ATLANTA BELTLINE, INC.
(A Component Unit of the
Atlanta Development Authority)

Basic Financial Statements

June 30, 2010

(With Independent Auditor's Report Thereon)

ATLANTA BELTLINE, INC.
(A Component Unit of the Atlanta Development Authority)

June 30, 2010

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the
Atlanta BeltLine, Inc.
Atlanta, Georgia

We have audited the accompanying basic financial statements of the **Atlanta BeltLine, Inc.** ("ABI"), a component unit of the Atlanta Development Authority, as of and for the year ended June 30, 2010. These financial statements are the responsibility of the ABI's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Atlanta BeltLine, Inc. as of June 30, 2010, and the changes in its financial position and its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2010 on our consideration of ABI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis (on pages 3 through 6) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2010

This section of the Atlanta BeltLine, Inc. ("ABI") annual financial report presents our discussion and analysis of ABI's financial performance during the fiscal year ended June 30, 2010. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2010 Selected Financial Highlights

- ABI's total assets increased approximately $13 million for the year ended June 30, 2010. The majority of the increase relates to the investment, improvement, and development of various segments along the Atlanta BeltLine. Of the $13 million increase, approximately $10.5 million was due to the development of the Clear Creek project.
- Total current liabilities increased approximately $7.9 million for the year ended June 30, 2010. This is mainly the result of an additional $7 million in accounts payable and accrued expenses primarily related to construction contracts.
- Total non-current liabilities decreased approximately $5.7 million for the year ended June 30, 2010. This is primarily attributable to excess funds in the amount $5 million being returned to the City of Atlanta for the Clear Creek project.
- ABI's total net assets (deficit) increased approximately $11 million for the year ended June 30, 2010, primarily due to the approximately $11.8 million received in intergovernmental funding for expenses that are predominantly recorded as capital assets.
- ABI's total revenues increased approximately $870,000 for the year ended June 30, 2010. This is a result of private grants and contributions decreasing approximately $3.3 million combined with an increase in intergovernmental funding of approximately $4.5 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to ABI's financial statements. ABI's financial statements are comprised of three components: management's discussion and analysis (this section), the financial statements, and the notes to the financial statements.

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

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

The financial statements can be found on pages 7-9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 10 through 16 of this report.

Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of ABI, liabilities exceeded assets by approximately $3.9 million at June 30, 2010. A summary of the net assets (deficit) is presented below.

Atlanta BeltLine Inc.'s Net Assets (Deficit)

	2010	2009 (Restated)
Assets:		
Current assets	$ 12,809,564	$ 28,315,389
Capital assets	40,553,349	19,785,343
Other noncurrent assets	7,929,093	3,624
Total assets	61,292,006	48,104,356
Liabilities:		
Current liabilities	11,488,343	3,574,653
Noncurrent liabilities	53,703,766	59,429,900
Total liabilities	65,192,109	63,004,553
Net assets (deficit):		
Invested in capital assets, net of related debt	(3,608,844)	(17,299,878)
Unrestricted	(291,259)	2,399,681
Total net assets (deficit)	$ (3,900,103)	$ (14,900,197)

ABI's total assets equal approximately $61.3 million. Current assets primarily consist of cash and cash equivalents (93%), while noncurrent assets primarily consist of capital assets (84%). ABI's total liabilities equal approximately $65.2 million. Liabilities primarily consist of a long-term payable to the City of Atlanta (38%) and a loan payable to a consortium of financial institutions (45%).

- For the year ended June 30, 2010, ABI's total net assets (deficit) increased approximately $11 million, primarily due to the approximately $11.8 million received in intergovernmental funding for expenses that are predominantly recorded as capital assets.

Atlanta BeltLine, Inc.'s Changes in Net Assets (Deficit)

	2010	Restated 2009
Revenues:		
Intergovernmental funding	$ 11,825,455	$ 7,353,354
Private grants and contributions	3,109,339	6,443,169
Interest income (non-operating)	35,984	457,528
Other income	252,417	99,052
Total revenues	15,223,195	14,353,103
Expenses:		
General and administrative	3,904,083	7,424,986
Loss on investment in NE Corridor, LLC joint venture	-	22,996,377
Interest expense	311,610	521,482
Depreciation expense	913	-
Other	6,495	-
Total expenses	4,223,101	30,942,845
Increase (decrease) in net assets	11,000,094	(16,589,742)
Net assets (deficit), beginning of year (restated)	(14,900,197)	1,689,545
Net assets (deficit), end of year	$ (3,900,103)	$ (14,900,197)

At June 30, 2010, revenues consist primarily of intergovernmental funding from the BeltLine Tax Allocation District and the City of Atlanta (78%) and private grants and contributions (20%). At June 30, 2010, expenses consist primarily of general and administrative costs (92%) and interest expense of (7%).

Capital Assets

The capital assets of ABI total approximately $40.6 million for the year ended June 30, 2010. Capital assets are comprised of land, land improvements, and construction in process related to the Atlanta BeltLine project. The majority of this balance is comprised of two projects: Clear Creek ($18.9 million) and Historic Fourth Ward park ($11.3 million). See Note 5 for more detail of ABI's capital assets.

Debt

ABI entered into an agreement with a consortium of financial institutions to receive $29,429,900 of interim funding for the implementation of the 2007 Atlanta BeltLine projects. Interest is payable semi-annually. For a period of 24 months commencing April 17, 2008, the loan was to accrue interest at a daily rate of LIBOR + .55%. Effective, March 17, 2009, in accordance with the original loan agreement, a downgrade of the City of Atlanta's debt rating caused the interest rate to adjust to a daily rate of LIBOR + .65%. Commencing on April 17, 2010 the interest rate changed to a daily rate of LIBOR .75%, which is in effect until the note matures on September 17, 2022. Commencing on September 17, 2010, principal will be due in annual installments until the note matures. As of June 30, 2010, the outstanding balance on the note is $29,429,900.

The City of Atlanta contributed $30,000,000 to ABI for the estimated cost to complete the Clear Creek project which will result in the construction of a storm water retention pond and infrastructure improvements for sewer basin relief. The costs to complete the project are now estimated to be lower than the $30 million funded. Due to the excess funds projected, ABI returned approximately $5 million as of June 30, 2010. The liability will be satisfied upon transfer of the completed project and any residual cash of the $25 million to the City of Atlanta. See Note 6 for more detail of ABI's long-term debt.

Requests for Information

This financial report is designed to provide a general overview of ABI's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance and Administration, 86 Pryor Street SW, Suite 200, Atlanta, GA 30303.

ATLANTA BELTLINE, INC.
(A Component Unit of the Atlanta Development Authority)
Statement of Net Assets
June 30, 2010

Assets		
Current assets:		
Cash and cash equivalents	$	1,681,999
Restricted cash		10,267,707
Accounts receivable		859,521
Prepaid items		337
Total current assets		12,809,564
Noncurrent assets:		
Capital assets, nondepreciable		40,537,830
Capital assets, net of depreciation		15,519
Due from the City of Atlanta		2,273,964
Due from the Beltline Tax Allocation District		5,655,129
Total noncurrent assets		48,482,442
Total assets		61,292,006
Liabilities		
Current liabilities:		
Accounts payable		5,023,162
Accrued expenses		2,035,073
Notes payable, current portion		726,134
Due to the Atlanta BeltLine Partnership		500,000
Due to MARTA		3,088,670
Due to the Atlanta Development Authority		115,304
Total current liabilities		11,488,343
Noncurrent liabilities:		
Due to the City of Atlanta		25,000,000
Notes payable		28,703,766
Total noncurrent liabilities		53,703,766
Total liabilities		65,192,109
Net Assets (Deficit)		
Invested in capital assets, net of related debt		(3,608,844)
Unrestricted		(291,259)
Total net assets (Deficit)	$	(3,900,103)

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
(A Component Unit of the Atlanta Development Authority)
Statement of Revenues, Expenses, and
Changes in Fund Net Assets
Year ended June 30, 2010

Operating revenues:	
Intergovernmental funding	$ 11,825,455
Private grants and contributions	3,109,339
Other income	252,417
Total operating revenues	15,187,211
Operating expenses:	
General and administrative	3,904,083
Interest expense	311,610
Depreciation expense	913
Other expenses	6,495
Total operating expenses	4,223,101
Operating income	10,964,110
Non-operating revenue:	
Interest income	35,984
Change in net assets	11,000,094
Net assets (deficit) at beginning of year (restated)	(14,900,197)
Net assets (deficit) at end of year	$ (3,900,103)

See the accompanying notes to the financial statements.

ATLANTA BELTLINE, INC.
(A Component Unit of the Atlanta Development Authority)
Statement of Cash Flows
Year ended June 30, 2010

Cash flows from operating activities:	
Receipts from grantors and others	$ 12,334,657
Payments to suppliers, vendors, and other governments	(1,284,042)
Payments to employees	(1,649,580)
Net cash provided by operating activities	9,401,035
Cash flows from capital financing activities:	
Acquisition and construction of capital assets	(20,768,919)
Intergovernmental proceeds received and payable to other governments	3,403,904
Payments for interest	(311,610)
Payment to the City of Atlanta	(5,000,000)
Net cash used by capital financing activities	(22,676,625)
Cash flows from investing activities:	
Interest on investments	35,984
Net cash provided by investing activities	35,984
Net decrease in cash and cash equivalents	(13,239,606)
Cash and cash equivalents at beginning of year	25,189,312
Cash and cash equivalents at end of year	$ 11,949,706
Reconciliation of Cash and Cash Equivalents To Statement of Net Assets:	
Cash and cash equivalents	$ 1,681,999
Restricted cash and equivalents	10,267,707
	$ 11,949,706
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	$ 10,964,110
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	913
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(266,980)
Due from the City of Atlanta	(2,273,964)
Due from Beltline Tax Allocation District	(3,121,958)
Prepaid expenses	28
Increase (decrease) in:	
Accounts payable	2,738,296
Accrued expenses	1,299,724
Due to the Atlanta Development Authority	60,866
Net cash provided by operating activities	$ 9,401,035

See the accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) The Financial Reporting Entity

Atlanta BeltLine, Inc. ("ABI") was incorporated in 2006 to act as implementation agent on behalf of the Atlanta Development Authority ("ADA") with respect to the Atlanta BeltLine project (the "BeltLine"). BeltLine development activities will enrich Atlanta's quality of life with parks, trails, transit, and economic development and set a national standard for transformative investment, sustainable growth, and equitable development.

As a public corporation, ABI meets the definition of a governmental entity and follows accounting principles generally accepted in the United States of America ("GAAP") for government entities. The Governmental Accounting Standards Board ("GASB") is the standard setting body for governmental GAAP.

Management has considered the criteria set forth in GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, *Defining the Financial Reporting Entity*. Based upon the application of the above criteria, the Atlanta Development Authority (the "Authority") has determined ABI to be a component unit of the Authority.

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

The 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.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance subject to this same limitation. ABI has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. ABI's principal operating revenue is derived from contributions to support the development of the BeltLine, and other related activity. Operating expenses for the fund include development, program, and direct general and administrative expenses of ABI. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is ABI's policy to use restricted resources first, then unrestricted resources as they are needed.

(1) Summary of Significant Accounting Policies (Continued)

(c) Cash and Cash Equivalents

For the purposes of the statement of cash flows, ABI considers all short-term investment securities with original maturities of three months or less, local government investment pools, repurchase agreements, money market accounts, and investment agreements under which funds can be withdrawn at any time without penalty to be cash equivalents. Certain resources set aside for BeltLine projects are classified as restricted assets on the balance sheet because their use is limited by the purpose of certain agreements with the City of Atlanta.

(d) Capital Assets

Capital assets are stated at cost. The BeltLine capital assets consist of non-depreciable land, construction in progress related to both the Clear Creek and BeltLine Projects, and furniture and equipment. Depreciation on capital assets is calculated on the straight-line method over the estimated useful lives as follows:

Furniture and Equipment	3-5 years

(e) Due to the Primary Government

Amounts are reported in the statement of net assets for amounts due to the ADA which are the result from ADA loaning ABI money to cover certain operating costs in which these amounts will be reimbursed within one year of the fiscal year end.

(f) Use of Estimates

Management of ABI has made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

(2) Deposits and Investments

(a) ***Credit Risk.*** ABI is authorized to invest in obligations or investments as determined by its Board of Directors, subject to any agreement with bondholders and with applicable law. As of June 30, 2010, ABI did not have any investments other than deposits with financial institutions.

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

(3) Due from the City of Atlanta

ABI began construction on the Boulevard Crossing Park, DH Stanton Park, and the Historic 4th Ward Park projects during the current year, each of which are related to the overall Atlanta BeltLine Project. Certain cost incurred by ABI on these projects will be reimbursed by the City of Atlanta. As of June 30, 2010, ABI was owed $2,273,964 from the City of Atlanta.

(4) Due from the BeltLine Tax Allocation District

A portion of redevelopment costs incurred by ABI, related to various Atlanta BeltLine Projects, are reimbursed monthly to ABI by the BeltLine Tax Allocation District. As of June 30, 2010, ABI was owed $5,655,129 from the BeltLine Tax Allocation District.

(5) Capital Assets

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

	Restated June 30, 2009	Additions	Deletions	June 30, 2010
Total primary government:				
Capital assets not being depreciated:				
Land	$ 15,176,574	$ 2,244,040	$ -	$ 17,420,614
Rails - Construction in progress	2,283,053	1,343,268	-	3,626,321
Clear Creek - Construction in progress	2,314,086	10,423,845	-	12,737,931
Historic Fourth Ward Park - Construction in progress	-	2,041,215	-	2,041,215
Boulevard Crossing Park - Construction in progress	-	329,228	-	329,228
DH Stanton Park - Construction in progress	11,630	2,776,600	-	2,788,230
BeltLine Corridor - Construction in progress	-	1,594,291	-	1,594,291
Total capital assets not being depreciated	19,785,343	20,752,487	-	40,537,830
Capital assets subject to depreciation:				
Furniture and equipment	-	16,432	-	16,432
	-	16,432	-	16,432
Capital assets being depreciated:				
Furniture and equipment	-	(913)	-	(913)
Total capital assets being depreciated	-	15,519	-	15,519
Net property and equipment	$ 19,785,343	$ 20,768,006	$ -	$ 40,553,349

(6) Long-term Liabilities

Activity for long-term liabilities for the year ended June 30, 2010 consists of the following:

	June 30, 2009	Additions	Reductions	June 30, 2010	Due Within One Year
Notes payable	$ 29,429,900	$ -	$ -	$ 29,429,900	$ 726,134
Total Long-term debt	$ 29,429,900	$ -	$ -	$ 29,429,900	$ 726,134

In 2007, ABI entered into an agreement with a consortium of financial institutions to receive $29,429,900 of interim funding for the implementation of the 2007 Atlanta BeltLine Projects in which this debt was guaranteed by the City of Atlanta. Interest only is payable semi-annually. For a period of 24 months commencing April 17, 2010, the loan was to accrue interest at a daily rate of LIBOR + .75%. However, due to a downgrade of the City of Atlanta's debt rating, the interest rate changed in accordance with the original loan agreement to a daily rate of LIBOR + .85%. This rate is effective until the note matures on September 17, 2022. Commencing on September 17, 2010, principal will be due in annual installments until the note matures. As of June 30, 2010, the outstanding balance on the note is $29,429,900.

Debt Service Requirements

Annual principal and interest requirements (using the interest rate of 1.173% at year-end) for the notes payable to the banks are set forth below (dollar amounts in thousands):

	Principal	Interest	Total
Year ending June 30:			
2011	$ 726	$ 330	$ 1,056
2012	1,441	313	1,754
2013	1,707	294	2,001
2014	1,856	272	2,128
2015	2,020	249	2,269
2016 - 2020	12,250	841	13,091
2021 - 2023	9,430	113	9,543
Totals	$ 29,430	$ 2,412	$ 31,842

(7) Due to City of Atlanta - Clear Creek Project

In 2007, ABI and the City of Atlanta entered into an intergovernmental agreement for the Clear Creek Project. The Clear Creek Project will result in the construction of a storm water retention pond and infrastructure improvements for sewer basin relief.

(7) Due to City of Atlanta - Clear Creek Project (Continued)

The City of Atlanta contributed $30 million to ABI for the estimated cost to complete the project. During the current year, ABI returned $5 million of the unspent project dollars to the City. Thus, the City has only provided up to $25 million for the Clear Creek Project. Upon completion, both the project and any portion of the $25 million not expended by ABI will revert back to the City of Atlanta in order to satisfy this obligation. This amount has no maturity date, nor is interest charged. All costs associated with the Clear Creek Project are being accounted for as construction in process and a portion accounted for as land. Under the agreement, any costs in excess of $25 million are required to be funded by ABI. At June 30, 2010, total project cost to date was $18,880,967.

(8) Due to Atlanta BeltLine Partnership

Atlanta BeltLine Partnership is an unrelated non-profit organization committed to raising funds from private and philanthropic sources to support the Atlanta BeltLine Project; working with neighborhoods, community organizations, faith organization, businesses, and other groups to raise general awareness and broad-base support for the Atlanta BeltLine Project; and serving as a catalyst to mobilize resources to address the social concerns raised by new development around the Atlanta BeltLine Project. In 2007, Atlanta BeltLine Partnership advanced $500,000 to ABI without interest, to provide ABI with cash flow for specific consulting services. The funds were due to be repaid by ABI on December 31, 2009. However, ABI signed an amendment to the promissory note which extended the due date to December 31, 2010. At June 30, 2010, the balance due to the Atlanta BeltLine Partnership was $500,000.

(9) Due to MARTA

In 2008, ABI and the Metropolitan Atlanta Rapid Transit Authority ("MARTA") entered into an intergovernmental agreement for an environmental impact study in connection with transit rails and trails for the Atlanta BeltLine Project. The agreement calls for ABI to reimburse MARTA for payments made by MARTA to various vendors for services in connection with the impact study. Under the agreement, ABI will pay MARTA 50% of the cost (up to $5 million) incurred for transit rails and 100% of the cost (up to $900,000) incurred for trails. Commencing July 1, 2009, ABI began making quarterly payments of principal and interest until the entire unpaid balance is fully paid. The annual interest rate is the 1(one) month LIBOR rate, adjusted on the fifteenth (15) day of each month to reflect any changes in the 1(one) month LIBOR rate, not to ever exceed 4.5% per annum. At June 30, 2010, ABI had an unpaid balance of $3,088,670. The promissory note to MARTA matures on May 1, 2011.

(10) Pension Plan

ABI participates in two different qualified tax deferred defined contribution retirement plans offered to its employees, both of which are administered by the International City/County Management Association Retirement Corp ("ICMA-RC"). The first plan operates under section 457(b) of the Internal Revenue Code, and allows employees to contribute a certain percentage of their pay each year (up to the federal maximum limits). ABI does not match contributions to the section 457(b) plan.

(10) Pension Plan (Continued)

Because ABI does not participate in the federal social security system, it is required by law to establish a "public employee retirement system" ("PERS") to take the place of its otherwise mandatory contributions to the federal social security system. Establishing a PERS requires by law that ABI contribute to a qualified retirement plan a minimum of 7.25% of base pay for all eligible employees. ABI has met this requirement by participating in a second retirement plan which operates under section 401(a) of the Internal Revenue Code and is wholly funded by employer contributions which are made based on a percentage of eligible compensation for all full time employees of ABI who are over 21 years of age. ABI has elected to contribute more to the plan than the required legal minimum. For the year ended June 30, 2010, ABI contributions to the 401(a) plan totaled $244,607. Employees cannot contribute directly to the 401(a) plan.

(11) Contractual Commitments

For the year ended June 30, 2010, ABI had several active construction projects related to various Atlanta BeltLine construction projects. At year end, ABI's commitments with contractors were $23,538,201.

(12) Prior Period Adjustments

ABI has determined that several restatements of prior period balances are necessary to properly report amounts due from the BeltLine TAD, amounts due to MARTA, and capital assets. The cumulative effect of these restatements on the beginning net assets and capital assets of ABI is described below.

ABI acquired several capital assets related to the Atlanta BeltLine Project in prior periods. However, ABI had not properly recorded the acquisition of these assets in prior periods for various reasons. An adjustment to capital assets of $261,749 was necessary to properly record capital assets which were expensed in the prior year.

An adjustment to capital assets of $2,430,664 was necessary to properly record land related to the Historic Fourth Ward Park which was classified as an investment in development project in prior periods. This reclassification to a capital asset was necessary to a change in the intended purpose of this land from an investment to an asset planned to be utilized for the reporting entity's overall purpose. This entry has no effect on beginning net assets as this is considered a reclassification between asset categories.

(12) Prior Period Adjustments (Continued)

An adjustment to capital assets of $2,283,053 was necessary to properly record capital assets which were excluded from capital assets in prior periods. This entry also has no effect on beginning net assets as it related to the same amount due to MARTA as a liability which was not recorded in prior periods.

Capital assets, June 30, 2009, as previously reported	$	14,809,877
Adjustment for capital assets expensed in prior periods		261,749
Adjustment for reclassification of capital assets		2,430,664
Adjustment for omttted capital assets related to the MARTA intergovernmental agreement		2,283,053
Capital assets, June 30, 2009, as restated	$	19,785,343

At June 30, 2009, ABI did not properly record receivables related to amounts due from the BeltLine TAD that were related to redevelopment costs incurred by ABI for various Atlanta BeltLine Projects. As a result, beginning net assets has been adjusted by $2,533,171.

Beginning net assets of ABI have been adjusted as follows for those amounts noted above with an effect on beginning net assets as noted below.

Net assets (Deficits) , June 30, 2009, as previously reported	$	(17,695,117)
Adjustment for capital assets		261,749
Adjustment for receivable		2,533,171
Net assets (Deficits), June 30, 2009, as restated	$	(14,900,197)