.17	\$ 37,390,337.36	\$ 93,797,022.02	\$ 87,138,210.64	\$ 95,491,538.60	\$ 100,115,447.23	\$ 106,666,728.15	\$ 79,233,572.25	\$ 67,471,062.84
LIABILITIES/FUND BALANCE:												
Cash Pool Payable City of Atlanta/Other	-	-	-	3,408.00	-	-	-	103,234.48	83,886.14	122,716.10	165,663.95	405,550.45
Due to Eastside TAD	-	-	-	-	-	-	-	-	-	-	1,250.00	-
Due to Invest Atlanta	-	-	-	-	-	-	-	-	-	-	1,000.00	-
Payable to Fulton County Tax Commissioner	-	-	-	-	-	-	-	360,848.65	-	24,178.77	-	-
Fund Balance	-	10,840,738.63	94,430,930.75	58,595,792.83	44,172,138.17	37,390,937.36	93,797,022.02	87,138,210.64	95,027,455.47	100,031,361.09	106,519,833.28	79,065,668.30
Sources (Uses) Balance	83,490,191.12	83,490,191.12	(35,835,137.92)	(14,423,653.66)	(6,761,201.81)	56,406,084.66	(6,655,811.39)	7,869,244.83	5,004,105.62	6,488,272.19	(27,654,174.98)	(12,000,145.91)
Total Fund Balance	10,840,738.63	94,430,930.75	58,595,792.83	44,172,138.17	37,390,937.36	93,797,022.02	87,138,210.64	95,027,455.47	100,031,561.09	106,519,833.28	79,065,668.30	67,065,512.39
TOTAL LIABILITIES/FUND BALANCE	\$ 10,840,738.63	\$ 94,430,930.75	\$ 58,595,792.83	\$ 44,175,547.17	\$ 37,390,937.36	\$ 93,797,022.02	\$ 87,138,210.64	\$ 95,491,538.60	\$ 100,115,447.23	\$ 106,666,728.15	\$ 79,233,572.25	\$ 67,471,062.84

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
WESTSIDE TAX ALLOCATION DISTRICT FUND
SUPPLEMENTARY INFORMATION
FLOW OF FUNDS COMPARISON - CASH BASIS
FOR THE PERIOD ENDED**

	January 1, 1999 to December 31, 2001	January 1, 2002 to 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	June 30, 2015	Total
USES OF FUNDS:													
Tax Increment	\$ 2,323,397.83	\$ 15,423,944.74	\$ 240,127.58	\$ 7,973,621.61	\$ 12,087,865.30	\$ 15,939,095.66	\$ 17,297,078.27	\$ 18,869,936.19	\$ 15,067,011.86	\$ 13,512,881.45	\$ 12,479,722.20	\$ 13,113,086.12	\$ 144,333,069.61
Technical Assistance Fees-CIF											3,500.00	2,500.00	6,000.00
Technical Assistance Fees-FIP											200.00		200.00
Application Fees-CIF											14,203.00		14,203.00
Application Fees-FIP											4,500.00		4,500.00
Admin Fees - Community Improver												5,000.00	5,000.00
Rental Income												19,965.48	19,965.48
Insurance proceeds												384,643.00	384,643.00
Bond Proceeds	14,995,000.00	82,565,000.00											161,220,000.00
Interest Income	71,461.64	736,377.20	1,416,433.38	2,568,972.34	1,658,972.85	63,780,000.00	193,493,445	103,366,477	51,520,200	118,804,166	75,219,977	18,405.83	7,331,946.99
GOI Retain/Develop/ Other		35,674.81	139,082.30	(63,918.89)		353,316.70	32,629.68						39,629.82
TOTAL SOURCES	17,989,849.47	98,771,396.75	1,849,583.46	10,662,182.41	13,746,838.75	80,082,812.36	17,488,040.72	18,973,284.66	15,118,532.06	13,631,686.11	12,577,345.17	13,323,600.44	313,794,142.36
USES OF FUNDS:													
Atlanta School Board	1,257,509.97	3,882,399.57											5,139,909.54
Development-2001 Bond Issue	4,805,914.00	7,293,661.53											11,899,576.53
Development-2006 Bond Issue			36,692,912.16	13,213,224.22	14,167,084.81	4,881,904.99	2,819,217.44	1,210,332.75	1,357,146.14	196,650.41	27,155,042.71		71,924,666.97
Development-2008 Bond Issue				7,616.24		10,372,586.36	12,933,095.01	17,614,001.57	22,154.13				53,715,846.78
Excess Tax Increment		10,088.15	62,428.93										162,527.48
Grants					400,000.00	643,704.25	437,755.10	175,471.36	293,308.18	44,768.12			1,995,007.01
Excess Tax Increment-Better Buildings Challenge										7,400.00	4,414,300.00		5,886,505.50
Excess Tax Increment- Better Buildings Challenge												1,500,000.00	1,500,000.00
Development-Community Improvement Fund												3,854,000.00	3,854,000.00
Development-Community Improvement Fund												385,357.00	385,357.00
Development-Facade Improve Professional Fees													79,549.20
Development-Street Car Enhancements													18,735.00
Development-Website Works Project													88,846.72
Development-Website Works Project													302,000.00
Development-Morris Brown Insurance													10,820,000.00
Development-Morris Brown Insurance													44,793.00
Development-Morris Brown-Scout													820,854.36
Development-Morris Brown-Scout													10,820,000.00
Development- Land Assemblage Project													10,820,000.00
Development- Land Assemblage Project													44,793.00
Development- Morris Brown Leg													388,260.48
Development-Morris Brown-Scout													15,836.02
Development-Morris Brown-Scout													267,945.00
Development- Morris Brown-Scout													83,165.68
Development- Morris Brown-Scout													208,866.25
Development- Morris Brown-Scout													5,712,642.01
Letter of Credit Fees-2001/2005/2008 Bond Issue	29,573.47	524,966.68	345,149.15	582,552.39	72,654.19	89,046.81	131,241.74	138,709.24	55,006.76				1,142,625.00
Remarketing Fees		8,000.00	4,500.00	10,500.00	12,500.00	10,500.00	20,000.00	10,000.00	5,000.00				69,164.80
Discourse Fee/strating Agency/LOC Ext Fees													20,000.00
Consulting Fee/Facility Fees				8,000.00									8,000.00
Cost of Issuance Fees/ Underwriter/Other	555,152.15	1,394,883.87	24,340.00	4,221.07	3,408.00	1,567,479.34	3,743.88						3,549,820.31
Arbitrage Report		3,000.00	1,000.00	3,408.00									880.00
ADM- Administrative Fees-Direct													1,059,325.00
ADM- Administrative Fees-Indirect													3,020,270.88
Trustee Fees		8,900.00	2,830.00	9,900.00									18,630.00
Audit Fees		6,500.00	16,000.00	29,200.00									51,200.00
Legal Fees		6,796.25	16,000.00	40,000.00									108,476.63
TEP - Expansion from Excess TI							(5,000.00)	5,000.00			233,965.61		18,232.01
Gamer Consulting								1,872.00					6,872.00
Backstrom - Consulting								3,653.33					22,323.53
Ulta, Inc.								29.15			13,161.44		9,162.11
Holland & Knight - Lobbying								29,15			9,272.85		9,272.85
Kid Us All Training - Consulting								5,644.44			9,272.85		5,644.44
Cushman & Wakefield								14,887.00			126,540.85		38,693.00
Klam Henderson, LLC								20,910.00			4,950.00		25,860.00
CBRE											1,079.00		1,079.00
Atlanta Emerging Markets													5,227.00
Atlanta Emerging Markets								1,942.30			4,447.50		1,342.30
Bayberry Consulting								460.00			2,000.00		2,460.00
Royler - Consulting													2,000.00
MXMedia													525.00
International Economic Development Council													1,712.49
Pharmaceuticals													1,712.49
Quentin Bell Appraisal													15,600.00
HR&A Advisors													15,600.00
Alphagraphics													88.00
Thomson Reuters													3,500.00
Charlee Lebor Remorse from 2008													252.99
IRS - Document Request													14,579.80
Investment Sweep-Bank Fees-ADM													21,000.00
Bell Conversion to Bank Bonds- Consulting													811.31
Bond Principal-2008 Bond Issue	960.25	54,028.81	6,259.24	15,067.50	9,692.82	29,628.11	6,462.62	11,166.77	10,520.26	5,930.65	51,312.64	102,925.28	305,792.95
Bond Interest-2006 Bond Issue													7,866.51
Bond Interest-2005 Bond Issue													6,965.17
Bond Principal-2005 Bond Issue													2,180,000.00
Bond Interest-2001 Bond Issue													8,485,000.00
Bond Interest-2000 Bond Issue													10,632,970.57
Bond Principal-2000 Bond Issue													32,885,000.00
Bond Interest-2000 Bond Issue													86,322.96
Bond Principal-2001 Bond Issue													6,825,000.00
TOTAL USES OF FUNDS	6,449,109.84	15,281,205.83	37,684,701.38	25,085,636.07	29,527,240.56	23,946,827.70	24,146,852.10	11,084,049.83	10,114,426.44	7,143,413.92	40,031,520.15	25,523,746.35	246,718,629.97
SOURCES (USES) BALANCE	10,940,739.63	6,499,181.12	(56,835,137.92)	(14,423,653.66)	(6,781,201.81)	56,406,084.66	(6,659,811.38)	7,889,244.83	5,004,105.62	(6,688,272.19)	(27,454,174.89)	(12,000,146.91)	67,685,619.38

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
WESTSIDE TAX ALLOCATION DISTRICT FUND

SUPPLEMENTARY INFORMATION

Balance of Funds under the Bond Indenture

June 30, 2015

Trust Funds - Bank of New York

<u>2005 Trust Funds</u>	
Project Fund	\$ 1,559
Special 2005 Fund	181
Credit Facility	63,507
Total 2005 Trust Funds	65,247

<u>2008 Trust Funds</u>	
Cost of Issuance	-
Project Fund	239,326
Neighborhood Fund	725,806
Cultural Facility	430
Capitalized Interest	-
Credit Facility	68,037
Public Purpose	10
Total 2008 Trust Funds	1,033,609

Total 2001, 2005, and 2008 Trust Funds	\$ 1,098,856
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Required Cash Reserves- Wells Fargo

<u>2001 Funds</u>	
Supplemental Debt Service Reserve	\$ -
Credit Facility	8,569
Debt Service Reserve Fund	1,434,764
Total Required 2001 Cash Reserves - Wells Fargo	1,443,333

<u>2005 Funds (1)</u>	
Debt Service Reserve Fund - Wells Fargo	5,979,962
Debt Service Reserve Fund - Wachovia	523,472
Total Required 2005 Cash Reserves	6,503,434

<u>2008 Funds</u>	
Debt Service Reserve Fund	4,059,985
Total Required 2008 Cash Reserves- Wells Fargo	4,059,985

Total Required Cash Reserves	\$ 12,006,752
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TOTAL REQUIRED CASH RESERVES AND TRUST FUNDS	\$ 13,105,608
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(1) 2005 DSR Fund transferred \$274,538 for 2005 Redemption of bonds on November 1, 2010.

SCHEDULE 4

**CITY OF ATLANTA, GEORGIA
WESTSIDE TAX ALLOCATION DISTRICT FUND**

SUPPLEMENTARY INFORMATION

Debt Service Coverage Ratio

	December 31, 2003	December 31, 2004	January 1, 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	June 30, 2015
Revenue												
Tax Allocation Increments	\$ 3,489,132	\$ 4,208,304	\$ 5,214,738	\$ 8,188,630	\$ 12,087,366	\$ 15,939,096	\$ 17,297,078	\$ 18,869,936	\$ 15,067,012	\$ 13,512,881	\$ 12,479,722	\$ 13,101,032
Interest Income on DSR Reserve	11,654	16,694	204,962	381,789	289,504	88,742	11,064	8,332	9,504	9,717	6,027	1,810
Total Revenue	3,500,786	4,224,998	5,419,700	8,570,419	12,376,870	16,027,838	17,308,142	18,878,268	15,076,516	13,522,598	12,485,749	13,102,842
Expenses and Debt Service												
Administrative Costs	239,664	98,374	520,471	755,425	660,002	1,126,154	1,771,540	1,596,250	724,180	812,030	920,142	1,419,517
Maximum Debt Service	1,213,423	1,213,423	-	-	-	-	-	-	-	-	-	-
Actual Debt Service	-	-	2,428,846	4,810,869	5,043,797	4,864,107	4,109,463	4,723,077	2,668,717	6,078,924	6,998,823	8,431,686
Total Expenses and Debt Service	1,453,087	1,311,797	2,949,317	5,566,294	5,703,799	5,990,261	5,881,003	6,319,327	3,392,897	6,890,954	7,918,965	9,851,203
Historic Debt Service Coverage Ratio (Approved by the Letter of Credit Bank)	2.41	3.22	1.84	1.54	2.17	2.68	2.94	2.99	4.44	1.96	1.58	1.33

Note: Definition for the calculation of DSC Ratio has changed per the Letter of Credit Agreement Amendments. Also, this schedule was prepared on a cash basis



**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***

**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 Westside Tax Allocation District Fund (the "Fund"), as of and for the fiscal year ended June 30, 2015, 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 22, 2016. 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.

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 22, 2016