



Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Board of Directors
Atlanta Development Authority:

We have performed certain agreed-upon procedures, as listed below, which were agreed to by the addressees, to the accounting records of the Atlanta Development Authority (the "Authority") and the Fulton County Tax Commissioner (the "Tax Commissioner"), solely to assist you in connection with meeting continuing disclosure requirements related to the \$47,480,000 Limited Obligation Bonds for the Eastside Tax Allocation District. The Authority's management is responsible for the information included in the attached schedule.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings performed on the attached schedule are as follows:

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
a	1	Obtained schedule from the Authority entitled "Results of 2006 Property Tax Collections to Date" for the year ended June 30, 2007.
b	1	Agreed the 2006 assessed value of property in the district to the aggregate assessed value of all properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
c	1	Agreed the 2006 assessed value of tax exempt property in the district to the aggregate assessed value of all the properties located within the Eastside Tax Allocation District which are classified as tax exempt as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
d	1	Agreed the 2006 assessed value of taxable property in the district to the aggregate assessed value of all the taxable properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
e	1	Agreed the 2003 assessed value of property in the district to the aggregate assessed value of all the properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records for the year 2003 and found them to be in agreement.
f	1	Verified the mathematical accuracy of the 2006 assessed value of taxable property in the district above the base year by subtracting the 2003 assessed value of property in the district from the 2006 assessed value of taxable property in the district and found the calculation to be correct.
g	1	Verified the mathematical accuracy of the 2006 growth percentage above the base year by dividing the 2006 assessed value of taxable property in the district above the base year by the 2006 assessed value of taxable property in the district and found the calculation to be correct.
h	1	Under the heading City of Atlanta Operating, agreed the 2006 assessed value, net of exemptions to the assessed value of all the properties located within the Eastside Tax Allocation District less all applicable exemptions related to the City of Atlanta Operating property taxes as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
i	1	Under the heading City of Atlanta Operating, agreed the millage rate to the rate stated in the City of Atlanta's accounting records for operations for the year 2006 and found it to be in agreement.
j	1	Under the heading City of Atlanta Operating, agreed the total tax billings on real estate in the district to the aggregate tax billings by the Tax Commissioner on behalf of the City of Atlanta's General Fund for all the taxable properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
k	1	Under the heading City of Atlanta Operating, verified the mathematical accuracy of the property tax increment billed by multiplying total tax billings on real estate in the district, under the City of Atlanta Operating heading, by the 2006 growth percentage above the base year and found the calculation to be correct.

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
l	1	Under the heading City of Atlanta Parks, agreed the 2006 assessed value, net of exemptions to the assessed value of all the properties located within the Eastside Tax Allocation District less all applicable exemptions related to the City of Atlanta Parks property taxes as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
m	1	Under the heading City of Atlanta Parks, agreed the millage rate to the rate stated in the City of Atlanta's accounting records for park improvements for the year 2006 and found it to be in agreement.
n	1	Under the heading City of Atlanta Parks, agreed the total tax billings on real estate in the district to the aggregate tax billings by the Tax Commissioner on behalf of the City of Atlanta's Park Improvement Fund for all the taxable properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
o	1	Under the heading City of Atlanta Parks, verified the mathematical accuracy of the property tax increment billed by multiplying total tax billings on real estate in the district, under the City of Atlanta Parks heading, by the 2006 growth percentage above the base year and found the calculation to be correct.
p	1	Under the heading Atlanta Board of Education, agreed the 2006 assessed value, net of exemptions to the assessed value of all the properties located within the Eastside Tax Allocation District less all applicable exemptions related to the Atlanta Board of Education property taxes as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
q	1	Under the heading Atlanta Board of Education, agreed the millage rate to the rate stated in the Atlanta Board of Education's accounting records for operations and debt service for the year 2006 and found it to be in agreement.

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
r	1	Under the heading Atlanta Board of Education, agreed the total tax billings on real estate in the district to the aggregate tax billings by the Tax Commissioner on behalf of the Atlanta Board of Education's General Fund and Atlanta Board of Education's Debt Service Fund for all the taxable properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
s	1	Under the heading Atlanta Board of Education, verified the mathematical accuracy of the property tax increment billed by multiplying total tax billings on real estate in the district, under the Atlanta Board of Education heading, by the 2006 growth percentage above the base year and found the calculation to be correct.
t	1	Under the heading Fulton County, agreed the 2006 assessed value, net of exemptions to the assessed value of all the properties located within the Eastside Tax Allocation District less all applicable exemptions related to Fulton County property taxes as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
u	1	Under the heading Fulton County, agreed the millage rate to the rate stated in Fulton County's accounting records for operations for the year 2006 and found it to be in agreement.
v	1	Under the heading Fulton County, agreed the total tax billings on real estate in the district to the aggregate tax billings by the Tax Commissioner on behalf of Fulton County's General Fund for all the taxable properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
w	1	Under the heading Fulton County, verified the mathematical accuracy of the property tax increment billed by multiplying total tax billings on real estate in the district, under the Fulton County heading, by the 2006 growth percentage above the base year and found the calculation to be correct.

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
x	1	Verified the mathematical accuracy of the total property tax increment revenue billed by adding the property tax increment billed under the City of Atlanta Operating, City of Atlanta Parks, Atlanta Board of Education, and Fulton County headings and found the calculation to be correct.
y	1	Agreed the Tax Commissioner's fee to the aggregate amount of fees retained by the Tax Commissioner related to the property tax increment revenue billed on behalf of the City of Atlanta's General Fund, City of Atlanta's Park Improvement Fund, City of Atlanta's Debt Service Fund, Atlanta Board of Education's General Fund, Atlanta Board of Education's Debt Service Fund, and Fulton County's General Fund for all of the properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.
z	1	Verified the mathematical accuracy of the calculated 2006 property tax increment revenue to be deposited in to the TAD Fund by adding the total property tax increment revenue billed less the Tax Commissioner's fee and found the calculation to be correct.
aa	1	Agreed the receivable calculated in prior years to the aggregate amount of uncollected taxes as of June 30, 2006 related to the property taxes collected on behalf of the City of Atlanta's General Fund, City of Atlanta's Park Improvement Fund, City of Atlanta's Debt Service Fund, Atlanta Board of Education's General Fund, Atlanta Board of Education's Debt Service Fund, and Fulton County's General Fund for all of the properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records, as adjusted due to the disagreement over the growth percentage, and found them to be in agreement. The receivable calculated in prior years does not agree to the Tax Commissioner's tax accounting records. This is due to a disagreement between the Authority and the Tax Commissioner over whether the Tax Commissioner is allowed to change the 2005 growth percentage calculation for updates made by the Fulton County Tax Assessor in the 2005 assessed value of property in the district subsequent to the initial growth percentage calculation made by the Tax Commissioner.

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
bb	1	<p>Agreed the adjustments to property tax calculation from the Tax Commissioner to the aggregate amount of adjustments made by the Tax Commissioner during the year ended June 30, 2007 for all of the properties located within the Eastside Tax Allocation District as listed in schedules prepared by the Authority based on the Tax Commissioner's tax accounting records, as adjusted to the disagreement over the growth percentage, and found them to be in agreement.</p> <p>The adjustments do not agree to the Tax Commissioner's tax accounting records. This is due to a disagreement between the Authority and the Tax Commissioner over whether the Tax Commissioner is allowed to change the 2005 growth percentage calculation for updates made by the Fulton County Tax Assessor in the 2005 assessed value of property in the district subsequent to the initial growth percentage calculation made by the Tax Commissioner.</p>
cc	1	<p>Verified the mathematical accuracy of the calculated total property tax increment revenue to be deposited in to the TAD Fund by adding the calculated 2006 property tax increment revenue to be deposited into the TAD Fund, the receivable calculated in prior years, and the adjustments to the property tax calculation from the Tax Commissioner and found the calculation to be correct.</p> <p>The calculated total property tax increment revenue to be deposited in to the TAD fund does not agree to the Tax Commissioner's tax accounting records. This is due to a disagreement between the Authority and the Tax Commissioner over whether the Tax Commissioner is allowed to change the 2005 growth percentage calculation for updates made by the Fulton County Tax Assessor in the 2005 assessed value of property in the district subsequent to the initial growth percentage calculation made by the Tax Commissioner.</p>
dd	1	<p>Agreed the actual property tax increment revenue deposited in to the TAD fund to the deposits recorded in the TAD Fund bank statements maintained by the Authority's accounting department for the year ended June 30, 2007 and found them to be in agreement.</p>

<u>Item</u>	<u>Schedule</u>	<u>Procedures and Findings</u>
ee	1	Agreed the actual property tax increment revenue previously paid in to the TAD fund, paid by TAD Fund to other taxing entities to the payments recorded in the TAD Fund bank statements maintained by the Authority's accounting department for the year ended June 30, 2007 and found them to be in agreement.
ff	1	<p>Verified the mathematical accuracy of the overpayment in to the TAD Fund by adding the calculated total property tax increment revenue to be deposited into the TAD Fund less the actual property tax increment revenue deposited in to the TAD fund and less the actual property tax increment revenue previously paid in to the TAD fund, paid by TAD Fund to other taxing entities and found the calculation to be correct.</p> <p>The overpayment in to the TAD Fund does not agree to the Tax Commissioner's tax accounting records. This is due to a disagreement between the Authority and the Tax Commissioner over whether the Tax Commissioner is allowed to change the 2005 growth percentage calculation for updates made by the Fulton County Tax Assessor in the 2005 assessed value of property in the district subsequent to the initial growth percentage calculation made by the Tax Commissioner.</p>
gg	1	Agreed the amount remaining due to Tax Commissioner from taxpayers to the aggregate amount of uncollected taxes as of June 30, 2007 related to the property taxes collected on behalf of the City of Atlanta's General Fund, City of Atlanta's Park Improvement Fund, City of Atlanta's Debt Service Fund, Atlanta Board of Education's General Fund, Atlanta Board of Education's Debt Service Fund, and Fulton County's General Fund for all of the properties located within the Eastside Tax Allocation District as listed in the Tax Commissioner's tax accounting records and found them to be in agreement.

Item **Schedule**

Procedures and Findings

hh 1 Verified the mathematical accuracy of the amount due to other taxing entities by adding the overpayment into the TAD Fund less the amount remaining due to Tax Commissioner from taxpayers and found the calculation to be correct.

The amount due to other taxing entities does not agree to the Tax Commissioner's tax accounting records. This is due to a disagreement between the Authority and the Tax Commissioner over whether the Tax Commissioner is allowed to change the 2005 growth percentage calculation for updates made by the Fulton County Tax Assessor in the 2005 assessed value of property in the district subsequent to the initial growth percentage calculation made by the Tax Commissioner.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accompanying schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties.



Eastside Tax Allocation District
Results of 2006 Property Tax Collections to Date
Year Ended June 30, 2007

2006 assessed value of property in the district	\$	978,414,100	
Less: 2006 assessed value of tax exempt property in the district		<u>569,911,990</u>	
2006 assessed value of taxable property in the district		408,502,110	
Less: 2003 assessed value of property in the district		<u>299,727,240</u>	
2006 assessed value of taxable property in the district above the base year		108,774,870	
2006 growth percentage above the base year		26.6277%	
City of Atlanta Operating:			
2006 assessed value, net of exemptions		366,145,000	
Millage rate (per \$1,000 of assessed value)		7.530	
Total tax billings on real estate in the district		2,757,072	
Property tax increment billed			734,146
City of Atlanta Parks:			
2006 assessed value, net of exemptions		366,145,000	
Millage rate (per \$1,000 of assessed value)		0.500	
Total tax billings on real estate in the district		183,073	
Property tax increment billed			48,748
Atlanta Board of Education:			
2006 assessed value, net of exemptions		366,094,057	
Millage rate (per \$1,000 of assessed value)		22.649	
Total tax billings on real estate in the district		8,291,664	
Property tax increment billed			2,207,883
Fulton County:			
2006 assessed value, net of exemptions		361,059,933	
Millage rate (per \$1,000 of assessed value)		11.407	
Total Tax billings on real estate in the district		4,118,611	
Property tax increment billed			<u>1,096,693</u>
Total property tax increment revenue billed			4,087,469
Less: Tax Commissioner's Fee			<u>(40,875)</u>
Calculated 2006 property tax increment revenue to be deposited into the TAD fund			4,046,595
Receivable calculated in prior years			(8,803,890)
Adjustments to the property tax calculation from the Tax Commissioner			<u>(79,639)</u>
Calculated total property tax increment revenue to be deposited in to the TAD Fund			<u>(4,836,934)</u>
Actual property tax increment revenue deposited in to the TAD Fund			3,857,061
Actual property tax increment revenue previously overpaid into the TAD Fund, paid by TAD Fund to Other Taxing Entities			<u>(5,442,701)</u>
Overpayment into the TAD Fund	\$		<u>(3,251,294)</u>
Amount remaining due to Tax Commissioner from taxpayers	\$	246,995	
Amount due to other taxing entities		<u>(3,498,289)</u>	
	\$		<u><u>(3,251,294)</u></u>