

**CITY OF ATLANTA
ANNUAL DISCLOSURE FILING**

relating to

**VARIOUS SERIES OF CITY OF ATLANTA AIRPORT GENERAL REVENUE BONDS
ALL AS MORE PARTICULARLY IDENTIFIED
ON EXHIBIT C ATTACHED HERETO**

General

This annual disclosure filing for the fiscal year ended June 30, 2023 (this "Filing"), has been prepared and is being filed by the City of Atlanta (the "City") in connection with its annual continuing disclosure obligations as an "obligated person" (as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") promulgated under the Securities and Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings the City entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in EXHIBIT C attached hereto (collectively, the "Affected Debt").

Financial Information and Operating Data; Audited Financial Statements

Attached as EXHIBIT A to this Filing is certain financial information and operating data with respect to the Hartsfield-Jackson Atlanta International Airport (the "Airport") and the Department of Aviation, an enterprise fund of the City (the "Department of Aviation") reported as of June 30, 2023, except where expressly indicated otherwise.

Attached as EXHIBIT B to this Filing is the Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2023 and 2022 for the Department of Aviation (the "2023 Department of Aviation ACFR"), which includes the Department of Aviation's audited financial statements for the fiscal years ended June 30, 2023 and 2022.

COVID-19 Pandemic

For certain information relating to the COVID-19 pandemic during the fiscal year ended June 30, 2023, see the 2023 Department of Aviation ACFR.

Miscellaneous; Forward-Looking Statements

This Filing is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of the City's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy any of the City's debt or securities in any jurisdiction. The matters discussed in this Filing and all other documents issued by the City are for informational purposes only, and holders of any of the City's debt or securities, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to any of the City's debt or securities or in making an investment

decision with respect to any of the City's existing debt or securities or any other debt or securities which may be offered by the City. Neither this Filing nor anything in it shall form the basis of any contract or commitment. By the filing of this Filing, the City makes no recommendations and is not giving any investment advice as to any of the City's debt or securities. In no event shall the City be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained in this Filing and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of the City's debt or securities. The information contained in this Filing, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained in this Filing holders and potential investors should consider the appropriateness of the information having regard to these matters, any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice.

Certain of the information in this Filing has been compiled from sources believed to be reliable, certain of which has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed in this Filing.

This Filing may contain "forward-looking" statements that involve risks, uncertainties, and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, the City cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of the City's expected operational or financial performance. All opinions, estimates, projections, forecasts, and valuations are preliminary, indicative and are subject to change without notice.

The information in this Filing is current as of the dates set forth in this Filing, and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented in this Filing . The City has not undertaken any obligation to update any information in this Filing.

This Filing is dated January 29, 2024.

EXHIBIT A

**CERTAIN FINANCIAL INFORMATION AND OPERATING DATA
RELATING TO THE AIRPORT AND THE DEPARTMENT OF AVIATION**

TABLE 1

**Airlines Serving the Airport
(as scheduled during Fiscal Year 2023)**

Mainline Airlines	Regional Airlines	Foreign-flag Airlines	All-cargo Airlines (6)
Alaska Airlines (1)	Endeavor Air (2)(4)	Air Canada (1)	ABX (1)
American Airlines (1)	Envoy Air (7)	Air France (1)(3)(5)	Air Transport International (1)
Delta Air Lines (1)(2)(3)	Republic Airlines (4)(7)	British Airways (1)	Asiana Cargo (1)
Frontier Airlines (1)(2)	SkyWest Airlines (4)(8)	Copa Airlines (1)	Atlas Air (1)
JetBlue Airways (1)	Southern Airways (1)	Ethiopian Airlines (1)	Cargolux Airlines (1)
Southwest Airlines (1)(2)		KLM Royal Dutch Airlines (1)(3)(5)	Cathay Pacific Airways (1)
Spirit Airlines (1)		Korean Air (1)(3)	Challenge Airlines (1)
United Airlines (1)		Lufthansa German Airlines (1)	China Airlines (1)
		Qatar Airways (1)	China Cargo Airlines (1)
		Turkish Airlines (1)	DHL Worldwide Express
		Virgin Atlantic Airways (1)(3)(5)	EVA Air Cargo (1)
		WestJet Airlines (1)	FedEx (1)
			Kalitta Air (1)
			Korean Air Cargo (1)
			Lufthansa Cargo (1)
			Qatar Airways (1)
			Turkish Airlines (1)
			UPS Air Cargo (1)

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- (1) The passenger and cargo airlines noted above are signatories to the Airport Use and Lease Agreement.
- (2) U.S. flag airlines providing international service.
- (3) Members of SkyTeam alliance.
- (4) Airlines operating as an affiliate of Delta Air Lines.
- (5) Operates with Delta Air Lines under a joint venture agreement.
- (6) Airlines listed operated regular all-cargo service at the Airport. Other cargo airlines not listed in this table operated ad hoc charter service at the Airport. Certain mainline and foreign-flag airlines also operated cargo services.
- (7) Airline operating as an affiliate of American Airlines.
- (8) Airline operating as an affiliate of United Airlines.

Source: City of Atlanta, Department of Aviation.

TABLE 2

**Historical Enplaned Passengers
Fiscal Years Ended June 30**

Fiscal Year	Domestic	Percent Annual Change	International	Percent Annual Change	Total	Percent Annual Change
2019	48,225,191	3.9%	6,306,757	2.8%	54,531,948	3.7%
2020 ⁽¹⁾	35,599,784	(26.2)	4,147,812	(34.2)	39,747,596	(27.1)
2021 ⁽¹⁾⁽²⁾	23,407,815	(34.2)	1,520,657	(63.3)	24,928,472	(37.3)
2022 ⁽¹⁾	40,759,329	74.1	4,101,591	169.7	44,860,920	80.0
2023 ⁽¹⁾⁽³⁾	43,948,476	7.8	5,745,226	40.1	49,693,702	10.8

(1) Historical patterns of passenger traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(2) Information for Fiscal Year 2021 was revised and reissued in March of 2022.

(3) The information presented in the Annual Comprehensive Financial Report for the fiscal years ended June 30, 2023 and 2022 (the "2023 ACFR") for the Department of Aviation (the "Department") is inconsistent with the information presented in this table because the information was revised and reissued after the 2023 ACFR was published.

Source: City of Atlanta, Department of Aviation.

TABLE 3

**Historical Enplaned Passengers by Airline
Fiscal Years Ended June 30**

	2019	2020⁽¹⁾	2021⁽¹⁾⁽²⁾	2022⁽¹⁾	2023⁽¹⁾⁽³⁾
Domestic					
Delta and affiliates					
Delta Air Lines	35,206,725	25,770,187	15,191,786	30,225,940	32,500,656
Endeavor Air	1,913,052	1,831,619	2,328,177	2,271,539	1,015,479
SkyWest Airlines	1,174,946	762,559	-	11,897	712,135
Republic Airlines	9,197	61,990	383,238	100,083	30,206
GoJet Airlines	2	13	-	-	-
ExpressJet Airlines	221,447	-	-	-	-
Subtotal Delta	38,525,369	28,426,368	17,903,201	32,609,459	34,258,476
Southwest Airlines	4,872,454	3,312,689	2,571,396	3,586,761	3,951,249
Other U.S.-flag airlines					
Spirit Airlines	1,200,876	1,034,264	1,011,622	1,157,660	1,483,989
Frontier Airlines	565,059	502,033	424,575	902,696	1,441,932
American Airlines ⁽⁴⁾	1,637,645	1,282,179	868,012	1,466,210	1,343,819
United Airlines ⁽⁴⁾	923,906	680,978	411,940	688,708	974,889
JetBlue Airways	391,795	279,037	156,868	230,924	332,740
Alaska Airlines	102,973	74,993	57,031	114,698	158,415
Other	5,114	7,243	3,170	2,213	2,967
Subtotal other U.S.flag airlines	4,827,368	3,860,727	2,933,218	4,563,109	5,738,751
Total Domestic	48,225,191	35,599,784	23,407,815	40,759,329	43,948,476 ⁽³⁾
International					
Delta and affiliates					
Delta Air Lines	5,004,322	3,263,138	1,361,660	3,348,260	4,441,488
Endeavor Air	142,062	113,531	23,920	59,835	67,941
SkyWest Airlines	-	610	-	-	-
ExpressJet Airlines	22,754	-	-	-	-
Subtotal Delta	5,169,138	3,377,279	1,385,580	3,408,095	4,509,429
Frontier Airlines	-	-	-	37,175	148,023
Southwest Airlines	92,857	27,648	-	4	2
Foreign-flag airlines	1,044,762	742,885	135,077	656,317	1,087,386
Other U.S.-flag airlines	-	-	-	-	386
Total International	6,306,757	4,147,812	1,520,657	4,101,591	5,745,226 ⁽³⁾
Total	54,531,948	39,747,596	24,928,472	44,860,920	49,693,702 ⁽³⁾

(1) Historical patterns of passenger traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(2) Information for Fiscal Year 2021 was revised and reissued in March of 2022.

(3) The information presented in the 2023 ACFR is inconsistent with the information presented in this table because the information was revised and reissued after the 2023 ACFR was published.

(4) Includes regional affiliates.

Source: City of Atlanta, Department of Aviation.

TABLE 4

Historical Market Share by Airline⁽¹⁾
Fiscal Years Ended June 30

	2019	2020 ⁽²⁾	2021 ⁽²⁾⁽³⁾	2022 ⁽²⁾	2023 ⁽²⁾
Domestic					
Delta and affiliates					
Delta Air Lines	64.6%	64.8%	60.9%	67.4%	65.4%
Endeavor Air	3.5%	4.6%	9.3%	5.1%	2.0%
SkyWest Airlines	2.2%	1.9%	0.0%	0.0%	1.4%
Republic Airlines	0.0%	0.2%	1.5%	0.2%	0.1%
GoJet Airlines	0.0%	0.0%	0.0%	0.0%	0.0%
ExpressJet Airlines	0.4%	0.0%	0.0%	0.0%	0.0%
Subtotal Delta	70.6%	71.5%	71.8%	72.7%	68.9%
Southwest Airlines	8.9%	8.3%	10.3%	8.0%	8.0%
Other U.S.-flag airlines					
Spirit Airlines	2.2%	2.6%	4.1%	2.6%	3.0%
Frontier Airlines	1.0%	1.3%	1.7%	2.0%	2.9%
American Airlines ⁽⁴⁾	3.0%	3.2%	3.5%	3.3%	2.7%
United Airlines ⁽⁴⁾	1.7%	1.7%	1.7%	1.5%	2.0%
JetBlue Airways	0.7%	0.7%	0.6%	0.5%	0.7%
Alaska Airlines	0.2%	0.2%	0.2%	0.3%	0.3%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Subtotal other U.S.-flag airlines	8.9%	9.7%	11.8%	10.2%	11.5%
Total Domestic	88.4%	89.6%	93.9%	90.9%	88.4%
International					
Delta and affiliates					
Delta Air Lines	9.2%	8.2%	5.5%	7.5%	8.9%
Endeavor Air	0.3%	0.3%	0.1%	0.1%	0.1%
SkyWest Airlines	0.0%	0.0%	0.0%	0.0%	0.0%
ExpressJet Airlines	0.0%	0.0%	0.0%	0.0%	0.0%
Subtotal Delta	9.5%	8.5%	5.6%	7.6%	9.1%
Frontier Airlines	0.0%	0.0%	0.0%	0.1%	0.3%
Southwest Airlines	0.2%	0.1%	0.0%	0.0%	0.0%
Foreign-flag airlines	1.9%	1.9%	0.5%	1.5%	2.2%
Other U.S.-flag airlines	0.0%	0.0%	0.0%	0.0%	0.0%
Total International	11.6%	10.4%	6.1%	9.1%	11.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Totals may not add due to rounding.

(2) Historical patterns of passenger traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(3) Information for Fiscal Year 2021 was revised and reissued in March of 2022.

(4) Includes regional affiliates.

Source: City of Atlanta, Department of Aviation.

TABLE 5

Historical Aircraft Operations
Fiscal Years Ended June 30

Fiscal Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total Operations	Percent Annual Change
2019	809,387	84,223	7,495	178	901,283	1.9%
2020 ⁽¹⁾	648,284	69,268	5,524	241	723,317	(19.7)
2021 ⁽¹⁾⁽²⁾	569,345	42,842	3,903	265	616,355	(14.8)
2022 ⁽¹⁾	672,008	46,920	6,286	294	725,508	17.7
2023 ⁽¹⁾	713,718	27,877	6,523	203	748,321	3.1

(1) Historical patterns of passenger traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(2) Information for Fiscal Year 2021 was revised and reissued in March of 2022.

Source: City of Atlanta, Department of Aviation.

TABLE 6

Historical Aircraft Landed Weight
Fiscal Years Ended June 30
(amounts in thousands of pounds)

Fiscal Year	Signatory Airlines	Non-Signatory Airlines	Total	Percent Annual Change
2019	61,735,000	219,000	61,954,000	3.0%
2020 ⁽¹⁾	51,874,000	280,000	52,154,000	(15.8)
2021 ⁽¹⁾	42,605,000	511,000	43,116,000	(17.3)
2022 ⁽¹⁾	54,537,000	603,000	55,140,000	27.9
2023 ⁽¹⁾	57,444,000	567,000	58,011,000	5.2

(1) Historical patterns of passenger and air cargo traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

Source: City of Atlanta, Department of Aviation.

TABLE 7

Historical Air Cargo and Mail ⁽¹⁾
Fiscal Years Ended June 30
(amounts in metric tons)

Fiscal Year	Cargo	Mail	Total	Percent Annual Change
2019	638,490	38,288	676,778	(3.9%)
2020 ⁽²⁾	561,364	31,770	593,134	(12.4)
2021 ⁽²⁾⁽³⁾	638,396	47,688	686,084	15.7
2022 ⁽²⁾	693,277	36,769	730,046	6.4
2023 ⁽²⁾	582,937	29,333	612,270	(16.1)

(1) Including deplaned and enplaned amounts on all cargo and passenger airline aircraft.

(2) Historical patterns of air cargo traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(3) Information for Fiscal Year 2021 was revised and reissued in March of 2022.

Source: City of Atlanta, Department of Aviation.

TABLE 8

Historical Air Cargo (Enplaned & Deplaned) by Airline⁽¹⁾⁽²⁾
Fiscal Years Ended June 30
(amounts in metric tons)

	2019	2020⁽³⁾	2021⁽³⁾⁽⁴⁾	2022⁽³⁾	2023⁽³⁾
Domestic					
FedEx	113,839	120,756	119,217	123,810	100,338
UPS	43,109	57,689	68,107	66,838	65,133
Delta	47,085	28,752	39,422	52,471	40,416
DHL Express	9,663	21,020	25,409	26,119	15,953
ABX	21	15,011	15,474	1,582	8,697
Southwest	8,100	6,306	8,611	5,952	5,532
Other	18,287	5,398	3,524	1,546	1,542
Total Domestic	240,104	254,932	279,764	278,316	237,611
International					
Delta	93,105	47,717	60,518	72,550	64,234
Lufthansa	34,715	32,682	32,078	36,253	34,814
Qatar Airways	26,633	27,192	29,837	28,949	27,854
Korean	25,095	21,644	39,364	42,065	26,418
EVA Airways	18,890	20,668	25,665	33,641	25,389
China Airlines	23,275	22,137	27,594	26,760	21,723
Turkish Airlines	12,048	14,560	16,017	17,962	18,312
Cargolux	22,653	17,846	21,342	18,572	18,126
Air France	11,946	9,356	11,345	15,956	14,540
Asiana	13,385	10,678	17,873	21,882	13,269
KLM Royal Dutch Airlines	10,861	10,147	11,395	17,731	12,357
Cathay Pacific	23,729	15,466	-	2,386	11,492
Challenge Airlines ⁽⁵⁾	12,524	9,400	9,455	11,778	10,555
British Airways	10,694	9,104	15,765	12,444	10,302
Virgin Atlantic Airways	10,045	6,143	863	16,232	9,886
DHL Express	-	-	-	-	9,618
Magma Aviation	-	-	8,444	19,302	8,931
China Cargo Airlines	13,353	6,151	2,779	2,687	1,962
AirBridgeCargo	7,492	8,275	6,203	-	-
CargoLogicAir	12,622	2,276	5,719	-	-
Other	15,321	14,990	16,376	17,813	5,544
Total International	398,386	306,432	358,632	414,961	345,326
Total	638,490	561,364	638,396	693,277	582,937

(1) Totals may not add due to rounding.

(2) Air cargo only (excluding mail).

(3) Historical patterns of air cargo traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(4) Information for Fiscal Year 2021 was revised and reissued in March of 2022.

(5) CAL Cargo rebranded to Challenge Airlines in 2022.

Source: City of Atlanta, Department of Aviation.

TABLE 9

Historical Revenue and Expenses
Cash Basis: Conversion from Accrual to Cash Basis ⁽¹⁾⁽²⁾
Fiscal Years Ended June 30
Unaudited
(amounts in thousands)
(CONTINUED ON NEXT PAGE)

	2019	2020⁽³⁾	2021⁽³⁾	2022⁽³⁾	2023⁽³⁾
Landing Fees					
Signatory	\$ 52,625	\$ 37,866	\$ 36,183	\$ - ⁽⁴⁾	\$ 28,517
Nonsignatory & Other	424	419	490	181	452
Total Landing Fees	<u>\$ 53,049</u>	<u>\$ 38,285</u>	<u>\$ 36,673</u>	<u>\$ 181</u>	<u>\$ 28,969</u>
CPTC Rentals					
Central Terminal Building & Apron	\$ 225,901	\$ 176,148	\$ 153,891	\$ 111,163	\$ 154,919
Central Terminal Tenant Finishes	5,943	5,952	5,943	5,940	5,885
Airline Credits	(123,505)	(82,307)	(48,502)	(68,825)	(71,547)
Total CPTC Rentals	<u>\$ 108,339</u>	<u>\$ 99,793</u>	<u>\$ 111,332</u>	<u>\$ 48,278</u>	<u>\$ 89,257</u>
Concession Revenues					
Terminal Concessions	\$ 121,060	\$ 87,887	\$ 28,539	\$ 33,491	\$ 61,433
Communication Services & Other	1,326	1,315	1,300	1,309	1,342
Parking	147,410	107,378	65,807	148,382	164,478
Car Rentals	43,607	32,001	33,423	45,636	53,039
Ground Transportation	12,230	9,941	5,243	9,761	12,218
Total Concession Revenues	<u>\$ 325,633</u>	<u>\$ 238,522</u>	<u>\$ 134,312</u>	<u>\$ 238,579</u>	<u>\$ 292,509</u>
Other Revenues					
Landside Rentals	\$ 8,358	\$ 7,094	\$ 7,160	\$ 6,805	\$ 7,707
Airside Rentals	43,173	40,925	42,117	55,261	60,106
Other Income	12,902	1,856	2,714	9,818	8,840
Total Other Revenues	<u>\$ 64,433</u>	<u>\$ 49,875</u>	<u>\$ 51,992</u>	<u>\$ 71,884</u>	<u>\$ 76,653</u>
Non-Airline Cost Recoveries					
SkyTrain and Rental Car Center	\$ 7,901	\$ 7,443	\$ 8,375	\$ 9,253	\$ 9,792
Rental Car Center O&M	9,152	8,400	11,786	11,182	11,121
Total Non-Airline Cost Recoveries	<u>\$ 17,053</u>	<u>\$ 15,843</u>	<u>\$ 20,161</u>	<u>\$ 20,435</u>	<u>\$ 20,913</u>
Revenues	<u>\$ 568,507</u>	<u>\$ 442,318</u>	<u>\$ 354,470</u>	<u>\$ 379,357</u>	<u>\$ 508,301</u>
Accrual to Cash Basis Adjustment	<u>33,763</u>	<u>(31,664)</u>	<u>23,409</u>	<u>4,190</u>	<u>(5,804)</u>
Total Operating Revenues (Cash Basis)	<u><u>\$ 602,270</u></u>	<u><u>\$ 410,654</u></u>	<u><u>\$ 377,879</u></u>	<u><u>\$ 383,547</u></u>	<u><u>\$ 502,497</u></u>

(1) Totals may not add due to rounding.

(2) Certain amounts previously reported may have been reclassified in order to be consistent with the current year presentation.

(3) Historical revenues and expenses at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(4) The Fiscal Year 2022 rates and charges eliminated all landing fees for Signatory Airlines in Fiscal Year 2022.

Source: City of Atlanta, Department of Aviation.

TABLE 9

Historical Revenue and Expenses
Cash Basis: Conversion from Accrual to Cash Basis⁽¹⁾⁽²⁾
Fiscal Years Ended June 30
Unaudited
(amounts in thousands)
(CONTINUED FROM PREVIOUS PAGE)

	<u>2019</u>	<u>2020⁽³⁾</u>	<u>2021⁽³⁾</u>	<u>2022⁽³⁾</u>	<u>2023⁽³⁾</u>
Expenses					
Administration	\$ 87,843	\$ 89,276	\$ 95,685	\$ 95,430	\$ 106,057
Operations & Security	35,339	38,173	32,929	34,430	41,538
AGTS Maintenance	22,193	21,808	22,216	22,203	23,848
Building Maintenance	6,010	7,538	9,508	6,979	10,288
Rental Car Center Operations	6,396	5,545	8,724	8,652	9,873
SkyTrain	7,552	6,580	8,568	9,432	10,982
Parking Operations	34,560	32,455	21,258	34,786	43,157
Airfield Maintenance	19,545	21,979	25,567	27,144	30,997
Fire Services	27,631	24,463	27,856	28,987	31,728
Police Services	23,415	24,833	24,028	24,993	26,450
Other City Departments	10,620	8,335	9,651	9,447	10,535
Nondepartmental	13,421	14,815	6,989	(20,403)	3,244
Planning & Development	21,664	27,404	25,642	26,785	22,459
Expenses	<u>\$ 316,189</u>	<u>\$ 323,202</u>	<u>\$ 318,622</u>	<u>\$ 308,865</u>	<u>\$ 371,155</u>
Accrual to Cash Basis Adjustment	21,894	12,909	8,594	36,820	7,212
Total Operating Expenses (Cash Basis)⁽⁵⁾	<u>\$ 338,083</u>	<u>\$ 336,111</u>	<u>\$ 327,216</u>	<u>\$ 345,685</u>	<u>\$ 378,367</u>
Adjustments:					
Expenditures (Planning and Development)⁽⁶⁾	\$ 21,664	\$ 27,404	\$ 25,642	26,785	22,459
Expenses Paid from COVID-19 Relief Grant Funds⁽⁷⁾	<u>\$ -</u>	<u>\$ 34,836</u>	<u>\$ 10,561</u>	<u>93,237</u>	<u>256,609</u>
Net Operating Revenues (Cash Basis)	\$ 285,851	\$ 136,783	\$ 86,866	\$ 157,884	\$ 403,198
Investment Income⁽⁸⁾	<u>\$ 17,189</u>	<u>\$ 17,218</u>	<u>\$ 9,386</u>	<u>\$ 9,501</u>	<u>\$ 25,248</u>
Net Revenues	<u>\$ 303,040</u>	<u>\$ 154,001</u>	<u>\$ 96,252</u>	<u>\$ 167,385</u>	<u>\$ 428,446</u>

(1) Totals may not add due to rounding.

(2) Certain amounts previously reported may have been reclassified in order to be consistent with the current year presentation.

(3) Historical revenues and expenses at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(4) The Fiscal Year 2022 rates and charges eliminated all landing fees for Signatory Airlines in Fiscal Year 2022.

(5) Includes amounts from construction in progress reconciliation as reported by the Department of Aviation.

(6) Adjustment for major maintenance expenditures reflects modification presented in the Material Event Notice dated November 21, 2014.

(7) The City was awarded \$738.5 million of COVID-19 Relief Grants for the Airport. During Fiscal Years 2020 to 2023, the Department of Aviation utilized a total of \$395.2 million of the COVID-19 Relief Grants to reimburse eligible operating expenses and \$340.9 million to reimburse eligible General Revenue Bonds debt service. COVID-19 Relief Grants used for reimbursement of operating expenses are reflected as an adjustment to Net Revenues. The balance of the COVID-19 Relief Grants was utilized in Fiscal Year 2023.

(8) As reported in the financial records of the City. The above presentation includes investment earnings on the Operating Fund and the Renewal and Extension Fund only. Earnings exclude unrealized gains.

Source: City of Atlanta, Department of Aviation.

TABLE 10

Historical Debt Service Coverage
General Revenue Bonds Cash Basis, Unaudited
Fiscal Years Ended June 30
(amounts in thousands)

	<u>2019</u>	<u>2020⁽¹⁾</u>	<u>2021⁽¹⁾</u>	<u>2022⁽¹⁾⁽²⁾</u>	<u>2023⁽¹⁾⁽²⁾</u>
Revenues:					
Operating Revenues - Receipts from Customers & Tenants	\$ 602,270	\$ 410,654	\$ 377,879	\$ 383,547	\$ 502,497
Investment Income ⁽³⁾	17,189	17,218	9,386	9,501	25,248
Total Revenues	<u>\$ 619,459</u>	<u>\$ 427,872</u>	<u>\$ 387,265</u>	<u>\$ 393,048⁽⁴⁾</u>	<u>\$ 527,745⁽⁴⁾</u>
Operating Expenses:					
Payments to Suppliers for Goods & Services	\$ 236,658	\$ 232,581	\$ 215,791	\$ 230,379	\$ 243,000
Payments to or on Behalf of Employees	101,425	103,530	111,425	115,306	135,367
Total Operating Expenses	<u>\$ 338,083</u>	<u>\$ 336,111</u>	<u>\$ 327,216</u>	<u>\$ 345,685</u>	<u>\$ 378,367</u>
Adjustment: Major Maintenance Expenditures (Planning & Development) ⁽⁵⁾	21,664	27,404	25,642	26,785	22,459
Adjustment: Expenses paid from COVID-19 Relief Grant Fund ⁽⁶⁾	-	34,836	10,561	93,237	256,609
Net Revenues	<u><u>\$ 303,040</u></u>	<u><u>\$ 154,001</u></u>	<u><u>\$ 96,252</u></u>	<u><u>\$ 167,385</u></u>	<u><u>\$ 428,446</u></u>
General Revenue Bond Debt Service Requirements	\$ 168,449	\$ 171,957	\$ 136,262	\$ 91,535	\$ 116,683
General Revenue Bond Debt Service paid from PFC Revenues ⁽⁷⁾	26,480	25,583	8,342	8,600	6,618
General Revenue Bond Debt Service paid from COVID-19 Relief Grant Funds ⁽⁶⁾	-	46,045	101,890	82,935	110,065
General Revenue Bond Debt Service paid from Net Revenues	\$ 141,969	\$ 100,329	\$ 26,030	\$ -	\$ -
Debt Service Coverage on General Revenue Bond Debt Service paid from Net Revenues	2.13	1.53	3.70	N/A	N/A

(1) Historical revenues and expenses at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(2) In Fiscal Years 2022 and 2023, COVID-19 Relief Grants were used to offset all debt service requirements, therefore no net revenues were used to pay debt service.

(3) As reported in the financial records of the Department. For purposes of the calculation of the debt service coverage, the above presentation includes investment earnings on the Operating Fund and the Renewal and Extension Fund only. Earnings exclude unrealized gains and losses.

(4) Excludes \$57.3 million of COVID-19 Relief Grant Funds, which were used to reduce the percentage rent obligation for concessionaires.

(5) Adjustment for major maintenance expenditures reflects modification presented in the Material Event Notice dated November 21, 2014.

(6) The City was awarded \$738.5 million of COVID-19 Relief Grants for the Airport. During Fiscal Years 2020 to 2023, the Department of Aviation utilized a total of \$395.2 million of the COVID-19 Relief Grants to reimburse eligible operating expenses and \$340.9 million to reimburse eligible General Revenue Bonds debt service. COVID-19 Relief Grants used for reimbursement of operating expenses are reflected as an adjustment to Net Revenues. The balance of the COVID-19 Relief Grants was utilized in Fiscal Year 2023.

(7) In Fiscal Years 2019 through 2023, PFC funds were applied to pay debt service on General Revenue Bonds for related debt on the 5th runway.

Source: City of Atlanta, Department of Aviation.

TABLE 11

Historical Debt Service Coverage
Outstanding PFC Revenue Hybrid Bonds Cash Basis, Unaudited
Fiscal Years Ended June 30
(amounts in thousands)

	<u>2019</u>	<u>2020⁽¹⁾</u>	<u>2021⁽¹⁾</u>	<u>2022⁽¹⁾</u>	<u>2023⁽¹⁾</u>
PFC Collections	\$ 208,895	\$ 179,196	\$ 82,609	\$ 175,500	\$ 185,107
Investment Earnings ⁽²⁾⁽³⁾	13,849	16,701	14,248	14,880	17,472
PFC Revenues	<u>\$ 222,744</u>	<u>\$ 195,897</u>	<u>\$ 96,857</u>	<u>\$ 190,380</u>	<u>\$ 202,579</u>
Debt Service Requirements for Outstanding Hybrid PFC Bonds ⁽³⁾⁽⁴⁾	\$ 69,918	\$ 120,508 ⁽⁵⁾	\$ 53,795	\$ 78,792	\$ 87,176
Outstanding Hybrid PFC Bond Debt Service paid from General Revenues	-	-	-	-	-
Outstanding Hybrid PFC Bond Debt Service paid from PFC Revenues	\$ 69,918	\$ 120,508 ⁽⁵⁾	\$ 53,795	\$ 78,792	\$ 87,176
Debt Service Coverage on Outstanding Hybrid PFC Bonds paid from PFC Revenues	3.19	1.63 ⁽⁵⁾	1.80	2.42	2.32

(1) Historical PFC revenues at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(2) Fiscal Years 2019 through 2023 are reported earnings from the Department audited financial statements. Earnings exclude unrealized gains and losses.

(3) Calculated per the requirements of the Bond Ordinance.

(4) Fiscal Year 2020 includes a \$25 million prepayment of the debt service due in Fiscal Year 2021, which is excluded from Fiscal Year 2021 for purposes of calculating debt service coverage.

(5) Information for Fiscal Year 2020 was revised to include a debt service payment that was previously omitted.

Source: City of Atlanta, Department of Aviation.

TABLE 12

Historical Airline Payments per Enplaned Passenger Paid to the City
Accrual Basis, Unaudited⁽¹⁾
Fiscal Years Ended June 30
(dollars and passengers in thousands except per passenger rates)

	<u>2019</u>	<u>2020⁽²⁾</u>	<u>2021⁽²⁾</u>	<u>2022⁽²⁾⁽³⁾</u>	<u>2023⁽²⁾⁽³⁾</u>
Landing fees	\$ 53,049	\$ 38,285	\$ 36,673	\$ 181 ⁽⁴⁾	\$ 28,969
Less: Landing fees paid by all-cargo and non-signatory airlines	<u>(2,628)</u>	<u>(2,815)</u>	<u>(3,379)</u>	<u>(181)</u>	<u>(1,540)</u>
Subtotal	\$ 50,421	\$ 35,470	\$ 33,294	\$ -	\$ 27,428
CPTC rentals	\$ 231,844	\$ 182,100	\$ 159,834	\$ 117,103	\$ 160,804
Less: Airline credits	<u>(123,505)</u>	<u>(82,307)</u>	<u>(48,502)</u>	<u>(68,825)</u>	<u>(71,547)</u>
Less: Non-aeronautical CPTC Rentals	<u>(5,493)</u>	<u>(2,928)</u>	<u>(2,295)</u>	<u>(1,564)</u>	<u>(3,981)</u>
Subtotal	\$ 102,846	\$ 96,865	\$ 109,038	\$ 46,714	\$ 85,277
Total	<u>\$ 153,267</u>	<u>\$ 132,335</u>	<u>\$ 142,332</u>	<u>\$ 46,714</u>	<u>\$ 112,705</u>
Enplaned passengers	54,532	39,748	24,928 ⁽⁵⁾	44,861	49,694 ⁽⁶⁾
Airline payments per enplaned passenger	\$ 2.81	\$ 3.33	\$ 5.71	\$ 1.04	\$ 2.27

(1) Certain amounts previously reported have been reclassified in order to be consistent with the current year presentation.

(2) Historical airline landing fees, terminal rents and other charges paid by the passenger airlines serving the Airport were disrupted by the COVID-19 pandemic beginning in February 2020.

(3) During Fiscal Years 2022 and 2023, airline rates and charges were lower due to COVID-19 relief grants being used to offset expenses normally paid from airline rates and charges.

(4) The Fiscal Year 2022 rates and charges eliminated all landing fees for Signatory Airlines in Fiscal Year 2022.

(5) Information regarding enplaned passengers for Fiscal Year 2021 was revised and reissued in March of 2022.

(6) The information presented in the 2023 ACFR is inconsistent with the information presented in this table because the information was revised and reissued after the 2023 ACFR was published.

Source: City of Atlanta, Department of Aviation.

EXHIBIT B

2023 DEPARTMENT OF AVIATION ACFR

2023

DEPARTMENT OF AVIATION

Annual Comprehensive Financial Report

FOR FISCAL YEARS ENDING
JUNE 30, 2023 AND 2022



Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2023 and 2022

Department of Aviation

An enterprise fund of the City of Atlanta, Georgia

Prepared by the Finance Division

Andre Dickens

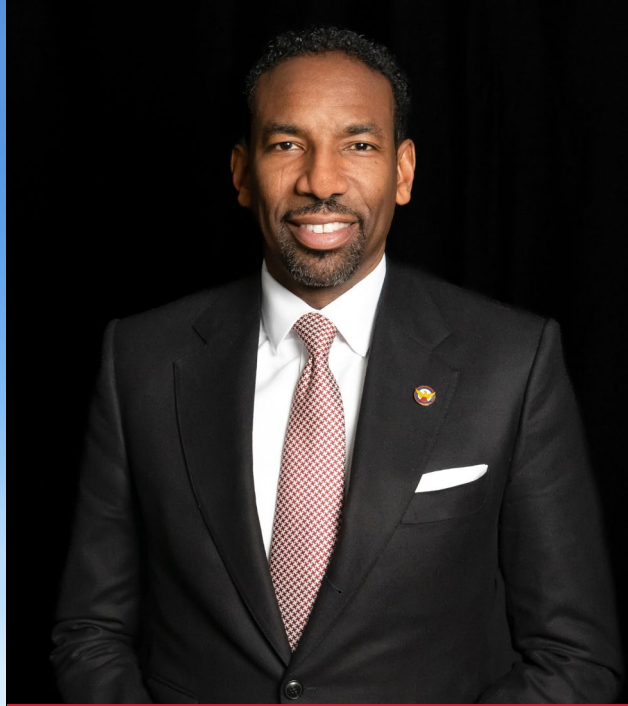
Mayor

Balram Bheodari

Airport General Manager

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Mayor of Atlanta
Andre Dickens



Airport General Manager
Balram 'B' Bheodari



**Airport Deputy General
Manager & CFO**
Bryan Benefiel

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Andre Dickens
Mayor

Balram Bheodari
Airport General Manager

Letter of Transmittal

December 15, 2023

Honorable Mayor Andre Dickens, City of Atlanta

Honorable City Council President Doug Shipman, Atlanta City Council
Honorable Amir Farokhi, Chair – Transportation Committee, Atlanta City Council
Honorable Alex Wan, Chair – Finance Executive Committee, Atlanta City Council
Honorable Members, Atlanta City Council
Lisa Y. Benjamin, Chief Operating Officer
55 Trinity Avenue
Atlanta, Georgia 30303

Members of the Atlanta City Council and Citizens of Atlanta:

We are pleased to present the Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR) for the City of Atlanta’s Department of Aviation (Department). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the presented data is accurate in all material aspects and is reported in a manner that fairly presents the Department’s financial position, the results of its operations, and all disclosures necessary to enable the reader to gain the maximum understanding of the Department’s financial activities.

To provide a reasonable basis for making these representations, the Department has established an internal control framework that is designed both to protect the Department’s assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the Department’s financial statements that conform with U.S. Generally Accepted Accounting Principles (GAAP). The cost of internal controls should never outweigh their benefits. The Department’s framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. This report conforms to the guidelines of GAAP as prescribed by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

In addition, an audit of the financial statements has been completed by the Department’s independent auditor, Mauldin & Jenkins. The audit was performed to provide reasonable assurance that the Department’s financial statements are free of material misstatements. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for issuing an unmodified (clean) opinion that the Department’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in all material respects, in conformity with GAAP. This Independent Auditors’ Report is presented at the beginning of the Financial Section of the ACFR.



The Letter of Transmittal is designed to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A), which is presented in the Financial Section immediately following the Independent Auditors' Report. MD&A provides a narrative introduction, overview, and analysis of the basic financial statements.

This report also may be accessed online at www.atl.com/business-information/investor-relations.

Background

Hartsfield-Jackson Atlanta International Airport (Airport) is owned by the City of Atlanta (City) and operated by the Department. The Airport is classified as a large hub by the Federal Aviation Administration (FAA), is the principal Airport serving the state of Georgia and the southeastern United States, and serves as a primary transfer point in the national air transportation system. The Department, led by the Airport General Manager, directly supervises Airport operations. The Department has a staff of 1,336, including Atlanta Fire Rescue Department and Atlanta Police Department employees. The Department is responsible for managing, operating, and developing the Airport and any other airfields that the City may control in the future; negotiating leases, agreements and contracts; computing and supervising the collection of revenue generated by the Airport; and coordinating aviation activities with the FAA. The FAA has regulatory authority over equipment, air traffic control and operating standards at the Airport.

For financial reporting purposes, the Department is classified as an enterprise fund. The Airport does not receive any funding from the General Fund of the City or income that is derived mostly from ad-valorem taxes assessed to City of Atlanta residents. Instead, the Airport receives its revenues from landing fees, property leases, parking and other Airport-specific revenue sources.

An annual budget for the Airport is prepared utilizing the Airport Use and Lease Agreements (AULA) and other significant agreements between the Airport and its tenants. The budget is prepared on a non-GAAP basis since capital expenditures are included as expenses and depreciation is not budgeted, which conforms to the budget process for the City. Budgetary control is established at the office level of each department. The purchasing and accounts payable subsystems, which automatically encumber budget moneys prior to the issuance of purchase orders and disbursement of funds, maintain and strengthen budgetary control.

Our vision is to be the global leader in airport efficiency and exceptional customer experience and our mission is one team, delivering excellence while connecting our community to the world.

Economic Conditions and Outlook

International passenger traffic at U.S. airports is influenced by the globalization of business, international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and geopolitical relationships. Concerns about hostilities, terrorist attacks, insider threats, other perceived security risks, and associated travel restrictions also affect travel demand to and from particular international destinations from time to time. Future increases in international passenger traffic at the Airport will partly depend on global economic growth, a stable and secure travel environment, and government policies that do not unreasonably restrict or deter travel. Russia's invasion of Ukraine in February 2022 and the Israel - Hamas war beginning in October 2023, have caused catastrophic destruction, loss of life, and a humanitarian and refugee crisis in Eastern Europe and the Middle East. These two wars may continue to cause instability and economic disruption beyond the countries' borders, contributing to increased energy and commodity prices, worsened inflation, disrupted international commerce, and slowed economic growth.

The Airport's financial performance is dependent partially on the profitability of our stakeholders, more specifically, our major carriers. However, with cost of jet fuel declining, inflation easing, and passenger confidence increasing, travel is expected to continue to increase.

The Airport's performance will also be affected by the ability to meet the growing passenger and cargo demands of the future. As part of the AULA, the Airport and Airlines have agreed to a multi-billion dollar capital plan. The capital plan includes the development of new gates in the domestic and international terminals, and other improvements to enhance the overall passenger experience. The capital plan includes infrastructure and development to increase the amount of cargo space available at the Airport.

Lastly, the Department is focused on executing a list of priorities aimed at modernizing the Airport to accommodate future demand, expanding air service capacity, enhancing the travel experience for guests who travel through the Airport, growing revenue by implementing non-aeronautical initiatives, maximizing operational efficiency, and strengthening the Airport's impact on the local and regional economy.

Aeronautical and Non-Aeronautical Revenue

Most of the passenger and cargo airlines serving the Airport operate under the terms of the AULA, under which the airlines pay landing fees, terminal rentals, and other charges calculated to allow the Department to recover certain operating, maintenance, and debt service expenses. Collectively, these airline rentals, fees, and charges are considered aeronautical in nature, and a majority of them are used to calculate the "direct" cost per enplaned passenger (CPE), a key metric for the industry. Some operating and maintenance costs incurred by third-party facility operators are paid directly by the airlines and are reflected in Airport's all-in CPE figure.

Non-aeronautical revenues are composed mainly of food and beverage concessions, retail and service concessions rents, parking, car rentals, and other miscellaneous revenues.

Below is a chart reflecting the various metrics monitored by the Airport and which are derived using aeronautical and non-aeronautical revenues. To mitigate the financial impact of the COVID-19 Pandemic on our carriers, federal COVID-19 relief grant funds were used in fiscal years 2020 to 2023 to lower the operating expenses and the debt service related to the airfield. These funds used in fiscal year 2022 to cover the cost of operating the airfield, effectively suspended landing fees for fiscal year 2022, as seen in the table below.

Please note that a portion of the All-in CPE is based on an estimate and is updated when actual numbers are available. Therefore, the All-in CPE may differ from what was previously reported.

Year	Landing Fee *	Direct CPE	All-in CPE	Non-aeronautical revenue per enplaned passenger	Total revenue per enplaned passenger
2019	\$ 0.76270	\$ 2.81	\$ 5.15	\$ 6.67	\$ 10.43
2020	0.95130	3.33	6.03	6.62	11.13
2021	0.95130	5.71	9.71	6.59	14.22
2022	—	1.04	3.83	6.14	8.46
2023	0.49730	2.27	4.84	6.64	10.23

*Per 1,000 pounds of landed weight

Major Initiatives

One of the Airport's major challenges has been its ability to provide facilities and infrastructure to provide facilities to meet the increasing demand for air travel. The Airport's master plan serves as the blueprint for the Airport development over the next two decades. Currently, the Airport is modernizing various elements of the Domestic Terminal, cargo facilities, concourses, and airfield gates.

Major projects completed or commenced in 2023 include the following:

- In 2023, the Airport began the planning and design phases of the Concourse D Widening project which will increase the overall building footprint by widening the existing concourse from 60 feet up to 99 feet. It also extends the existing concourse to the north and south, increasing the overall length by approximately 288 feet. The scope will require architectural design, signage, MEP infrastructure, structural, civil, and low voltage systems, aircraft parking gate layout, passenger boarding bridges, and aircraft fueling.
- In 2023, the Airport began design of the Aviation Administration Center. This project will design and construct an office building and accompanying parking deck, two pedestrian bridges, a childcare center, and a police precinct. The scope of work will involve the construction of an office and parking deck for the Department administrative staff, replacing the aging facilities, and providing the space required to expand certain operations, allowing for future growth at the Airport.
- The completion of the Concourse T-North Extension provided five new Aircraft Design Group III gates by constructing an extension to the north end of the existing Concourse T. This extension included new passenger hold rooms, concessions space, passenger boarding bridges, apron-level tenant spaces, and an airfield apron pavement with hydrant fueling.
- The completion of the Runway 9LA End-Around Taxiway will reduce runway crossings by improving safety and efficiency. The work includes the construction of the taxiway, extension of the runway safety area, removal of parking, relocation, relocation of utilities, relocation of the non-licensed vehicle road, and SIDA fence and jet blast barrier wall. This work will save approximately 1,300 parking spots that will be added to Park & Ride Lot C.
- Completion of Fire Station 32 on the South Terminal Parkway features a two-story building of approximately 7,000 square feet. The fire station includes four double-height bays that are 130 feet in length. The first floor consists of office spaces, as well as a fitness center, conference rooms, locker rooms, and a dining area. The second floor consists of dormitory/sleeping rooms and restrooms.

Awards

Hartsfield-Jackson Atlanta International Airport was awarded the 2022 AAAE Digicast award for training excellence – Large Hub.

The *Airport Business* magazine awarded Hartsfield-Jackson Atlanta International Airport with the 2023 Airport Business Project of the Year for the South Deicing Complex Ramp and Support Operations.

For the third consecutive year, Hartsfield-Jackson International Airport received the Global Traveler Wherever Family Award for Best Family Friendly Airport Shopping

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department in connection with its Annual Report for the fiscal year ending June 30, 2022. The Department published an easily readable and efficiently organized Annual Report, which satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one-year. We believe our Annual Report for fiscal year 2023 meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for their consideration.

Acknowledgments

We wish to thank all of the Department's employees for their continued hard work and dedication during the past fiscal year. We also would like to thank the Airport's Finance Division for its tireless efforts and

professionalism in preparing this report, as well as the City's Department of Finance for their invaluable assistance.

Finally, a special acknowledgment is extended to Atlanta Mayor Andre Dickens, Chief Operating Officer Lisa Y. Benjamin, the Atlanta City Council, and members of the Transportation and Finance Executive committees for their continued leadership in enabling the Department to fulfill its role.

The Annual Comprehensive Financial Report of the City of Atlanta's Department of Aviation for the fiscal year ending June 30, 2023 (FY 2023), is submitted herewith.

Respectfully,

DocuSigned by:
Balram Bheodari
49658DA27AC64F8...

Balram Bheodari

Airport General Manager
Department of Aviation

DocuSigned by:
Bryan Benefiel
F71F5117840B4C4...

Bryan Benefiel

Airport Deputy General Manager,
Chief Financial Officer
Department of Aviation



Government Finance Officers Association

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Achievement
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Presented to

**City of Atlanta
Department of Aviation
Georgia**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended
June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Report

Principal Officers

Executive

Mayor	Andre Dickens
Chief of Staff	Odie Donald II
Chief Operating Officer	Lisa Y. Benjamin
Chief Financial Officer	Mohamed M. Balla
City Attorney	Nina Hickson

Legislative

President of Council **Doug Shipman**

Members of Council

District 1 – Jason Winston *	District 7 – Howard Shook *
District 2 – Amir R. Farokhi + Chair	District 8 – Mary Norwood
District 3 – Byron Amos	District 9 – Dustin R. Hillis
District 4 – Jason S. Dozier + / *	District 10 – Andrea L. Boone
District 5 – Liliana Bakhtiari *	District 11 – Marci Collier Overstreet +
District 6 – Alex Wan + / * Chair	District 12 – Antonio Lewis +

Members of Council - At Large

City Council – At-Large – Post 1 – Michael Julian Bond *

City Council – At-Large – Post 2 – Matt Westmoreland +

City Council – At-Large – Post 3 – Keisha Sean Waites */+

Committee Members with Department Oversight

* Finance Executive Committee (FEC) + Transportation Committee (TC)

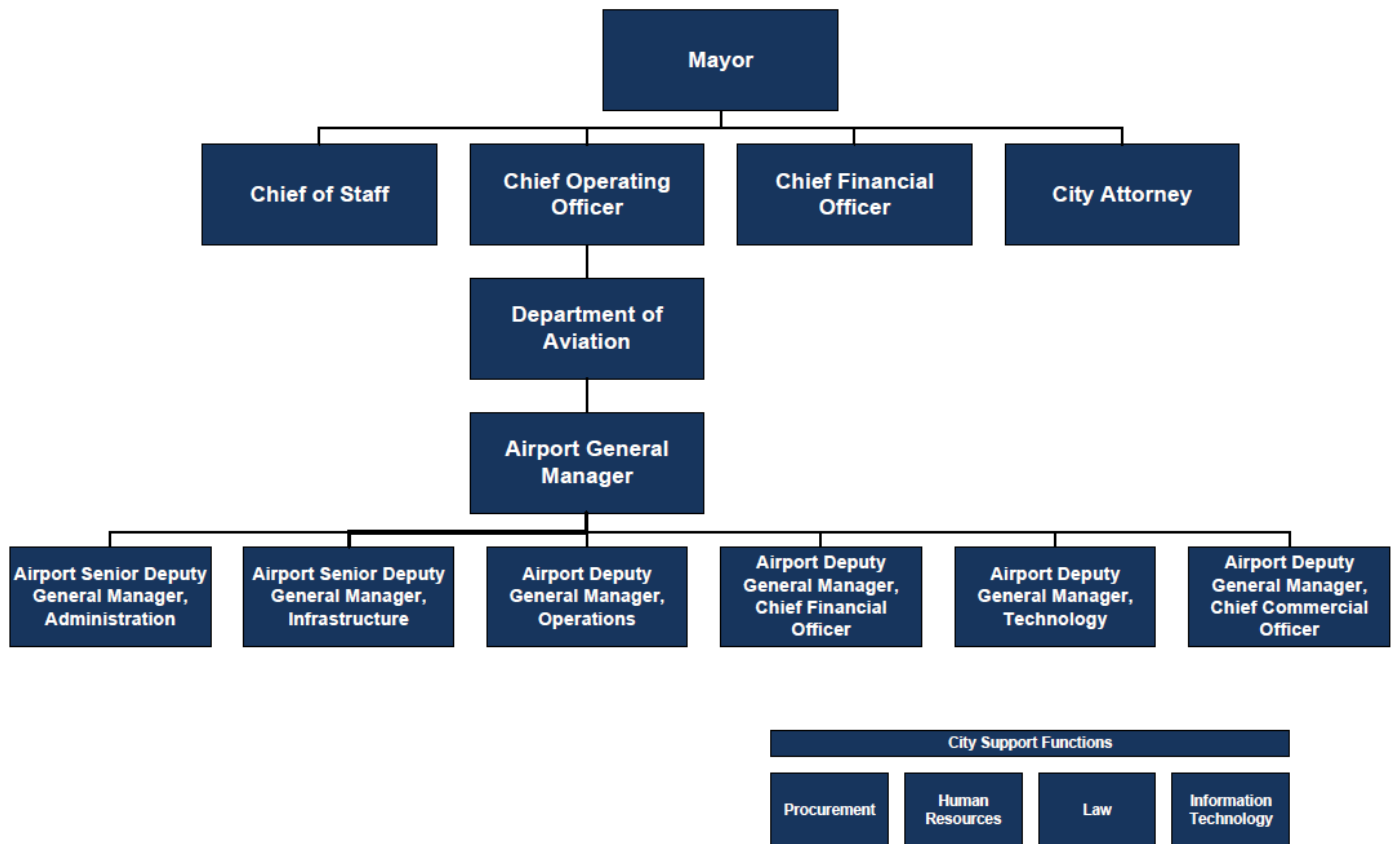
Department of Aviation - Administrative Officials

Airport General Manager

Balram Bheodari

Airport Senior Deputy General Manager, Administration	Michael L. Smith
Airport Senior Deputy General Manager, Infrastructure	Frank Rucker
Airport Deputy General Manager, Operations	Jan Lennon
Airport Deputy General Manager, Chief Financial Officer	Bryan Benefiel
Airport Deputy General Manager, Chief Commercial Officer	Jai Ferrell
Airport Deputy General Manager, Technology	Vacant

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Financial Section



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Financial Report



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
Of the City Council of the
City of Atlanta, Georgia**

Report on the Audit of the Financial Statements

Opinion

We have audited the business-type activities of the financial statements of the **Department of Aviation** (the "Department"), a major enterprise fund of the City of Atlanta, Georgia, as of and for the year ended June 30, 2023 and June 30, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the of the business-type activities of the Department as of June 30, 2023 and June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Department of Aviation, a major enterprise fund of the City of Atlanta, and do not purport to, and do not present fairly the financial position of the City of Atlanta, Georgia, as of June 30, 2023 and June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability and Related Ratios and Contributions, and the Schedule of Proportionate Share of Total OPEB Liability and Related Ratios, as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the Department’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 solely 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 the effectiveness of the Department’s 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 Department’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 15, 2023

ATL | Annual Comprehensive
Financial Report

Management Discussion Analysis





The following discussion and analysis of the financial performance and activity of the City of Atlanta, Georgia, Department of Aviation (Department) provides an introduction and understanding of the Department's basic financial statements for the fiscal years ended June 30, 2023 and June 2022 with selected comparable data for the fiscal year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the basic financial statements, notes, and supplementary information found in this report. Taken collectively, this information is designed to provide the reader with an understanding of the Department's finances.

Overview of the Financial Statements

The Department is a major enterprise fund wholly owned by the City of Atlanta (City) and conducts business-type activities in its operation of Hartsfield-Jackson Atlanta International Airport (Airport or ATL). The Airport is self-supporting and does not draw on any other City resources in order to fund its operations, nor does the City draw from any of the Airport's revenues in order to fund non-airport activities.

The Department's financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets, except for land and assets held for future use, are capitalized and depreciated over their estimated useful lives. See Note-1 to the Financial Statements for a summary of the Department's significant accounting policies and practices.

The Statements of Net Position present information on all of the Department's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the assets and deferred outflows of resources less liabilities and deferred inflows of resources as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Department's financial standing.

The Statements of Revenue, Expenses, and Changes in Net Position present information showing how the Department's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will result in cash flows in future fiscal periods.

The Statements of Cash Flows report the flows of cash and cash equivalents. Consequently, only transactions that affect the Department's cash accounts are recorded in these statements. A reconciliation follows these statements to assist in the understanding of the difference between cash flows from operating activities and operating income.

Aviation Achievements

The airport is focused on the future development of the airport and emphasize this focus in our three strategic pillars: People, Purpose, and Performance. Key achievements of fiscal year 2023 are summarized below:

- Airports Council International announced on April 5, 2023 that the Airport again was the world's busiest airport in calendar year 2022. ATL served 93.7 million passengers, a 23.8% increase over 2021's total. ATL also topped the world in aircraft movements, with 724 thousand operations, a 2.3% increase over 2021.
- ATL responded to the call of Atlanta Mayor Andre Dickens to provide employment opportunities and empowerment to the youth of Atlanta. For the second year in a row, a transformative summer experience lasting eight weeks was organized to bring together high school students from the metro Atlanta area to explore the various career opportunities available within the world's busiest and most efficient airport.
- ATL hosted the Aviation Summer College Internship program, a nine week internship, that allowed university and college students to gain real world experience in the field of aviation throughout the summer of 2023. Over 40 interns participated in the summer of 2022 and 2023.
- ATL earned Airport Council International's 2022 Airport Service Quality (ASQ) Award for Best Airport Arrivals Globally.
- Food & Wine Magazine's Global Tastemakers named ATL the first-time recipient of the Food & Wine's Global Tastemakers Awards. In this inaugural list, Food & Wine highlights the best places to eat and drink around the world. This elite list includes establishments that create an extraordinary travel experience.
- On August 31, Airports Council International announced that ATL was accredited to Level Two of the Airport Customer Experience Accreditation program in recognition of the Airport's commitment to continual customer experience improvement.
- ATL won another FAA Safety Award. The Air Carrier Airport Safety Award honored one airport within the region that improved aviation safety from October 1, 2021 to September 30, 2022. The FAA Southern Region Airports Division gives these awards to commend recipients for their hard work, diligence, and devoted efforts in improving airport safety.

During fiscal year 2023, total enplanements increased by 10.8% from the previous year as a result of increased travel demand. The following chart shows total enplaned passengers, flight operations, air cargo and mail activity (measured in metric tons).

Enplanements and Operations Activity:	2023	2022	2021
Enplanements	49,691,940	44,860,920	24,928,472
Percent change from prior year	10.8 %	80.0 %	(37.3)%
Flight operations	748,321	725,508	616,355
Percent change from prior year	3.1 %	17.7 %	(14.8)%
Air cargo and mail (metric tons)	612,270	730,046	686,084
Percent change from prior year	(16.1)%	6.4 %	15.7 %

The total number of enplaned and deplaned passengers served by the Airport in fiscal year 2023 was approximately 99.5 million, which is an increase of 10.8% over the previous year. Total enplaned and deplaned passengers in fiscal year 2022 and 2021 were 89.8 million and 49.8 million, respectively.

Financial Highlights

Revenues

The Airport Use and Lease Agreement provides for the payment of rentals, fees, and charges for airline use and occupancy of airfield and terminal facilities to allow the Airport to recover all operating and maintenance expenses, bond debt service, and coverage on bond debt service allocable to the airfield and terminal cost centers. Coverage is to be calculated at 20% for outstanding bonds issued prior to 2016 and bonds issued or to be issued for the Terminal Modernization Project. Coverage is to be calculated at 30% for bond issued after 2016 and all other future bonds. Terminal rentals, fees, and other charges are offset by a credit of a share of terminal concessions revenues and a per-passenger credit.

Total revenue for the Airport increased by 41.5% in 2023 compared to 2022 due to increased passenger traffic throughout the year as the demand for air travel increased. Operating revenue increased by 34.0% while nonoperating revenue increased by 59.3%. Comparative figures for the last three fiscal years are as follows (in thousands).

Revenues	2023	2022	2021
Operating revenue	\$ 508,301	379,357	354,470
Percent change	34.0 %	7.0 %	(19.9)%
Nonoperating revenue, net	\$ 252,756	158,680	95,009
Percent change	59.3 %	67.0 %	(59.2)%
Total revenue	\$ 761,057	538,037	449,479
Total percent change	41.5 %	19.7 %	(33.5)%

Operating Revenue

Operating revenue increased by 34.0% in fiscal year 2023 compared to fiscal year 2022. Parking increased by \$16.1 million, Other Concessions increased by \$30.4 million, and Landing Fees increased by \$28.8 million. These increases were due to the increase in passenger traffic and operations. Car Rental increased

due to non-airline customers renting cars at the Airport. Other Revenues decreased by \$0.9 million, due to one-time insurance proceeds received in fiscal year 2022. Building and Land Rental increased by \$47.1 million, due to the decrease of COVID-19 Relief Grants Credits provided to the signatory carriers in fiscal year 2023 compared to fiscal year 2022.

Operating Revenues	2023	2022	2021
Parking	\$ 164,478	148,382	65,807
Car rental	53,039	45,636	33,423
Other concessions	74,992	44,561	35,082
Building and land rental	156,502	109,369	159,344
Landing fees	28,969	181	36,673
Other	30,321	31,228	24,141
Total operating revenue	\$ 508,301	379,357	354,470

Operating revenues increased by 7.0% in fiscal year 2022 compared to fiscal year 2021. Parking increased by \$82.6 million, Other Concessions increased \$9.5 million, and Car Rental by \$12.2 million all due to increase in passenger traffic. Landing Fees decreased by \$36.5 million due to landing fees for signatory carriers suspended in fiscal year 2022. Other Revenue increased by \$5.4 million, due to insurance proceeds and recoverable costs for the operations and maintenance of the Rental Car Center (RCC). Building and Land Rental, decreased by \$49.1 million due to credits granted to signatory carriers from the COVID-19 Relief Grants.

Non-operating Revenue

Non-operating revenues consist of net investment income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and other nonoperating income net of expenses. Net investment income (loss) was \$46.0 million in 2023, \$(18.9) million in 2022, and \$11.7 million in 2021. PFCs were \$189.3 million in 2023, \$185.8 million in 2022, and \$90.2 million in 2021. CFCs, which are collected to fund the financing and operation of the RCC, were \$35.3 million in 2023, \$30.4 million in 2022, and \$21.0 million in 2021. For fiscal years 2023, 2022, and 2021 operating expenses related to the RCC of \$14.4 million, \$14.0 million and \$13.7 million respectively are netted against gross CFC revenues to arrive at each year's reported CFC revenues of \$20.9 million, \$16.4 million, and , \$7.3 million respectively.

Operating Expenses

Operating expenses in fiscal year 2023 increased by \$75.0 million compared to fiscal year 2022.

Salaries and employee benefit expenses increased \$36.9 million compared to fiscal year 2022. The salary and employee benefit line includes changes related to GASB 68, Accounting and Financial Reporting for Pensions, and GASB 75, Accounting and Financial Reporting for Postemployment Benefit Other than Pensions. The increase in salaries and employee benefits exclusive of GASB 68 and GASB72 was \$14.9 million due to an increase in salaries, extra-help, overtime, group health and life insurance expenses. The increase in pension expense related to GASB 68 was \$25.5 million which was offset by an increase of an OPEB benefit of \$3.6 million. Refer to Note 8 for additional details regarding Pension and OPEB.

Repairs, maintenance, and other contractual services increased \$20.4 million primarily attributed to an increase in consulting and professional services costs in fiscal year 2023 compared to fiscal year 2022.

General Service expenses increased by \$5.5 million compared to fiscal year 2022. This increase was attributable to increases in telephone-related expenses, motor fuel and vehicle repairs, and equipment expenses.

Utilities expenses increased \$1.4 million compared to fiscal year 2022 as a result of an increase in electricity and water consumption during the year.

Material and supplies expenses decreased slightly by \$0.1 million compared to fiscal year 2022 driven by a decrease in purchases of consumable and non-consumable supplies during the year.

Other operating expenses decreased by \$1.7 million compared to fiscal year 2022 which was driven primarily by reductions in major maintenance-type expenditures and litigation expenses that were offset by an increase in short-term rentals and insurance expenses.

Depreciation and amortization expenses increased by \$12.7 million compared to fiscal year 2022, which were attributable to a net increase of \$634.7 million of depreciable assets that includes the renewal and replacement of passenger boarding bridges along with the completion of the Concourse T extension.

Operating Expenses	2023	2022	2021
Salaries and employee benefits	\$ 118,840	81,971	105,262
Salaries Expenses	113,454	98,526	101,121
Pensions Expenses	18,196	(7,333)	12,290
OPEB Expenses	(12,810)	(9,222)	(8,149)
Repairs, maintenance, and other contractual services	185,774	165,422	150,092
General services	28,647	23,132	22,773
Utilities	9,210	7,854	8,141
Materials and supplies	6,214	6,359	3,694
Other operating expenses	22,470	24,127	28,660
Depreciation and amortization expenses	304,278	291,581	285,808
Total operating expenses	\$ 675,433	\$ 600,446	604,430

Operating expenses in fiscal year 2022 decreased by \$4.0 million compared to fiscal year 2021.

Repairs, maintenance, and other contractual services increased \$15.3 million primarily attributed to an increase in consulting and professional services costs in fiscal year 2022 compared to fiscal year 2021.

Material and supplies expenses increased by \$2.7 million compared to fiscal 2021. This increase was mainly driven by a major project upgrade to the Uninterrupted Power Supply (UPS) and increases in purchases of consumable and non-consumable supplies as a result of the resumption of operations.

Depreciation and amortization expense increased by \$5.8 million compared to fiscal year 2021, which is attributable to a net increase of \$168.7 million of depreciable assets during fiscal year 2022.

Salaries and employee benefits expenses decreased by \$23.3 million compared to fiscal year 2021 due to a reduction in hazardous and comp-time pay related to the COVID-19 pandemic, yearly adjustments for pension and other postemployment benefits liabilities. These decreases were offset by increases in salaries and overtime expenses, group and health life insurance, workers' compensation, and employee benefit costs.

Other operating expenses decreased by \$4.5 million compared to fiscal year 2021. This was driven by decreases in major maintenance-type expenditures, litigation expenses, and property tax expense, which were offset by an increase in fuel facility costs and insurance expenses.

Non-operating Expenses

Non-operating expenses consist primarily of interest on long-term debt. Interest expense was \$112.0 million in 2023, \$91.2 million in 2022, and \$94.5 million in 2021. Capitalized interest is not reflected in fiscal years 2023 and 2022 due to GASB 89.

The net increase in interest expense in fiscal year 2023 is the result of the outstanding principal, related to the 2022 bonds, and an increase in premiums amortization which was offset by a decrease in amortization of combined gains on losses.

Changes in Net Position

The changes in net position for the fiscal years ended June 30 are as follows (in thousands):

Net Position	2023	2022	2021
Operating revenue	\$ 508,301	379,357	354,470
Operating expenses, excluding depreciation and amortization	371,155	308,865	318,622
Operating income before depreciation and amortization	137,146	70,492	35,848
Depreciation and amortization	304,278	291,581	285,808
Operating (loss)	(167,132)	(221,089)	(249,960)
Nonoperating income, net	555,227	251,448	115,359
Income (loss) before capital contributions and transfers	388,095	30,359	(134,601)
Capital contributions	19,549	33,180	44,956
Transfers in (out)	(6,309)	—	(4,339)
Increase in net position	401,335	63,539	(93,984)
Net position, beginning of the year	5,167,334	5,103,795	5,197,779
Net position, end of the year	\$ 5,568,669	5,167,334	5,103,795

The Airport receives Airport Improvement Program Grants and other grant-related funds from various sources to support specific programs. In fiscal year 2023, the Airport received revenues of \$19.5 million from the Federal Aviation Administration, which includes \$17.6 million for Airport-wide projects, and \$1.9 million from the Transportation Security Administration. The Airport also recorded \$416.2 million from the COVID-19 Relief Grants. In fiscal year 2022, the Airport recorded revenue of \$33.2 million from the Federal Aviation Administration which includes \$27.0 million for Airport-wide projects, \$6.1 million from the Transportation Security Administration, and \$0.1 million from Georgia Department of Transportation. Additionally, \$184 million was received in fiscal year 2022 from the COVID19 - Relief Grants.

Financial Position

The statement of net position presents the financial position of the Airport at the end of a fiscal year. The statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Airport. Net position represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Collectively, these can be viewed as an indicator of the financial health of the Airport. During fiscal year 2023, net position increased by \$401.3 million, 7.8%. Net position increased in fiscal year 2022 by \$63.5 million, 1.2%, compared to fiscal year 2021.

Total assets increased by \$125.1 million, 1.3%, in fiscal year 2023 compared to fiscal year 2022. Non-current assets (excluding capital assets), which are predominately comprised of restricted cash and cash equivalents and investments, decreased by \$376.9 million, 33.6% in 2023. These assets will be used for annual debt obligations. Capital assets, net of accumulated depreciation, increased by \$330.8 million, 4.8% in 2023.

Current assets increased by \$147.6 million in fiscal year 2023 compared to fiscal year 2022, which is primarily due to decreases in restricted cash and cash equivalents, and account receivables, and an increase in equity in the cash management pool. These decreases were offset by increases in restricted other assets, prepaid expenses, and materials and supplies.

Deferred outflows of resources, which includes unamortized amounts for losses on the refunding of bond debt and pension and other postemployment benefit-related deferred outflows, increased by \$64.2 million in fiscal year 2023 compared to fiscal year 2022. This increase is a result of a net increase of pension and other postemployment benefit-related deferred outflows of \$45.8 million, and an increase in amortization of deferred outflows on refunding of bond debt of \$18.4 million.

Total assets increased by \$505.9 million, 5.6%, in fiscal year 2022 compared to fiscal year 2021. Non-current assets (excluding capital assets), which are predominately comprised of restricted cash and cash equivalents and investments, increased by \$450.2 million, 66.9% in, 2022. These assets will be used for annual debt obligations. Capital assets, net of accumulated depreciation, increased by \$216.7 million, 3.2% in 2022.

Deferred outflows of resources, which includes unamortized amounts for gains and losses on the refunding of bond debt and pension-related deferred outflows, decreased by \$16.7 million in fiscal year 2022 compared to fiscal year 2021. This decrease is the result of an increase of pension-related deferred outflows of \$9.3 million and a decrease in amortization of deferred outflows on refunding of bond debt of \$26.0 million.

Assets	2023	2022	2021
Current assets	\$ 1,544,820	1,397,228	1,557,624
Noncurrent assets	810,150	1,163,509	713,949
Capital assets, net	7,295,584	6,964,737	6,748,045
Deferred outflows of resources	127,135	62,983	79,702
	<u>\$ 9,777,689</u>	<u>9,588,457</u>	<u>9,099,320</u>

For fiscal year 2023, total liabilities decreased by \$197.9 million due primarily to decreases in unrestricted accounts payable, accrued expenses, contract retention, and long-term debt, which is being offset by decreases in restricted accounts payable, unearned revenue, commercial paper notes, net pension, and other postemployment benefit liabilities in 2023.

Deferred inflows of resources, which include pension, other postemployment benefit-related deferred inflows, and lessor- type lease activity decreased by \$66.7 million in fiscal year 2023 as a result of charges related to GASB 68, GASB 75, and GASB 87. Refer to Note 7 for additional details regarding leases.

For fiscal year 2022, total liabilities decreased by \$370 million due primarily to increases in unrestricted accounts payable, unearned revenue, contract retention, other postemployment benefit liabilities, and

long-term debt, which are being offset by increases in accrued expenses, commercial paper notes, and net pension liability in 2022.

Deferred inflows of resources, which includes pension-related deferred inflows, increased by \$57.2 million in fiscal year 2022 as a result of charges related to GASB 68 and GASB 75.

Liabilities	2023	2022	2021
Current liabilities (payable from unrestricted assets)	\$ 156,350	155,220	154,562
Current liabilities (payable from restricted assets)	448,716	615,738	644,329
Noncurrent liabilities	3,455,711	3,487,717	3,089,794
Deferred inflows of resources	148,243	162,448	106,840
	<u>\$ 4,209,020</u>	<u>4,421,123</u>	<u>3,995,525</u>

The majority of the Department's total net position for each fiscal year reflects the investment in capital assets less the related indebtedness outstanding used to acquire those capital assets. The Department uses these capital assets to provide services to the airlines, its passengers, and visitors to the Airport. Consequently, these assets are not available for future spending; the Airport reports its net investment in capital assets net of related debt. The resources required to repay the debt must be provided annually from operations since it is unlikely that the capital assets themselves will be liquidated to pay the liabilities.

Restricted net position reflects the portion of the Airport's net position restricted for debt and capital projects that are subject to external restrictions under the Department's Restated and Amended Master Bond Ordinance adopted on March 20, 2000, as amended and PFCs that are restricted by federal regulations. The unrestricted portion of net position \$715.8 million as of June 30, 2023, represents amounts that are not subject to external restrictions in thousands.

Net Position	2023	2022	2021
Net investment in capital assets component of net position	\$ 3,904,313	3,798,439	3,626,842
Restricted component of net position	948,560	946,125	946,788
Unrestricted component of net position	715,796	422,770	530,165
Total net position	<u>\$ 5,568,669</u>	<u>5,167,334</u>	<u>5,103,795</u>

Airport Capital Assets and Capital Improvement Plan

As of fiscal years ended 2023, 2022, and 2021, the Airport had capital assets, net of \$7.3 billion, \$7.0 billion, and, \$6.7 billion respectively. The majority of these balances are in runways, taxiways, and other land improvements, as well as terminal, maintenance buildings, and other structures net of any related accumulated depreciation. For these fiscal years, the balance in construction in process was \$1.1 billion, \$1.1 billion, and \$0.7 billion, respectively. For fiscal year 2023, the list below identifies the major components of the Airport's construction in process account. Additional information regarding the Department's capital assets can be found in Note 5 in the Notes to Financial Statements in thousands.

Concourse projects	\$	190,313
Airfield and runway projects		283,487
Concourse transportation system (AGTS)		299,026
Terminal/passenger projects		86,012
Security/operations projects		35,018
Other		187,885
Total construction in process	<u>\$</u>	<u>1,081,741</u>

Long-Term Debt

As of June 30, 2023, the Airport had a total of \$2.9 billion outstanding in General Airport Revenue, PFC Subordinate Revenue, and CFC Revenue Bonds. These bonds mature from July 1, 2023, to July 1, 2052, with interest rates ranging from 1.50% to 5.965%. The bonds do not constitute debt of the City or a pledge of the full faith and credit of the City. Additional information regarding long-term debt can be found in Note 6 in the Notes to Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the Department's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Chief Financial Officer
 P.O. Box 20509
 Atlanta, Georgia, 30320

Park ATL ATL WEST PARKING

CLEARANCE: 8' - 2"

CLEARANCE: 8' - 2"

CLEARANCE: 8' - 8"

EMPLOYEE
PARKING





Basic Financial Statements

These basic financial statements summarize the financial position and operating results of the Department of Aviation.

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 13	\$ 64
Restricted cash and cash equivalents	396,887	560,111
Equity in cash management pool	1,069,159	753,648
Accounts receivable, net of allowance for doubtful accounts of \$7,509 in 2023 and \$7,236 in 2022	1,327	7,286
Lease receivable	11,112	4,360
Restricted other assets	51,816	55,563
Prepaid expenses	2,102	2,205
Materials and supplies	12,404	13,991
Total current assets	<u>1,544,820</u>	<u>1,397,228</u>
Noncurrent assets:		
Lease receivable	63,895	40,345
Restricted cash and cash equivalents	173,467	491,421
Restricted investments	572,788	631,743
Capital assets:		
Land	584,230	584,230
Land purchased for noise abatement	277,776	277,776
Runways, taxiways, and other land improvements	3,717,698	3,608,862
Terminal, maintenance buildings, and other structures	5,710,307	5,219,551
Other property and equipment	561,941	527,446
Construction in process	1,081,741	1,081,124
Less accumulated depreciation	<u>(4,638,109)</u>	<u>(4,334,252)</u>
Total capital assets, net	<u>7,295,584</u>	<u>6,964,737</u>
Total noncurrent assets	<u>8,105,734</u>	<u>8,128,246</u>
Total assets	<u>9,650,554</u>	<u>9,525,474</u>
Deferred outflows of resources:		
Pension and other postemployment benefit related deferred outflows	106,015	60,216
Accumulated deferred amount of debt refundings	21,120	2,767
Total assets and deferred outflows of resources	<u>\$ 9,777,689</u>	<u>\$ 9,588,457</u>

(Continued)

Liabilities and Net Position	2023	2022
Current liabilities:		
Accounts payable	35,369	\$ 27,450
Accrued expenses	33,926	48,463
Current portion of unearned revenue	3,779	3,779
Current maturities of long-term debt	39,095	38,780
Accrued interest payable	38,905	31,444
Current portion of other postemployment benefit liability	3,723	4,131
Current portion of other liabilities	1,553	1,173
	<u>156,350</u>	<u>155,220</u>
Current liabilities payable from restricted assets:		
Current maturities of long-term debt	58,285	41,230
Current portion of financed purchased obligation	551	519
Accrued interest payable	30,818	27,792
Accounts payable	89,465	64,931
Arbitrage rebate liability	902	—
Contract retention	31,025	26,241
Commercial paper notes	237,670	455,025
Current liabilities payable from restricted assets	<u>448,716</u>	<u>615,738</u>
Total current liabilities	<u>605,066</u>	<u>770,958</u>
Long-term liabilities:		
Long-term debt, less current maturities	3,136,914	3,274,026
Arbitrage rebate liability	803	—
Financed purchase obligation, less current portion	6,053	6,605
Unearned revenue	13,912	17,691
Contract retention	10,559	8,274
Claims Payable	5,454	800
Accrued workers' compensation, health, and dental claims	4,595	4,700
Net pension liability	196,459	79,812
Other postemployment benefit liability	80,962	95,809
Total long-term liabilities	<u>3,455,711</u>	<u>3,487,717</u>
Total liabilities	<u>\$ 4,060,777</u>	<u>\$ 4,258,675</u>
Deferred inflows of resources:		
Deferred inflows - leases	72,447	43,082
Accumulated deferred gain of debt refundings	23,176	—
Pension and other postemployment benefit related deferred inflows	52,620	119,366
Total liabilities and deferred inflows of resources	<u>\$ 4,209,020</u>	<u>\$ 4,421,123</u>
Net position:		
Net investment in capital assets	\$ 3,904,313	\$ 3,798,439
Restricted for:		
Capital projects	495,612	520,793
Debt service	452,948	425,332
Unrestricted	715,796	422,770
Total net position	<u>\$ 5,568,669</u>	<u>\$ 5,167,334</u>

See accompanying notes to financial statements.

	2023	2022
Operating revenue:		
Parking, car rental, and other concessions	\$ 292,509	\$ 238,579
Terminal, maintenance buildings, and other rentals	156,502	109,369
Landing fees	28,969	181
Other	30,321	31,228
Total operating revenue	<u>508,301</u>	<u>379,357</u>
Operating expenses:		
Salaries and employee benefits	118,840	81,971
Repairs, maintenance, and other contractual services	185,774	165,422
General services	28,647	23,132
Utilities	9,210	7,854
Materials and supplies	6,214	6,359
Other	22,470	24,127
Depreciation and amortization expenses	304,278	291,581
Total operating expenses	<u>675,433</u>	<u>600,446</u>
Operating loss	<u>(167,132)</u>	<u>(221,089)</u>
Nonoperating revenue (expenses):		
Investment income (loss), net	46,044	(18,920)
Passenger facility charges	189,317	185,769
Customer facility charges, net	20,901	16,360
Non-capital grants	416,223	183,920
Interest on long-term debt	(112,047)	(91,153)
Arbitrage rebate	(1,705)	—
Other revenue (expenses), net	(3,506)	(24,528)
Non-operating revenue, net	<u>555,227</u>	<u>251,448</u>
Income (loss) before contributions and transfers	388,095	30,359
Capital contributions	19,549	33,180
Transfers (out) to the City	(6,309)	—
Change in net position	401,335	63,539
Net position, beginning of the year	5,167,334	5,103,795
Net position, end of the year	<u>\$ 5,568,669</u>	<u>\$ 5,167,334</u>

See accompanying notes to financial statements.

	2023	2022
Cash flows from operating activities:		
Receipts from customers and tenants	\$ 502,497	\$ 383,547
Payments to suppliers for goods and services	(243,000)	(230,379)
Payments to employees for services	(135,367)	(115,306)
Net cash provided by operating activities	<u>124,130</u>	<u>37,862</u>
Cash flows from investing activities:		
Interest and dividends on investments	55,986	25,981
Purchases of restricted investments	(460,016)	(392,265)
Sales and redemptions of restricted investments	514,558	404,300
Change in pooled investment fund	(321,040)	137,819
Net cash provided by (used in) investing activities	<u>(210,512)</u>	<u>175,835</u>
Cash flows from capital and related financing activities:		
Grants received	13,927	29,137
Principal repayments of short-term and long-term obligations and financed purchases	(506,629)	(715,466)
Proceeds from short-term and long-term obligations	208,744	1,218,726
Acquisition, construction, and improvement of capital assets	(606,724)	(489,999)
Passenger and customer facility charges	208,127	191,687
Interest and other fees paid on bonds	(139,975)	(157,774)
Net cash provided by (used in) capital and related financing activities	<u>(822,530)</u>	<u>76,311</u>
Cash flows from non-capital and related financing activities		
Non-capital grants	<u>427,683</u>	<u>172,460</u>
Net cash provided by non-capital and related financing activities	<u>427,683</u>	<u>172,460</u>
Increase (decrease) in cash and cash equivalents	<u>(481,229)</u>	<u>462,468</u>
Cash and cash equivalents:		
Beginning of year	1,051,596	589,128
End of year	<u>\$ 570,367</u>	<u>\$ 1,051,596</u>

(Continued)

	<u>2023</u>	<u>2022</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (167,132)	\$ (221,089)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	304,278	291,581
Changes in assets and liabilities:		
Accounts receivable, net of allowances	5,959	6,743
Leases - GASB 87, Net	(937)	(1,623)
Prepaid expenses	103	(779)
Materials and supplies	1,587	(867)
Accounts payable and accrued expenses	(4,796)	2,616
Unearned revenue	(3,779)	(3,779)
Net pension liability and related deferred items	3,525	(26,604)
Other postemployment benefit liability and related deferred items	(14,678)	(8,337)
Net cash provided by operating activities	<u>\$ 124,130</u>	<u>\$ 37,862</u>
Schedule of noncash capital and related financing activity:		
Acquisition of capital assets with accounts payable	89,465	64,931
Amortization of bond discount and premium, net	39,732	37,364
Accrued contract retention	41,583	34,515

See accompanying notes to financial statements.

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Notes to Financial Statements

1. Summary of Significant Accounting Policies
2. Deposits and Investments
3. Accounts Receivable
4. Restricted Assets
5. Capital Assets
6. Short-Term and Long-Term Obligations
7. Leased Facilities
8. Pensions and Other Employment Plans
9. Risk Management
10. Commitments and Contingencies
11. Impact of COVID-19 Pandemic
12. Subsequent Events

(1) Summary of Significant Accounting Policies

The accounting policies of the Department conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The Department's most significant accounting policies are described herein.

(a) Reporting Entity

The Department of Aviation (the Department) of the City of Atlanta, Georgia (the City) operates Hartsfield-Jackson Atlanta International Airport (the Airport). The accompanying financial statements include only the financial activities of the Department. The Department is an integral part of the City's financial reporting entity, and its results are included in the Annual Report of the City as a major enterprise fund. The latest available City Annual Report is as of and for the year ended June 30, 2023; that Annual Report should be read in conjunction with these financial statements.

(b) Basis of Accounting

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. Grants and contract revenues, which are received or receivable from external sources, are recognized as revenues to the extent of related expenses or satisfaction of eligibility requirements.

(c) Cash Equivalents

The Department considers all highly liquid securities with an original maturity of three months or less to be cash equivalents. At June 30, 2023 and 2022, cash and cash equivalents included the following (in thousands):

	2023	2022
Unrestricted cash and cash equivalents	\$ 13	64
Restricted cash and cash equivalents	570,354	1,051,531
Total cash and cash equivalents	<u>\$ 570,367</u>	<u>1,051,595</u>

(d) Investments

Investments are reported at fair value and include any accrued interest. The City maintains a cash management pool in which the Department participates. Investment income of this pooled fund is allocated to each participating fund based on that fund's recorded equity in the pooled fund. Construction, sinking, and special charges funds of the Department are held as restricted assets and are not included in this pooled fund.

(e) *Materials and Supplies*

Materials and supplies are stated at the lower of average cost or market.

(f) *Restricted Assets*

Restricted assets represent the current and noncurrent amounts, classified based on maturity, that are required to be maintained pursuant to City ordinances relating to bonded indebtedness (construction, renewal and extension, passenger facility charges, customer facility charges, and sinking funds) – (note 4), and funds received for specific purposes pursuant to U.S. government grants (related primarily to noise abatement programs and funding of debt service).

(g) *Capital Assets*

Capital assets, which include runways, taxiways, terminals, maintenance buildings, other land improvements, and property and equipment, are generally defined as assets with an individual cost in excess of \$5,000 and a useful life in excess of one year. Such assets are recorded at historical cost at the time of acquisition or at acquisition value if donated. Major outlays for capital assets and improvements and all expenses incurred in support of construction are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided on the straight-line method over the following estimated useful lives:

Classification	Range of lives
Runways, taxiways, and other land improvements	10-35 years
Terminal, maintenance buildings, and other structures	10-35 years
Other property and equipment	2-20 years

The Department purchases certain residential parcels of land that are considered to be within the area designated as “noise-impacted” surrounding the Airport. The costs of acquisition and relocation of residents in this area are eligible under the Federal Aviation Administration (FAA) Noise Abatement Grant Program for reimbursement. The FAA funds approximately 75% to 80% of these costs, and the Department funds the remaining amount.

The FAA retains a continuing interest in the properties equal to its original funding percentage and restricts the use of such properties to purposes, which are compatible with the noise levels associated with the operation of the Airport. All costs associated with acquiring these parcels of land are recorded under the caption “Land purchased for noise abatement” on the Department’s Statements of Net Position.

(h) *Compensated Absences*

Department employees can accrue a maximum of 25 to 45 days of annual leave, depending upon their length of service. Vested or accumulated vacation leave, including related benefits, is recorded as an expense and liability as the benefits accrue to employees.

Employees can accrue unlimited amounts of sick leave. Sick leave can be taken only due to personal illness or, in certain cases, illness of family members. Sick leave is not intended to be

paid out except under special circumstances where the City Council has given approval and the necessary funds are available. Consequently, the Department does not record an accrued liability for the accumulated sick leave.

(i) Bond Discounts and Premiums

Bond discounts and premiums are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond discounts and premiums are presented as a reduction or addition to the face amount of bonds payable.

(j) Net Pension Liability

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Atlanta Pension Plans (Pension Plans), and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Additional information regarding the net pension liability can be found in note 8 in the Notes to Financial Statements.

(k) Other Postemployment Liability

For purposes of measuring other postemployment liability (OPEB), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Additional information regarding the other postemployment liability can be found in note 8 in the Notes to Financial Statements.

(l) Deferred Inflows and Outflows

Deferred inflows of resources represent an acquisition of net assets by the Department that applies to future periods, and will not be recognized as an inflow of resources (revenue) until then. Deferred inflows include pension and other postemployment benefit related deferred inflows. The pension and other postemployment benefit related deferred inflows at June 30, 2023 and 2022 were \$52.6 million and \$119.4 million, respectively.

Deferred outflows of resources represent a consumption of net assets by the Department that applies to future periods, and will not be recognized as an outflow of resources (expense) until then. Deferred outflows include the unamortized amounts for losses on the refunding of bond debt, pension, and other postemployment benefit related deferred outflows. Total accumulated deferred amount of debt refunding at June 30, 2023 and 2022 was \$21.1 million and \$2.8 million, respectively. Total pension and other postemployment benefit related deferred outflows at June 30, 2023 and 2022 were \$106.0 million and \$60.2 million, respectively.

(m) Capital and Non-Capital Grants

Grants received for the acquisition or construction of capital assets are recorded as nonoperating revenues (capital contributions) when earned. Grants are earned when costs relating to such capital assets and to cover other related Airport activities, which are

reimbursable under the terms of the grants, have been incurred. During the years ended June 30, 2023 and 2022, the Department recorded \$19.5 million and \$33.2 million, respectively in federal and state grants that are reimbursable. The Airport also recorded a total of \$416.2 million and \$183.9 million in revenue from the CARES Act, ARP Act, and CRRSA Act as of result of the COVID-19 pandemic as of June 30, 2023, and June 30, 2022, respectively. All COVID-19 funds awarded were expended as of June 30, 2023.

(n) Transfers

The Department transfers funds to the City to cover its pro-rata share of costs when certain projects are implemented by the City in which the Department is a direct beneficiary. During the year ended June 30, 2023, there was \$6.3 million in transfers recorded. In fiscal year 2022, there were no transfers recorded.

(o) Net Position

Net position is classified and displayed in three components, as applicable:

Net investment in capital assets – Consists of capital assets including capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of invested in capital assets, net of related debt.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the Department’s policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

(p) Classification of Revenue and Expenses

Operating revenue and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Department. Operating revenue is principally derived from agreements relating to the use of Airport facilities. Landing fees are determined on the basis of the gross weight of aircraft landing at the Airport. Revenue from “terminal, maintenance buildings, and other rentals” is derived from the leasing of various Airport facilities to air carriers and other tenants. Concession revenue is earned through various agreements providing for the operation of concessions at the Airport, such as parking lots, car rental agencies, newsstands, restaurants, etc. Nonoperating revenue and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. Amounts collected as advance payment of capital projects are classified as unearned revenue and recognized as revenue over the life of the project. There was \$13.9 million and \$17.7 million of unearned revenue at June 30, 2023 and 2022, respectively.

Passenger Facility Charges

On February 26, 1997, in accordance with Section 158.29 of the Federal Aviation Regulations (Title-14, Code of Federal Regulations, Part 158), the FAA approved the City's application to impose a Passenger Facility Charge (PFC) at the Airport and to use PFC revenue either now or in the future. Between July 1997 and March 2001, the PFC was \$3.00; effective April 2001, the PFC was increased to \$4.50. The Department recorded \$189.3 million and \$185.8 million in passenger facility charges for the years ended June 30, 2023 and 2022, respectively.

Customer Facility Charges

The Installment Purchase Agreement entered into by the City with the City of College Park for the purchase of a Rental Car Center (RCC) on June 1, 2006, obligates the City to make debt service payments through 2031, totaling \$443.1 million, on the Series 2006A and Series 2006B Bonds issued by the City of College Park. In relation to the agreement, the City adopted an ordinance effective October 1, 2005, imposing a Customer Facility Charge (CFC) at the Airport to fund the purchase. The CFC of \$5.00 is a charge on each Airport car rental transaction day applicable to both On-Airport Operators and Off-Airport Operators. The Department recorded \$35.3 million and \$30.4 million in customer facility charges for the years ended June 30, 2023 and 2022, respectively. Operating expenses during fiscal years 2023 and 2022 of approximately \$14.4 million and \$14.0 million, respectively, are netted against the CFC revenue and result in net CFC income of \$20.9 million for 2023 and \$16.4 million for 2022.

(q) Economic Concentration

Delta Air Lines and the Airport-owned parking facilities accounted for approximately 14.8% and 32.4% of total operating revenue, respectively, for the year ended June 30, 2023. Delta Air Lines and the Airport-owned parking facilities accounted for approximately 6.2% and 39.1% of total operating revenue, respectively, for the year ended June 30, 2022.

(r) General Services Costs

The Department is one of a number of departments and/or funds maintained by the City. A portion of general services costs (such as procurement, accounting, budgeting, and personnel administration) are allocated to the Department for services provided by other City departments and/or funds. Such costs are allocated to the Department based on a methodology employed by an independent study. Of the Department's recorded \$28.6 million and \$23.1 million in general services costs for the years ended June 30, 2023 and 2022, respectively, the allocated expense amount for the year ended June 30, 2023 was \$10.1 million, compared to \$10.9 million for the year ended June 30, 2022.

(s) New Accounting Standards

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021. There was no impact to the Department financials for this statement.

During fiscal year 2023, the Department adopted GASB issued Statement No. 96, *Subscription - Based Information Technology Arrangements* (SBITAs). The objective of this Statement is to improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for SBITAs transactions. This statement is effective for reporting periods beginning after June 15, 2022. The impact of this pronouncement was immaterial to the Department's financial statements.

In March 2020, the GASB issued Statement No. 94. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This pronouncement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. There was no impact of this pronouncement to the Department's financial statements.

(t) Recently Issued Accounting Standards

The impact of the following pronouncements on the Department's financial statements is currently being evaluated and has not yet been fully determined.

In April 2022, the GASB issued Statement No. 99, *Omnibus*. The objectives of this Statement are to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective in fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective in fiscal years beginning after December 15, 2023.

(u) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ significantly from those estimates.

(2) Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2023, and 2022 are classified in the accompanying financial statements as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Unrestricted		
Cash and cash equivalents	\$ 13	64
Equity in cash management pool	1,069,159	753,648
Restricted		
Cash and cash equivalents	570,354	1,051,531
Investments	572,788	631,743
Total deposits and investments	<u>\$ 2,212,314</u>	<u>2,436,986</u>

(a) Pooled Cash Held in City Treasury

The City maintains a cash pool that is available for use by all funds. The Department's investment in this pool is displayed in the accompanying financial statements as "Equity in cash management pool" and is measured at the net asset value (NAV) per share.

As of June 30, 2023 and 2022, the Department had approximately \$1,069.2 million and \$753.6 million, respectively, within the City's cash management pool. At June 30, 2023 and 2022, the composition of the equity in cash management pool portfolio consisted mainly of investments in Georgia Local Government Investment Pool (Georgia Fund 1), United States government securities, Municipal Securities, and Negotiated Investment Deposit Agreements.

(b) Investments Authorized by the Georgia State Code Section 36-83-4 and the City of Atlanta Investment Policy

The City has adopted an investment policy (the Policy) to minimize the inherent risks associated with deposits and investments. The primary objective of the Policy is to invest funds to provide for the maximum safety of principal.

Identified below are the investment types that are authorized for the City by the Policy. The Policy also identifies certain provisions of the Official Code of Georgia (OCGA) that address interest rate risk, credit risk, and concentration of credit risk. The Policy governs all governmental and business-type activities for the City but does not govern the City of Atlanta Pension Plans.

The City's investments are limited to U.S. government guaranteed securities and U.S. government agency securities, which includes issues of the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank System (FHLBS), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA).

The City may invest in fully collateralized repurchase agreements provided the City has on file a signed Master Repurchase Agreement, approved by the City Attorney, detailing eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination. It also requires the securities being

purchased by the City to be assigned to the City, be held in the City's name, and be deposited at the time the investment is made with the City or with a third party selected and approved by the City; and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the state of Georgia, and is rated no less than A or its equivalent by two nationally recognized rating services.

Under the Policy, the City's investment portfolio, in aggregate, is to be diversified to limit its exposure to interest rate, credit, and concentration risks by observing the above limitations.

(c) *Investment in Local Government Investment Pool*

The Department is a voluntary participant in Georgia Fund 1 that is managed by the State of Georgia's Office of Treasury and Fiscal Services. As of June 30, 2023 and 2022, the Department's cash equivalent deposits in the Georgia Fund 1 are approximately \$69.7 million and \$60.6 million, respectively. The total amount recorded by all public agencies in Georgia Fund 1 at June 30, 2023 and 2022, was approximately \$30.7 billion and \$27.9 billion, respectively.

(d) *Fair Value Measurement*

GASB No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2, and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that the Department has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment risk.

The following tables present the financial assets carried at fair value by level within the valuation hierarchy, as well as the assets measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2023 and 2022, (in thousands):

	2023			
	Level 1	Level 2	Level 3	Total
Debt securities:				
U.S. treasury securities	\$ 63,116	—	—	63,116
U.S. agency securities	—	385,070	—	385,070
State and municipal bonds	—	101,812	—	101,812
Total debt securities	<u>63,116</u>	<u>486,882</u>	<u>—</u>	<u>549,998</u>
Other securities:				
Repurchase agreements (Repos)	—	22,790	—	22,790
Total other securities	<u>—</u>	<u>22,790</u>	<u>—</u>	<u>22,790</u>
Total investments by fair value level	<u>\$ 63,116</u>	<u>509,672</u>	<u>—</u>	<u>572,788</u>
Investments measured at NAV:				
Equity in cash management pool				\$ 1,069,159
Total investments measured at the NAV				<u>1,069,159</u>
Total investments				<u>\$ 1,641,947</u>
2022				
	Level 1	Level 2	Level 3	Total
Debt securities:				
U.S. treasury securities	\$ 83,319	—	—	83,319
U.S. agency securities	—	398,471	—	398,471
State and municipal bonds	—	127,163	—	127,163
Total debt securities	<u>83,319</u>	<u>525,634</u>	<u>—</u>	<u>608,953</u>
Other securities				
Repurchase agreements (Repos)	—	22,790	—	22,790
Total other securities	<u>—</u>	<u>22,790</u>	<u>—</u>	<u>22,790</u>
Total investments by fair value level	<u>\$ 83,319</u>	<u>548,424</u>	<u>—</u>	<u>631,743</u>
Investments measured at NAV:				
Equity in cash management pool				\$ 753,648
Total investments measured at the NAV				<u>753,648</u>
Total investments				<u>\$1,385,391</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. The debt and other securities classified in Level 2 are valued using the following approaches:

- Debt securities are subject to pricing by an alternative pricing source due to lack of information by the primary vendor.
- Repurchase agreements (repos) were valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices for identical securities in markets that are not active.

There are no investments classified in Level 3.

The equity in cash management pool represents the Department's participation in the City's internal cash pool which is measured at the net asset value (NAV) per share.

(e) *Investment Risk Disclosures*

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Additionally, the fair values of the investments may be highly sensitive to interest rate fluctuations. By policy, the City establishes maximum maturity dates by investment type in order to limit interest rate risk. The City manages its exposure to interest rate risk by purchasing a combination of shorter-term and longer-term investments, and by timing cash flows from maturities so that a portion is maturing, or coming close to maturing, evenly over time as necessary to provide the cash flow and liquidity needs for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does specify a minimum bond rating for investments.

As of June 30, 2023, the Department had the following investments with the corresponding credit ratings and maturities (in thousands):

Type of investment	Credit rating	Maturity					Carrying value
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 years	
State and municipal bonds	Aaa-Baa2	\$ —	58,538	4,508	26,374	12,392	101,812
U.S. agency securities	Aaa/AA+	—	263,799	4,951	116,320	—	385,070
U.S. treasury securities	Exempt	—	24,776	—	38,340	—	63,116
Equity in cash management pool	N/A	1,069,159	—	—	—	—	1,069,159
Repurchase Agreements (Repos)	*	—	—	—	—	22,790	22,790
Grand total		<u>\$1,069,159</u>	<u>347,113</u>	<u>9,459</u>	<u>181,034</u>	<u>35,182</u>	<u>1,641,947</u>

*All Repurchase Agreements (Repos) are fully collateralized by U.S. Government Obligations or Agency securities.

As of June 30, 2022, the Department had the following investments with the corresponding credit ratings and maturities (in thousands):

Type of investment	Credit rating	Maturity					Carrying value
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 years	
State and municipal bonds	Aaa-Baa2	\$ 2,025	44,496	8,900	58,870	12,872	127,163
U.S. agency securities	Aaa/AA+	—	79,851	25,048	293,572	—	398,471
U.S. treasury securities	Exempt	—	71,047	12,272	—	—	83,319
Equity in cash management pool	N/A	753,648	—	—	—	—	753,648
Repurchase Agreements (Repos)	*	—	—	—	—	22,790	22,790
Grand total		<u>\$755,673</u>	<u>195,394</u>	<u>46,220</u>	<u>352,442</u>	<u>35,662</u>	<u>1,385,391</u>

*All Repurchase Agreements (Repos) are fully collateralized by U.S. Government Obligations or Agency securities.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral

securities that are in the possession of an outside party. There was no counterparty risk to the City as of June 30, 2023 and 2022.

Through the Georgia Secure Deposit Program, public deposits held with covered depositories participating in the program in excess of FDIC insurance limits are protected through a combination of collateral pledged by the bank and the contingent liability provisions of the program that require participating banks to jointly cover all deposits not protected by FDIC insurance and the sale of pledged collateral in the event of a loss. The Depository agrees that, as long as the State Treasurer of the State of Georgia or any Public Body has Public Funds on deposit with the Depository, the Depository shall maintain at all times Pledged Securities with an aggregate Fair Value equal to at least the Required Collateral determined by the State Treasurer. The City requires that the fair value of collateralized pledged securities must be at least 102% for repurchase agreements.

Concentration Credit Risk

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the OCGA. At June 30, 2023 and 2022, there were no investments in any one issuer, related to the Department, that were over 5% (excluding all U.S. government securities) of total investments.

(3) Accounts Receivable

Net accounts receivable as of June 30, 2023 and 2022 are due from Airport tenants, concessionaires, and other customers. There are no receivables expected to take longer than one year to collect, except where a specific agreement exists between a tenant and the Airport.

(4) Restricted Assets

Restricted assets at June 30, 2023 and 2022 are summarized as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Renewal and Extension Fund:		
Cash and cash equivalents	\$ 15,579	14,876
Other assets	17,454	11,831
Passenger Facility Charge Fund:		
Cash and cash equivalents	84,834	56,778
Other assets	29,882	28,322
Investments	404,677	462,368
Customer Facility Charge Fund:		
Cash and cash equivalents	18,303	21,460
Other assets	3,121	2,590
Construction Fund:		
Cash and cash equivalents	166,801	702,460
Other assets	—	11,460
Sinking Funds:		
Cash and cash equivalents	284,837	255,958
Other assets	1,359	1,359
Investments	168,111	169,375
Total	<u>\$ 1,194,958</u>	<u>1,738,837</u>

The following table is a summary of carrying amount of restricted assets as shown on the accompanying statements of net position at June 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 570,354	1,051,531
Other assets	51,816	55,563
Investments	572,788	631,743
Total	<u>\$ 1,194,958</u>	<u>1,738,837</u>

(5) Capital Assets

Summaries of capital asset activity and changes in accumulated depreciation for the years ended June 30, 2023 and 2022 are as follows (in thousands):

	Balance at June 30, 2022	Additions	Deletions and retirements	Transfers to additions	Balance at June 30, 2023
Capital assets not being depreciated:					
Land	\$ 862,006	—	—	—	862,006
Construction in progress	1,081,124	627,353	—	(626,736)	1,081,741
Total capital assets not being depreciated	<u>1,943,130</u>	<u>627,353</u>	<u>—</u>	<u>(626,736)</u>	<u>1,943,747</u>
Capital assets being depreciated:					
Runways, taxiways, and other land improvements	3,608,862	—	(412)	109,248	3,717,698
Terminal, maintenance buildings, and other structures	5,219,551	713	—	490,043	5,710,307
Other property and equipment	527,446	7,050	—	27,445	561,941
Total capital assets being depreciated	<u>9,355,859</u>	<u>7,763</u>	<u>(412)</u>	<u>626,736</u>	<u>9,989,946</u>
Less accumulated depreciation for:					
Runways, taxiways, and other land improvements	(1,958,552)	(109,158)	—	—	(2,067,710)
Terminal, maintenance buildings, and other structures	(2,012,695)	(157,284)	—	—	(2,169,979)
Other property and equipment	(363,005)	(37,415)	—	—	(400,420)
Total accumulated depreciation	<u>(4,334,252)</u>	<u>(303,857)</u>	<u>—</u>	<u>—</u>	<u>(4,638,109)</u>
Net capital assets	<u>\$ 6,964,737</u>	<u>331,259</u>	<u>(412)</u>	<u>—</u>	<u>7,295,584</u>

	Balance at June 30, 2021	Additions	Deletions and retirements	Transfers to additions	Balance at June 30, 2022
Capital assets not being depreciated					
Land	\$ 862,006	—	—	—	862,006
Construction in progress	741,487	507,037	—	(167,400)	1,081,124
Total capital assets not being depreciated	1,603,493	507,037	—	(167,400)	1,943,130
Capital assets being depreciated:					
Runways, taxiways, and other land improvements	3,583,712	—	—	25,150	3,608,862
Terminal, maintenance buildings, and other structures	5,091,310	—	—	128,241	5,219,551
Other property and equipment	512,201	1,236	—	14,009	527,446
Total capital assets being depreciated	9,187,223	1,236	—	167,400	9,355,859
Less accumulated depreciation for:					
Runways, taxiways, and other land improvements	(1,854,553)	(103,999)	—	—	(1,958,552)
Terminal, maintenance buildings, and other structures	(1,868,392)	(144,303)	—	—	(2,012,695)
Other property and equipment	(319,726)	(43,279)	—	—	(363,005)
Total accumulated depreciation	(4,042,671)	(291,581)	—	—	(4,334,252)
Net capital assets	<u>\$6,748,045</u>	<u>216,692</u>	<u>—</u>	<u>—</u>	<u>6,964,737</u>

(6) Short-Term and Long-Term Obligations

The City has issued various bonds to finance its extensive Airport capital improvement projects. The net revenues, as defined in the 2000 Airport Master Bond Ordinance as supplemented and amended, generated by operating activities are pledged as security for the bonds, Interest is payable semi-annually in January and July.

The City has issued commercial paper, classified as short-term debt, to provide interim financing for long-term projects that will ultimately be funded with general airport revenue bonds, passenger facility charges, or City dollars through its renewal and extension fund.

The City has entered into a finance purchase agreement with NORESKO-SG, LLC for the acquisition, installation, and purchase financing of certain equipment and property. This financed purchase agreement is classified as a finance purchase obligation. Long-term debt at June 30, 2023 and 2022 consists of the following (in thousands):

	2023	2022
General Revenue Bonds:		
Airport General Revenue and Refunding Bonds, Series 2014B at 3.00% – 5.00% due serially through 2033	\$ 105,590	\$ 112,200

	<u>2023</u>	<u>2022</u>
Airport General Revenue and Refunding Bonds Series 2014C at 2.00% – 5.00% due serially through 2030	71,295	79,700
Airport General Revenue Bond- Non-AMT Series 2019A at 4.00% – 5.00% and term, at 5.00% due serially through 2049	45,585	46,385
Airport General Revenue Bond - AMT Series 2019B at 4.00% – 5.00% and term, at 5.00% due serially through 2049	245,460	249,945
Airport General Revenue Bond - AMT Series 2019E at 4.00% – 5.00% due serially through 2039	92,015	95,435
Airport General Revenue Refunding Bonds - Non-AMT Series 2020A at 4.00% - 5% due serially through 2030	238,530	238,530
Airport General Revenue Refunding Bonds - AMT Series 2020B at 4% - 5% due serially through 2030	126,070	126,070
Airport General Revenue Refunding Bonds - Non-AMT Series 2021A at 4.00% - 5.00% due serially through 2042	42,325	44,305
Airport General Revenue Refunding Bonds - Non-AMT Series 2021B at 4.00% - 5.00% due serially through 2042	124,160	129,985
Airport General Revenue Refunding Bonds- AMT Series 2021C at 4.00% - 5.00% due serially through 2042	154,325	161,580
Airport General Revenue Bonds - Non-AMT Series 2022A at 4.00% - 5.00% due serially through 2052	177,560	177,560
Airport General Revenue Bonds -AMT Series 2022B at 5.00% due serially through 2052	204,810	204,810
Total general revenue bonds	<u>1,627,725</u>	<u>1,666,505</u>
Passenger Facility Charge (PFC) Subordinate Revenue Bonds:		
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2014A, at 4.00% – 5.00%, due serially through 2034	\$ 523,605	523,605
PFC and Subordinate Lien General Revenue Bonds, Non-AMT, Series 2019C, at 5.00%, due serially through 2040	185,670	185,670
PFC and Subordinate Lien General Revenue Bonds AMT, Series 2019D, at 4.00%, due serially through 2040	220,105	220,105
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2019F, at 5.00%, due serially through 2025	59,650	90,060
PFC Hybrid Bonds-Non-AMT, Series 2022A, at 5.00%, due serially through 2042	107,530	107,530

	<u>2023</u>	<u>2022</u>
PFC Hybrid Bonds-AMT, Series 2022B, at 5.00%, due serially through 2036	56,520	56,520
Total PFC and subordinate revenue bonds	<u>1,153,080</u>	<u>1,183,490</u>
Customer Facility Charge (CFC) Bonds:		
City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Rental Car Facility Project), Series 2006A at 5.758% – 5.965% (Conduit Debt)	102,905	112,640
City of College Park Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4.00% – 4.50% (Conduit Debt)	9,735	10,820
Total Customer Facilities Charge (CFC) Bonds	<u>112,640</u>	<u>123,460</u>
Total long-term debt	2,893,445	2,973,455
Unaccreted bond discounts	(57)	(68)
Unamortized bond premiums	340,906	380,649
Less current maturities	(97,380)	(80,010)
Total long-term debt	<u><u>\$ 3,136,914</u></u>	<u><u>3,274,026</u></u>

Changes in long-term debt are as follows (in thousands):

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
Revenue, PFC, and CFC Bonds	\$ 2,973,455	—	(80,010)	2,893,445	97,380
Plus issuance discount and premium, net	380,581	—	(39,733)	340,849	—
Total bonded debt	<u><u>\$ 3,354,036</u></u>	<u>—</u>	<u>(119,743)</u>	<u><u>3,234,294</u></u>	<u><u>97,380</u></u>

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
Revenue, PFC, and CFC Bonds	\$ 2,563,290	882,290	(472,125)	2,973,455	80,010
Plus issuance discount and premium, net	303,948	137,372	(60,739)	380,581	—
Total bonded debt	<u><u>\$ 2,867,238</u></u>	<u><u>1,019,662</u></u>	<u><u>(532,864)</u></u>	<u><u>3,354,036</u></u>	<u><u>80,010</u></u>

On June 21, 2006, the City of College Park, Georgia issued \$211.9 million in Taxable Revenue Bonds (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project), Series 2006A for the purpose of acquiring, constructing, and installing a consolidated rental car facility. In addition, College Park issued \$22.0 million in Revenue Bonds (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B for the purpose of acquiring, constructing, and installing a maintenance facility for an automated people mover. The City (the Purchaser) pursuant to the terms of an Installment Purchase Agreement dated June 1, 2006 (the Agreement) with the City of College Park (the Issuer) obligates the Purchaser to make installment payments to the Issuer to cover the principal, premium and interest of the Series 2006A/B Bonds. The City has adopted an Ordinance imposing a customer facility charge (CFC) effective October 1, 2005. The CFC revenues have been pledged to secure the payments due under the Agreement. At June 30, 2023 and 2022, the balance of outstanding conduit debt totaled \$112.6 million and \$123.5 million, respectively.

The annual debt service requirements at June 30, 2023 are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
Year:			
2024	\$ 97,380	137,798	235,178
2025	124,615	132,467	257,082
2026	144,080	125,721	269,801
2027	184,225	118,102	302,327
2028	174,845	113,867	288,712
2029-2033	804,955	413,965	1,218,920
2034-2038	541,010	258,612	799,622
2039-2043	518,405	122,054	640,459
2044-2048	161,335	50,645	211,980
2049-2053	142,595	14,049	156,644
Total	<u>\$ 2,893,445</u>	<u>1,487,280</u>	<u>4,380,725</u>

On July 6, 2022, the City entered into forward delivery agreements for an Airport Passenger Facility Charge and Subordinate Lien General Revenue Forward Delivery Refunding Bond, Series 2023FWD-A-1 (Non-AMT) (the "Series 2023FWD-A-1 Bond") and its Airport Passenger Facility Charge and Subordinate Lien General Revenue Forward Delivery Refunding Bond, Series 2023FWD-A-2 (Non-AMT) (the "Series 2023FWD-A-2 Bond") to execute a direct purchase on or about October 3, 2023. These will refund outstanding bonds for savings.

On July 19, 2022, a portion of the 2022 Bond Issuance paid off the 2019 Commercial Paper Program of \$326M, [leaving a remaining balance of \$129.0 million.]

On August 1, 2022, the City executed a Letter of Credit Agreement with Bank of America N.A., PNC Bank N.A and J.P. Morgan in the aggregate principal amount of \$950,000,000. Subsequently, \$129.0 million of the 2019 Commercial Paper Program was refinanced with the new Commercial Paper Program.

Changes in bond anticipation and commercial paper notes are as follows (in thousands):

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due within one year
Commercial paper notes	\$ 455,025	208,744	(426,099)	237,670	237,670
Total notes	<u>\$ 455,025</u>	<u>208,744</u>	<u>(426,099)</u>	<u>237,670</u>	<u>237,670</u>

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due within one year
Commercial paper notes	\$ 498,814	199,064	(242,853)	455,025	455,025
Total notes	<u>\$ 498,814</u>	<u>199,064</u>	<u>(242,853)</u>	<u>455,025</u>	<u>455,025</u>

All of the bond ordinances require the maintenance of sinking funds to provide for debt service on the related bonds. The Airport Master Bond Ordinance also requires the Department to maintain a ratio of Net Airport Revenue to Aggregate Debt Service, as defined, of at least 120%.

On October 27, 2017, the Department entered into a finance purchase agreement with NORESKO-SG, LLC, for the acquisition, installation, and purchase financing of certain equipment and other property. This agreement is classified as a finance purchase obligation for accounting purposes.

The annual payment requirements as of June 30, 2023 are as follows (in thousands):

Year:	Principal	Interest	Total debt service
2024	\$ 551	156	707
2025	585	143	728
2026	621	129	750
2027	657	141	798
2028	696	99	795
2029-2033	3,494	228	3,722
2034-2038	—	—	—
Total	<u>\$ 6,604</u>	<u>896</u>	<u>7,500</u>

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance at June 30, 2023</u>	<u>Due within one year</u>
Finance purchase obligation	\$ 7,124	\$ —	\$ 520	\$ 6,604	\$ 551
Total obligation	<u>\$ 7,124</u>	<u>\$ —</u>	<u>\$ 520</u>	<u>\$ 6,604</u>	<u>\$ 551</u>

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance at June 30, 2022</u>	<u>Due within one year</u>
Finance purchase obligation	\$ 7,612	\$ —	\$ 488	\$ 7,124	\$ 519
Total obligation	<u>\$ 7,612</u>	<u>\$ —</u>	<u>\$ 488</u>	<u>\$ 7,124</u>	<u>\$ 519</u>

(7) Leases

The Department leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants at the Airport under various operating leases, a majority of which terminate no later than 2035.

Certain leases are comprised of fixed and variable rental payments, and all are generally designed to allow the Department to meet its debt service requirements and recover certain operating and maintenance costs. Rental receipts related to the terminal are based on the cost to operate the facilities. In addition, concession lease agreement revenues are based on the greater of an aggregated percentage of gross receipts or a Minimum Annual Guarantee (MAG).

The AULA provides for the payment of rentals, fees, and charges for airline use and occupancy airfield and terminal facilities to allow the City to recover all operating and maintenance expenses, bond debt service, and coverage on bond debt service allocable to the airfield and terminal cost centers.

The Airport, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investment, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

Non-Regulated Leases

For these leases, the Airport is reporting lease receivables of \$75.0 million and \$44.7 million for fiscal years 2023 and 2022 respectively. Deferred inflow of resources for fiscal year 2023 was \$72.4 million, increasing from \$43.1 million in fiscal year 2022. The Airport is reporting lease interest revenue of \$2.2 million for the year ended June 30, 2023.

These leases did not have an implicit rate of return; therefore, the Airport used the published Daily U.S. Treasury rates plus the Applicable Federal Rate to discount the lessor revenues to the net present value. The minimum future lease receipts for the next five fiscal years and then each five-year increments are illustrated below.

At June 30, 2023, minimum future rentals and fees to be received under non-cancelable leases or concession agreements for each fiscal year are as follows (in thousands):

Commercial Real Estate	Principal	Interest	Total
2024	\$ 384	\$ 369	\$ 753
2025	412	353	765
2026	442	337	779
2027	460	319	779
2028	479	301	780
2029-2033	2,586	1,206	3,792
2034-2038	2,760	676	3,436
2039-2043	1,771	185	1,956
2044-2048	245	6	251
Total	\$ 9,539	\$ 3,752	\$ 13,291

Concession	Principal	Interest	Total
2024	\$ 6,904	\$ 574	\$ 7,478
2025	7,026	452	7,478
2026	7,148	327	7,475
2027	5,655	209	5,864
2028	5,620	98	5,718
2029-2033	2,309	7	2,316
Total	\$ 34,662	\$ 1,667	\$ 36,329

Government	Principal	Interest	Total
2024	\$ 1,321	\$ 158	\$ 1,479
2025	1,379	130	1,509
2026	1,439	99	1,538
2027	793	76	869
2028	837	57	894
2029-2033	1,924	64	1,988
Total	\$ 7,693	\$ 584	\$ 8,277

Rental Car Center	Principal	Interest	Total
2024	\$ 2,502	\$ 867	\$ 3,369
2025	2,604	766	3,370
2026	2,711	658	3,369
2027	2,820	549	3,369
2028	2,935	433	3,368
2029-2033	9,540	566	10,106
Total	<u>\$ 23,112</u>	<u>\$ 3,839</u>	<u>\$ 26,951</u>

Excluded - Short-Term leases

In accordance with GASB No. 87, the Department does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Regulated Leases

In accordance with GASB No. 87, the Department does not recognize a lease receivable and deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U. S. Department of Transportation and the Federal Aviation Administration.

The AULA provides for the payment of rentals, fees, and charges for airline use and occupancy airfield and terminal facilities to allow the City to recover all operating and maintenance expenses, bond debt service, and coverage on bond debt service allocable to the airfield and terminal cost centers. The total regulated building rented space for the reporting period was 7,555 million square footage with Delta Air Lines renting 5,586 million square foot or 74%, and TBI renting 788 thousand square foot or 10.4%. The total regulated land rented space for the reporting period was 20,418 million square footage, with Delta Air Lines renting 16,654 million or 82%, and Federal Express Corporation renting 1,230 million or 6%. There were no other rental percentages greater than 5%. All future payments for regulated leases are based on the fiscal year's annual budget and/or annual appraisals. As a result, the future payments of these rentals are determined on an annual basis.

(8) Pensions and Postemployment Benefits
Pension Plans

The City maintains the following separately administered pension plans:

<u>Plan type</u>	<u>Plan name</u>
Agent multiple-employer, defined benefit	The General Employees' Pension Plan
Single employer, defined benefit	Firefighters' Pension Plan
Single employer, defined benefit	Police Officers' Pension Plan
Single employer, defined contribution	General Employees' Defined Contribution Plan

Plans Administration

In December 2017, the City adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board (the Board) in order to improve administrative efficiency, governance and investment returns. The City consolidated and set minimum requirements for the Investment Board of Trustees of the three Pension Plans in order to optimize investment returns, establish national leadership in pension management best practices, and increase the City revenues available for compensation of active employees.

The Plans are administered, as one multiple-employer, defined-benefit plan and two single employer, defined benefit plans, by the Board which includes the Chair who is an appointee of the Mayor, the Mayor or a designee serving as Vice Chair of the Investment Board, three City Council members appointed by the Mayor, one member appointed by the Atlanta Independent School

System Board (School System), one member appointed by the President of the Atlanta City Council who is a participant in any of the three Plans, the City's Chief Financial Officer, the Human Resources Commissioner, and four members elected by active and retired participants as follows: one from the City of Atlanta General Employees' Pension Fund, one from the Atlanta Independent School System Board General Employees Pension Fund, one from the Firefighters' Pension Fund, and one from the Police Officers' Pension Fund. Each pension law modification must be adopted by at least two-thirds vote of the City Council and be approved by the Mayor.

A stand-alone audited financial report is issued for each of the three defined benefit plans and can be obtained at the below address. The defined contribution plan does not have separately issued financial statements.

City of Atlanta
 68 Mitchell Street, S.W.
 Suite 1600
 Atlanta, Georgia 30303

The valuation date for the three defined benefit plans was July 1, 2021 and July 1, 2020, with results rolled forward to the measurement date of June 30, 2022 and June 30, 2021. The Department is

presenting the net pension liability as of June 30, 2022 for fiscal year 2023 financial statements and as of June 30, 2021 for the fiscal year 2022 financial statements.

General Employees' Pension Plan

Plan Description

The General Employees' Pension Plan (GEPP) is an agent multiple-employer defined benefit plan and was established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time permanent employees of the City, excluding sworn personnel of the Police and Fire Departments, and the employees of the Atlanta Board of Education (the School System) who are not covered under the Teachers Retirement System of Georgia. Until 1983, the Georgia Legislature established all requirements and policies of the Plan. By a constitutional amendment, effective July 1983, control over all aspects of the Plan transferred to the City under the principle of Home Rule. The types of benefits offered by the Plan are retirement, disability, and pre-retirement death benefits. Classified employees and certain non-classified employees pay grade 18 and below not covered by either the Firefighters' or Police Officers' Pension Plans and hired after September 1, 2005 are required to become members of the GEPP.

(a) *Contribution Requirements of the GEPP*

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to administer the Plan including establishing and amending contribution requirements. The funding methods and determination of benefits payable were established by the Atlanta Code of Ordinances, Part 1, Section 6 legislative acts creating the Plan, as amended, and in general, provide that funds are to be accumulated from employee contributions for defined benefits, City contributions, and income from the investment of accumulated funds.

Beginning on November 1, 2011, employees participating in the Plan and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the Plan fund in which they participate. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary).

Employees hired on or after September 1, 2011 who are below pay grade 19 or its equivalent are required to participate in a hybrid defined-benefit plan with a mandatory defined-contribution component. The defined-benefit portion of this plan includes a mandatory 8% employee contribution and 1% multiplier.

The defined contribution element is governed and accounted for separately, and includes a mandatory employee contribution of 3.75% of salary which is matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary, which is also matched 100% by the City. Employees vest in the amount of the City's contribution at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the Plan measured as a percentage of payroll. The City's annual contribution to the Plan may not exceed 35% of payroll of the participants in the City's three defined-benefit pension plans. In the event that this 35% cap is reached, the City will fund any overage for the first 12-month period from its reserves. During that period, the City's management must agree on an alternative method to reduce the overage. If no alternative is reached, beginning in the second 12-month period, the City and the participants will equally split the cost of the overage, subject only to a provision that employee contributions may not increase more than 5%. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums.

The following table provides the Department's contributions used in the determination of the Department's proportionate share of collective pension amounts reported (dollars in thousands).

Plan	Proportionate share of contributions	Allocation percentage of proportionate share of collective pension amount
General employees:		
2022	\$ 5,806	11.22 %
2023	5,423	11.22

(b) Description of GEPP Benefit Terms

In June 2011, the City Council approved changes for the City's General Employees' defined benefit plan, effective on September 1, 2011 for new hires, and November 1, 2011 for existing employees.

Prior to the change approved in June 2011, the GEPP provided monthly retirement benefits that initially represent 3% for each year of credited service times the participants' final average three-year earnings (limited to 80% of the average). Retirement benefits were adjusted annually based on the change in the consumer price index, limited to 3% per year. Upon the death of a vested participant who has beneficiary coverage, his or her eligible beneficiary(ies) would be entitled to three fourths of the amount the deceased participant was receiving or would have been entitled to receive. The retirement age increased to age 62 for participants in the GEPP. Early Retirement Age is changed from any age (as long as vested) with penalty to age 52 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the consumer price index. Sick and vacation leave are no longer applied to retirement benefits for employees hired after September 1, 2011. Below are the terms the Plan has established to receive benefits:

Normal Pension

Hired before July 1, 2010:

Age 60 after completing five years of service

Monthly benefit is 2.5% of average monthly salary for each year of credited service.

Hired between July 1, 2010 and October 31, 2011:

Age 60 after completing 15 years of service

Monthly benefit is 2.0% of average monthly salary for each year of credited service.

Hired after October 31, 2011:

Age 62 after completing 15 years of service

Monthly benefit is 1.0% of average monthly salary for each year of credited service.

This amount cannot be less than \$12 per month for each year of service, capped at 80% of average monthly salary.

The average monthly salary for employees hired before November 1, 2011, is the average of the highest consecutive 36 months of salary. For those employees hired after October 31, 2011, the average monthly salary is the average of the highest consecutive 120 months of salary.

Early Pension

Hired before July 1, 2010:

10 years of credited service

Hired between July 1, 2010 and October 31, 2011:

15 years of credited service

Hired after October 31, 2011:

Age 52 and 15 years credited service

The monthly benefit for employees hired before November 1, 2011 is reduced by one half of 1% per month for the first 60 months and by one quarter of 1% per month for the remaining months by which age at retirement is less than 60. More favorable early retirement adjustments may apply to participants in prior plans. Unreduced early retirement is available with 30 years of credited service. For employees hired after October 31, 2011, the monthly benefit amount is reduced by one half of 1% per month before age 62.

Disability

Service requirement:

Five years of credited service for non job-related disability. None for job related disability.

Normal pension based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of average monthly salary. This amount is payable until attainment of normal retirement age at which time the benefit is recalculated to include years while disabled as years of service.

Firefighters' and Police Officers' Plan

Plan Description

The City of Atlanta, Georgia Firefighters' (FPP) and Police Officers' (PPP) Pension Plans are single-employer defined benefit plans and were established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time sworn firefighters and police officers of the City of Atlanta Fire Rescue Department and the Police Department. Until 1983, the Georgia Legislature established all requirements and policies of the FPP and PPP. By a constitutional amendment, effective July 1983, control over all aspects was transferred to the City under the principle of Home Rule. The types of benefits offered by the FPP and PPP are retirement, disability, and pre-retirement death benefits. Participants should refer to the Atlanta, Georgia, Code of Ordinances, Section 6 (Plan agreement) for more complete information. Under the principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to establish and amend benefit terms and contributions.

(a) *Contribution Requirements to the FPP and PPP*

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to administer the FPP and PPP including establishing and amending contribution requirements. The funding methods and determination of benefits payable were established by the Atlanta Code of Ordinances, Section 6 legislative acts creating the Plans, as amended, and in general, provide that funds are to be accumulated from employee contributions, City contributions, and income from the investment of accumulated funds.

Sworn personnel employed by the Fire Department and Police Department are required to contribute to the FPP and PPP. Employees must contribute either 8% of base pay, if hired after August 31, 2011, 12% of base pay if hired before September 1, 2011 without an eligible beneficiary, or 13% of base pay if hired before September 1, 2011 with an eligible beneficiary. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to state minimums.

On November 1, 2011, the sworn personnel of the Fire Rescue Department and Police Department participating in the FPP and PPP and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the FPP and PPP. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary). Where an Actuarial Valuation anticipates that the City's actuarially determined contribution for the next fiscal year will exceed 35% of the total payroll, contributions may be increased, by no more than 5% of compensation, in order to fund the overage.

Employees hired on or after September 1, 2011 who are sworn members of the Fire Rescue Department and Police Department are required to participate in a hybrid defined-benefit plan with a mandatory defined-contribution component. The defined-benefit portion of this plan will include a mandatory 8% employee contribution, and a 1% multiplier. The retirement age increased to age 57 for participants in the FPP and PPP. Early Retirement Age is changed from any age (as long as vested) with penalty to age 47 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for hires after September 1, 2011.

The following table provides the Department's contributions used in the determination of the Department's proportionate share of collective pension amounts reported (dollars in thousands).

Plan	Proportionate share of contributions	Allocation percentage of proportionate share of collective pension amount
Firefighters		
2022	\$ 6,354	23.00 %
2023	5,970	23.00
Police officers		
2022	\$ 3,320	8.00 %
2023	3,278	8.00

(b) Description of the Benefit Terms for FPP and PPP

In June 2011, the City Council approved changes to the benefits for the City's FPP and PPP, effective on September 1, 2011 for new hires, and November 1, 2011 for existing employees. Currently sworn personnel employed by the Fire Rescue Department and Police Department are required to contribute to the FPP and PPP.

Prior to the change approved in June 2011, the FPP and PPP provided monthly retirement benefits that initially represent 3% for each year of credited service times the participants' final average three-year earnings (limited to 80% of the average). Retirement benefits were adjusted annually based on the change in the consumer price index, limited to 3% per year. Upon the death of a vested participant who has beneficiary coverage, his or her eligible beneficiary(ies) would be entitled to three fourths of the amount the deceased participant was receiving or would have been entitled to receive. Below are the terms the FPP and PPP has established to receive benefits:

Normal retirement age:

- Age 65 with at least five years of service
- Age 57 with at least 15 years of service
- Age 55 with at least 15 years of service (hired before September 1, 2011)
- Age 55 with at least 10 years of service (hired before July 1, 2010)
- Any age with at least 30 years of service

For early retirement there is an adjustment of the retirement benefit being reduced by 0.5% for each month by which the participant's early retirement age precedes normal retirement age (for employees hired after August 31, 2011). The retirement benefit is reduced by 0.5% for each of the first 60 months and by 0.25% for each additional month by which the participant's early retirement age precedes the normal retirement age (for employees hired before September 1, 2011).

Early retirement age:

- Any age with at least 10 years of creditable service (15 years of creditable service for participants hired after June 30, 2010)

Minimum age 47 with at least 15 years of creditable service for participants hired after August 31, 2011

For participants who incur a catastrophic injury in the line of duty, the basic pension formula is 100% of the top salary for the grade and position occupied by the participant at the time of disability.

For a service-connected disability for participants hired before 1986, the basic pension formula is the greater of 70% of the top salary for the employee's grade and position occupied by the participant at the time of disability or basic pension formula, offset by worker's compensation payments such that the combination of payments does not exceed 100% of the participant's salary at the time of disability.

For participants hired on or after January 1, 1986, the basic pension formula is the greater of 50% of average monthly earnings at the time of disability or basic pension formula, offset by worker's compensation payments such that the combination of payments does not exceed 75% of the participant's salary at the time of disability (payable until the earlier of recovery from disability or Normal Retirement Age).

Pre-retirement death benefit:

75% of the basic pension formula (payable to the eligible beneficiary upon death not in the line-of-duty)

100% of base pay offset by worker's comp or other payments (payable to the eligible beneficiary for first two years after death in the line-of-duty)

75% of the larger of the basic pension formula or 70% of top salary for the employee's grade (payable to the eligible beneficiary beginning two years after death in the line-of-duty)

75% of the basic pension formula (payable to the eligible beneficiary beginning two years after death in the line-of-duty if the employee was covered by the 1986 amendment)

The Plans' Investments

The investments for the Plans are made within the Public Retirement Systems Investment Authority Law of the Georgia Code (O.C.G.A. 47-20-80). The Board has been granted the authority by City Ordinance to establish and amend the Plan's investment policy. The Board is responsible for making all decisions with regard to the administration of the Plans, including the management of Plan assets, establishing the investment policy and carrying out the policy on behalf of the Plans.

The Plans' investments are managed by various investment managers under contract with the Board who have discretionary authority over the assets managed by them and within the Plan's investment guidelines as established by the Board. The investments are held in trust by the Plans' custodian in the Plans' name. These assets are held exclusively for the purpose of providing benefits to members of the Plans and their beneficiaries.

State of Georgia Code and City statutes authorize the Plans to invest in U.S. government obligations, U.S. government agency obligations, State of Georgia obligations, obligations of a corporation of the U.S. government, the Georgia Fund 1 (a government investment pool maintained by the State of Georgia), and alternative investments. The Plans invest in repurchase agreements only when they are collateralized by U.S. government or agency obligations. The Plans are also authorized to invest in collateralized mortgage obligations (CMOs) to maximize

yields. These securities are based on cash flows from interest payments on underlying mortgages. CMOs are sensitive to prepayment by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and mortgagees refinance their mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if mortgagees pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

In the development of the current asset allocation plan, the Board reviews the long-term performance and risk characteristics of various asset classes, balancing the risks and rewards of market behavior, and reviewing state legislation regarding investments options. There were no changes to the investment policy in fiscal year 2023. The policy may be amended by the Board with a majority vote of its members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2023 and 2022 are summarized in the following tables:

General employees'

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	42 %	6.40 %
International equity	28	7.29
Fixed income	25	0.40
Real estate	3	3.90
Alternative investments	2	10.40
	100 %	

Firefighters'

Asset class	Target allocation	Long-term expected real rate of return
Domestic large-cap equity	19 %	6.91 %
Domestic mid-cap equity	12	8.91
Domestic small-cap equity	12	5.01
International equity	27	3.31
Fixed income	25	0.81
Alternative investments	5	7.51
	100 %	

Police Officers'

Asset class	Target allocation	Long-term expected real rate of return
Domestic large-cap equity	19 %	6.91 %
Domestic mid-cap equity	12	8.91
Domestic small-cap equity	11	5.01
International equity	28	3.31
Fixed income	25	0.81
Alternative investments	5	7.51
Cash Equivalents	—	—
	100 %	

For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense, was 9.67%, 8.95%, and 9.77% and 11.75%, 14.72%, and 13.45%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The total net pension liability as of June 30, 2023 and 2022 was measured as of June 30, 2022 and 2021, respectively. The measurement was based on the July 1, 2021 actuarial valuation rolled forward to June 30, 2022 and the July 1, 2020 actuarial valuation rolled forward to June 30, 2021, respectively, using standard roll-forward techniques. The net pension liability at June 30, 2023 and 2022 is as follows (dollars in thousands):

	2023		
	General employees'	Firefighters'	Police officers'
Total pension liability	\$ 2,004,776	1,142,448	1,818,218
Plan fiduciary net position	1,403,948	770,228	1,275,268
Net pension liability	<u>\$ 600,828</u>	<u>372,220</u>	<u>542,950</u>
Plan fiduciary net position as a percentage of the total pension liability	70.03 %	67.42 %	70.14 %

	2022		
	General employees'	Firefighters'	Police officers'
Total pension liability	\$ 1,993,306	1,061,316	1,667,649
Plan fiduciary net position	1,672,138	928,729	1,501,624
Net pension liability	<u>\$ 321,168</u>	<u>132,587</u>	<u>166,025</u>
Plan fiduciary net position as a percentage of the total pension liability	83.89 %	87.51 %	90.04 %

The net pension liability of the General Employees', Firefighters' and Police Officers' Plans is allocated among the City's general government, the Department of Aviation, the Department of Watershed Management, and Other Non-major Enterprise Funds.

The Department's proportionate share of the net pension liability at June 30, 2022 and 2023 is as follows (dollars in thousands):

Plan	Department's proportion of the net pension liability	Department's proportionate share of the net pension liability
General employees'		
2022	11.22 %	\$ 36,035
2023	11.22	67,413
Firefighters'		
2022	23.00 %	\$ 30,495
2023	23.00	85,610
Police officers'		
2022	8.00 %	\$ 13,282
2023	8.00	43,436

Changes in Net Pension Liability

The changes in net pension liability for the years ended June 30, 2023 and 2022 are as follows (dollars in thousands):

General Employees'

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2022	\$ 1,993,306	1,672,138	321,168
Changes for the year:	—	—	
Service cost	26,474	—	26,474
Interest expense	136,585	—	136,585
Difference between expected and actual investment earnings	(25,224)	—	(25,224)
Assumption changes	10,772	—	10,772
Contributions – employer	—	51,750	(51,750)
Contributions – employee	—	18,552	(18,552)
Net investment income	—	(199,617)	199,617
Benefit payments and refunds	(137,137)	(137,137)	—
Administrative expenses	—	(1,838)	1,838
Other	—	100	(100)
Net changes	11,470	(268,190)	279,660
Balance at June 30, 2023	2,004,776	1,403,948	600,828

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2021	\$ 1,920,062	1,317,795	602,267
Changes for the year:			
Service cost	25,027	—	25,027
Interest expense	136,257	—	136,257
Difference between expected and actual investment earnings	(5,880)	—	(5,880)
Assumption changes	49,201	—	49,201
Contributions – employer	—	48,764	(48,764)
Contributions – employee	—	19,133	(19,133)
Net investment income	—	419,843	(419,843)
Benefit payments and refunds	(131,361)	(131,361)	—
Administrative expenses	—	(2,091)	2,091
Other	—	55	(55)
Net changes	73,244	354,343	(281,099)
Balances at June 30, 2022	\$ 1,993,306	1,672,138	321,168

Firefighters'

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2022	\$ 1,061,316	928,729	132,587
Changes for the year:			—
Service cost	10,814	—	10,814
Interest expense	70,058	—	70,058
Demographic experience	62,329	—	62,329
Assumption changes	(5,476)	—	(5,476)
Contributions – employer	—	27,626	(27,626)
Contributions – employee	—	6,331	(6,331)
Net investment income	—	(134,869)	134,869
Other income	—	—	—
Benefit payments and refunds	(56,593)	(56,593)	—
Administrative expenses		(996)	996
Net changes	81,132	(158,501)	239,633
Balances at June 30, 2023	\$ 1,142,448	770,228	372,220

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2021	\$ 990,698	716,418	274,280
Changes for the year:			
Service cost	14,237	—	14,237
Interest expense	65,646	—	65,646
Demographic experience	(8,972)	—	(8,972)
Assumption changes	52,742	—	52,742
Contributions – employer		24,628	(24,628)
Contributions – employee	—	6,247	(6,247)
Net investment income	—	235,652	(235,652)
Benefit payments and refunds	(53,035)	(53,035)	—
Administrative expenses		(1,181)	1,181
Net changes	70,618	212,311	(141,693)
Balances at June 30, 2022	\$ 1,061,316	928,729	132,587

Police Officers'

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2022	\$ 1,667,649	1,501,624	166,025
Changes for the year:			—
Service cost	23,013	—	23,013
Interest expense	110,420	—	110,420
Demographic experience	82,724	—	82,724
Assumption changes	13,509	—	13,509
Contributions – employer	—	41,500	(41,500)
Contributions – employee	—	12,969	(12,969)
Net investment income	—	(200,782)	200,782
Other	—	—	—
Benefit payments and refunds	(79,097)	(79,097)	—
Administrative expenses	—	(946)	946
Net changes	150,569	(226,356)	376,925
Balances at June 30, 2023	<u>\$ 1,818,218</u>	<u>1,275,268</u>	<u>542,950</u>

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2021	\$ 1,524,959	1,150,481	374,478
Changes for the year:			
Service cost	26,974	—	26,974
Interest expense	101,316	—	101,316
Demographic experiences	(1,358)	—	(1,358)
Assumption changes	92,401	—	92,401
Contributions – employer	—	35,709	(35,709)
Contributions – employee	—	12,354	(12,354)
Net investment income	—	381,105	(381,105)
Benefit payments and refunds	(76,643)	(76,643)	—
Administrative expenses	—	(1,382)	1,382
Net changes	142,690	351,143	(208,453)
Balances at June 30, 2022	<u>\$ 1,667,649</u>	<u>1,501,624</u>	<u>166,025</u>

Discount Rate

The discount rates used to measure the total pension liability for the Plans are as indicated below. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the actuarial determined contributions rates from

employers and employees. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Following are the discount rates as of June 30, 2023 and 2022:

June 30, 2023:

General employees'	Firefighters'	Police officers'
7.00%	6.71%	6.69%

June 30, 2022:

General employees'	Firefighters'	Police officers'
7.00%	6.71%	6.69%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plans, calculated using the discount rates for each Plan as of June 30, 2023 and 2022, respectively, as well as what the Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	2023		
	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
General Employees'	\$ 813,781	600,828	420,650
Department's Proportionate Share	91,306	67,413	47,197
	1% Decrease 5.71%	Current discount rate 6.71%	1% Increase 7.71%
Firefighters'	\$ 529,676	372,220	244,291
Department's Proportionate Share	121,825	85,610	56,187
	1% Decrease 5.69%	Current discount rate 6.69%	1% Increase 7.69%
Police Officers'	\$ 804,870	542,950	331,091
Department's Proportionate Share	64,390	43,436	26,487

	2022		
	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
General Employees'	\$ 535,248	321,168	140,465
Department's Proportionate Share	60,055	36,035	15,760
	1% Decrease 5.71%	Current discount rate 6.71%	1% Increase 7.71%
Firefighters'	\$ 276,550	132,587	15,441
Department's Proportionate Share	63,607	30,495	3,551
	1% Decrease 5.69%	Current discount rate 6.69%	1% Increase 7.69%
Police Officers'	\$ 403,911	166,025	26,445
Department's Proportionate Share	32,313	13,282	2,116

Actuarial Assumptions

The actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contribution rate for 2023 and 2022 are as follows:

	General employees'	Firefighters'	Police officers'
Valuation date:			
2023	July 1, 2021	July 1, 2021	July 1, 2021
2022	July 1, 2020	July 1, 2020	July 1, 2020
Actuarial cost method	Entry age	Entry age normal	Entry age normal
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed
Remaining amortization period	20 years	20 years	20 years
Asset valuation method	Market value	Market value	Market value
Inflation rate			
2023	2.25 %	2.25 %	2.25 %
2022	2.25	2.25	2.25
Salary increases			
2023	3.00	3.00 - 10.00	3.00 - 10.00
2022	3.00	3.00 - 10.00	3.00 - 10.00
Investment rate of return			
2023	7.00	6.71	6.69
2022	7.25	7.41	7.41

For the General Employees' Plan, the pre-retirement mortality assumption was based on the approximate RP-2012 Blue Collar Employee Table, loaded by 15% for males and females. The post-retirement mortality assumption for healthy annuitants was based on the approximate RP-2012 Blue Collar Healthy Annuitant Table, loaded by 15% for males and females. The mortality assumption for disabled retirees was based on the approximate RP-2012 Disabled Retiree Table, loaded by 15% for males and females.

For the Firefighters' and Police Officers' Pension Plans the mortality assumption was changed from the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale AA to the PUB-2010 Public Safety Mortality Table with generational mortality projects using Scale MP-2020.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2023 and 2022, the City recognized approximately \$140.5 million and approximately (\$61.4) million in pension expense, respectively. The Department's proportionate share of pension expense was \$18.2 million and (\$7.3) million related to the Plans, respectively.

Deferred outflows of resources were related to demographic gains/losses, assumption changes, differences between projected and actual investment earnings, and contributions made after the measurement date. They are amortized over the average of the expected remaining service life of active and inactive members, which is approximately five years, with the exception of contributions made after the measurement date which are recognized in the subsequent fiscal year. The first year of amortization is recognized as pension expense with the remaining years shown as a deferred outflow of resources.

Deferred inflows of resources were related to assumption changes, change between projected and actual experience in the total pension liability, demographic gains/losses, and the net difference between projected and actual pension investment earnings.

See the following table for deferred outflows and inflows of resources related to the pension plans for the Department (in thousands):

	2023		2022	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
General Employees':				
Contributions subsequent to the measurement date	\$ 5,423	—	5,806	—
Assumption changes	3,667	—	4,140	
Demographic gain/loss		2,563	—	835
Changes in proportion and differences between employer's contribution and proportionate share of contributions	—	379	—	758
Net difference between projected and actual pension investment earnings	8,659	—	—	26,189
Firefighters':				
Contributions subsequent to the measurement date	5,970	—	6,354	—
Demographic gain/loss	13,240	7,105	2,469	9,187
Assumption changes	9,728	1,673	12,910	982
Net difference between projected and actual pension investment earnings	14,137	—	—	29,103
Police Officers':				
Contributions subsequent to the measurement date	3,278	—	3,320	—
Demographic gain/loss	6,069	2,602	1,106	3,822
Assumption changes	6,247	415	7,186	642
Net difference between projected and actual pension investment earnings	6,759	—	—	16,456
Total	\$ 83,177	14,737	43,291	87,974

Contributions subsequent to the measurement date for each of the pension plans total \$14,671 as of June 30, 2023 and will be recognized in pension expense during the year ended June 30, 2024. The remaining amount of deferred outflows and deferred inflows of resources related to pensions that will be recognized in pension expense by the Department during the next five years ended June 30, and thereafter are as follows (in thousands):

	Net deferred outflows/ inflows
General Employees':	
2024	\$ 1,436
2025	1,580
2026	(684)
2027	7,052
2028	—
Thereafter	—
	<u>\$ 9,384</u>
Firefighters':	
2024	\$ 6,814
2025	5,499
2026	3,793
2027	12,051
2028	169
Thereafter	—
	<u>\$ 28,326</u>
Police Officers':	
2024	\$ 3,306
2025	3,069
2026	2,195
2027	6,695
2028	793
Thereafter	—
	<u>\$ 16,058</u>
Total	<u>\$ 53,768</u>

Defined Contribution Plan

Atlanta, Georgia Code of Ordinances Section 6-2(c) sets forth the City's General Employees' Defined Contribution Plan. The Plan provides funds at retirement for employees of the City and in the event of death, provides funds for their beneficiaries, through an arrangement by which contributions are made to the Plan by employees and the City. The current contribution of the City is 6% of employee payroll. Employees also make a mandatory pretax contribution of 6%

plus have the option to contribute amounts up to the amount legally limited for retirement contributions.

Each employee directs how the funds in their retirement account shall be invested. The employee may direct lump sum distributions from their retirement account upon separation from the City, death, disability (pursuant to the City's disability retirement provisions), or retirement.

City of Atlanta has a contract with Prudential for managing the 401(a) Defined Contribution Plan, 457(b) and 457 Roth Deferred Compensation Plans (collectively, the "Contribution Plans"). Under the current contract, Prudential uses an Accumulation Net Unit Value (NUV) pricing of investments instead of the Net Asset Value (NAV). Both are units of value used to determine the daily worth of participant accounts. NAV is the measure of value for shares of a mutual fund, while NUV is the measure of value for units of a Separate Account.

All modifications to the Contribution Plan, including contribution requirements, must receive the recommendations and advice from the offices of the Chief Financial Officer and the City Attorney, respectively. Each pension law modification must be adopted by at least two-thirds vote of the City Council and be approved by the Mayor.

All new employees, hired after July 1, 2001, who previously would have been enrolled in the General Employees' Defined Benefit Plan, were enrolled in the General Employees' Defined Contribution Plan.

During 2002, persons employed prior to July 1, 2001 were given the option to transfer to the General Employees' Defined Contribution Plan.

Effective September 1, 2005, classified employees and certain non-classified employees pay grade 18 and below then enrolled in the General Employees' Defined Contribution Plan had the one-time option of transferring to the General Employees' Pension Plan. Classified employees and certain non-classified employees pay grade 18 and below, not covered by either the Police Officers' or Firefighters' Pension Plans, hired after September 1, 2005 are required to become members of the General Employees' Pension Plan.

Amendments to Defined Contribution Plan

Employees hired on or after September 1, 2011, who are either sworn members of the Police Department or the Fire Rescue Department, or who are below payroll grade 19, or its equivalent, are required to participate in the mandatory defined contribution component that will include a mandatory employee contribution of 3.75% of salary and be matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary, which will also be matched 100% by the City. Employees vest in the amount of the City's contributions at a rate of 20% per year and become fully vested in the City's contributions after five years of participation.

As of June 30, 2023, there were 1,881 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$141.8 million. Employer contributions for the year ended June 30, 2023 were \$17.6 million and employee contributions were \$15.7 million or 23.5% of covered payroll.

As of June 30, 2022, there were 1,814 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$124.4 million. Employer contributions for the year ended June 30, 2022 were \$15.3 million and employee contributions were \$13.9 million or 23.5% of covered payroll.

The General Employees' Defined Contribution Plan uses the accrual basis of accounting. Investments are reported at fair value, based on quoted market prices and there were no nongovernmental individual investments exceeding 5% of the net position of the Plan.

Other Postemployment Benefit Plan

Plan Description

The City of Atlanta Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees, dependents and their beneficiaries. The Plan was established by legislative acts and functions in accordance with existing City laws. The Plan provides members upon eligible retirement, with lifetime healthcare, prescription drug, dental, and life insurance benefits. Separate financial statements are not prepared for the OPEB Plan.

Funding Policy

The City is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amounts necessary to provide current benefits to retirees, eligible dependents, and beneficiaries. For the fiscal years ended June 30, 2023 and 2022, the City made \$55.8 million and \$44.0 million, respectively, "pay-as-you-go" benefit payments on behalf of the Plan. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed \$16.6 million and \$16.4 million in fiscal years 2023 and 2022, respectively, through their required contributions.

For the fiscal years ended June 30, 2023 and 2022, the Department made \$7.0 million and \$5.1 million, respectively, "pay-as-you-go" payments on behalf of the Plan.

Description of Benefit Terms

Early Retirement:

General Employees

- Any age with 10 years of creditable service (if hired prior to July 1, 2010)
- Any age with 15 years of creditable service (if hired prior to September 1, 2011)
- Age 52 with 15 years of creditable service (if hired after August 31, 2011)

Police Officers and Firefighters

- Any age with 10 years of creditable service (if hired prior to July 1, 2010)
- Any age with 15 years of creditable service (if hired prior to September 1, 2011)
- Age 47 with 15 years of creditable service (if hired after August 31, 2011)

Normal Retirement:
General Employees

- Age 65 regardless of service (all employees)
- Age 60 with 5 years of service (if hired prior to July 1, 2010)
- Age 60 with 10 years of service (if hired prior to September 1, 2011)
- Age 62 with 10 years of service (if hired prior to August 31, 2011)

Police Officers and Firefighters

- Any age with 30 years of service (only if covered by the 2005 Amendment)
- Age 55 with 5 years of service (if hired prior to July 1, 2010)
- Age 55 with 10 years of service (if hired prior to July 1, 2011)
- Age 57 with 10 years of service (if hired after June 30, 2011)
- Age 65 with 5 years of service (all employees)

Benefit Types:

Benefits:	Medical, prescription drug, dental, and life insurance.
Duration of coverage:	Lifetime.
Dependent Benefits:	Medical, prescription drug, dental, and life insurance.
Dependent Coverage:	Lifetime.

OPEB Liability

The total OPEB liability as of June 30, 2023 and 2022 was measured as of June 30, 2022 and 2021, respectively. The measurement was based on the July 1, 2021 actuarial valuation rolled forward to June 30, 2022 and the July 1, 2020 actuarial valuation rolled forward to June 30, 2021, respectively, using standard roll-forward techniques. The City's OPEB liability at June 30, 2023 and 2022 is as follows (dollars in thousands):

	<u>2023</u>	<u>2022</u>
Total OPEB liability	\$ 756,440	\$ 884,364
Plan fiduciary net position	—	—
OPEB liability	<u>\$ 756,440</u>	<u>\$ 884,364</u>

The total OPEB liability is allocated among the City's general government, the Department of Aviation, the Department of Watershed Management and Other Non-major Enterprise Funds.

The Department's proportionate share of the total OPEB liability at June 30, 2023 and 2022 are as follows (dollars in thousands):

<u>Plan Year</u>	<u>Department's proportion of the total OPEB liability</u>	<u>Department's proportionate share of the total OPEB liability</u>
2023	11.38 %	\$ 84,685
2022	11.32	\$ 99,939

Changes in Total OPEB Liability

The changes in total OPEB liability as of June 30, 2023 and 2022 are as follows (dollars in thousands):

	<u>Increase (decrease)</u> <u>Total OPEB liability</u>
Balances at June 30, 2022	\$ 884,364
Changes for the year:	
Service cost	31,779
Interest growth	19,190
Difference between expected and actual experience	109,226
Changes in assumptions	(232,364)
Benefit payments	(55,754)
Net changes	<u>(127,923)</u>
Balances at June 30, 2023	<u>\$ 756,440</u>

	<u>Increase (decrease)</u>
	<u>Total OPEB liability</u>
Balances at June 30, 2021	\$ 888,700
Changes for the year:	
Service cost	30,019
Interest growth	19,820
Difference between expected and actual experience	28,505
Changes in assumptions	(38,660)
Change in benefits	—
Benefit payments	(44,020)
Net changes	<u>(4,336)</u>
Balances at June 30, 2022	<u>\$ 884,364</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54% and 2.16% for fiscal year 2023 and 2022, respectively. The discount rate is based on a rate of return based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate as of the measurement date June 30, 2022 and 2021, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	<u>2023</u>		
	<u>1% Decrease 2.54%</u>	<u>Current discount rate 3.54%</u>	<u>1% Increase 4.54%</u>
Total OPEB Liability	\$ 861,549	756,440	670,150
Department's Proportionate Share	96,370	84,685	75,080
	<u>2022</u>		
	<u>1% Decrease 1.16%</u>	<u>Current discount rate 2.16%</u>	<u>1% Increase 3.16%</u>
Total OPEB Liability	\$ 1,026,794	884,364	770,362
Department's Proportionate Share	115,906	99,939	87,142

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend

The following presents the total OPEB liability calculated using the current healthcare cost trend rate as of the measurement date June 30, 2022 and 2021, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	2023		
	1% Decrease in trend rate	Current trend rate	1% Increase in trend rate
Total OPEB Liability	\$ 670,444	756,440	861,905
Department's Proportionate Share	75,140	84,685	96,368

	2022		
	1% Decrease in trend rate	Current trend rate	1% Increase in trend rate
Total OPEB Liability	\$ 763,220	884,364	1,038,057
Department's Proportionate Share	86,359	99,939	117,133

Actuarial Assumptions

The following actuarial methods and assumptions were used to determine the total OPEB liability for 2022 are as follows:

	2023	2022
Valuation date	June 30, 2021	June 30, 2020
Measurement date	June 30, 2022	June 30, 2021
Reporting date	June 30, 2023	June 30, 2022
Inflation rate	2.25%	2.25%
Salary increases for firefighters and police	3.00%	4.00%
Salary increases for general employees	2.25%	3.50%
Discount rate	3.54%	2.16%

Healthcare costs trend rates:

Medical (non-MA)	0.00% for 2023, 3.92% for 2024, then 7.87% graded down annually to an ultimate rate of 4.50%
Medicare Advantage (MA)	0.00% for 2023, then 4.50% every year after
Dental	5.59% for 2023, then 3.00% every year after

Mortality Rates (Healthy) For Police and Fire Employees, Sex distinct PUB-2010 Mortality Table for public safety employees, projected generationally using Scale MP-2020. For General Employees, Sex-distinct Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table with rates increased by 15% projected generationally using Scale MP-2020.

Mortality Rates:

Employee (General Employees):	Sex-distinct Pri-2012 Blue Collar Employee Amount-weighted Mortality Table with rates increased by 15% projected generationally with Scale MP-2020.
Employee (Fire and Police):	PUB-2010 Sex-Distinct Public Safety Employees Mortality Table with generational projection using Scale MP-2020
Healthy (General Employees):	Sex-distinct Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table with rates increased by 15% projected generationally with Scale MP-2020.
Healthy (Fire and Police):	PUB-2010 Sex-Distinct Public Safety Healthy Retiree Mortality Table with generational projection using Scale MP-2020
Disabled (General Employees):	Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table with rates increased by 15% projected generationally with Scale MP-2020.
Disabled (Fire and Police):	PUB-2010 Sex-Distinct Public Safety Employees Mortality Table with generational projection using Scale MP-2020

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023 and 2022, the City recognized an OPEB benefit of \$58.4 million and \$39.1 million, respectively. The Department's proportionate share of OPEB benefit was \$6.6 million and \$4.3 million, respectively.

Deferred outflows of resources were related to differences between expected and actual experience. The difference between expected and actual experience is amortized over five years. The first year of amortization is recognized as OPEB expense with the remaining years shown as a deferred outflow of resources.

See the following table for deferred outflows and inflows of resources related to the OPEB plan for the Department (dollars in thousands):

	2023		2022	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between expected and actual experience	\$ 14,646	2,254	7,377	2,990
Changes of assumptions	884	29,144	1,366	21,572
Changes in proportionate share	301	6,485	2,920	6,829
Contributions subsequent to measurement date	7,007	—	5,262	—
Total	<u>\$ 22,838</u>	<u>37,883</u>	<u>16,925</u>	<u>31,391</u>

Contributions subsequent to the measurement date of \$7,007 as of June 30, 2022, will be recognized in pension expense during the year end June 30, 2023.

The deferred outflows and deferred inflows of resources related to OPEB that will be recognized in OPEB expense by the Department during the next five years ended June 30, are as follows (dollars in thousands):

	Net deferred outflows/ inflows
2024	(5,343)
2025	(5,343)
2026	(5,530)
2027	(3,404)
2026	(2,432)
	<u>(22,052)</u>

Deferred Compensation Plan

The City has adopted a deferred compensation plan in accordance with the 1997 revision of Section 457 of the Internal Revenue Code. The plan, available to all Department employees, allows an employee to voluntarily defer up to 25% of his/her gross compensation, not to exceed certain limits per year. Each participant selects one of three insurance providers to administer the investments of the deferred funds. All administrative costs of the plan are deducted from the participants' accounts. The plan assets are held in custodial accounts for the exclusive benefit of the plan participants and their beneficiaries, and are therefore, not included in the City's nor the Department's financial statements.

(9) Risk Management
(a) General

The City purchases a variety of insurance policies, including but not limited to all risks property insurance and specific liability policies. The City also purchases other distinct and separate insurance policies for the Airport, including but not limited to Airport owner's general liability, fine arts, environmental liability, excess automobile liability, and terrorism insurance policies. The policy limits are established to maximize potential recovery via insurance in the event of loss. Policy limits may range up to \$1 billion based on exposure to loss and policies are subject to a range of deductibles.

The City administers an Owner Controlled Insurance Program (OCIP) that provides insurance coverage for enrolled contracts for certain capital construction projects at the Airport. The OCIP policies include general liability, workers compensation - employer liability, and excess liability insurance. The City also provides other insurance coverages for construction projects based the specific project's scope of work. The coverages include builder's risk, contractor's pollution liability, and owners' protective professional indemnity insurance (OPPI).

The City maintains a enterprise wide cyber insurance policy for the Department of Aviation of \$10 million. This policy remains in effect from March 1, 2023, through March 1, 2024.

The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. These claims liabilities are accounted for in the City's general fund and the applicable enterprise funds. Claims generated by governmental funds expected to be paid subsequent to one year are recorded only in the City's government-wide financial statements.

(b) Workers' Compensation

The City's workers' compensation liability is calculated by an outside actuary. Liabilities are reported as part of accrued expenses when it is probable a loss has occurred, and the amount can be reasonably estimated including amounts for claims incurred but not yet reported. The calculation of the present value of future workers' compensation liabilities, as calculated by the outside actuary, is based on a discount rate of 3.5% for both 2023 and 2022.

The City has an annual excess insurance policy with a \$5 million per occurrence retention with no annual aggregate coverage.

Changes in the balances of the liabilities for workers' compensation attributable to the Department during 2023, 2022, and 2021 were as follows (in thousands):

	Beginning of year	Current year claims and changes in estimates	Claim payments	End of year
Workers' compensation:				
2023	\$ 3,594	1,480	(894)	4,180
2022	2,401	2,088	(895)	3,594
2021	1,903	969	(471)	2,401

(c) Health and Dental Insurance

The City's Health plan under Anthem Point of Service and its dental (Anthem PPO High/Low option) are fully self-insured. The Kaiser HMO, Aetna Dental DHMO and UHC vision plan are fully insured. The City's health and dental liability is calculated by an outside actuary firm. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

The City participates in the State Subsequent Injury Trust Fund, a public entity managed by the State of Georgia. The pool is designed to provide insurance coverage for employees who are hired with previous medical conditions. Historically, premiums have not been significant.

(10) Commitments and Contingencies**(a) Commitments**

The Department has several significant construction projects budgeted. As of June 30, 2023 and 2022, the Department was contractually obligated to expenditures of approximately \$1.5 billion and \$990.3 million, respectively, related to these projects.

(b) Grants from Other Governmental Units

Federal governmental grants represent an important source of supplementary funding, primarily for the Airport's noise abatement program. Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Department. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Department expects such amounts, if any, to be immaterial.

(c) Litigation

The Department is subject to various lawsuits and proceedings arising in the ordinary conduct of its affairs and has been named as defendant in several lawsuits claiming personal and property damages. The City has also been named as a defendant in various lawsuits concerning alleged noise disturbance at the Airport. The City is working with most of the property owners to settle these claims through its noise abatement program, which consists of insulating homes and purchasing aviation easements. The nature of the Department's operations and the matters currently being alleged are such that similar suits may be filed in the future. In the opinion of the City Attorney, the outcome of these matters will not have a material adverse effect on the Department's financial position.

(d) Environmental Obligation

In an Assignment, Assumption and Release Agreement and Claim Resolution Agreement dated February 25, 2011, the City entered into settlement agreements with Northwest Airlines and the Georgia Environmental Protection Division (EPD) to settle all claims in exchange for transfer and assumption of environmental obligations at the Leased Space formerly between Northwest Airlines and the Georgia EPD. In FY23, the Department received additional funds of \$0.5 million. As of June 30, 2023 and 2022, a restricted current asset and accrued expense is recorded for approximately \$5.5 million, as a result of this settlement.

(11) Impact of COVID-19 Pandemic

To mitigate the impact of the COVID-19 Pandemic, the department was awarded \$338.5 million under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, \$75.8 million and \$11.5 million for operations and concessions, respectively under the the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and \$324.2 million and \$45.8 million, respectively were received for operations and concessions under the American Rescue Plan Act (ARPA). All funds were expended as of June 30, 2023.

(12) Subsequent Events

The Department has evaluated subsequent events from the statement of net position date through December 15, 2023, the date at which the financial statements were available to be issued, and determined the following matter requiring disclosure.

On July 6, 2022, the City entered into forward delivery agreements for an Airport Passenger Facility Charge and Subordinate Lien General Revenue Forward Delivery Refunding Bond, Series 2023FWD-A-1 (Non-AMT) (the "Series 2023FWD-A-1 Bond") and an Airport Passenger Facility Charge and Subordinate Lien General Revenue Forward Delivery Refunding Bond, Series 2023FWD-A-2 (Non-AMT) (the "Series 2023FWD-A-2 Bond", which refunded certain outstanding 2014A bonds for savings. The direct purchase for this transaction was completed on October 3, 2023.

On August 31, 2023, the City issued its Airport General Revenue Bonds Series 2023B-1 (Non-AMT) (Green Bonds) in the amount of \$206,565,000; Airport General Revenue Bonds Series 2023B-2 (Non-AMT) in the amount of \$27,365,000; Airport General Revenue Bonds Series 2023C (AMT) in the amount of \$30,080,000; Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds Series 2023D (Non-AMT) (Green Bonds) in the amount of \$38,960,000; and Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds Series 2023E (AMT) (Green Bonds) in the amount of \$256,225,000. These bond Series are referred to as New Money Bonds which will be used to finance or refinance the costs of planning, engineering, design, acquisition, equipping, and construction of all or a portion of the 2023 Projects which includes a portion of the Capital Plan to 2029.

On October 3, 2023, the City issued its Airport General Revenue Refunding Bonds Series 2023F (Non-AMT) in the amount of \$88,500,000 and Airport General Revenue Refunding Bonds Series 2023G (AMT) in the amount of \$59,160,000 for the purpose of refunding Series 2014B (Non-AMT) and Series 2014C (AMT) with the exception of the Series 2014B Bonds and 2014C maturing on January 1, 2024. The present value of savings for Series 2023 F and Series 2023G, were \$9.6 million and \$2.0 million, respectively.



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Required Supplementary Information

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Plan	Department's proportion of the net pension liability	Department's proportionate share of the net pension liability	Department's covered payroll	Department's proportionate share of contributions	Department's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
General Employees:						
2015	11.49 %	\$78,999	\$16,373	\$4,842	482.51 %	62.49 %
2016	11.49	82,670	16,736	5,517	493.98	61.59
2017	11.49	91,092	17,422	6,232	522.86	58.61
2018	11.49	81,847	18,251	6,184	448.45	63.31
2019	11.49	65,720	18,471	5,964	355.80	69.46
2020	11.49	64,488	20,745	5,426	310.86	70.38
2021	11.22	67,574	19,800	5,410	341.29	68.63
2022	11.22	36,035	21,183	5,471	170.12	83.89
2023	11.22	67,413	20,785	5,806	324.33	70.03
Firefighters:						
2015	24.30 %	\$45,640	\$10,907	\$5,019	418.45 %	77.81 %
2016	24.30	50,797	11,465	5,075	443.06	75.51
2017	24.30	60,472	11,401	3,998	530.41	71.11
2018	23.00	52,345	10,920	4,117	479.35	74.63
2019	23.00	50,356	10,801	5,033	466.20	76.64
2020	23.00	56,115	10,862	4,875	516.62	74.88
2021	23.00	63,084	11,486	3,594	549.21	72.31
2022	23.00	30,495	11,514	5,664	264.85	87.51
2023	23.00	85,610	11,322	6,354	756.15	81.29
Police officers:						
2015	7.90 %	\$22,356	\$7,255	\$2,096	308.15 %	77.73 %
2016	7.89	24,582	7,404	2,580	331.98	75.94
2017	7.80	28,659	7,251	1,984	395.24	72.12
2018	8.00	27,397	8,383	2,199	326.82	75.44
2019	8.00	24,742	7,276	2,374	355.80	78.52
2020	8.00	24,731	7,105	2,499	348.08	79.00
2021	8.00	29,958	7,595	1,726	394.42	75.44
2022	8.00	13,282	8,200	2,857	161.98	90.04
2023	8.00	43,436	8,249	3,320	526.56	82.59

Note: Schedule is intended to show information for 10 years as of the reporting date. Additional years will be displayed as the information becomes available.

General Employees'	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 5,423	\$ 5,806	\$ 5,471	\$ 5,410	\$ 5,426	\$ 5,964	\$ 6,184	\$ 6,232	\$ 5,517	\$ 4,842
Contributions in relation to the actuarially determined contribution	5,423	5,806	5,471	5,410	5,426	5,964	6,184	6,232	5,517	4,842
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	23,057	\$ 20,785	\$ 21,183	\$ 19,800	\$ 20,745	\$ 18,471	\$ 18,251	\$ 17,422	\$ 16,736	\$ 16,373
Contributions as a percentage of covered payroll	23.5 %	27.9 %	25.8 %	27.3 %	26.2 %	32.3 %	33.9 %	35.8 %	33.0 %	29.6 %
Firefighters'	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 5,970	\$ 6,354	\$ 5,664	\$ 3,594	\$ 4,875	\$ 5,033	\$ 4,117	\$ 3,998	\$ 5,075	\$ 5,019
Contributions in relation to the actuarially determined contribution	5,970	6,354	5,664	3,594	4,875	5,033	4,117	3,998	5,075	5,019
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	12,524	\$ 11,322	\$ 11,514	\$ 11,486	\$ 10,862	\$ 10,801	\$ 10,920	\$ 11,401	\$ 11,465	\$ 10,907
Contributions as a percentage of covered payroll	47.7 %	56.1 %	49.2 %	31.3 %	44.9 %	46.6 %	37.7 %	35.1 %	44.3 %	46.0 %
Police Officers'	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 3,278	\$ 3,320	\$ 2,857	\$ 1,726	\$ 2,499	\$ 2,374	\$ 2,199	\$ 1,984	\$ 2,580	\$ 2,096
Contributions in relation to the actuarially determined contribution	3,278	3,320	2,857	1,726	2,499	2,374	2,199	1,984	2,580	2,096
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	8,696	\$ 8,249	\$ 8,200	\$ 7,595	\$ 7,105	\$ 7,276	\$ 8,383	\$ 7,251	\$ 7,404	\$ 7,255
Contributions as a percentage of covered payroll	37.7 %	40.2 %	34.8 %	22.7 %	35.2 %	32.6 %	26.2 %	27.4 %	34.8 %	28.9 %

Note: Schedule is intended to show information for 10 years as of the measurement date which is one year before the reporting date. Additional years will be displayed as the information becomes available.



	Department's proportion of the total OPEB liability	Department's proportionate share of the total OPEB liability	Department's covered payroll	Department's proportionate share of the total OPEB liability as a percentage of its covered payroll
2018	11.16 %	\$134,790	\$42,905	314.16 %
2019	12.18	115,698	46,119	250.87
2020	11.82	117,307	49,291	237.99
2021	11.48	104,542	56,874	183.81
2022	11.32	99,939	56,493	176.91
2023	11.38	84,685	47,965	176.56

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB Plan.

(1) Schedule of Proportionate Share of Net Pension Liability

This schedule presents historical trend information about the Department's proportionate share of the net pension liability for its employees who participate in the GEPP, PPP, and FPP (the Plans). The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plans. Information related to previous years is not available; therefore, trend information will be accumulated to display a 10-year presentation.

(2) Schedule of Proportionate Share of Total OPEB Liability

This schedule presents historical trend information about the Department's proportionate share of the total OPEB liability for its employees who participate in the OPEB Plan. Information related to previous years is not available; therefore, trend information will be accumulated to display a 10-year presentation.

(3) Changes of Assumptions and Benefit Terms*Changes of assumptions for Pension Plans:*

There have been no changes in benefit provisions for GASB reporting purposes as of June 30, 2023 or June 2022.

Changes of assumptions for OPEB:

The valuation - year per capita healthcare costs and healthcare trend assumptions were updated. The discount rate effective for June 30, 2022 and 2023 was 2.16% and 3.54%, respectively. The Medicare Part B penalty was accounted for in the total claims' costs spread among all current retirees enrolled in Medicare Advantage plans.



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Financial Report

Statistical Section



Unlike the financial statements, this section usually covers more than one fiscal year and presents non-accounting data. This information is presented in five categories:

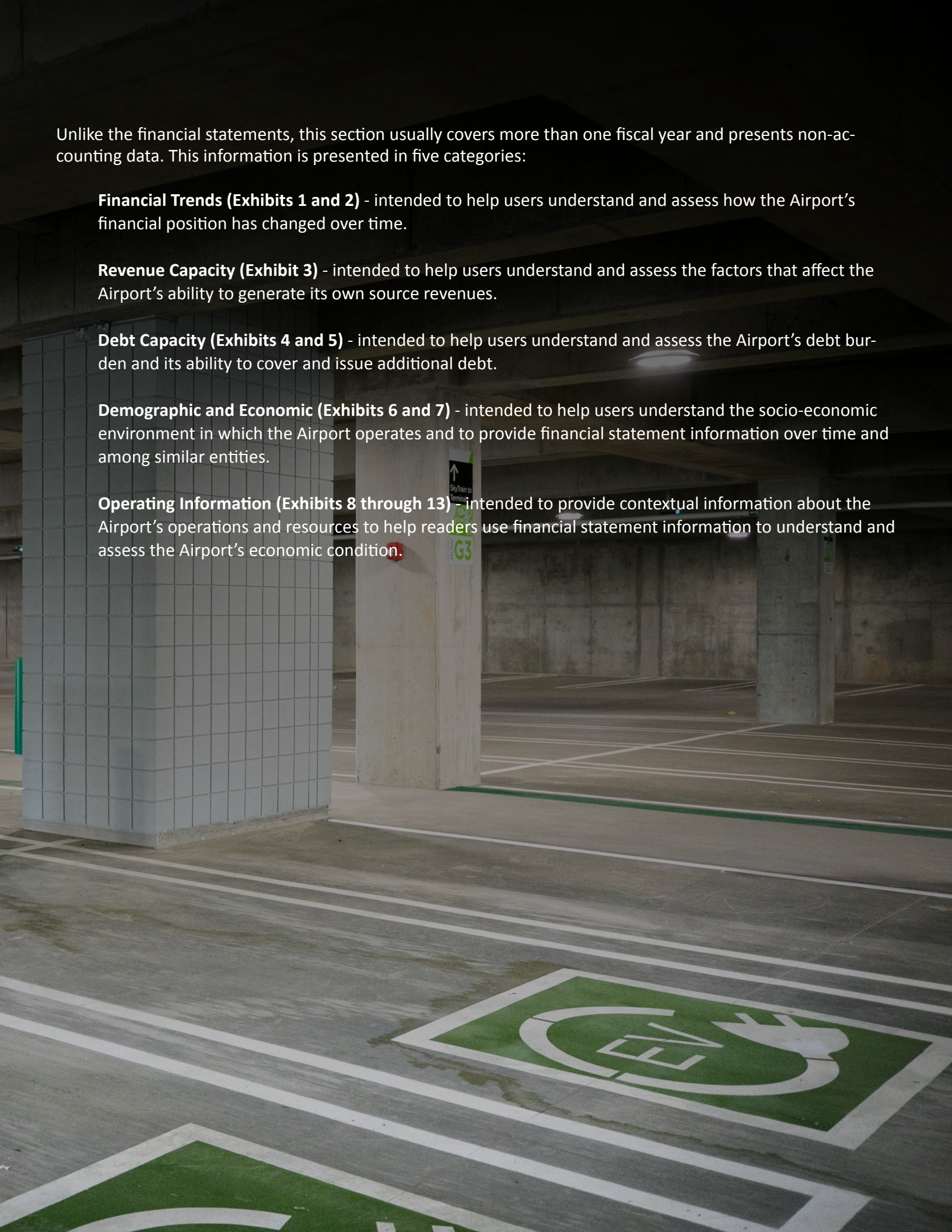
Financial Trends (Exhibits 1 and 2) - intended to help users understand and assess how the Airport's financial position has changed over time.

Revenue Capacity (Exhibit 3) - intended to help users understand and assess the factors that affect the Airport's ability to generate its own source revenues.

Debt Capacity (Exhibits 4 and 5) - intended to help users understand and assess the Airport's debt burden and its ability to cover and issue additional debt.

Demographic and Economic (Exhibits 6 and 7) - intended to help users understand the socio-economic environment in which the Airport operates and to provide financial statement information over time and among similar entities.

Operating Information (Exhibits 8 through 13) - intended to provide contextual information about the Airport's operations and resources to help readers use financial statement information to understand and assess the Airport's economic condition.





North Parking P

North Park



Financial Trends

Total revenues:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenues:										
Parking, car rental, and other concessions	\$ 254,047	265,585	285,722	293,199	316,885	325,633	238,522	134,312	238,579	292,509
Terminal, maintenance buildings, and other rentals	136,603	130,383	124,110	126,882	144,846	158,044	146,612	159,344	109,369	156,502
Landing fees	47,084	32,166	17,246	17,220	34,414	53,049	38,285	36,673	181	28,969
Other	58,518	54,888	59,734	60,654	29,332	31,781	18,899	24,141	31,228	30,321
Total operating revenues	<u>496,252</u>	<u>483,022</u>	<u>486,812</u>	<u>497,955</u>	<u>525,477</u>	<u>568,507</u>	<u>442,318</u>	<u>354,470</u>	<u>379,357</u>	<u>508,301</u>
Nonoperating revenues:										
Investment income (loss), net	23,322	22,601	21,644	4,347	10,062	78,595	67,418	11,676	(18,920)	46,044
Passenger facility charges	180,382	187,308	201,146	199,431	202,963	209,320	154,393	90,153	185,769	189,317
Customer facility charges, net	23,437	25,351	28,526	29,019	30,342	28,552	19,474	7,307	16,360	20,901
Operating grants	—	—	—	—	—	—	80,881	114,805	183,920	416,223
Other	(16,463)	(13,672)	(782)	(7,074)	4,698	15,542	(8,144)	(14,127)	(24,528)	(3,506)
Total nonoperating revenues	<u>210,678</u>	<u>221,588</u>	<u>250,534</u>	<u>225,723</u>	<u>248,065</u>	<u>332,009</u>	<u>314,022</u>	<u>209,814</u>	<u>342,601</u>	<u>668,979</u>
Capital contributions	10,888	26,851	22,505	11,521	14,515	21,599	29,615	44,956	33,180	19,549
Total revenues	<u>717,818</u>	<u>731,461</u>	<u>759,851</u>	<u>735,199</u>	<u>788,057</u>	<u>922,115</u>	<u>785,955</u>	<u>609,240</u>	<u>755,138</u>	<u>1,196,829</u>
Total expenses:										
Operating expenses:										
Salaries and employees benefits	91,691	87,756	91,394	103,048	95,745	92,250	97,237	105,262	81,971	118,840
Repair, maintenance, and other contractual services	112,676	124,339	138,793	139,360	147,218	158,157	158,015	150,092	165,422	185,774
General services	16,898	18,524	18,187	18,222	21,655	23,893	23,149	22,773	23,132	28,647
Utilities	8,990	8,983	9,270	9,025	9,584	10,201	8,105	8,141	7,854	9,210
Materials and supplies	4,720	5,003	4,625	6,521	6,313	5,148	4,559	3,694	6,359	6,214
Other	24,742	23,874	28,340	36,084	22,991	26,540	32,137	28,660	24,127	22,470
Depreciation and amortization	222,446	218,732	223,330	229,983	253,554	257,512	272,495	285,808	291,581	304,278
Total operating expenses	<u>482,163</u>	<u>487,211</u>	<u>513,939</u>	<u>542,243</u>	<u>557,060</u>	<u>573,701</u>	<u>595,697</u>	<u>604,430</u>	<u>600,446</u>	<u>675,433</u>
Operating income (loss)	<u>14,089</u>	<u>(4,189)</u>	<u>(27,127)</u>	<u>(44,288)</u>	<u>(31,583)</u>	<u>(5,194)</u>	<u>(153,379)</u>	<u>(249,960)</u>	<u>(221,089)</u>	<u>(167,132)</u>
Nonoperating expenses:										
Interest expense	139,826	127,941	121,047	123,710	110,382	115,208	112,353	94,455	91,153	112,047
Arbitrage rebate	—	—	—	—	—	—	—	—	—	1,705
Total nonoperating expenses	<u>139,826</u>	<u>127,941</u>	<u>121,047</u>	<u>123,710</u>	<u>110,382</u>	<u>115,208</u>	<u>112,353</u>	<u>94,455</u>	<u>91,153</u>	<u>113,752</u>
Total expenses	<u>621,989</u>	<u>615,152</u>	<u>634,986</u>	<u>665,953</u>	<u>667,442</u>	<u>688,909</u>	<u>708,050</u>	<u>698,885</u>	<u>691,599</u>	<u>789,185</u>
Total expenses net of depreciation and amortization	<u>399,543</u>	<u>396,420</u>	<u>416,681</u>	<u>435,970</u>	<u>413,888</u>	<u>431,397</u>	<u>435,555</u>	<u>413,077</u>	<u>400,018</u>	<u>484,907</u>
Transfer (to)/from City	(6,781)	(518)	—	(5,228)	(2,743)	(420)	—	(4,339)	—	(6,309)
Increase in net position	<u>\$ 89,048</u>	<u>115,791</u>	<u>124,865</u>	<u>64,018</u>	<u>117,872</u>	<u>232,786</u>	<u>77,905</u>	<u>(93,984)</u>	<u>63,539</u>	<u>401,335</u>
Prior year change in net position	\$ —	(158,479)	—	—	(86,629)	—	—	—	—	—
Net position:										
Net investment in capital assets	\$ 3,065,175	3,147,404	3,190,333	3,318,001	3,420,727	3,538,961	3,612,986	3,626,842	3,798,439	3,904,313
Restricted for capital projects and debt service	936,495	1,013,484	1,042,955	1,069,578	1,094,488	1,187,039	1,124,454	946,788	946,125	948,560
Unrestricted	707,980	506,074	558,539	468,266	371,873	393,874	460,339	530,165	422,770	715,796
Total net position	<u>\$ 4,709,650</u>	<u>4,666,962</u>	<u>4,791,827</u>	<u>4,855,845</u>	<u>4,887,088</u>	<u>5,119,874</u>	<u>5,197,779</u>	<u>5,103,795</u>	<u>5,167,334</u>	<u>5,568,669</u>

Exhibit 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash flows from operating activities:										
Receipts from customers and tenants	\$ 499,254	498,580	482,647	497,939	533,809	602,270	410,654	377,879	383,547	502,497
Payments to suppliers for goods and services	(168,740)	(175,378)	(194,491)	(213,715)	(184,925)	(236,658)	(232,581)	(215,791)	(230,379)	(243,000)
Payments to employees for service	(83,714)	(86,274)	(91,513)	(94,262)	(96,797)	(101,425)	(103,530)	(111,425)	(115,306)	(135,367)
Net cash provided by operating activities	246,800	236,928	196,643	189,962	252,087	264,187	74,543	50,663	37,862	124,130
Cash flows from investing activities:										
Interest and dividends on investments	19,314	25,093	25,794	22,528	17,534	120,218	91,747	22,775	25,981	55,986
Change in restricted investments	(34,351)	32,782	(274,495)	(104,107)	(83,915)	(129,037)	299,019	78,156	12,035	54,542
Change in pooled investment fund	(85,101)	(2,738)	(52,633)	45,767	6,397	(40,903)	(48,114)	(68,234)	137,819	(321,040)
Net cash provided by (used) in investing activities	(100,138)	55,137	(301,334)	(35,812)	(59,984)	(49,722)	342,652	32,697	175,835	(210,512)
Cash flows from capital and related financing activities:										
Grants received	8,482	25,451	26,552	12,459	15,002	21,492	21,648	48,238	29,137	13,927
Principal repayments of short-term and long-term obligations and capital leases	(982,615)	(105,115)	(116,085)	(121,480)	(127,675)	(135,512)	(1,723,454)	(617,347)	(715,466)	(506,629)
Acquisition, construction, and improvement of capital assets	(188,114)	(291,813)	(212,150)	(354,222)	(429,744)	(457,660)	(438,361)	(397,361)	(489,999)	(606,724)
Passenger and customer facility charges	207,378	210,332	227,522	221,016	208,992	266,874	200,036	89,145	191,687	208,127
Proceeds from intergovernmental receivable	—	—	—	—	—	10,751	—	—	—	—
Proceeds from short-term and long-term obligations	929,738	—	320,000	126,926	158,188	126,632	2,024,501	602,744	1,218,726	208,744
Interest and other fees paid on bonds	(182,576)	(117,723)	(134,951)	(147,070)	(116,979)	(111,621)	(134,162)	(146,206)	(157,774)	(139,975)
Net cash provided by (used) in capital and related financing activities	(207,707)	(278,868)	110,888	(262,371)	(292,216)	(279,044)	(49,792)	(420,787)	76,311	(822,530)
Cash flows from non-capital and related financing activities:										
Grants received	—	—	—	—	—	—	80,881	114,805	172,460	427,683
Net cash provided by in non-capital and related financing activities	—	—	—	—	—	—	80,881	114,805	172,460	427,683
Increase (decrease) in cash and cash equivalents	(61,045)	13,197	6,197	(108,221)	(100,113)	(64,579)	448,284	(222,622)	462,468	(481,229)
Cash and cash equivalents:										
Beginning of year	789,747	616,985	630,182	636,379	528,158	428,045	363,466	811,750	589,128	1,051,596
End of year	\$ 728,702	630,182	636,379	528,158	428,045	363,466	811,750	589,128	1,051,596	570,367

Sources: City of Atlanta, Department of Aviation

Note: The 2015 beginning cash balance has been adjusted to reflect the reclassification of certain cash and cash equivalent balances as investments.

Note: This schedule does not include the amount of equity in the cash management pool.



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Worldwide Services

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Revenue Capacity

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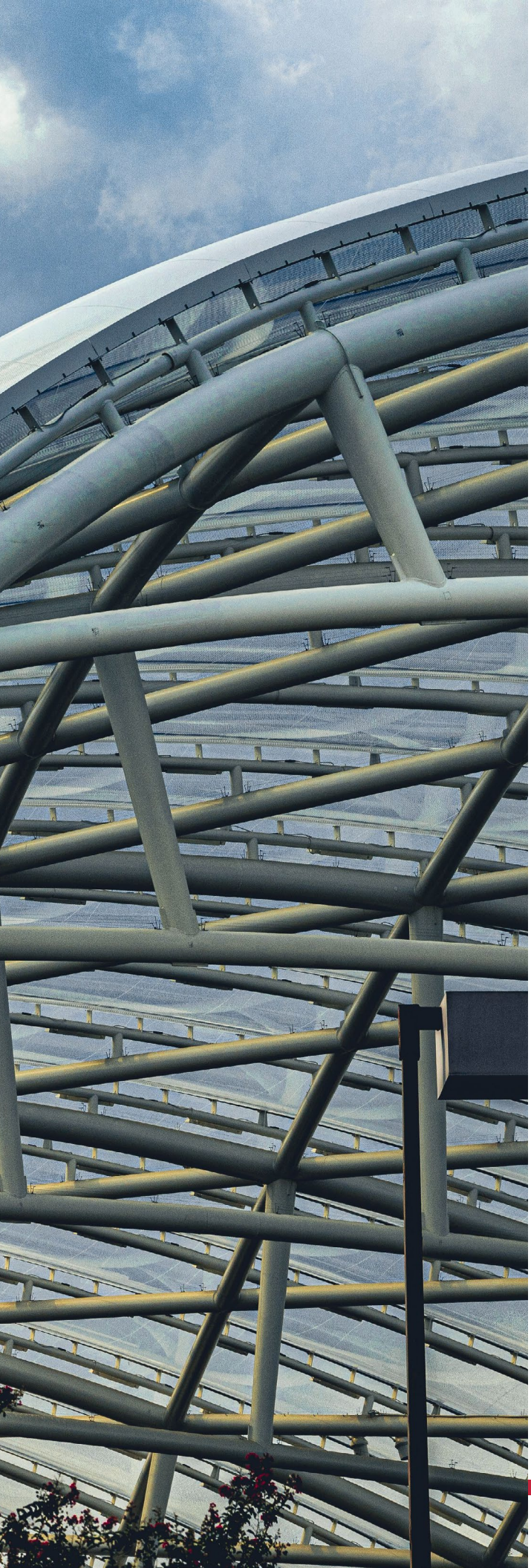
Exhibit 3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Landing fees:										
Signatory	\$ 46,745	31,893	17,034	16,971	34,138	52,625	37,866	36,183	—	28,517
Nonsignatory and other	339	273	212	249	276	424	419	490	181	452
Total landing fees	47,084	32,166	17,246	17,220	34,414	53,049	38,285	36,673	181	28,969
CPTC Rentals:										
Central Terminal Building and Apron	64,128	64,227	64,172	64,414	180,304	225,901	176,148	153,891	111,163	154,919
Central Terminal Tenant Finishes	70,734	72,631	67,846	75,198	23,314	5,943	5,952	5,943	5,940	5,885
Airline Credits	(49,728)	(54,060)	(58,920)	(61,167)	(108,255)	(123,505)	(82,307)	(48,502)	(68,825)	(71,547)
Total CPTC Rentals	85,134	82,798	73,098	78,445	95,363	108,339	99,793	111,332	48,278	89,257
CPTC cost recoveries:										
Operations charge	14,631	18,564	17,376	18,600	6,067	—	—	—	—	—
Automated Guideway Transit System	17,560	13,715	15,239	15,075	4,097	—	—	—	—	—
Insurance premium reimbursement	977	747	748	714	105	—	—	—	—	—
MHJIT O&M	3,690	2,066	2,859	3,501	540	—	—	—	—	—
Total cost recoveries	36,858	35,092	36,222	37,890	10,809	—	—	—	—	—
Concession revenues:										
Terminal concessions	97,874	101,753	110,787	113,874	115,989	121,060	87,887	28,539	33,491	61,433
Communication services and other	3,375	1,152	1,515	1,348	1,325	1,326	1,315	1,300	1,309	1,342
Parking	118,462	124,047	132,090	131,895	147,609	147,410	107,378	65,807	148,382	164,478
Car rentals	32,380	36,347	38,812	40,359	42,010	43,607	32,001	33,423	45,636	53,039
Ground transportation	1,957	2,286	2,518	5,723	9,952	12,230	9,941	5,243	9,761	12,218
Total concessions revenues	254,048	265,585	285,722	293,199	316,885	325,633	238,522	134,312	238,579	292,509
Other revenues:										
Landside rentals	11,844	12,030	11,885	9,236	8,475	8,358	7,094	7,160	6,805	7,707
Airside rentals	39,624	35,555	39,127	39,201	41,008	43,173	40,925	42,117	55,261	60,106
Other income	9,794	6,382	9,301	7,363	5,158	12,902	1,856	2,714	9,818	8,840
Total other revenues	61,262	53,967	60,313	55,800	54,641	64,433	49,875	51,992	71,884	76,653
Non-Airline Cost Recoveries:										
SkyTrain and Rental Car Center	6,582	6,985	7,120	7,905	7,382	7,901	7,443	8,375	9,253	9,792
Rental Car Center O&M	5,284	6,429	7,091	7,496	5,983	9,152	8,400	11,786	11,182	11,121
Total Non-Airline Cost Recoveries	11,866	13,414	14,211	15,401	13,365	17,053	15,843	20,161	20,435	20,913
Revenues	\$ 496,252	483,022	486,812	497,955	525,477	568,507	442,318	354,470	379,357	508,301
Airline rates and charges:										
Signatory landing fee rate (per 1,000 lbs.)	\$ 0.82049	0.81662	0.28666	0.28687	0.74770	0.76270	0.95130	0.95130	—	0.49730
Enplaned passengers	47,318,755	49,056,316	51,807,372	52,097,740	52,562,196	54,531,948	39,747,596	24,928,472	44,860,920	49,691,940
Cost per enplaned passenger	3.36	2.86	2.38	2.50	2.61	2.81	3.33	5.71	1.04	2.27

Sources: City of Atlanta, Department of Aviation

Note: Enplaned passengers for 2021 were revised in 2022.





Debt Capacity

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Exhibit 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Operating revenues – receipts from customers and tenants	\$499,254	498,580	482,647	497,939	533,809	602,270	410,654	377,879	383,547	502,497
Investment income	10,637	14,372	17,145	14,787	15,311	17,189	17,218	9,386	9,501	25,248
Total revenues	509,891	512,952	499,792	512,726	549,120	619,459	427,872	387,265	393,048	527,745
Operating expenses:										
Payments to suppliers for goods and services	168,740	175,378	194,491	213,715	184,925	236,658	232,581	215,791	230,379	243,000
Payments to or on behalf of employees	83,714	86,274	91,513	94,262	96,797	101,425	103,530	111,425	115,306	135,367
Other payments	—	—	—	—	—	—	—	—	—	—
Additions from CIP reconciliations	—	—	—	—	—	—	—	—	—	—
Total operating expenses	252,454	261,652	286,004	307,977	281,722	338,083	336,111	327,216	345,685	378,367
Adjustment: Major Maintenance Expenditures – Planning and Development	28,178	36,463	45,572	43,852	32,868	21,664	27,404	25,642	26,785	22,459
Adjustment: Expenses paid from COVID-19 Relief Grant Funds	—	—	—	—	—	—	34,836	10,561	93,237	256,609
Net revenues	\$285,615	287,763	259,360	248,601	300,266	303,040	154,001	96,252	167,385	428,446
General revenue bond debt service requirements	\$158,935	153,298	168,552	167,951	167,964	168,449	171,957	136,262	91,535	116,683
General revenue bond debt service paid from PFC revenues	—	—	42,675	28,318	25,310	26,480	25,583	8,342	8,600	6,618
General revenue bond debt paid from COVID-19 Relief Grant Funds	—	—	—	—	—	—	46,045	101,890	82,935	110,065
General revenue bond debt paid from net revenues	\$158,935	153,298	125,877	139,633	142,654	141,969	100,329	26,030	—	—
Debt service coverage on general revenue bond debt service paid from net revenues	1.80	1.88	2.06	1.78	2.10	2.13	1.53	3.70	#N/A	#N/A

Sources: City of Atlanta, Department of Aviation

Exhibit 5

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Debt Service paid from net revenues (GARB only)	\$158,935	153,298	125,877	139,757	142,654	141,969	100,329	26,030	—	—
Total Operating Expenses net of										
Depreciation & Amortization	\$259,717	268,479	290,609	312,260	303,506	316,189	323,202	318,622	308,865	371,155
Debt Service per Enplaned Passenger:										
Enplaned Passenger	47,319	49,056	51,807	52,098	52,562	54,532	39,748	24,928	44,861	49,692
Debt Service per Enplaned Passenger	\$3.36	3.12	2.43	2.68	2.71	2.60	2.52	1.04	—	—
Outstanding Debt per Enplaned Passenger:										
Outstanding Debt (GARB, PFC and CFC)	\$3,102,242	2,978,917	3,145,561	3,007,984	2,865,383	2,417,047	3,060,046	2,867,238	3,354,036	3,234,294
Enplaned Passengers	47,319	49,056	51,807	52,098	52,562	54,532	39,748	24,928	44,861	49,692
Outstanding Debt per Enplaned Passenger	\$65.56	60.72	60.72	57.74	54.51	44.32	76.99	115.02	74.77	65.09

Sources: City of Atlanta, Department of Aviation

Note: Enplaned passengers for 2021 were revised in 2022.

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THE NEW SPIRIT

MEMBER



STAR





Demographic and Economic Information

Exhibit 6

Calendar year	Population (2)	Personal income (in thousands) (3)	Per capita personal income (4)	Annual average unemployment rate (5)
2013	5,523,527	\$ 231,100,784	\$ 41,839	7.8 %
2014	5,615,364	244,065,812	43,464	6.7
2015	5,710,795	257,509,958	45,092	5.6
2016	5,789,700	274,129,130	47,348	4.8
2017	5,884,736	292,220,800	49,657	4.0
2018	5,949,951	312,213,493	52,473	3.8
2019	6,020,364	328,450,133	54,557	3.2
2020	6,087,762	357,795,984	58,773	6.9
2021	6,144,050	388,423,431	63,219	3.9
2022	6,222,106	410,951,990	66,047	2.9

Source:

1. The Atlanta metropolitan area or metro Atlanta, officially designated by the U.S. Census Bureau as the Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area, spans 29 counties in north Georgia. [<http://www.bea.gov/iTable>]
2. Population figures for 2013-2022 are annual estimates by the U.S. Census Bureau. All population figures are based on the 29 county Atlanta MSA delineation. [<http://www.census.gov/>]
3. 2013 through 2021 data from U.S. Department of Commerce, Bureau of Economic Analysis last updated in November 2022. Note: 2022 is an estimate based on compound annual growth rate between 2011 and 2021. [<http://www.bea.gov/regional/bearfacts/>]
4. Per capita personal income is calculated by dividing personal income by population multiplied by 1000.
5. Unemployment Rate data from the U.S. Bureau of Labor Statistics (BLS) [<http://www.bls.gov/>]

Exhibit 7

Product/Service	2022 (1)			2010 (2)		
	Number of Employees	Rank	Percentage of Total MSA Employment	Number of Employees	Rank	Percentage of Total MSA Employment
Delta Air Lines	31,834	1	1.04 %	27,000	1	1.19 %
Northside Hospital	25,296	2	0.83	5,540	10	0.24 %
Piedmont Healthcare	25,110	3	0.82	6,113	9	0.27 %
The Home Depot	25,000	4	0.82	9,000	4	0.40 %
Publix Super Markets Inc. (4)	22,390	5	0.73	9,453	3	0.42 %
Walmart (3)	20,532	6	0.67	26,000	2	1.15 %
United Parcel Service Inc.	11,600	7	0.38	6,285	8	0.28 %
AT&T Services, Inc (4)	11,000	8	0.36	N/A	N/A	N/A
Children's Healthcare of Atlanta	8,052	9	0.26	N/A	N/A	N/A
Truist Bank (5)	7,594	10	0.25	N/A	N/A	N/A
State Farm	7,366	11	0.24	N/A	N/A	N/A
Cox Enterprises	7,298	12	0.24	6,746	6	0.30 %
WellStar Health System Inc.(4)	7,200		0.23	8,583	5	0.38 %
Northeast Georgia Health System	6,920	14	0.23	N/A	N/A	N/A
Grady Health System	6,886	15	0.22	N/A	N/A	N/A
Bank of America (4)	5,100	16	0.17	N/A	N/A	N/A
Warner Bros. Discovery	4,947	17	0.16	6,702	7	0.30 %
Argenbright Holdings LLC	4,843	18	0.16	N/A	N/A	N/A
Lockheed Martin Aeronautics, Co.	4,700	19	0.15	N/A	N/A	N/A
Deloitte	4,076	20	0.13	N/A	N/A	N/A
	247,744		8.08	111,422		4.91
Other Employees (6)	2,817,664		91.92	2,156,478		95.09
	3,065,408		100.0 %	2,267,900		100.00 %

1

Source:

- 2022 Largest Employers, Atlanta Business Chronicle, Book of Lists, 2022-2023; pg 157
- 2010 Largest Employers, Atlanta Business Chronicle, Book of Lists, 2011-2012.
- Walmart's employee total is from the company's latest response to the Metro Atlanta Chamber's employer survey for 2014.
- Publix, AT&T, Wellstar and Bank of America are from the Metro Atlanta Chamber Top Employers (2022-2023) list.
- Truist Bank employee totals are from the 2019-2020 Atlanta Business Chronicle, Book of Lists.
- [www.bls.gov/data/Tools/Unemployment/Local Area Unemployment Statistics/Top picks/Georgia/Atlanta-Sandy Springs-Alpharetta](http://www.bls.gov/data/Tools/Unemployment/Local%20Area%20Unemployment%20Statistics/Top%20picks/Georgia/Atlanta-Sandy%20Springs-Alpharetta).



Auntie Anne's

EXIT

The right idea
will fly.

INNOVATION
Pass It On





Operating Information

ATL | Annual Comprehensive
Financial Report

Exhibit 8

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Aircraft operations:										
Domestic:										
Air carrier	649,355	683,105	722,372	710,856	713,731	731,138	593,836	537,926	619,372	649,443
Air taxi	160,437	103,858	91,128	93,542	84,492	84,223	69,268	42,842	46,920	27,877
General aviation	7,373	7,555	7,612	7,978	7,462	7,495	5,524	3,903	6,286	6,523
Military	230	528	345	178	166	178	241	265	294	203
Sub total	<u>817,395</u>	<u>795,046</u>	<u>821,457</u>	<u>812,554</u>	<u>805,851</u>	<u>823,034</u>	<u>668,869</u>	<u>584,936</u>	<u>672,872</u>	<u>684,046</u>
International:										
Air carrier	<u>70,619</u>	<u>75,335</u>	<u>76,026</u>	<u>76,651</u>	<u>78,920</u>	<u>78,249</u>	<u>54,448</u>	<u>31,419</u>	<u>52,636</u>	<u>64,275</u>
Total	<u>888,014</u>	<u>870,381</u>	<u>897,483</u>	<u>889,205</u>	<u>884,771</u>	<u>901,283</u>	<u>723,317</u>	<u>616,355</u>	<u>725,508</u>	<u>748,321</u>
Passengers:										
Domestic:										
Enplaned	42,077,139	43,630,709	46,091,894	46,226,593	46,424,605	48,225,191	35,599,784	23,407,815	40,759,329	43,948,206
Deplaned	42,133,485	43,721,712	46,120,783	46,245,107	46,471,637	48,286,137	35,613,456	23,421,962	40,855,311	44,044,835
Sub total	<u>84,210,624</u>	<u>87,352,421</u>	<u>92,212,677</u>	<u>92,471,700</u>	<u>92,896,242</u>	<u>96,511,328</u>	<u>71,213,240</u>	<u>46,829,777</u>	<u>81,614,640</u>	<u>87,993,041</u>
International:										
Enplaned	5,241,616	5,425,607	5,715,478	5,871,147	6,137,591	6,306,757	4,147,812	1,520,657	4,101,591	5,743,734
Deplaned	5,382,072	5,489,021	5,761,333	5,915,765	6,174,267	6,310,209	4,382,461	1,460,794	4,075,085	5,767,730
Sub total	<u>10,623,688</u>	<u>10,914,628</u>	<u>11,476,811</u>	<u>11,786,912</u>	<u>12,311,858</u>	<u>12,616,966</u>	<u>8,530,273</u>	<u>2,981,451</u>	<u>8,176,676</u>	<u>11,511,464</u>
Total enplaned	<u>47,318,755</u>	<u>49,056,316</u>	<u>51,807,372</u>	<u>52,097,740</u>	<u>52,562,196</u>	<u>54,531,948</u>	<u>39,747,596</u>	<u>24,928,472</u>	<u>44,860,920</u>	<u>49,691,940</u>
Total passengers	<u>94,834,312</u>	<u>98,267,049</u>	<u>103,689,488</u>	<u>104,258,612</u>	<u>105,208,100</u>	<u>109,128,294</u>	<u>79,743,513</u>	<u>49,811,228</u>	<u>89,791,316</u>	<u>99,504,505</u>

Sources: City of Atlanta, Department of Aviation

Note: Passenger data for 2021 was revised in 2022.

Exhibit 9

Year end	Signatory Airlines	Nonsignatory Airlines	Total	Annual percent change
2014	57,157,000	166,000	57,323,000	(1.6)%
2015	58,201,000	179,000	58,380,000	1.8
2016	59,951,000	133,000	60,084,000	2.9
2017	59,848,000	166,000	60,014,000	(0.1)
2018	59,992,000	149,000	60,141,000	0.2
2019	61,735,000	219,000	61,954,000	3.0
2020	51,874,000	280,000	52,154,000	(15.8)
2021	42,605,000	511,000	43,116,000	(17.3)
2022	54,537,000	603,000	55,140,000	27.9
2023	57,444,000	567,000	58,011,000	5.2

Source: City of Atlanta, Department of Aviation

Exhibit 10

Year end	Cargo	Mail	Total	Annual percent change
2014	552,045	49,396	601,441	(5.6)%
2015	576,326	48,001	624,327	3.8
2016	584,903	41,179	626,082	0.3
2017	631,730	41,480	673,210	7.5
2018	663,859	40,717	704,576	4.7
2019	638,490	38,288	676,778	(3.9)
2020	561,364	31,770	593,134	(12.4)
2021	638,396	47,688	686,084	15.7
2022	693,277	36,769	730,046	6.4
2023	582,937	29,333	612,270	(16.1)

Source: City of Atlanta, Department of Aviation

Note: Cargo data for 2021 was revised in 2022.

Mainline Airlines	Regional Airlines	Foreign Flag Airlines	All Cargo Airlines
Alaska Airlines	Endeavor Air	Air Canada	ABX
American Airlines	Envoy Air	Air France	Air Transport International
Delta Air Lines	Republic Airlines	British Airways	Asiana Cargo
Frontier Airlines	SkyWest Airlines	Copa Airlines	Atlas Air
JetBlue Airways	Southern Airways	Ethiopian Airlines	Cargolux Airlines
Southwest Airlines		KLM Royal Dutch Airlines	Cathay Pacific Airways
Spirit Airlines		Korean Air	Challenge Airlines
United Airlines		Lufthansa German Airlines	China Airlines
		Qatar Airways	China Cargo Airlines
		Turkish Airlines	DHL Worldwide Express
		Virgin Atlantic Airways	EVA Air Cargo
		WestJet Airlines	FedEx
			Kalitta Air
			Korean Air Cargo
			Lufthansa Cargo
			Qatar Airways
			Turkish Airlines
			UPS Air Cargo

Sources: City of Atlanta, Department of Aviation

Exhibit 12

Department	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airport Maintenance	181	186	186	183	183	183	183	185	205	202
Airport Operations	81	71	75	76	89	88	88	88	90	61
Commercial Properties	7	7	7	6	9	8	9	8	14	43
Concessions	16	15	15	22	23	23	22	24	24	24
Customer Service	3	8	9	9	7	7	7	7	8	8
Executive Administration	12	24	48	39	45	49	50	58	36	37
Finance	34	35	41	40	41	40	40	41	39	39
Human Resources	5	1	1	3	4	4	4	1	1	—
Information Technology	41	43	46	47	50	51	48	51	51	52
Internal Audit	4	4	4	3	4	4	4	4	3	3
Marketing	23	17	12	11	12	15	15	24	16	14
Planning and Development	111	111	111	114	102	102	99	84	72	92
Public Safety	536	541	547	549	622	638	636	640	649	674
Purchasing	9	9	9	1	—	—	—	—	—	—
Other City of Atlanta Depts	68	71	73	84	89	93	86	79	82	87
Total	1,131	1,143	1,184	1,187	1,280	1,305	1,291	1,294	1,290	1,336

Sources: City of Atlanta, Department of Aviation

Exhibit 13

Official name	Hartsfield-Jackson Atlanta International Airport
Airport code	ATL
Ownership/operator	City of Atlanta/Department of Aviation
Distance from downtown Atlanta	10 miles (16.2 kilometers)
Elevation above sea level	1,026 feet (316 meters)
Total airport area	4,700 acres (1,902 hectares)
Terminal complex	The terminal complex measures approximately 7.0 million square feet, or 160 acres. The complex includes the terminal building and concourses T, A, B, C, and D; and the international terminal building and concourses E and F. Within these concourses, there are 156 domestic and 41 international gates. The Airport is free of any architectural barriers to people with disabilities.
Runways	There are five parallel runways in an east-west configuration: 8R-26L is 9,999 feet long (3,048 meters) 8L-26R is 9,000 feet long (2,743 meters) 9R-27L is 9,000 feet long (2,743 meters) 9L-27R is 12,390 feet long (3,776 meters) 10-28 is 9,000 feet long (2,743 meters)
Parking capacity	There are 33,786 public parking spaces which includes 15,035 walkable Domestic and International parking deck spaces in close proximity of the terminals, 4,931 Walkable Economy spaces, 5,772 parking deck spaces with access to the terminal by train, and 8,048 Domestic and International Terminal Park-Ride shuttle spaces. Special parking spaces are provided for ADA customers in each facility within close proximity.
Ground transportation	The Ground Transportation Center (GTC) is located at the west end of the terminal building, and outside of the north and south baggage claim areas. Within the GTC are local and regional shared-ride shuttles that offer door-to-door reservation and on-demand service to hotels, convention centers, businesses, and residences from the 5 Atlanta metropolitan counties of Clayton, Cobb, DeKalb, Fulton, and Gwinnett and to bordering states. The taxi staging area is located along the west curb in the GTC. Rideshare or Transportation Network Company (TNC) service is also available and accessible from the north and south lower level curbside of the airport's terminal building. The Metropolitan Atlanta Rapid Transit Authority (MARTA) station is located at the west end of the terminal between the north and south baggage claims areas.
Rental car center	The Rental Car Center (RCC) is a convenient, state-of-the-art, 67.5-acre facility that houses all rental car company operations and vehicles. The RCC includes two four-story parking decks, more than 8,700 parking spaces and a 137,000 square-foot customer service center. The rental car center features 12 rental car brands – ACE/Airport, Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Payless, SIXT, and Thrifty.
ATL SkyTrain	The ATL SkyTrain is the Airport's elevated automated people mover system that provides transportation between the main terminal, Georgia International Convention Center (GICC), Gateway Center hotels, ATL West Parking Deck and the Rental Car Center (RCC). The SkyTrain system operates 24 hours each day, and consists of 6 two car vehicles, nearly 3 miles of guide-way, 6 stations, and a maintenance facility. Each two-car train carries 100 passengers and their baggage.
The Plane Train®	The Plane Train® is the Airport's underground automated people mover system that carries passengers and their baggage, provides transportation between the domestic terminal, international terminal and seven concourses. The Plane Train® operates 20 hours a day with a four-hour/daily maintenance period, and consists of 59 vehicles, a 4.0 mile loop track, 16 stations, and two maintenance facilities. Each train consists of four cars and carries approximately 300 passengers and their baggage.

Exhibit 13

Concessions	There are more than 339 concession outlets throughout the Airport, including 156 for food and beverage, 132 for retail and convenience, 2 duty-free stores, and 49 service outlets, including a Common Use Lounge, Banking Center, Georgia Lottery location, shoeshine, ATMs, currency exchange, vending machines, spas, sleep units and biometric screening locations.
Cargo and airfield assets	There are three main airfield complexes: North, South, and Midfield, occupying 7.6 million square feet spread over 198 acres. This includes cargo facilities, airline support and maintenance facilities, fixed base operations, and fuel farms. Cargo facility assets include cargo operations in all three complexes, including ATL cargo warehouse facilities in the North and South complex, a USDA propagated plant inspection station, and 28 parking positions for cargo aircraft, 20 at the North complex and 14 at the South complex.
Employment	The Airport is considered to be the largest employment center in the State of Georgia. Collectively, there are approximately 63,000 airline, ground transportation, concessionaire, security, federal government, City of Atlanta, and airport tenant employees at the Airport.
Economic impact	<p>The total airport payroll is estimated to be \$4.5 billion annually, resulting in direct and indirect economic impact of approximately \$6.7 billion on the local and regional economy.</p> <p>The direct regional economic impact of the airport in total business revenue is estimated to be more than \$46.9 billion annually, with an indirect and induced impact of \$35.5 billion annually. Including these indirect and induced effects, the total economic impact of the airport is \$82.4 billion annually.</p>

Sources: City of Atlanta, Department of Aviation

ATL | Annual Comprehensive
Financial Report



Hartsfield-Jackson Atlanta International Airport®

An enterprise fund of the City of Atlanta, Georgia
6000 North Terminal Parkway . Suite 4000 . Atlanta, GA 30320



EXHIBIT C

LIST OF AFFECTED DEBT

\$177,560,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE BONDS
SERIES 2022A (NON-AMT)

Initial
CUSIP Numbers[†]

04780M A58
04780M A66
04780M A74
04780M A82
04780M A90
04780M B24
04780M B32
04780M B40
04780M B57
04780M B65
04780M B73
04780M B81
04780M B99
04780M C23
04780M C31
04780M C49
04780M C56
04780M C64
04780M C72
04780M C80
04780M C98

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\$204,810,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE BONDS
SERIES 2022B (AMT)

Initial
CUSIP Numbers[†]

04780M D30
04780M D48
04780M D55
04780M D63
04780M D71
04780M D89
04780M D97
04780M E21
04780M E39
04780M E47
04780M E54
04780M E62
04780M E70
04780M E88
04780M E96
04780M F20
04780M F38
04780M F46
04780M F53
04780M F61
04780M F79

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\$44,305,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS,
SERIES 2021A (NON-AMT)

Initial
CUSIP Numbers[†]

04780M XP9
04780M XQ7
04780M XR5
04780M XS3
04780M XT1
04780M XU8
04780M XV6
04780M XW4
04780M XX2
04780M XY0
04780M XZ7
04780M YA1
04780M YB9
04780M YC7
04780M YD5
04780M YE3
04780M YF0
04780M YG8
04780M YH6

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\$129,985,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS,
SERIES 2021B (NON-AMT)

Initial
CUSIP Numbers[†]

04780M YL7
04780M YM5
04780M YN3
04780M YP8
04780M YQ6
04780M YR4
04780M YS2
04780M YT0
04780M YU7
04780M YV5
04780M YW3
04780M YX1
04780M YY9
04780M YZ6
04780M ZA0
04780M ZB8
04780M ZC6
04780M ZD4
04780M ZE2

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\$161,580,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS,
SERIES 2021C (AMT)

Initial
CUSIP Numbers[†]

04780M ZH5
04780M ZJ1
04780M ZK8
04780M ZL6
04780M ZM4
04780M ZN2
04780M ZP7
04780M ZQ5
04780M ZR3
04780M ZS1
04780M ZT9
04780M ZU6
04780M ZV4
04780M ZW2
04780M ZX0
04780M ZY8
04780M ZZ5
04780M A25
04780M A33

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\$238,530,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS,
SERIES 2020A (NON-AMT)

Initial
CUSIP Numbers[†]

04780M WW5
04780M WX3
04780M WY1
04780M WZ8
04780M XA2
04780M XB0
04780M XC8

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\$126,070,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS,
SERIES 2020B (AMT)

Initial
CUSIP Numbers[†]

04780M XD6
04780M XE4
04780M XF1
04780M XG9
04780M XH7
04780M XJ3
04780M XL8
04780M XK0

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\$47,150,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE BONDS,
SERIES 2019A (AMT)

Initial
CUSIP Numbers[†]

04780M UH0
04780M UJ6
04780M UK3
04780M UL1
04780M UM9
04780M UN7
04780M UP2
04780M UQ0
04780M UR8
04780M US6
04780M UT4
04780M UU1
04780M UV9
04780M UW7
04780M UX5
04780M UY3
04780M UZ0
04780M VA4

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\$254,215,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE BONDS,
SERIES 2019B (AMT)

Initial
CUSIP Numbers[†]

04780M VE6
04780M VF3
04780M VG1
04780M VH9
04780M VJ5
04780M VK2
04780M VL0
04780M VM8
04780M VN6
04780M VP1
04780M VQ9
04780M VR7
04780M VS5
04780M VT3
04780M VU0
04780M VV8
04780M VW6
04780M VX4

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\$100,585,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS,
SERIES 2019E (AMT)

Initial
CUSIP Numbers[†]

04780M WC9
04780M WD7
04780M WE5
04780M WF2
04780M WG0
04780M WH8
04780M WJ4
04780M WK1
04780M WL9
04780M WM7
04780M WN5
04780M WP0
04780M WQ8
04780M WR6
04780M WS4
04780M WT2
04780M WU9
04780M WV7

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\$141,005,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS
SERIES 2014B (NON-AMT)

Initial
CUSIP Numbers[†]

04780M TC3
04780M TD1
04780M TE9
04780M TF6
04780M TG4
04780M TH2
04780M TJ8
04780M TK5
04780M TL3
04780M TM1

[†] Initial CUSIP® numbers were assigned to the Affected Debt by an organization not affiliated with the City and are included for the convenience of the owners of the Affected Debt only at the time of original issuance of the Affected Debt. Neither the City or its agents or counsel is responsible for the selection, use or accuracy of the CUSIP® numbers nor is any representation made as to their correctness with respect to the Affected Debt as included herein or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Affected Debt as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Affected Debt.

\$181,175,000
CITY OF ATLANTA
AIRPORT GENERAL REVENUE REFUNDING BONDS
SERIES 2014C (AMT)

Initial
CUSIP Numbers[†]

04780M TX7
04780M TY5
04780M TZ2
04780M UA5
04780M UB3
04780M UC1
04780M UD9

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