

**CITY OF ATLANTA
ANNUAL DISCLOSURE FILING**

relating to

**VARIOUS SERIES OF
CITY OF COLLEGE PARK (GEORGIA) REVENUE BONDS
ALL AS MORE PARTICULARLY IDENTIFIED
ON EXHIBIT A 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 Exchange Commission ("Rule 15c2-12") promulgated under the Securities and Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertaking the City entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in EXHIBIT A attached hereto (collectively, the "Affected Debt").

Annual Financial Information; Audited Financial Statements

Attached as EXHIBIT B to this Filing is certain information regarding the annual CFC Revenues received by the City and the amount of the annual installment payments made by the City to the City of College Park, Georgia pursuant to the Installment Purchase Agreement dated as of June 1, 2006. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Official Statement dated June 8, 2006 relating to the Affected Debt.¹

Attached as EXHIBIT C to this Filing is the Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2023 and 2022 for the Department of Aviation, an enterprise fund of the City (the "Department of Aviation"), which includes the Department's audited financial statements for the fiscal years ended June 30, 2023 and 2022 (the "2023 Department of Aviation ACFR"). The City's Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2023 and 2022 (the "2023 City ACFR" and together with the 2023 Department of Aviation ACFR, the "2023 ACFRs"), which includes the City's audited financial statements for the fiscal years ended June 30, 2023 and 2022 is available on the Electronic Municipal Market Access website <https://emma.msrb.org/P21759776-P21350889-P21786865.pdf>.¹ The 2023 City ACFR is incorporated herein by reference thereto. This Filing and the 2023 City ACFR are collectively referred to herein as the "2023 Annual Filing."

COVID-19 Pandemic

For certain information relating to the novel coronavirus disease pandemic during the fiscal year ended June 30, 2023, see the 2023 Department of Aviation ACFR.

¹ See <https://emma.msrb.org/P21759776-P21350889-P21786865.pdf>

Miscellaneous; Forward-Looking Statements

The 2023 Annual Filing is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of the Affected Debt or any of the City's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy the Affected Debt or any of the City's debt or securities in any jurisdiction. The matters discussed in the 2023 Annual Filing and all other documents issued by the City are for informational purposes only, and holders of the Affected Debt and 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 the Affected Debt or any of the City's debt or securities or in making an investment decision with respect to the Affected Debt or any of the City's existing debt or securities or any other debt or securities which may be offered by the City. Neither the 2023 Annual Filing nor anything in it shall form the basis of any contract or commitment. By the filing of the 2023 Annual Filing, the City makes no recommendations and is not giving any investment advice as to the Affected Debt or 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 the Affected Debt or any of the City's debt or securities. The information contained in the 2023 Annual 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 the 2023 Annual 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.

The 2023 Annual 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 and the 2023 City ACFR is current as of the dates set forth in this Filing and therein, respectively, 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 and in the 2023 City ACFR. The City has not undertaken any obligation to update any information in the 2023 Annual Filing.

This Filing is dated December 27, 2023.

EXHIBIT A

LIST OF AFFECTED DEBT

\$211,880,000
CITY OF COLLEGE PARK (GEORGIA)
TAXABLE REVENUE BONDS
(HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT
CONSOLIDATED RENTAL CAR FACILITY PROJECT),
SERIES 2006A

Initial
CUSIP Number[†]
194315 AM9

\$21,980,000
CITY OF COLLEGE PARK (GEORGIA)
REVENUE BONDS
(HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT
AUTOMATED PEOPLE MOVER SYSTEM MAINTENANCE FACILITY PROJECT),
SERIES 2006B

Initial
CUSIP Numbers[†]
194315 BD8
194315 BE6

[†] 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.

EXHIBIT B

**CERTAIN INFORMATION REGARDING THE
ANNUAL CFC REVENUES RECEIVED BY THE CITY
AND THE AMOUNT OF THE ANNUAL INSTALLMENT PAYMENTS MADE BY THE
CITY TO THE CITY OF COLLEGE PARK, GEORGIA PURSUANT TO THE
INSTALLMENT PURCHASE AGREEMENT DATED AS OF JUNE 1, 2006**

TABLE 13

Annual CFC Revenues Received by the City of Atlanta and the Amount of the Annual Installment Payments with respect to the \$211,880,000 City of College Park (Georgia) Taxable Revenue Bonds (Hartsfield–Jackson Atlanta International Airport Consolidated Rental Car Facility Project), Series 2006A and \$21,980,000 City of College Park (Georgia) Revenue Bonds (Hartsfield–Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B

Fiscal Year	CFC Revenues Received by Atlanta	Amount of the Annual Installment Payments
2014	\$ 34,067,000	\$ 17,845,000
2015	35,186,000	17,831,000
2016	38,679,000	17,824,000
2017	40,384,000	18,005,000
2018	39,989,000	17,982,000
2019	41,034,000	17,963,000
2020	33,830,000	17,940,000
2021	21,007,000	17,913,000
2022	30,387,000	17,724,000
2023	35,349,000	17,707,000

Source: City of Atlanta, Department of Aviation.

EXHIBIT C

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

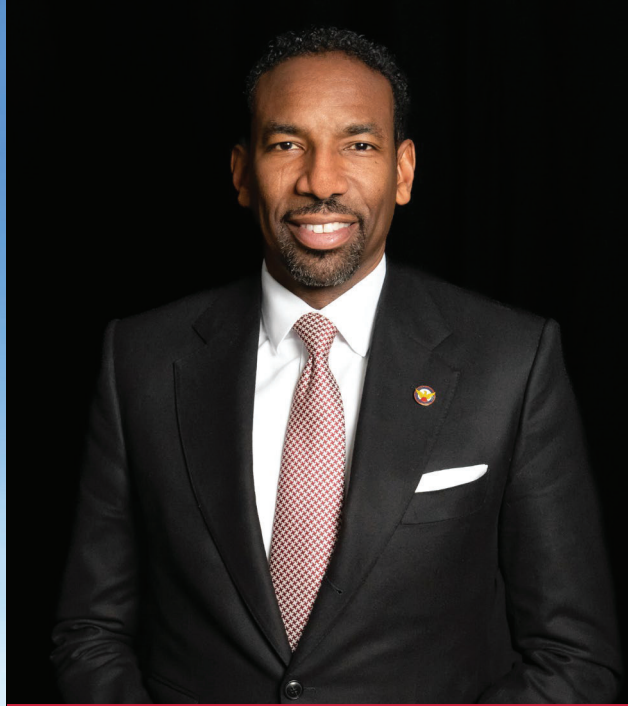
Mayor

Balram Bheodari

Airport General Manager

	Page
Introductory Section (Unaudited)	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Principal Officers	viii
Organizational Chart	x
Financial Section	
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Statements of Net Position	15
Statements of Revenue, Expenses, and Changes in Net Position	17
Statements of Cash Flows	18
Notes to Financial Statements	20
Required Supplementary Information (Unaudited)	
Schedule of Proportionate Share of Net Pension Liability and Related Ratios and Contributions	71
Schedule of Employer Contributions - General Employees' Firefighters' and Police Officer's Pension Plans	72
Schedule of Proportionate Share of Total OPEB Liability and Related Ratios	73
Notes to Required Supplementary Information	74
Statistical Section (Unaudited)	
Financial Trends:	
Total Annual Revenues, Expenses, and Changes in Net Position	75
Changes in Cash and Cash Equivalents	76

	Page
Revenue Capacity:	
Principal Operating Revenues, Airlines Rates and Charges and Cost per Enplaned Passenger	77
Debt Capacity:	
Net Revenues Available for General Aviation Revenue Bonds Debt Service	78
Ratios of Outstanding Debt	79
Demographic and Economic Information:	
Demographic and Economic Statistics	80
Top Private Sector Employers	81
Operating Information:	
Aircraft Operations and Enplanement Trends	82
Historical Aircraft Landed Weights	83
Historical Air Cargo and Mail	84
Airlines Serving the Airport	85
Budget Staffing Levels	86
Airport Information	87



Mayor of Atlanta
Andre Dickens



Airport General Manager
Balram 'B' Bheodari



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

Introductory Section

Section Content:

Letter of Transmittal

GFOA Certificate of Achievement

Principal Officers

Organizational Chart



Annual Comprehensive
Financial Report



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

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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

ATL | Annual Comprehensive
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)

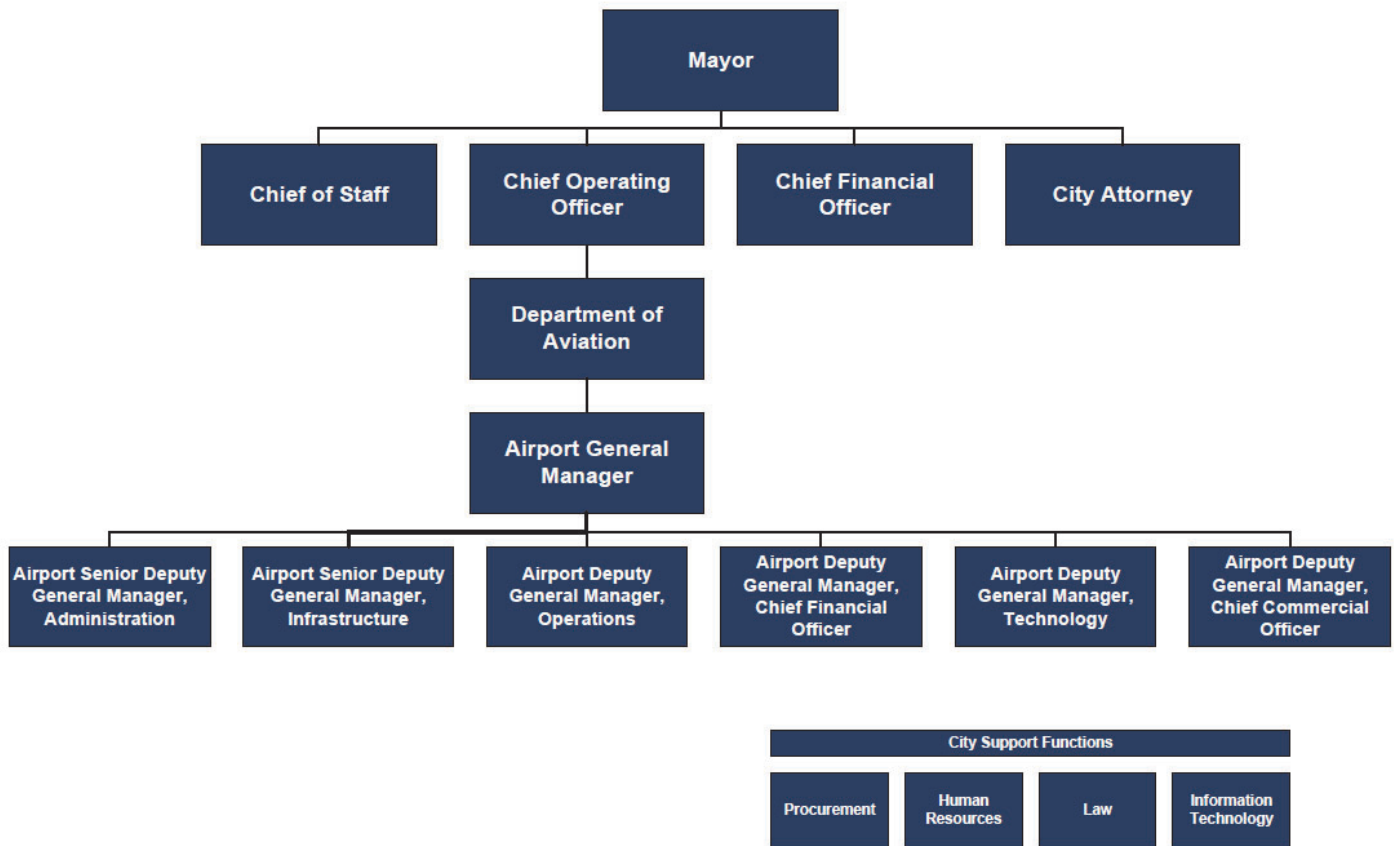
Department of Aviation - Administrative Officials

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

ATL | Annual Comprehensive
Financial Report



ATL | Annual Comprehensive
Financial Report

Financial Section



Section Content:

Independent Auditors' Report

Management's Discussion and Analysis (Unaudited)

Basic Financial Statements:

Statements of Net Position

Statements of Revenue, Expenses, and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Net Pension Liability and Related Ratios and Contributions



ATL | Annual Comprehensive
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	<u>\$ 508,301</u>	<u>379,357</u>	<u>354,470</u>

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	<u>\$ 675,433</u>	<u>\$ 600,446</u>	<u>604,430</u>

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

ParkATL 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.

	<u>2023</u>	<u>2022</u>
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	<u>5,167,334</u>	<u>5,103,795</u>
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.

ATL | Annual Comprehensive
Financial Report





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>22,790</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>22,790</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	1,943,130	627,353	—	(626,736)	1,943,747
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	9,355,859	7,763	(412)	626,736	9,989,946
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	(4,334,252)	(303,857)	—	—	(4,638,109)
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):

	<u>Beginning of year</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>End of year</u>
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.



Annual Comprehensive
Financial Report





Required Supplementary Information



Annual Comprehensive
Financial Report

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.



**CITY OF ATLANTA, GEORGIA
DEPARTMENT OF AVIATION**

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions - General Employees', Firefighters, and Police Officers' Pension Plans
 June 30, 2023 and 2022
 (In thousands)

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.



Annual Comprehensive
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:

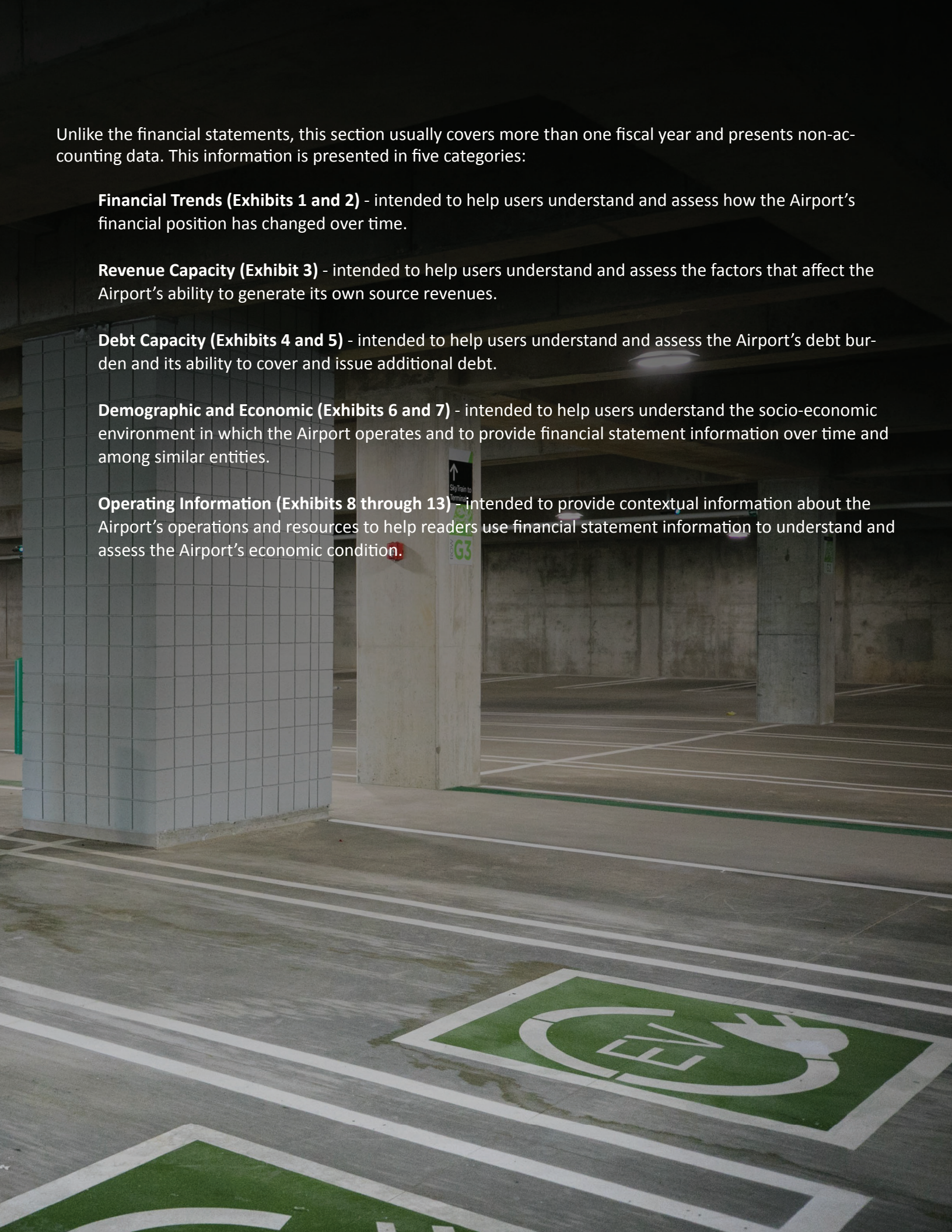
Financial Trends (Exhibits 1 and 2) - intended to help users understand and assess how the Airport's financial position has changed over time.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total revenues:										
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)	14,089	(4,189)	(27,127)	(44,288)	(31,583)	(5,194)	(153,379)	(249,960)	(221,089)	(167,132)
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	399,543	396,420	416,681	435,970	413,888	431,397	435,555	413,077	400,018	484,907
Transfer (to)/from City	(6,781)	(518)	—	(5,228)	(2,743)	(420)	—	(4,339)	—	(6,309)
Increase in net position	\$ 89,048	115,791	124,865	64,018	117,872	232,786	77,905	(93,984)	63,539	401,335
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>

Sources: City of Atlanta, Department of Aviation. 2015 contains adjustments due to adoption of GASB 68; 2018 contains adjustments due to adoption of GASB 75.

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.



15316

N316PQ

Worldwide Services

DELTA



Revenue Capacity

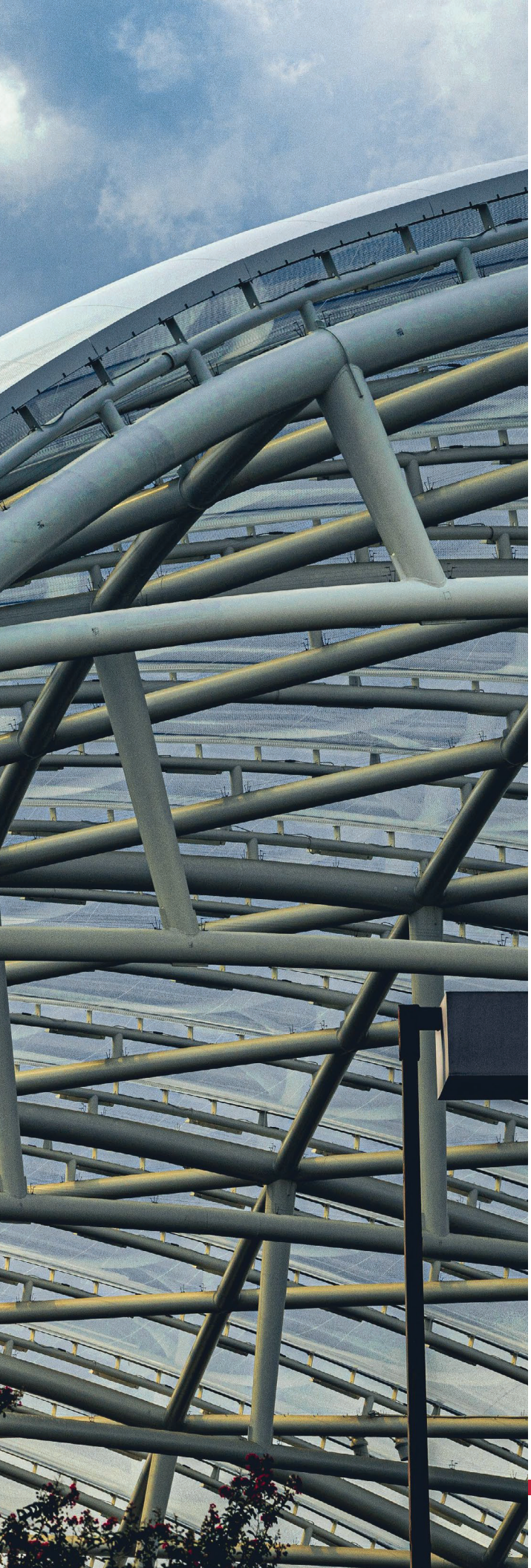
ATL | Annual Comprehensive
Financial Report

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

ATL | Annual Comprehensive
Financial Report

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.

ATL | Annual Comprehensive
Financial Report

opian
ክትዮጵያ
RIT OF AFRICA

Ethiopia
ክትዮጵያ
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:

1. 2022 Largest Employers, Atlanta Business Chronicle, Book of Lists, 2022-2023; pg 157
2. 2010 Largest Employers, Atlanta Business Chronicle, Book of Lists, 2011-2012.
3. Walmart's employee total is from the company's latest response to the Metro Atlanta Chamber's employer survey for 2014.
4. Publix, AT&T, Wellstar and Bank of America are from the Metro Atlanta Chamber Top Employers (2022-2023) list.
5. Truist Bank employee totals are from the 2019-2020 Atlanta Business Chronicle, Book of Lists.
6. www.bls.gov/data/Tools/Unemployment/LocalAreaUnemploymentStatistics/TopPicks/Georgia/Atlanta-SandySprings-Alpharetta.



Auntie Anne's

EXIT

The right idea
will fly.

INNOVATION
Pass It On





Operating Information

ATL | Annual Comprehensive
Financial Report

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	817,395	795,046	821,457	812,554	805,851	823,034	668,869	584,936	672,872	684,046
International:										
Air carrier	70,619	75,335	76,026	76,651	78,920	78,249	54,448	31,419	52,636	64,275
Total	888,014	870,381	897,483	889,205	884,771	901,283	723,317	616,355	725,508	748,321
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	84,210,624	87,352,421	92,212,677	92,471,700	92,896,242	96,511,328	71,213,240	46,829,777	81,614,640	87,993,041
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	10,623,688	10,914,628	11,476,811	11,786,912	12,311,858	12,616,966	8,530,273	2,981,451	8,176,676	11,511,464
Total enplaned	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
Total passengers	94,834,312	98,267,049	103,689,488	104,258,612	105,208,100	109,128,294	79,743,513	49,811,228	89,791,316	99,504,505

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



2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

City Of Atlanta, GA
Andre Dickens, Mayor
Mohamed Balla, CFO

FOR FISCAL YEAR
ENDED JUNE 30, 2023

ATL
Moving Atlanta Forward





THE CITY OF ATLANTA, GEORGIA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Andre Dickens
Mayor

Mohamed M. Balla
Chief Financial Officer

CITY OF ATLANTA, GEORGIA

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)	Page
Letter of Transmittal	i
GFOA Certificate of Achievement	xiii
List of Elected and Appointed Officials.....	xiv
City Organizational Structure	xvii
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management Discussion and Analysis (Unaudited).....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	29
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds	30
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance to the Government-wide Statement of Activities	31
Statement of Net Position - Proprietary Funds	32
Statement of Revenue, Expenses, and Changes in Fund Net Position - Proprietary Funds	34
Statement of Cash Flows - Proprietary Funds	35
Statement of Fiduciary Net Position - Fiduciary Funds	37
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	38
Component Units' Financial Statements:	
Statement of Net Position	40
Statement of Activities	42
Notes to Financial Statements	43

CITY OF ATLANTA, GEORGIA

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

Required Supplementary Information (Unaudited):

Schedule of Employer Net Pension Liability and Related Ratios- General Employees', Firefighters', and Police Officers' Pension Plans	158
Schedule of Changes in Net Pension Liability - General Employees' Pension Plan	161
Schedule of Changes in Net Pension Liability - Firefighters' Pension Plan	162
Schedule of Changes in Net Pension Liability - Police Officers' Pension Plan	163
Schedule of Employer Contributions - General Employees', Firefighters' and Police Officers' Pension Plans	165
Schedule of Investment Returns - General Employees', Firefighters' and Police Officers' Pension Plans	166
Schedule of Changes in Total OPEB Liability and Related Ratios	167
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	168
Notes to Required Supplementary Information	169

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds	173
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	177
Combining Balance Sheet - Nonmajor Governmental Funds - Tax Allocations Districts	181
Combining Statement of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds - Tax Allocation Districts	182
Combining Balance Sheet - Nonmajor Governmental Funds - Other Special Revenue Funds	183
Combining Statement of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Government Funds - Other Special Revenue Funds	184
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual:	
Special Revenue Funds	185
Tax Allocation Districts - Debt Service Funds	197
Other Special Revenue Funds	203
Combining Statement of Net Position - Nonmajor Proprietary Funds	210
Combining Statement of Revenue, Expenditures and Changes in Net Position - Nonmajor Proprietary Funds	211
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	212
Combining Statement of Net Position - Internal Service Funds	213
Combining Statement of Revenue, Expenditures and Changes in Fund Net Position - Internal Service Funds	214
Combining Statement of Cash Flows - Internal Service Funds	215
Combining Statement of Net Position - Pension Trust Funds and Custodial Fund	216
Combining Statement of Changes in Plan Net Position - Pension Trust Funds and Custodial Fund	218

CITY OF ATLANTA, GEORGIA

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited)

Net Position by Component	220
Changes in Net Position	221
Program Revenues by Function/Program	222
Fund Balances, Governmental Funds	223
Changes in Fund Balance, Governmental Funds	224
Assessed and Estimated Actual Value of Taxable Property	225
Direct and Overlapping Property Tax Rates	226
Principal Property Tax Payers	227
Property Tax Levies and Collections	228
Taxable Sales by Category	229
Direct and Overlapping Sales Tax Rates	230
Principal Sales Tax Remitters	231
Ratio of Outstanding Debt by Type	232
Ratio of General Bonded Debt Outstanding	233
Direct and Overlapping Governmental Activities Debt	234
Legal Debt Margin Information	235
Schedule of Revenue Bond Coverage - Department of Aviation	236
Schedule of Revenue Bond Coverage - Department of Watershed Management	237
Demographic and Economic Statistics	238
Principal Employers	239
Full-time Equivalent City Government Employees by Function/Program	240
Operating Indicators by Function/Program	241
Capital Asset Statistics by Function/Program	242



Introductory Section



City of Atlanta

Andre Dickens
MAYOR

55 TRINITY AVENUE, S.W.
ATLANTA, GEORGIA 30303-0300

Mohamed M. Balla
CHIEF FINANCIAL OFFICER

Tel (404) 330-6100

December 22, 2023

The Honorable Doug Shipman, President
Members of the Atlanta City Council and
Citizens of Atlanta

The Finance Department is pleased to present the Annual Comprehensive Financial Report (“ACFR”), of the City of Atlanta, Georgia (the “City”), for the fiscal year ended June 30, 2023. State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The law further requires that these statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The ACFR has been prepared by the City in accordance with those principles and standards. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

Responsibility for the accuracy and completeness of the data and the fairness of the presentation, including all disclosures, rests with management. We believe that the data, as presented, is accurate in all material respects and presents fairly the City’s financial position and results of operations as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, the City has established an internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City’s financial statements that are in conformance with GAAP. The cost of internal controls should never outweigh their benefits. The City’s framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the ACFR is complete and reliable in all material respects.

The City’s financial statements have been audited by Mauldin & Jenkins, LLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal

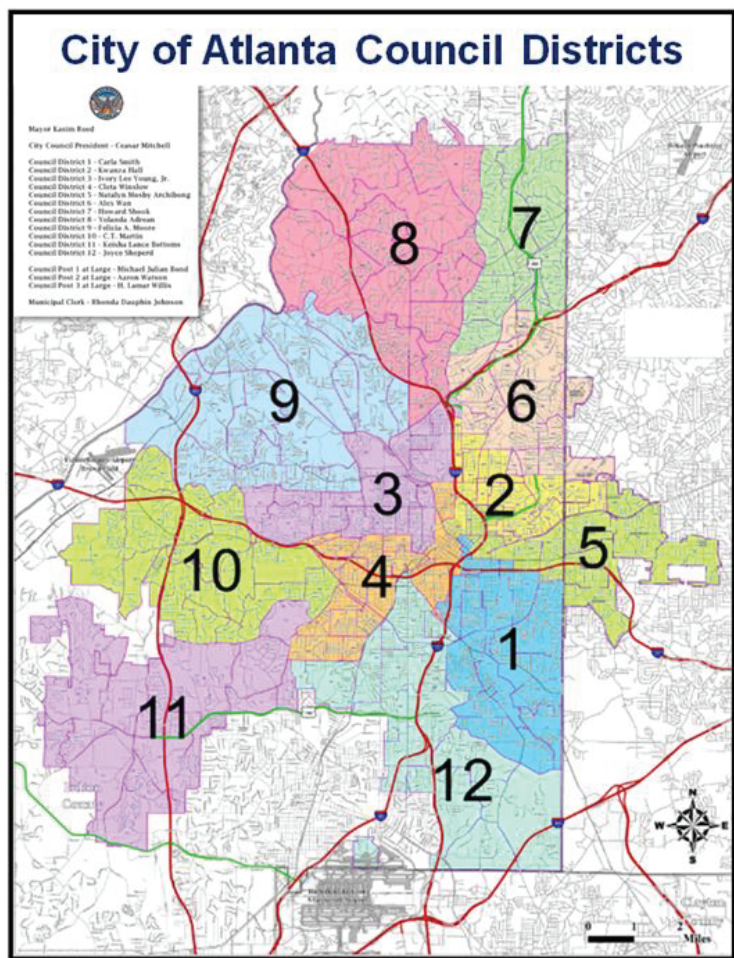
year ended June 30, 2023, are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This report and other historical audited financial statements, prior year(s) fiscal operating budgets, as well as the Popular Annual Financial Report, may also be accessed via the City's website at www.atlantaga.gov.

CITY OF ATLANTA GOVERNMENT OVERVIEW

The City, incorporated in 1847, is located in the north-central part of the state, which is the top growth area in Georgia and has been one of the highest growth areas of the country for over three decades. The City currently occupies a land area of 136 square miles, with a population of 499,127 in the City and 6.2 million people in the Atlanta Metropolitan area, according to 2022 United States Census Bureau estimates. The Atlanta-Sandy Springs-Roswell, GA MSA (commonly referred to as Metropolitan Atlanta) is the ninth largest metropolitan area in the country. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City's policy-making and legislative authority are vested in a governing council (City Council) consisting of fifteen members and an elected City Council President who serves as presiding officer. The City Council's primary responsibilities are adopting ordinances, adopting the budget and setting policy for the City. The City's Mayor is responsible for carrying out the policies and ordinances of the City, for overseeing the day-to-day operations of the City, and for appointing and directing the heads of



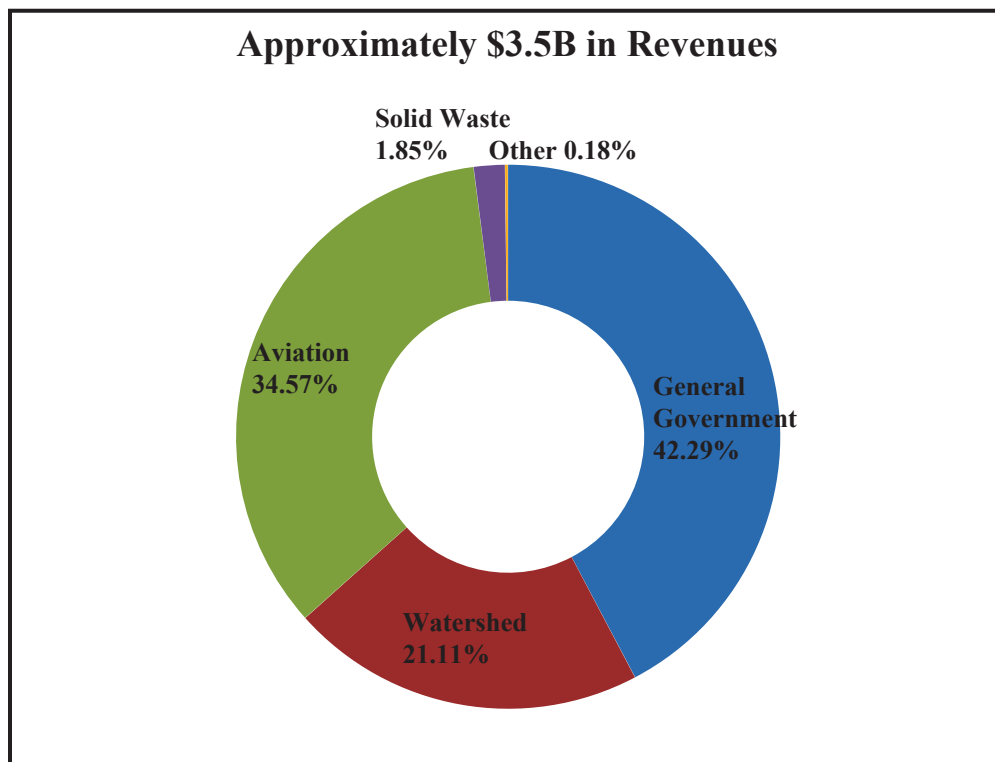
the various departments. The City Council is elected on a non-partisan basis. Council members serve four-year terms, as does the Mayor. The Mayor is limited to two consecutive terms. There are no term limits for Council Members or for the Council President. Twelve of the council members are elected by district. The Mayor, the three remaining Council Members and the Council President are elected at large.

Annual budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds with the level of legal budgetary control established at the fund level by City Council. The City is required to

adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. The amounts of anticipated revenues and appropriated expenditures for the annual budget are controlled by the City Charter and various ordinances adopted by the City Council. Appropriations for capital projects are adopted by the City Council, principally on an individual basis, when the project is initially approved.

PRIMARY CITY FUNCTIONS

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, solid waste collection and disposal. The City’s Joint Operations Command Center (JOC) ensures that essential personnel from the Atlanta Police Department, Atlanta Fire and Rescue Department, Department of Public Works, Department of Parks and other key operational agencies can monitor weather, traffic, and reports of power outages and fallen trees to ensure a rapid and coordinated response to weather events or other events affecting public safety. The City accounts for solid waste collection and disposal activities separately within the reporting entity and attempts to recover operating costs of the function through user charges. The City is responsible for water and wastewater operations and infrastructure along with operating the world’s busiest airport which is financed exclusively with airport-generated income.



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. The City engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses, with the exception of legal claims. The City Council has oversight responsibility for the City’s Pension Trust Funds; however, the defined benefit pension plans are directly governed by the combined Pension Investment Board. In December 2017, the City adopted legislation to combine the management of its three separate pension

plans and created one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board in order to improve administrative efficiency, governance and investment returns.

In addition, the City is financially accountable as of June 30, 2023 for the Atlanta-Fulton County Recreation Authority, the Solid Waste Management Authority (SWMA), the Atlanta Public Safety and Judicial Facilities Authority (APSJFA), Atlanta Housing Opportunity, Inc., and the Atlanta Development Authority, (doing business as Invest Atlanta); all of which are included as part of the ACFR. Certain organizations are not included within the scope of this report since they are established by the Constitution of the State of Georgia or state laws and are administered independent of the City of Atlanta. These include the Atlanta Independent School System (School System) and the Atlanta Housing Authority (AHA).

ECONOMIC DEVELOPMENT

To promote economic development in underdeveloped and disinvested areas, the City utilizes its redevelopment agent, the Atlanta Development Authority, which does business as Invest Atlanta. Invest Atlanta spearheads diverse policies and activities that support increased private investment and job growth with equity at the forefront of all its programs. Invest Atlanta also issues limited obligation Tax Allocation District (“TAD”) bonds on behalf of the City. TAD bonds are not secured by the full faith and credit of the City but are secured solely by and payable from specified pledged revenues. The pledged revenues are the tax allocation increments, or the amount of property taxes generated within the TAD, which exceed the amount collected from the same area prior to development. Tax allocation districts have proven to be an effective and useful economic development tool. The Atlantic Station and Princeton Lakes mixed-use developments were products of TAD bonds and further strengthen the City’s business districts. Additionally, TAD funds have been applied to more than 240 neighborhood development projects, including commercial property development, small business investment, streetscapes, parks, and other economic development investments.

Development and re-development in the Atlanta BeltLine TAD are projected to create 50,000 permanent jobs and 48,000 construction jobs. Additionally, public transportation initiatives included in the Atlanta BeltLine will also play a vital role in ensuring continued building and investing in the City. As of November 2023, the Atlanta BeltLine consists of 10.4 miles of open mainline trail, 4.2 miles of mainline trail in design, and 3.4 miles of mainline trail under construction with an additional 2.6 shovel ready miles. There are also more than 10.3 completed miles of connector trails. Moreover, there has been nearly \$9 billion in adjacent private economic development.

Atlanta continues to grow as a national market for attracting businesses of all sizes and creating jobs through its highly skilled workforce. The low cost of doing business, as well as its robust research and technology community, transportation infrastructure, and lifestyle amenities, provide a strong foundation for its continued success within the city. Following the objectives of Atlanta’s Economic Mobility, Recovery and Resiliency Plan, Invest Atlanta remains focused on advancing equity through local and middle-wage job creation and has helped facilitate the creation of 7,111 new full time and retention jobs across the city during fiscal year 2023. The total economic output generated was more than \$1.8 billion, and the total capital investment was \$463 million during this period.

The City remains committed to developing Atlanta’s workforce and during fiscal year 2023 announced plans to establish the Atlanta Department of Labor and Employment Services dedicated to expanding resources for employment, customized training and fair labor practices. In addition, in September, the City in conjunction with Atlanta Technical College and Acuity Brands, announced significant investments in local workforce development and training. These investments include a \$1.8 million

bestowment to Atlanta Technical College's Center for Workforce Innovation as well as a \$50,000 contribution alongside a \$150,000 commitment from Acuity Brands, for the creation of a workforce development pilot program.

Although the City is thriving, the pandemic changed its economy. In response, Invest Atlanta continues to provide COVID-19 relief programs to accelerate an equitable recovery. In the beginning of 2022, the City announced strategic programs to support the Atlanta small business community as it continues to recover from the effects of COVID-19. Through the Resurgence Grant Fund, \$8.2 million of American Rescue Plan funds were disbursed during fiscal year 2023 to reimburse small businesses for COVID-19 expenses with an emphasis on supporting disinvested areas of the city. Invest Atlanta received 2,473 Resurgence Grant Fund applications and provided grant funds to 522 businesses. Ninety one percent of grantees were minority businesses and 52 percent were from disinvested neighborhoods. Invest Atlanta also continued supporting artists through the American Rescue Plan in partnership with the Mayor's Office of Cultural Affairs' ELEVATE grant program. This program disbursed over \$331,434 to creative businesses during fiscal year 2023 alone.

To provide additional support to small businesses, the City continued to implement the \$20 million Open for Business Fund grant from Wells Fargo to help minority-owned business owners obtain real property assets as a strategy to avoid displacement. Invest Atlanta used the Open for Business Fund to provide low-interest loans, grants, and technical assistance as the program administrator for the City. Twenty-seven businesses received \$8.6 million in support through the Open for Business Fund. The program also provided businesses with over 630 hours of technical assistance in fiscal year 2023. In addition to the Open for Business Fund, Invest Atlanta supported 13 small business across other loan programs, offering an additional \$879,995 in total capital investment capital to Atlanta entrepreneurs.

During fiscal year 2023, Invest Atlanta launched the Creative Industries Grant Fund (CIGF) program to support Atlanta artists. The CIGF program, in addition to existing Invest Atlanta creative grant programs, provided a total of 157 local artists with grant funding for a total capital investment of \$737,770. In June 2023, the Atlanta City Council approved a \$1.53 million Economic Opportunity Fund for Food Access, providing incentives to establish healthy food options in food deserts. To date, two projects in disinvested areas of the city have been funded.

The City continues to support businesses through one-on-one consultations with subject matter experts on topics such as business planning, marketing, and financial management. During 2023 year to date, more than 1,000 businesses received support at physical Small Business Resource Centers and online. In addition, the ATLinBusiness.com web portal that enables small businesses to connect with consultants for technical assistance in 12 different specialty areas provided 212 small businesses with more than 2,725 hours of service.

The City and Invest Atlanta anticipate a five year benefit of approximately \$4.6 billion along with the creation of 10,253 jobs and 2,036 housing units from tax abatements, for the fiscal year ended June 30, 2023. Tax abatements are an economic development tool utilized by Invest Atlanta to provide a temporary abatement of property taxes for private individuals or entities in order to incentivize businesses to build, relocate, expand, or renovate investments in the City. These agreements involve a bond issuance and sale-leaseback transaction, whereby Invest Atlanta takes title to property and leases it back to the private individual or entity. Invest Atlanta will issue lease-purchase bonds for a minimum of \$10 million in new capital investment that leads to job creation or retention in the City of Atlanta. Clear economic benefit is shown by the creation of new jobs and retention of existing jobs. Other economic benefits may be considered, such as the attraction of a target industry, capital investment and infrastructure development.

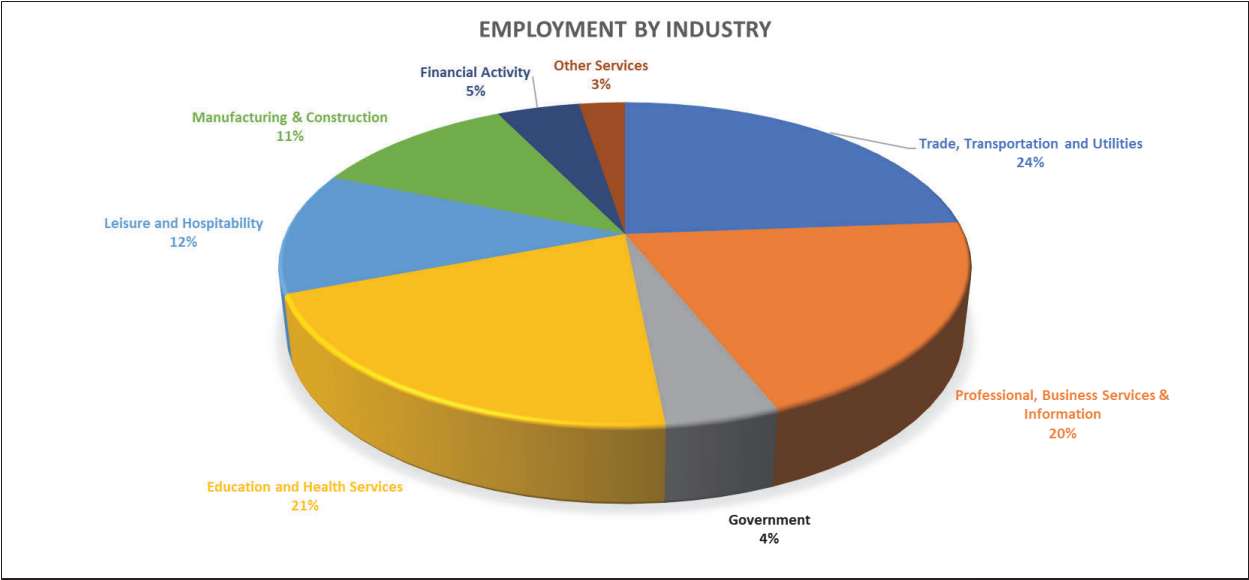
LOCAL ECONOMY

The Federal Reserve started a restrictive monetary policy to combat high inflation. However, the inflation impacted positively the Local Option Sales Taxes of the City of Atlanta, because the higher the prices of goods sold, the higher the taxes. From peak-to-trough, the Atlanta MSA lost 14 percent of its jobs to the COVID-19 recession especially in air transportation, leisure & hospitality, and transportation equipment manufacturing industries but the Atlanta MSA depends primarily on distribution and new construction, two highly cyclical industries.

Atlanta is considered a major business and cultural center of the Southeast United States. Its economy is diversified, which assures its growth, while minimizing the risk of a negative impact in one industry if another one collapses. Its exports represent 6.2% of the area's GDP. The level of educational attainment exceeds the national average, which attracts essential talent and the attention of many companies who are looking for employees with college degrees.

Compared with other large metropolitan areas, the cost of living and doing business in Atlanta is low, considering their strong links with global markets and the high concentration of service producing industries, IT companies, e-commerce, and healthcare providers. After the pandemic, Atlanta's main focus is on business travel which has been struggling to fully recover. The business world had to learn how to still be productive and meet expectations, using technology instead of face-to-face meetings, which has dramatically reduced business travel and related hospitality revenue. However, in 2022 and 2023, the pace of job growth in Atlanta is estimated to be 3.6 percent which exceeds the 3.2 percent expected for Georgia, and the 2.9 percent gain for the entire United States.

Additionally, business development, an educated workforce, innovation, above average population growth and strong housing markets will help to ensure the Atlanta metropolitan area maintain post-pandemic growth. Atlanta's high concentration of college-educated workers, business partners, high-tech companies, innovation centers, national healthcare nonprofits and research universities will continue to attract technology companies in life sciences, software development, research and development, healthcare, professional and business services, and advanced manufacturing. Access to workers, especially skilled labor, is vital and many companies are attracted to Atlanta due to its large and diverse labor pool. In addition, the high concentration of colleges and universities ensure a large supply of experienced faculty, newly minted college graduates, and student interns.



The Atlanta area is home to over 57 colleges and universities enrolling more than 250,000 students annually. The City is poised to benefit from national trends of population shifting from suburbs and exurbs back to urban cores driven by transportation costs, traffic congestion, and a renewed interest in urban living, which is particularly prevalent in the Atlanta metro region.

The remainder of the page is intentionally left blank

Major Initiatives and Financial Planning

Priorities and Investments



Ethics and Procurement Integrity

- *Wage Increase for frontline staff members including Corrections officers, 311 agents, AIM critical hires, ATLDOT and DPR frontline employees.*
- *Provided Cost-of-Living Adjustments (COLA) for City employees.*
- *Continued increase in contributions to the City's reserves.*



Neighborhood Empowerment

- *New investments aimed at improving the constituent experience including upgrades to 311 technology.*
- *Substantial investments in Parks operations and maintenance.*
- *Expanded investments in Arts and Culture, including \$500,000 in additional grant funding.*



S.A.F.E. Streets

- *Increased pay adjustment of 10% for Atlanta firefighters as recommended by the Mercer pay and class study.*
- *Additional funding allocated to hire police officers.*
- *Continued investments to ensure the appropriate maintenance of fire stations and police precincts.*



Youth and Education

- *Expanded investments in operations for At-Promise Youth Centers.*

In fiscal year 2023, the City of Atlanta made significant investments to Move Atlanta Forward with roots in equity and service. Revenue projections forecasted a baseline of \$754.2 million, making it the largest investment in the City's history. The proposal includes investments vital to improving service delivery and laying foundations for a post-pandemic Atlanta.

This includes a multitude of items such as additional funding to hire police officers, wage increases for frontline staff members, Cost of Living Adjustments (COLA) for all employee, investments to ensure appropriate maintenance of fire stations and police precincts, investments in expanded operations at At-Promise youth centers as well as expanded investments in arts and culture, including a \$500,000 in additional grant funding.

The City has also focused on new investments aimed at improving the constituent experience which includes upgrades to 311 technology all while continuing to increase contributions to the City's reserves. The investments included in the fiscal year budget provide a clear path to Move Atlanta Forward through people, services, and infrastructure.

The creation of a Greenspace Advisory Council and a significant investment in greenspace equity was announced by the City. Legislation was adopted, which approved the acquisition of nine acres of land for the first ever park that will provide direct access to the Chattahoochee River. The Trust for Public Land placed the City of Atlanta 27th on the 2022 ParkScore index, boosted by significant improvements in park access and investment resulting from two major initiatives: Cook Park and Westside Park. The addition of these parks means that 77 percent of Atlanta residents live within a 10-minute walk of a park, compared to last year's 72 percent.

A new \$3.5 million grant program was launched to support local small businesses in Atlanta. The Commercial Property Improvement Grant (CPIG) is the second initiative that United Way of Greater Atlanta and Invest Atlanta rolled out as part of the Atlanta Open for Business Fund, supported by Wells Fargo. Through the CPIG, small businesses own more of their businesses' assets-including property and equipment-and fund physical upgrades to their facilities.

In September 2022, a partnership was announced with DoorDash to combat food insecurity as part of DoorDash's national commitment with mayors across the country in support of the White House Conference on Hunger, Nutrition, and Health. DoorDash will supply gift cards, data on food access needs, direct funding for delivery, and logistics support for local delivery of charitable food via Project Dash.

Significant investments in local workforce development and training to include a \$1.8 million bestowment to Atlanta Technical College's Center for Workforce Innovation as well as a \$50,000 contribution alongside a \$150,000 promise from Acuity Brands- for the creation of a workforce development pilot project were also announced.

Additionally, the City announced expanded and accelerated measures to reduce violent crime and improve public safety in the City of Atlanta. The approach integrates crime fighting measures such as recruiting more officers with police training to ensure the city's men and women in blue are responsive to and prepared for the needs of Atlanta's diverse neighborhoods. The Atlanta Courtwatch Program was also relaunched. This community program would place trained members of the public into court proceedings to ensure there are appropriate consequences for repeat offenders. The City of Atlanta also partnered with Fulton County to launch a Repeat Offenders Tracking Unit to stop criminals from committing further crimes.

Several events were held to raise funds for the Mayor’s Youth Scholarship Program (MYSP). MYSP is designed to alleviate some of the financial burdens associated with post-secondary, which in turn helps students build a strong foundation for future career success and wealth building. For the 2022-2023 academic year, the Mayor’s Youth Scholarship Program has provided 88 students from Atlanta with nearly \$500,000 in scholarship funds.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also earned the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest national standards for preparation of state and local government popular reports.

Finally, the GFOA awarded the City the Distinguished Budget Presentation Award for the adopted budget book for fiscal year 2023. This award recognizes state and local governments that have prepared budget documents of the very highest quality.

The remainder of the page is intentionally left blank


OTHER INFORMATION


Acknowledgments

The preparation and completion of this ACFR represents the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to the Department of Finance staff, the City's other operating and supporting departments, as well as the certified public accounting firm of Mauldin & Jenkins, LLC for making this report possible.

This ACFR reflects our ongoing commitment to the citizens of the City of Atlanta, the Atlanta City Council and all interested readers of this report to provide information with the highest standards of financial reporting.

Respectfully submitted,


Andre Dickens
Mayor


Mohamed Balla
Chief Financial Officer



THIS PAGE INTENTIONALLY LEFT BLANK



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Atlanta
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**City of Atlanta Georgia
June 30, 2023
City Officials**



Andre Dickens
Mayor

Lisa Y. Benjamin
Chief Operating Officer

Odie Donald II
Chief of Staff

Mohamed M. Balla
Chief Financial Officer

Nina Hickson
City Attorney

MEMBERS OF CITY COUNCIL

Doug Shipman
Council President

Jason Winston
District 1

Amir R. Farokhi
District 2

Byron Amos
District 3

Jason Dozier
District 4

Liliana Bakhtiari
District 5

Alex Wan
District 6

Howard Shook
District 7

Mary Norwood
District 8

Dustin Hillis
District 9

Andrea L. Boone
District 10

Marci Collier Overstreet
District 11

Antonio Lewis
District 12

Michael Julian Bond
Post 1, At-Large

Matt Westmoreland
Post 2, At-Large

Keisha Sean Waites
Post 3, At-Large

Vanessa Waldon
Municipal Clerk

**City of Atlanta Georgia
June 30, 2023
City Officials, continued**

JUDICIAL OFFICERS

COURT OPERATIONS	Christopher T. Portis <i>Chief Judge</i>
PUBLIC DEFENDER	Kenneth Days III <i>Public Defender</i>
SOLICITOR	Raines F. Carter <i>Solicitor</i>

BOARD OFFICERS

ATLANTA CITIZENS REVIEW DIRECTOR	Samuel Lee Reid III <i>Executive Director</i>
OFFICE OF INSPECTOR GENERAL	Shannon Manigault <i>Inspector General</i>
CITY INTERNAL AUDITOR	Amanda Noble <i>City Auditor</i>

DEPARTMENT OFFICERS

AVIATION	Balram Bheodari <i>General Manager</i>
CORRECTIONS	Elder Dancy <i>Corrections Chief</i>
CUSTOMER SERVICE	Myesha Good <i>Commissioner</i>
ENTERPRISE ASSETS MANAGEMENT	Chris Davis <i>Interim Commissioner</i>
FINANCE	Mohamed M. Balla <i>Chief Financial Officer</i>
FIRE & RESCUE SERVICES	Roderick M. Smith <i>Fire Chief</i>
GRANTS and COMMUNITY DEVELOPMENT	Deborah B. Lonon <i>Commissioner</i>
HUMAN RESOURCES	Tarlesha Williams Smith, Esq. <i>Commissioner</i>
ATLANTA INFORMATION MANAGEMENT	Jason Sankey <i>Chief Information Officer</i>
LAW	Nina Hickson <i>City Attorney</i>
PARKS & RECREATION	Justin Cutler <i>Commissioner</i>
CITY PLANNING	Jahnee Prince <i>Commissioner</i>
POLICE SERVICES	Darin Schierbaum <i>Police Chief</i>
PROCUREMENT	Jaideep Majumdar <i>Chief Procurement Officer</i>
PUBLIC WORKS	Al Wiggins Jr. <i>Commissioner</i>
ATLANTA DEPARTMENT OF TRANSPORTATION	Solomon Caviness, IV <i>Commissioner</i>
WATERSHED MANAGEMENT	Mikita Browning <i>Commissioner</i>

**City of Atlanta Georgia
Atlanta City Council Members
June 30, 2023**



Doug Shipman
President



Michael Julian Bond
Post 1 At-Large



Matt Westmoreland
Post 2 At-Large



Keisha Sean Waites
Post 3 At-Large



Jason Winston
District 1



Amir Farokhi
District 2



Byron Amos
District 3



Jason Dozier
District 4



Liliana Bakhtiari
District 5



Alex Wan
District 6



Howard Shook
District 7



Mary Norwood
District 8



Dustin Hillis
District 9



Andrea L. Boone
District 10

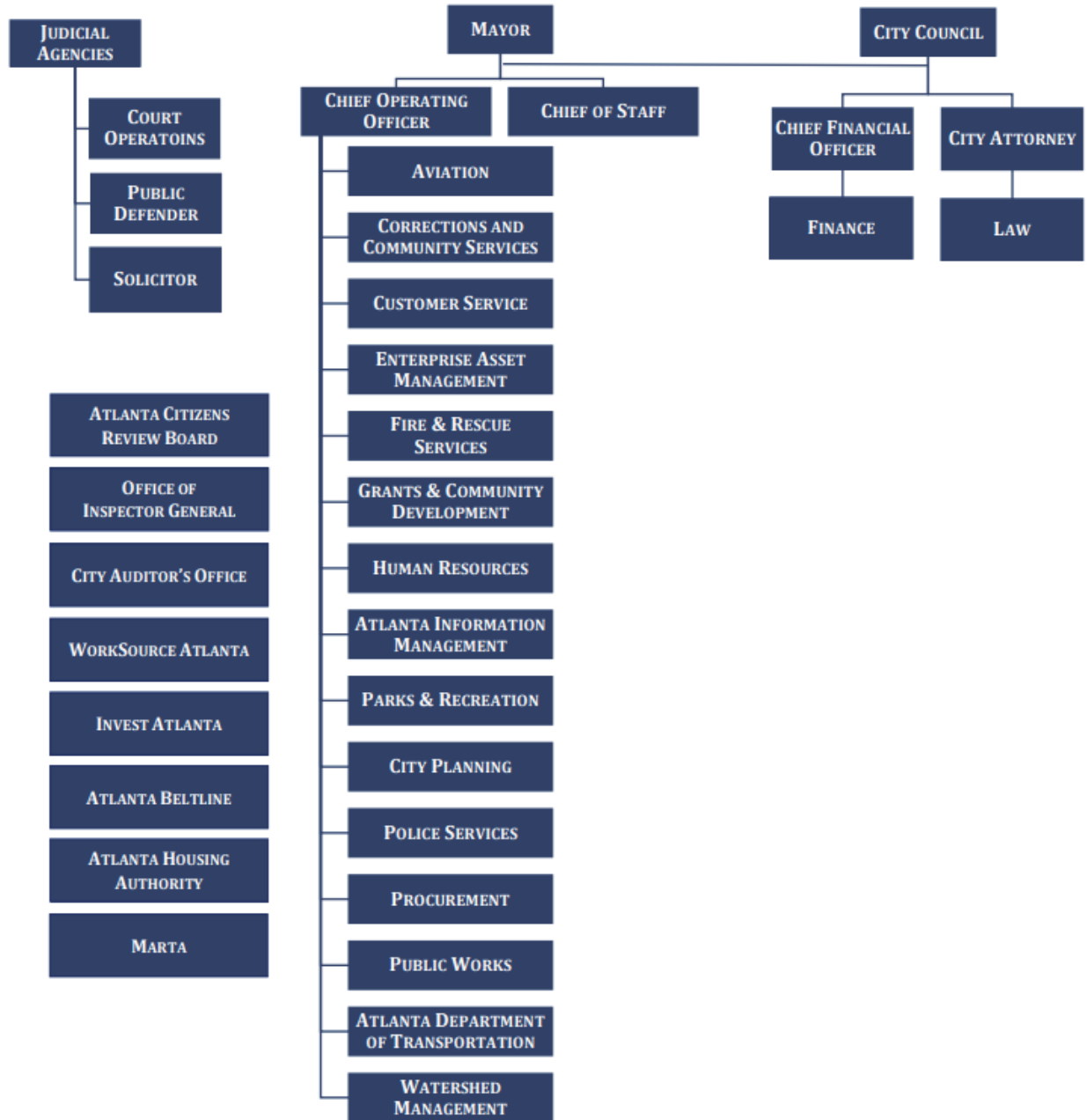


Marci Collier Overstreet
District 11



Antonio Lewis
District 12

City of Atlanta Georgia City Organizational Structure June 30, 2023





THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Atlanta, Georgia (the "City") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Atlanta, Georgia as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Atlanta-Fulton County Recreation Authority and the Atlanta Development Authority, which represent 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023. We also did not audit the financial statements of Atlanta Housing Opportunity Inc., a blended component unit of the City, which represents less than 1 percent, respectively, of the assets, fund balance and net position, and revenues of the aggregate remaining fund information as of June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Atlanta-Fulton County Recreation Authority, the Atlanta Development Authority, and Atlanta Housing Opportunity, Inc. is based solely on the reports of the other auditors.

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 City 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 opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. Our opinions are not modified with respect to this matter.

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 City'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 opinions. 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 City'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 City'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Employer Net Pension Liability and Related Ratios, Schedule of Changes in Net Pension Liability, Schedule of Employer Contributions, Schedule of Investment Returns – General Employees, Firefighters' and Police Officers' Pension Plans, Schedule of Changes in Total OPEB Liability and Related Ratios, and the Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining and individual fund financial statements and schedules (the “supplementary information”) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do 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 22, 2023, on our consideration of the City’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 City’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 City’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 22, 2023



Financial Section

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2023

As management of the City of Atlanta (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023, as a part of the overall Annual Comprehensive Financial Report (ACFR). This overview compares the fiscal year ended June 30, 2023 with the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on pages i-xi of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$9.8 billion as compared to approximately \$8.8 billion at the close of fiscal year 2022. This amount represents the City's Net Position. Net Position is the difference between the City's assets and deferred outflows of resources and the City's liabilities and deferred inflows of resources.
- The City's total net position increased by approximately \$962.8 million compared to fiscal year 2022. The increase was mainly due to the growth in revenues related to passenger traffic and water/wastewater revenue, property taxes, local option sales taxes, licenses and permits, and hotel/motel.
- As of the close of fiscal year 2023, the City's governmental funds reported combined ending fund balances of approximately \$1.95 billion. The overall General Fund balance increased \$5.9 million or 2.5% to approximately \$246.1 million. The increase was mainly due to growth in revenues related to property taxes, local option sales taxes, licenses and permits, and hotel/motel that showed significant gains.
- The City's long-term debt, including financed purchases, at June 30, 2023 totaled \$7.8 billion, a net increase of \$128.3 million or 1.68%. The increase was mainly due to issuance of general obligation bonds, debt service payments and financed purchases.

Government-wide financial statements - *The government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, deferred outflows and deferred inflows with the difference reported as *Net Position*. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2023

The *Statement of Activities* presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in the Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include General Government, Police, Fire, Corrections, Public Works, Parks, Recreation and Cultural affairs.

The business-type activities of the City include the Departments of Watershed Management (Water and Wastewater System), Aviation (Hartsfield-Jackson Atlanta International Airport), Sanitation (Solid Waste), City Plaza and Parking Deck.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Atlanta Fulton County Recreation Authority and the Atlanta Development Authority (d/b/a Invest Atlanta), both of which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government. The Atlanta Housing Opportunity, Inc. is presented as a component unit, however their financial statements are blended with the primary government. Other blended component units of the City include Atlanta Public Safety & Judicial Facilities Authority and Solid Waste Management Authority. Certain organizations are not included within the scope of this report since they were established by the Constitution of the State of Georgia or state laws and are administered by separate boards that act independently of the City. Included in this category are the Atlanta Independent School System and the Atlanta Housing Authority.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2023

The City maintains thirty two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund and capital project fund, which are considered to be major funds. Data from the other thirty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 173 in this report.

The City adopts an annual appropriated budget for its General Fund, special revenue funds and debt service funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget in the Required Supplementary Information section of this report.

The City has a formal fund balance policy applicable to governmental funds included in its Charter. The policy defines fund balance categories consistent with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, sets spending priority within the categories, establishes the authority to commit or assign balances and establishes a minimum fund balance for the General Fund. In addition, the policy addresses the time period required for the General Fund to replenish any deficiency in the minimum fund balance, as well as specifies how fund balance above the recommended range may be spent. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements, section I. D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances.

Proprietary funds - The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Water and Wastewater System (Department of Watershed Management), the Hartsfield-Jackson Atlanta International Airport (Department of Aviation), Sanitation Services (Solid Waste), Parking Deck and City Plaza. Additionally, the Municipal Option Sales Tax (MOST) is reported under the Department of Watershed Management Fund where the activities for the MOST receipts are expended for the purpose intended, to be in compliance with the State's guidelines.

An *internal service fund* is a fund used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and operation of its fleet of vehicles and its group insurance fund for employees and retirees. Because these services benefit both governmental and business-type functions, the net position and change in net position is impacted through the allocation of services, based upon usage, between governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the Department of Watershed Management and the Department of Aviation, which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements presented on page 213 in this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2023

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements in this report.

Required Supplementary and other information - In addition to the basic financial statements, this report also presents certain required supplementary information on the City's schedule of employer net pension liability and related ratios, changes in net pension liability, the employer contributions, and the investment returns for the General Employees' Pension Plan, Firefighters' Pension Plan, and Police Officers' Pension Plan, and the schedule of changes in total OPEB liability and related ratios, and General Fund information. Required supplementary information can be found following the notes in this report. The combining and individual funds statements, referred to earlier in connection with non-major governmental and proprietary funds follow the required supplementary information. Required supplementary information can be found beginning on page 158 of this report.

Financial Analysis - Government-wide Statements

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$9.8 billion at the close of the fiscal year ended June 30, 2023. Table 1 summarizes the assets and deferred outflows of resources, liabilities and deferred inflows of resources and Net Position for governmental activities, business-type activities, and the total primary government.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2023**

Table 1. City of Atlanta Net Position, Fiscal Years Ended June 30, 2023 and June 30, 2022 (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 2,234,931	\$ 1,658,152	\$ 3,771,560	\$ 3,933,180	\$ 6,006,490	\$ 5,591,332
Capital assets, net of depreciation	1,338,355	1,267,524	13,186,568	12,786,199	14,524,923	14,053,723
Total assets	<u>3,573,286</u>	<u>2,925,676</u>	<u>16,958,128</u>	<u>16,719,379</u>	<u>20,531,413</u>	<u>19,645,055</u>
Deferred outflows of resources	622,440	356,439	490,642	388,351	1,113,082	744,790
Total assets and deferred outflows of resources	<u>4,195,726</u>	<u>3,282,115</u>	<u>17,448,770</u>	<u>17,107,730</u>	<u>21,644,495</u>	<u>20,389,845</u>
Long-term liabilities						
Current	452,659	490,116	955,751	1,087,930	1,408,410	1,578,046
Non-current	3,098,902	2,137,045	6,810,096	6,861,133	9,908,998	8,998,178
Total Liabilities	<u>3,551,561</u>	<u>2,627,161</u>	<u>7,765,847</u>	<u>7,949,063</u>	<u>11,317,408</u>	<u>10,576,224</u>
Deferred inflows of resources	293,587	648,261	221,008	315,665	514,595	963,926
Total Liabilities and deferred inflows of resources	<u>3,845,148</u>	<u>3,275,422</u>	<u>7,986,855</u>	<u>8,264,728</u>	<u>11,832,003</u>	<u>11,540,150</u>
Net Position						
Net investment in capital assets	155,573	312,326	6,948,835	6,700,557	7,104,408	7,012,883
Restricted	1,707,679	1,122,072	1,170,154	1,163,336	2,877,833	2,285,408
Unrestricted (deficit)	<u>(1,512,674)</u>	<u>(1,427,705)</u>	<u>1,342,926</u>	<u>979,109</u>	<u>(169,748)</u>	<u>(448,596)</u>
Total Net Position	<u>\$ 350,578</u>	<u>\$ 6,693</u>	<u>\$ 9,461,915</u>	<u>\$ 8,843,002</u>	<u>\$ 9,812,493</u>	<u>\$ 8,849,695</u>

By far the largest portion of the City’s net position, approximately \$7.1 billion or 72.4%, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debts and deferred outflows/inflows of resources used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City’s investment in its capital assets is reported net of related debt and deferred inflows/outflows of resources, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position, approximately \$2.9 billion or 29.3%, represents resources that are subject to external restrictions on how they may be used.

The City reported a positive balance of approximately \$1.3 billion in unrestricted net position for business-type activities. For governmental activities, the City reported a deficit balance of \$(1.5) billion in unrestricted net position, primarily due to the accounting and reporting of the net pension liability as well as the total OPEB liability. The General Fund reported a positive balance of approximately \$194.6 million in committed, assigned and unassigned fund balances in total. The committed, assigned, and unassigned fund balances represent the spendable resources available for governmental activities, without externally enforceable limitation.

CITY OF ATLANTA, GEORGIA

**Management's Discussion and Analysis (Unaudited)
June 30, 2023**

Financial Analysis - Government-wide Statements, continued

Table 2. City of Atlanta's Changes in Net Position, Fiscal Years Ended June 30, 2023 and June 30, 2022 (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Revenues:						
Program revenues:						
Charges for services	\$ 269,752	\$ 243,204	\$ 1,066,931	\$ 927,724	\$ 1,336,683	\$ 1,170,928
Operating grants and contributions	117,691	144,862	—	—	117,691	144,862
Capital grants and contributions	—	—	234,934	241,490	234,934	241,490
General revenues:						
Property taxes	582,202	510,926	—	—	582,202	510,926
Other taxes	456,451	416,303	203,494	191,686	659,945	607,989
Investment income	35,627	(4,685)	70,509	(26,072)	106,136	(30,757)
Non-capital grants	417	13,241	416,223	183,920	416,640	197,161
Other	—	—	3,278	—	3,278	—
Total revenues	<u>1,462,140</u>	<u>1,323,851</u>	<u>1,995,369</u>	<u>1,518,748</u>	<u>3,457,509</u>	<u>2,842,599</u>
Expenses:						
General government:	497,413	471,609	—	—	497,413	471,609
Police	253,891	195,638	—	—	253,891	195,638
Fire	107,407	79,966	—	—	107,407	79,966
Corrections	17,101	11,712	—	—	17,101	11,712
Public works	112,220	79,845	—	—	112,220	79,845
Parks, recreation and cultural affairs	85,159	56,995	—	—	85,159	56,995
Interest on long-term debt	71,241	47,604	—	—	71,241	47,604
Water and wastewater system	—	—	514,298	414,205	514,298	414,205
Department of aviation	—	—	792,691	716,578	792,691	716,578
Sanitation	—	—	41,704	69,436	41,704	69,436
Other	—	—	1,586	1,585	1,586	1,585
Total Expenses	<u>1,144,432</u>	<u>943,369</u>	<u>1,350,279</u>	<u>1,201,804</u>	<u>2,494,711</u>	<u>2,145,173</u>
Change in net position before transfers	317,708	380,482	645,090	316,944	962,798	697,426
Transfers in(out)	26,177	21,185	(26,177)	(21,185)	—	—
Change in net position	<u>343,885</u>	<u>401,667</u>	<u>618,913</u>	<u>295,759</u>	<u>962,798</u>	<u>697,426</u>
Net position (deficit), beginning of fiscal year	6,693	(394,974)	8,843,002	8,547,243	8,849,695	8,152,269
Net position (deficit), end of fiscal year	<u>\$ 350,578</u>	<u>\$ 6,693</u>	<u>\$ 9,461,915</u>	<u>\$ 8,843,002</u>	<u>\$ 9,812,493</u>	<u>\$ 8,849,695</u>

Revenue for the City in fiscal year 2023 totaled approximately \$3.5 billion, a \$614.9 million increase when compared to the fiscal year 2022. Charges for services increased \$165.8 million or 14.2% for the primary government as a whole which is due to increased passenger traffic throughout the year as the demand for air travel increases and the Airport continues to recover from the COVID-19 pandemic. Other concessions increased by \$30.4 million, Parking increased by \$16.1 million and Landing fees increased by \$28.8 million. Charges for services of governmental activities increased by \$26.5 million or 10.9%, and business-type activities charges increased by \$139.2 million or 15.0%. The increased charges for business-type activities were the result of increases in passenger traffic and an increase in water/wastewater revenues as corporate, governmental and tourism activity returned to the City. The decrease in operating grants of \$27.2 million or 18.8%, is primarily the result of decreased Federal funding related to multiple projects. Business-type activities capital grants and contributions decreased by approximately \$6.6 million due mainly to the decrease in Federal and State funding.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2023

Financial Analysis - Government-wide Statements, continued

Property taxes during fiscal year 2023 increased by approximately \$71.3 million or 14.0%, due mainly to favorable trends in residential, commercial, and industrial real estate which has experienced steady growth in valuation due to positive reassessment and new construction growth. Additionally, the City increased the operating property tax millage rate to fund Solid Waste initiatives. Other taxes increased by approximately \$52.0 million or 8.5% driven primarily by increases in revenues related to approximately \$14.4 million Hotel/Motel, approximately \$11.8 million Municipal Option Sales Tax (MOST), approximately \$11.1 million Local Option Sales Taxes (LOST), approximately Public Utility revenues of \$8.6 million and approximately \$5.3 million Insurance.

Total expenses for the City were approximately \$2.5 billion in fiscal year 2023, an increase of \$349.5 million or 16.3% when compared to fiscal year ended June 30, 2022. Total expenses for governmental activities, excluding transfers increased by approximately \$201.1 million or 21.3% compared to fiscal year 2022. Governmental activities interest on long-term debt increased by approximately \$23.6 million or 49.7% due to general obligation and financed purchases issuances. Expenses for business-type activities increased by approximately \$148.4 million, or 12.4% compared to fiscal year 2022.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Management’s Discussion and Analysis (Unaudited)
June 30, 2023

Financial Analysis - Government-wide Statements, continued

Governmental Activities - A comparative analysis of the governmental activities program revenues and expenses is presented in Figure 1. below.

Figure 1. Program Revenues Compared to Expenses for Governmental Activities, Fiscal Year Ended June 30, 2023 (in thousands):

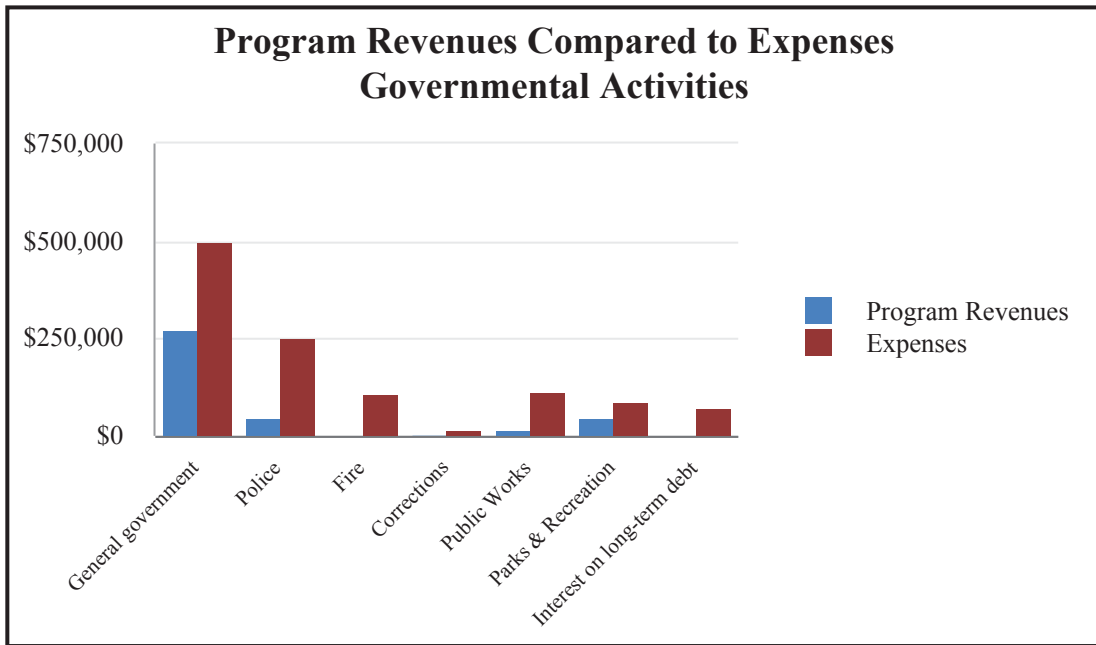
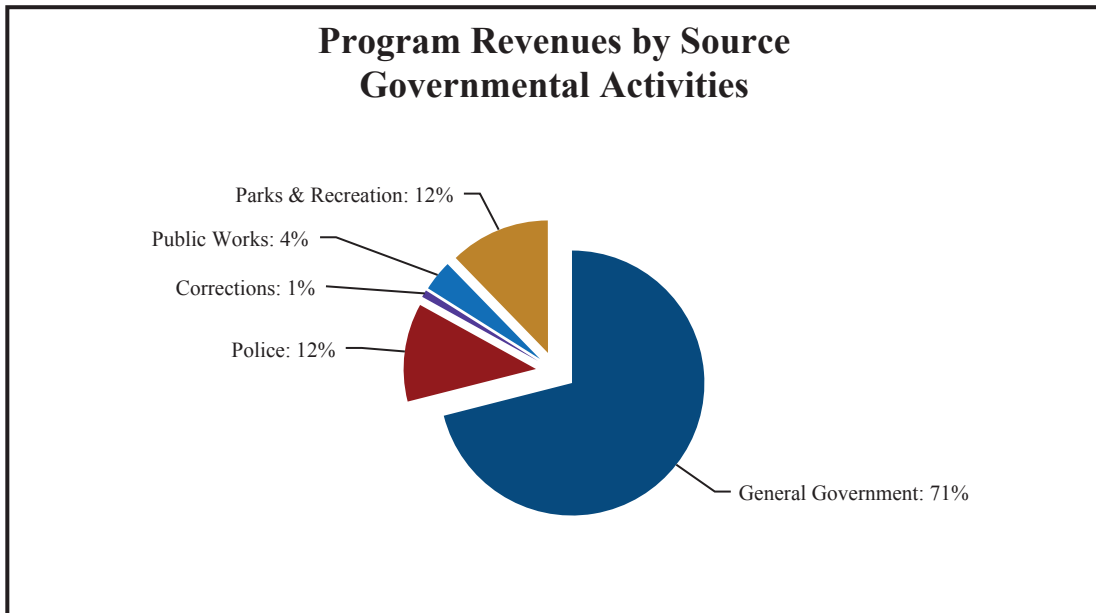


Figure 2. Program Revenues for Governmental Activities, Fiscal Year Ended June 30, 2023:



CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2023**

Financial Analysis - Business-type activities

Business-type activities - A comparative analysis of the business-type activities program revenues and expenses is presented in Figure 3. below.

Figure 3. Program revenues Compared to Expenses for Business-type Activities, Fiscal Year Ended June 30, 2023 (in thousands):

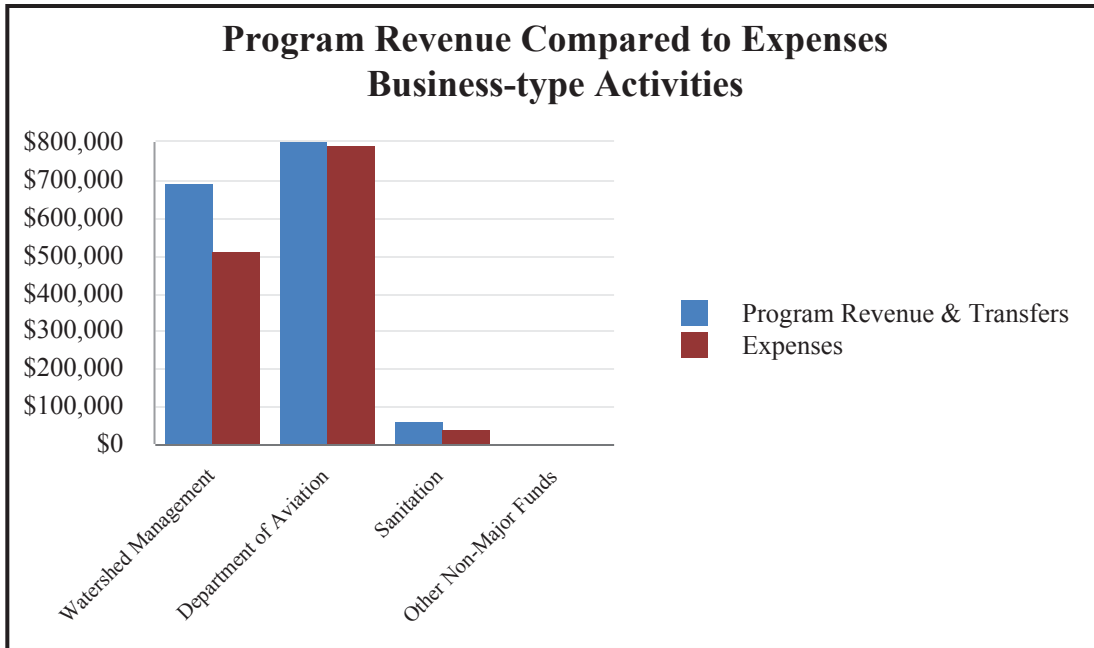
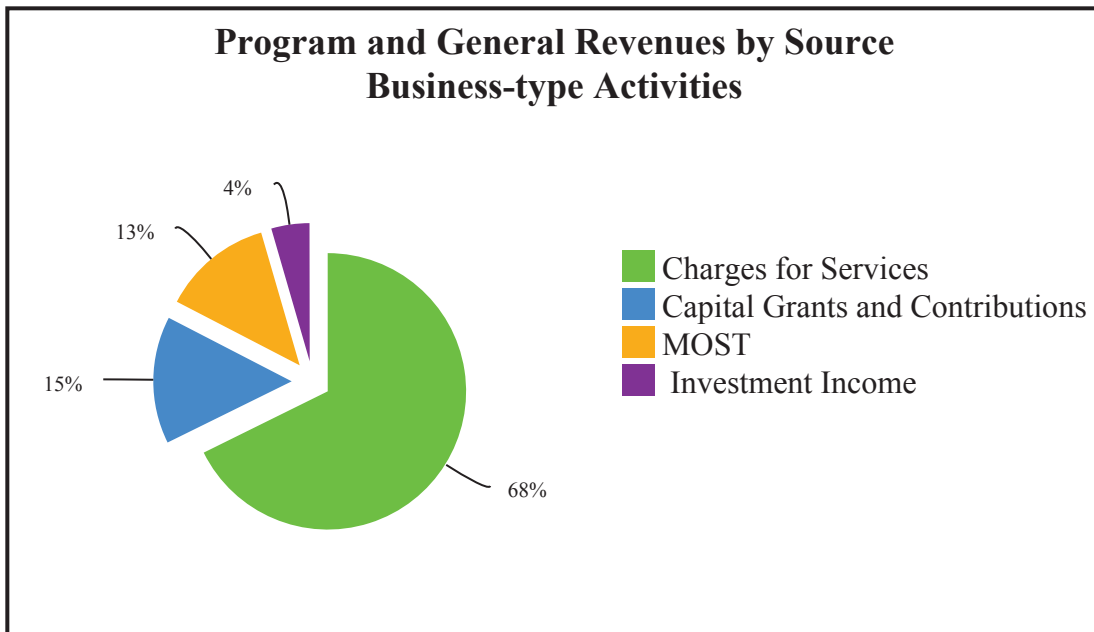


Figure 4. Program and General Revenues for Business-type Activities, Fiscal Year Ended June 30, 2023:



CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2023

Financial Analysis - Business-type activities, continued

Department of Watershed Management (DWM) The net position for DWM for the fiscal year ended June 30, 2023 increased by approximately \$181.7 million or 4.78% to approximately \$4.0 billion.

Table 3 - Department of Watershed Management Revenues and Expenses - Fiscal Year Ended June 30, 2023 and June 30, 2022 (in thousands):

	Fiscal Year Ended June 30		Change
	2023	2022	
REVENUES			
Total operating revenues	\$ 493,956	\$ 482,084	\$ 11,872
Non-operating revenues, net	230,781	184,755	46,026
Total revenues	<u>724,737</u>	<u>666,839</u>	<u>57,898</u>
EXPENSES			
Total operating expenses	389,990	316,458	73,532
Non-operating expenses			
Interest expense	124,308	124,553	(245)
Other expenses	—	(27,654)	27,654
Total expenses	<u>514,298</u>	<u>413,357</u>	<u>100,941</u>
Income before capital contributions & transfers	<u>210,439</u>	<u>253,482</u>	<u>(43,043)</u>
Capital contributions	5,167	6,182	(1,015)
Transfers, net	(33,912)	(20,513)	(13,399)
Change In net position	<u>181,694</u>	<u>239,151</u>	<u>(57,457)</u>
Net position, beginning of fiscal year	<u>3,799,237</u>	<u>3,560,086</u>	<u>239,151</u>
Net position, end of fiscal year	<u>\$ 3,980,931</u>	<u>\$ 3,799,237</u>	<u>\$ 181,694</u>

Total DWM revenues for the fiscal year ended June 30, 2023 increased approximately \$57.9 million or 8.68% to \$724.7 million compared to June 30, 2022. Total operating revenues which primarily consists of water and wastewater fees, licenses and permits, and intergovernmental revenue, increased by approximately \$11.9 million or 2.46% to approximately \$494.0 million. The increase is due to a higher water and wastewater revenue as corporate, governmental and tourism activity continue to increase as the activity volume returned to the city.

Non-operating revenue increased by \$46.0 million which was due to an increase related to municipal option sales tax revenue. Of the approximately \$227.8 million in non-operating revenues, for 2023, the MOST (Municipal Option Sales Tax) totaled approximately \$203.5 million compared with \$191.7 million in fiscal year 2022, an increase of 6.2%, combined with an investment gain of 24.3 million for 2023.

Total DWM expenses increased by \$100.9 million or 24.4% to approximately \$514.3 million when compared to the fiscal year ended June 30, 2022. The increase in the operating expenses was due to an increase in salaries costs and an increase in general services expenses compared to the previous period. Total operating revenues less operating expenses, or operating margin, was \$104.0 million for fiscal year 2023, a decrease of approximately \$61.7 million or 37.2% compared to fiscal year 2022.

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2023**

Financial Analysis - Business-type activities, continued

Department of Aviation (DOA) The net position for DOA for the fiscal year ended June 30, 2023 increased by \$401.3 million or 7.8% to approximately \$5.6 billion.

Table 4 - Department of Aviation Revenues and Expenses - Fiscal Year Ended June 30, 2023 and June 30, 2022 (in thousands):

	Fiscal Year Ended June 30		Change
	2023	2022	
REVENUES			
Operating revenues	\$ 508,301	\$ 379,357	\$ 128,944
Investment income (loss)	46,044	(18,920)	64,964
Non-operating revenues, net	621,230	361,521	259,709
Total revenues	<u>1,175,575</u>	<u>721,958</u>	<u>453,617</u>
EXPENSES			
Operating expenses	675,433	600,446	74,987
Interest expense	112,047	91,153	20,894
Total expenses	<u>787,480</u>	<u>691,599</u>	<u>95,881</u>
Income before capital contributions & transfers	<u>388,095</u>	<u>30,359</u>	<u>357,736</u>
Capital contributions	19,549	33,180	(13,631)
Transfers, net	(6,309)	—	(6,309)
Change in net position	<u>401,335</u>	<u>63,539</u>	<u>337,796</u>
Net position, beginning of fiscal year	<u>5,167,334</u>	<u>5,103,795</u>	<u>63,539</u>
Net position, end of fiscal year	<u>\$ 5,568,669</u>	<u>\$ 5,167,334</u>	<u>\$ 401,335</u>

Total DOA revenues for the fiscal year ended June 30, 2023 of approximately \$1.18 billion increased by approximately \$453.6 million or 62.8% year over year due to increased passenger traffic throughout the year as the demand for air travel increased. Total operating revenues increased approximately \$128.9 million, or 34.0% when compared to fiscal year 2022. Operating revenues increased primarily due to increases in concessions, parking and landing fees due to an increase in passenger traffic and operations.

Non-operating revenues consist of net investment income, Passenger facility charges (PFCs), Customer facility charges (CFCs), and other non-operating income net of expenses. PFCs were approximately \$189.3 million in fiscal year 2023 compared with \$185.8 million in fiscal year 2022. CFCs which are collected to fund the financing and operation of the Rental Car Center, were \$35.3 million in fiscal 2023 compared with \$30.4 million in fiscal 2022. Net investment income (loss) was \$46.0 million during fiscal year 2023 compared to approximately \$(18.9) million in fiscal year 2022.

Total DOA expenses increased by approximately \$95.9 million or 13.9% to approximately \$787.5 million. Operating expenses for the period were \$675.4 million which reflects an increase of \$75.0 million or 12.5% over June 30, 2022.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Financial Analysis - Business-type activities, continued

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. Other operating expenses decreased by \$1.7 million in comparison to fiscal year 2022. This decrease was driven 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 year over year, which is attributable to a net increase of \$634.7 million of depreciable assets during fiscal year 2023.

The restricted portion of DOA's Net Position represents bond reserve funds that are restricted under the bond ordinance related to aviation debt, and capital projects restricted by Federal PFC regulations for the purposes authorized including the payment of future indebtedness. Major components of the Airport's construction in process are concourse projects, airfield and runway projects, concourse transportation system, terminal/passenger projects and security/operations projects.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the City's governmental funds reported combined ending fund balances of approximately \$1.95 billion, an increase of approximately \$595.9 million or 43.9%. The increase was primarily due to an increase in revenues related to property taxes, local option sales taxes, licenses and permits, and hotel/motel tax revenues. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2023, the unassigned fund balance was approximately \$165.5 million, assigned fund balance was \$17.0 million, and committed fund balance was approximately \$11.8 million.

The General Fund is the chief operating fund of the City. During fiscal 2023, the fund balance of the General Fund increased by \$5.9 million or 2.5% to approximately \$246.1 million. The increase in fund balance of \$5.9 million was mainly due to growth in revenues related to property taxes, local option sales taxes, licenses and permits, and hotel/motel that showed significant gains.

The Capital Project Fund is used to account for the acquisition, construction or improvement of capital assets. Although reported as a single major government fund, it is comprised of multiple, separately tracked accounts and projects funded with the proceeds of long-term debt. During fiscal 2023, the fund balance of the capital project fund increased by approximately \$440.3 million or 261.1% to approximately \$609.0 million. The increase in fund balance was mainly due to the receipt of proceeds and premiums from general obligation bond issuances.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited) June 30, 2023

General Fund Budgetary Highlights

The General Fund is used to account for all activities of the City not otherwise accounted for by a specified fund. It is the largest of the City's funds, comprised of mostly general tax revenues and provides basic city services such as Police, Fire & Rescue, and Parks & Recreation Services. Each departmental expenditure budget must be developed and justified each year during the legally required budget adoption process. Total 2023 General Fund revenues on a generally accepted accounting principles (GAAP) basis were approximately \$784.5 million, \$42.9 million more than the final budget of \$741.5 million. Fiscal year 2023 final revenue budget does not include prior year fund balance. Current year property taxes were \$280.9 million which was approximately \$17.8 million more than budget. Local option sales taxes totaled approximately \$150.2 million which was approximately \$15.1 million more than budget. Licenses and permits revenue of \$155.4 million was \$38.1 million more than budget. The Hotel-Motel excise tax is budgeted as transfer-in revenue and amounted to \$21.2 million, a increase of \$738 thousand compared to \$20.5 million in fiscal year 2022.

Total 2023 General Fund expenditures on a generally accepted accounting principles (GAAP) basis were \$751.3 million, \$38.3 million less than the final budget of \$789.6 million. General government expenditures totaled approximately \$247.1 million which was approximately \$43.2 million less than budget. The variance between budget and actual is primarily due to operational efficiencies. Public Safety expenditures totaled approximately \$374.6 million which was approximately \$12.3 million more than budget, primarily due to personnel adjustments and equipment purchases. The Department of Public Works expenditures totaled approximately \$59.2 million which was approximately \$3.2 million less than budget, primarily due to operational efficiencies. The Department of Parks, Recreation and Cultural Affairs expenditures totaled approximately \$51.4 million which was approximately \$7.8 million more than budget, primarily due to an increase in seasonal staffing, utility costs, and building repair and maintenance. Debt service payments and agent fees totaled approximately \$18.9 million which was approximately \$11.9 million less than budget.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2023**

Capital Assets and Debt Administration

Table 5 - Capital Assets Schedule (in thousands):

Capital assets, net of depreciation/amortization, for the governmental and business-type activities are as follows:

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Land	\$ 252,186	\$ 237,810	\$ 1,007,256	\$ 995,124	\$ 1,259,442	\$ 1,232,934
Right-to-use lease land	179	259	—	—	179	259
Land improvements	9,580	11,261	1,651,091	1,651,678	1,660,671	1,662,939
Buildings and building improvements	295,733	304,050	8,907,880	8,574,137	9,203,613	8,878,187
Right-to-use lease building	21,225	20,585	10,104	—	31,329	20,585
Right-to-use SBITAs	8,349	9,845	6,904	3,129	15,253	12,974
Other property and equipment	71,516	50,601	235,734	238,201	307,250	288,802
Right-to-use lease equipment	180	700	52	209	232	909
Infrastructure	323,445	321,320	—	—	323,445	321,320
Construction in progress	355,962	320,938	1,367,547	1,326,850	1,723,509	1,647,788
Total	\$ 1,338,355	\$ 1,277,369	\$ 13,186,568	\$ 12,789,328	\$ 14,524,923	\$ 14,066,697

Capital assets - The City’s investment in capital assets for its governmental and business type activities as of June 30, 2023 and June 30, 2022 totaled \$14.5 billion and \$14.1 billion net of accumulated depreciation respectively. This investment in capital assets includes land, buildings and systems, improvements, construction in progress, machinery and equipment, park facilities, roads, highways, bridges, and intangible assets including right-to-use assets financed from leases as lessee and subscription based information technology arrangements (SBITAs). The net increase in the City’s investment in capital assets for the fiscal year ended June 30, 2023 was \$458.2 million or 3.3%.

Highlights of capital asset activity during the fiscal year ended June 30, 2023 included the following:

- \$171.3 million was added to the Construction-In-Progress (CIP) balance for various Department of Watershed Management projects and \$131.2 million of assets was transferred from CIP and placed in-service.
- \$627.4 million was added to the Construction-In-Progress (CIP) balance related to various Department of Aviation projects and \$626.7 million of assets was transferred from CIP and placed in-service.
- Approximately \$80.2 million was added to the Construction-In-Progress (CIP) balance related to various Governmental Infrastructure projects and \$45.2 million of assets was transferred from CIP and placed in-service.
- Depreciation and amortization expense during fiscal year 2023 totaled approximately \$500.1 million city-wide.

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2023**

Additional information on the City’s capital and right-to-use assets can be found in Note III.D. in the Notes to the Financial Statements.

Capital Assets and Debt Administration, continued

Long-term debt balances for governmental and business-type activities are as follows:

Table 6 - Long-Term Debt Schedule (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government Total	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
General obligation and annual bonds	\$ 633,425	\$ 243,950	\$ —	\$ —	\$ 633,425	\$ 243,950
Premium on bonds	31,365	4,188	—	—	31,365	4,188
Certificate of participation	50,095	54,730	—	—	50,095	54,730
Premiums	4,333	5,149	—	—	4,333	5,149
APSJFA revenue bonds	12,225	14,940	—	—	12,225	14,940
Premiums	699	1,086	—	—	699	1,086
Limited obligation bonds	220,100	264,872	—	—	220,100	264,872
Premium on bonds	4,488	6,307	—	—	4,488	6,307
Other general long-term obligations	35,754	38,904	—	—	35,754	38,904
Intergovernmental agreements	433,836	446,825	—	—	433,836	446,825
Loan Payable	748	809	—	—	748	809
Water and Wastewater Revenue Bonds	—	—	2,541,511	2,635,630	2,541,511	2,635,630
Bond issuance discounts	—	—	(306)	(403)	(306)	(403)
Bond issuance premiums	—	—	171,890	188,594	171,890	188,594
GEFA notes payable	—	—	178,098	187,547	178,098	187,547
Airport Facilities Revenue Bonds	—	—	2,893,445	2,973,455	2,893,445	2,973,455
Issuance premiums	—	—	340,906	380,649	340,906	380,649
Issuance discounts	—	—	(57)	(68)	(57)	(68)
Financed purchases (equipment)	—	—	13,701	6,215	13,701	6,215
City Plaza	—	—	7,125	7,510	7,125	7,510
Premiums	—	—	549	629	549	629
Parking Deck	—	—	10,530	11,455	10,530	11,455
Premiums	—	—	844	1,029	844	1,029
Financed purchases:						
General Fund	68,515	41,605	—	—	68,515	41,605
Water and Wastewater System	—	—	114,875	124,258	114,875	124,258
Aviation	—	—	6,604	7,124	6,604	7,124
Total	<u>\$ 1,495,583</u>	<u>\$ 1,123,365</u>	<u>\$ 6,279,715</u>	<u>\$ 6,523,624</u>	<u>\$ 7,775,298</u>	<u>\$ 7,646,989</u>

CITY OF ATLANTA, GEORGIA

**Management’s Discussion and Analysis (Unaudited)
June 30, 2023**

Long-term debt, continued

Long-term debt - The City’s long-term debt, including financed purchases, reflected a net increase of \$128.3 million or 1.7% during the current twelve-month period. General and limited obligation debt increased by \$370.1 million in fiscal year 2023. The Department of Aviation debt (excluding financed purchases) decreased by \$119.7 million and Department of Watershed Management debt including GEFA notes payable (excluding financed purchases) decreased by \$120.2 million. Government-wide financed purchases increased by \$24.5 million during the current fiscal year.

The City’s underlying ratings for its outstanding bonds at June 30, 2023 were as follows:

Table 7 - City of Atlanta Bond Ratings

City of Atlanta Municipal Bond Ratings	Moody's Investor Services	Standard & Poor's	Fitch
GENERAL OBLIGATION BONDS	Aa1	AA+	AA+
WATER AND WASTEWATER REVENUE BONDS	Aa2	AA-	AA
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT REVENUE BONDS	Aa3	AA-	AA-

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City’s outstanding general obligation debt is significantly less than the current debt limitation of approximately \$3.4 billion. See the Legal Debt Margin Information in the Statistical Section, Schedule 16 of this report.

There are a number of limitations and restrictions contained in the various bond indentures. As of June 30, 2023, the City believes it is in compliance with all significant limitations and restrictions. Additional information regarding the City’s long-term obligations can be found in Note III. H. in the Notes to the Financial Statements.

Economic Factors and Next Fiscal Year’s Budgets

The COVID-19 pandemic marked a significant event in world history and timelines today refer to pre-covid and post-covid due to the significant global impact. The Fiscal Year 2023 General Fund budget was developed considering all the variables that impacted our local economy and the overall health of the City of Atlanta. This was reflected in some of the major revenue sources such as the local option sales tax, licenses and permits, public utility franchise, alcoholic beverages, fines, hotel/motel, and other taxes.

The pace of job growth in the City will exceed the pace expected for the nation and match the rate expected for the state. The City’s high concentration of service producing industries, IT companies, distribution companies, e-commerce fulfillment centers, institutions of higher education, health care providers, life sciences companies and headquarters operations will keep its labor market relatively healthy. It will help that many of the large economic development projects announced over 2020-22 by the Georgia Department of Economic Development are located in the City's metropolitan area.

Increasing activity at Hartsfield-Jackson Atlanta International Airport has supported the City’s economic growth in 2023. Planned improvements at the airport bode well for the City’s future growth. In most

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Economic Factors and Next Fiscal Year's Budgets, continued

years, the airport is the world's busiest for passenger traffic. It has excellent access to mass transit. Extreme weather events capable of shutting down the airport are rare. The airport makes the Atlanta area an ideal location to operate corporate headquarters due to its large number of direct domestic and international flights. In post-pandemic America, multistate and multi-national companies based in the City, will fly executives and salespeople everywhere almost every day.

In 2023, Atlanta continued to develop as a high-tech inland port for transportation, distribution and warehousing products. The connectivity of Georgia's ports to the interstate system, rail, and air cargo is excellent. Among major US metros, Atlanta is a relatively low-cost, low-risk place to operate a warehouse. A substantial amount of high-tech warehouse/distribution space is under construction, which will provide the capacity for additional growth of Atlanta transportation and logistics cluster.

As the nation adapts to a new normal following the global pandemic, the City continues to witness significant progress. The City's unemployment rate is estimated to remain lower than both the state and national averages through 2023 and beyond which supports the City's sustainable revenue forecast. While the City has demonstrated strong recovery from the COVID-19 pandemic, it remains cautiously optimistic and diligent in budget development due to higher-than-normal inflation and potential mild recession concerns. The City's fiscal year 2024 revenues are expected to maintain a positive trend, primarily driven by healthy property tax digests, robust employment numbers, and continued consumer spending growth.

The General Fund Budget includes ongoing investments in employee compensation and benefits, as well as premium pay for frontline workers. This budget also underscores Mayor Dickens' commitment to public safety with significant investments in vehicles and equipment. Additionally, the General Fund Budget reinforces this administration's dedication to Affordable Housing, a purposeful and thoughtful decision to direct funding at a 15% increase over last year. Finally, the fiscal year 2024 Mayor's Adopted Budget includes a \$5M commitment to reserves, strengthening our alignment on fiscal responsibility in an Effective and Ethical Government.

The City's Finance Office will continue to closely monitor growing revenue trends in this post pandemic recovery environment.

Highlights of the fiscal year 2024 budget include:

- Continued premium pay and implementing a citywide cost-of-living adjustment for the second year in a row.
- Department of Watershed Management revenue anticipation of \$651 million, an increase of \$40 million or 6.62% compared to fiscal 2023.
- Department of Aviation revenue anticipation of \$696 million, an increase of \$172 million or 32.93% compared to fiscal 2023.

CITY OF ATLANTA, GEORGIA

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Chief Financial Officer, 14th Floor City Hall Tower, 68 Mitchell St. SW, Atlanta, Georgia 30303.

The remainder of the page is intentionally left blank



THIS PAGE INTENTIONALLY LEFT BLANK



Basic Financial Statements



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Statement of Net Position
June 30, 2023
(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 144	\$ 12,842	\$ 12,986	\$ 102,186
Restricted cash	1,181,601	568,920	1,750,521	140,819
Equity in cash management pool	515,666	1,971,235	2,486,901	—
Restricted investments	255,087	—	255,087	—
Receivables (net of allowance for uncollectibles)	134,584	141,260	275,844	9,563
Lease receivable	3,468	11,266	14,734	—
Due from other governments	36,679	25,040	61,719	—
Due from primary government	—	—	—	4,048
Due from component unit	—	102	102	—
Financed purchases receivable, current portion	—	—	—	9,622
Internal balances	66,365	(66,365)	—	—
Inventories	1,163	26,923	28,086	—
Other restricted assets	—	52,522	52,522	—
Prepaid items and other current assets	4,195	2,102	6,297	2,821
Total current assets	2,198,952	2,745,847	4,944,799	269,059
Noncurrent assets:				
Restricted cash	—	173,467	173,467	21,655
Restricted investments	—	725,638	725,638	—
Investments	—	—	—	8,806
Due from primary government	—	—	—	667,597
Capital assets:				
Capital assets not being depreciated	608,148	2,374,803	2,982,951	413,429
Capital assets being depreciated and amortized	2,155,285	18,546,638	20,701,923	513,408
Less accumulated depreciation and amortization	(1,425,078)	(7,734,873)	(9,159,951)	(243,325)
Investments in joint venture	—	61,720	61,720	—
Restricted investments in escrow	14,726	—	14,726	—
Due from component unit	—	—	—	49,847
Other assets	1,916	—	1,916	21,454
Lease receivable, non-current	19,337	64,888	84,225	24,452
Long-term receivable	—	—	—	6,966
Total noncurrent assets	1,374,334	14,212,281	15,586,615	1,484,289
Total Assets	3,573,286	16,958,128	20,531,414	1,753,348
Deferred outflows of resources:				
Pension related deferred outflows	479,585	145,676	625,261	—
OPEB related deferred outflows	129,052	79,778	208,830	—
Deferred losses on swap termination and debt refunding	13,803	265,188	278,991	2,522
Total deferred outflows of resources	622,440	490,642	1,113,082	2,522
Total assets and deferred outflows of resources	4,195,726	17,448,770	21,644,496	1,755,870

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA

Statement of Net Position

June 30, 2023

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 132,068	\$ 213,577	\$ 345,645	\$ 15,940
Accrued expenses	15,116	51,422	66,538	—
Accrued interest payable	14,443	91,116	105,559	16,925
Current portion of general claims payable	5,782	83	5,865	—
Contract retentions	1,052	39,393	40,445	—
Due to other governments	16,657	—	16,657	—
Intergovernmental Payable	12,275	—	12,275	—
Other liabilities	—	4,782	4,782	3,295
Current portion of unearned revenue	85,346	3,779	89,125	2,766
Commercial paper notes payables	—	315,277	315,277	—
Current portion of total OPEB liability	19,610	9,480	29,090	—
Current portion of long-term debt, financed purchases, SWAPS	135,455	217,890	353,345	27,245
Lease /SBITA liability, current	5,597	4,396	9,993	—
Arbitrage Rebate Payable	—	2,878	2,878	—
Current portion of other liabilities	9,258	1,678	10,936	574
Total current liabilities	452,659	955,751	1,408,410	66,745
Noncurrent liabilities				
Noncurrent portion of long-term debt	868,180	5,940,787	6,808,967	829,247
Noncurrent portion of claims payable	73,185	19,087	92,272	—
Noncurrent portion of financed purchases	58,112	121,038	179,150	—
Noncurrent portion of contract retentions	—	10,559	10,559	—
Noncurrent portion of unearned revenue	—	13,912	13,912	10,915
Net pension liability	1,083,592	432,406	1,515,998	—
Noncurrent portion of total OPEB liability	496,932	230,418	727,350	—
Due to other governments	—	—	—	16,320
Intergovernmental Payable	421,561	—	421,561	—
Other long-term liabilities	71,239	27,643	98,882	29,227
Arbitrage Rebate Payable, non-current	—	1,500	1,500	—
Lease /SBITA liability, non-current	26,101	12,746	38,847	3,038
Total non-current liabilities	3,098,902	6,810,096	9,908,998	888,747
Total Liabilities	3,551,561	7,765,847	11,317,408	955,492
Deferred inflows of resources:				
Pension related deferred inflows	75,400	23,708	99,108	—
OPEB related deferred inflows	194,522	100,569	295,091	—
Accumulated deferred gain on refundings	—	23,176	23,176	287,808
Accumulated increase in fair value of derivative instruments	1,916	—	1,916	—
Lease related deferred inflows	21,749	73,555	95,304	854
Total deferred inflows of resources	293,587	221,008	514,595	288,662
Total liabilities and deferred inflows of resources	3,845,148	7,986,855	11,832,003	1,244,154
NET POSITION				
Net investment in capital assets	155,573	6,948,835	7,104,408	272,663
Restricted for:				
Debt service	565,362	452,948	1,018,310	30,404
Federal Programs	423,410	—	423,410	139,407
Capital projects	718,907	717,206	1,436,113	12,216
Unrestricted (deficit)	(1,512,674)	1,342,926	(169,748)	57,026
Total Net Position	\$ 350,578	\$ 9,461,915	\$ 9,812,493	\$ 511,716

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	TOTALS	
Primary Government								
Governmental activities:								
General government	\$ 497,413	\$ 190,096	\$ 82,939	\$ —	\$ (224,378)	\$ —	\$ (224,378)	
Police	253,891	32,087	13,999	—	(207,805)	—	(207,805)	
Fire	107,407	965	421	—	(106,021)	—	(106,021)	
Corrections	17,101	2,440	1,064	—	(13,597)	—	(13,597)	
Public works	112,220	10,118	4,414	—	(97,688)	—	(97,688)	
Parks, recreation and cultural affairs	85,159	34,046	14,854	—	(36,259)	—	(36,259)	
Interest on long-term debt	71,241	—	—	—	(71,241)	—	(71,241)	
Total Governmental activities	1,144,432	269,752	117,691	—	(756,989)	—	(756,989)	
Business-type activities:								
Watershed management	514,298	493,956	—	5,167	—	(15,175)	(15,175)	
Aviation	792,691	508,301	—	229,767	—	(54,623)	(54,623)	
Sanitation	41,704	63,954	—	—	—	22,250	22,250	
Parking deck	782	—	—	—	—	(782)	(782)	
City plaza	804	720	—	—	—	(84)	(84)	
Total Business-type activities	1,350,279	1,066,931	—	234,934	—	(48,414)	(48,414)	
Total Primary Government	\$2,494,711	\$1,336,683	\$ 117,691	\$ 234,934	\$ (756,989)	\$ (48,414)	\$ (805,403)	
Component Units	\$ 138,227	\$ 56,877	\$ 32,950	\$ 47,862				\$ (538)
General Revenues								
					280,503	—	280,503	—
					301,699	—	301,699	—
					209,144	203,494	412,638	—
					247,307	—	247,307	8,999
					35,627	70,509	106,136	8,362
					417	416,223	416,640	39,044
					—	3,278	3,278	372
Total General revenues					1,074,697	693,504	1,768,201	56,777
Transfers					26,177	(26,177)	—	—
Total general revenues and transfers					1,100,874	667,327	1,768,201	56,777
Change in net position					343,885	618,913	962,798	56,239
Net position - beginning of fiscal year					6,693	8,843,002	8,849,695	455,477
NET POSITION - END OF FISCAL YEAR					\$ 350,578	\$ 9,461,915	\$9,812,493	\$ 511,716

The accompanying notes are an integral part of this statement



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2023

(Dollars in Thousands)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 144	\$ —	\$ —	\$ 144
Cash and cash equivalents, restricted	129	292,051	889,421	1,181,601
Equity in cash management pool	152,599	59,419	301,212	513,230
Restricted investments	—	249,132	5,955	255,087
Prepaid items	—	4,195	—	4,195
Receivables:				
Taxes net of allowances for uncollectibles	4,471	—	16,993	21,464
Accounts	38,929	15,486	58,701	113,116
Lease receivable	22,333	—	472	22,805
Due from other governments	—	—	36,679	36,679
Due from other funds	81,558	2,030	4,855	88,443
Advances to other funds	50,457	—	—	50,457
Investments in escrow	—	14,726	—	14,726
TOTAL ASSETS	\$ 350,620	\$ 637,039	\$ 1,314,288	\$ 2,301,947
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 59,316	\$ 13,884	\$ 50,647	\$ 123,847
Accrued expenditures	13,379	2	535	13,916
Contract retentions	2	808	242	1,052
Due to other governments	—	—	16,657	16,657
Due to other funds	6,885	13,392	58,849	79,126
Unearned revenue	22	—	85,324	85,346
Total Liabilities	79,604	28,086	212,254	319,944
Deferred inflows of resources:				
Deferred inflows of property taxes	3,651	—	2,596	6,247
Unavailable Revenues	—	—	528	528
Lease related deferred inflows	21,295	—	454	21,749
Total deferred inflows of resources	24,946	—	3,578	28,524
Total liabilities and deferred inflows of resources	104,550	28,086	215,832	348,468
Fund Balances:				
Nonspendable	51,495	—	18	51,513
Restricted	—	608,953	1,098,726	1,707,679
Committed	11,782	—	—	11,782
Assigned	17,023	—	—	17,023
Unassigned	165,770	—	(288)	165,482
Total fund balances	246,070	608,953	1,098,456	1,953,479
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 350,620	\$ 637,039	\$ 1,314,288	\$ 2,301,947

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Reconciliation of Governmental Funds Balance Sheet
To the Government-wide Statement of Net Position
June 30, 2023
(Dollars in Thousands)

Total fund balances		1,953,479
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred inflows for property taxes and unavailable revenues are not recognized as current year revenues and, therefore, are classified as deferred inflows in the governmental funds		6,775
Capital and leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Land and construction in progress	608,148	
Cost of capital and right-to-use assets	2,155,285	
Less: accumulated depreciation and amortization	<u>(1,425,078)</u>	1,338,355
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in governmental funds but must be deferred in the statement of net position		
Deferred outflows-General pension	78,318	
Deferred outflows-Fire pension	144,204	
Deferred outflows-Police pension	<u>257,063</u>	479,585
Certain amounts related to the OPEB liability are deferred and amortized over time		
Deferred outflows of resources-OPEB	<u>129,052</u>	129,052
Deferred outflows of resources include amounts that used current financial resources at the fund level but will be offset against future revenues in the government-wide statements		
	<u>13,803</u>	13,803
Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Capital assets included above related to the internal service fund	(524)	
Net Position for internal service fund	<u>1,297</u>	773
Certain amounts related to the net pension liability are deferred and amortized over time		
Deferred inflows of resources- General pension	(11,311)	
Deferred inflows of resources- Fire pension	(29,384)	
Deferred inflows of resources- Police pension	<u>(34,705)</u>	(75,400)
Certain amounts related to the OPEB liability are deferred and amortized over time		
Deferred inflows of resources-OPEB	<u>(194,522)</u>	(194,522)
Long-term liabilities, including financed purchases and leases, are not due and payable in the current period and therefore are not reported in governmental funds.		
Accrued interest payable	<u>(14,443)</u>	(14,443)
Due to component units	(433,836)	
Long-term debt	(633,425)	
Certificates of Participation	(50,095)	
APSJFA revenue bonds	(12,225)	
Limited obligation bonds	(220,100)	
Financed purchases	(68,515)	
Other general long-term obligations	(35,754)	
Unamortized premiums (discounts) on bond issues	(40,885)	
Vacation and compensated absences payable	(41,790)	
Loans payable	(748)	
Lease/SBITA Liability	(31,698)	
Net Pension liability	(1,083,592)	
Total OPEB liability	(516,542)	
Health, dental and general claims payable	(87,692)	
Workers' compensation	<u>(29,982)</u>	(3,286,879)
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 350,578</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 280,917	\$ —	\$ 301,699	\$ 582,616
Local and municipal option sales taxes	150,239	—	58,905	209,144
Public utility, alcoholic beverage and other taxes	142,072	—	105,235	247,307
Licenses and permits	155,366	—	1,092	156,458
Charges for current services	5,329	—	47,304	52,633
Fines, forfeitures and penalties	19,949	2,542	2,484	24,975
Investment income	8,794	6,835	19,998	35,627
Intergovernmental revenues and contributions:				
Federal revenues	268	—	89,437	89,705
State and local grants and contributions	149	—	28,253	28,402
Building rentals and concessions	9,408	—	1,241	10,649
Other	11,968	4,095	8,975	25,038
Total revenues	784,459	13,472	664,623	1,462,554
EXPENDITURES				
Current:				
General government	247,105	31,728	304,270	583,103
Police	246,217	19,112	19,407	284,736
Fire	111,481	8,604	299	120,384
Corrections	16,928	1,279	1,311	19,518
Public Works	59,206	18,036	27,683	104,925
Parks, recreation and cultural affairs	51,443	15,430	18,536	85,409
Debt Service:				
Principal payments	16,093	11,121	83,170	110,384
Interest payments	2,774	6,638	44,697	54,109
Paying agent fees	39	2,617	32	2,688
Total Expenditures	751,286	114,565	499,405	1,365,256
Excess (deficiency) of revenues over (under) expenditures	33,173	(101,093)	165,218	97,298
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	226	438,932	10,318	449,476
Premium from bond issuance	—	30,435	—	30,435
Leases (as lessee) and SBITAs	6,281	552	1,268	8,101
Transfers in	71,001	83,283	20,301	174,585
Transfers out	(104,768)	(11,817)	(47,379)	(163,964)
Total Other Financing Sources (Uses)	(27,260)	541,385	(15,492)	498,633
Net change in fund balance	5,913	440,292	149,726	595,931
Fund Balance:				
Beginning of the fiscal year	240,157	168,661	948,730	1,357,548
FUND BALANCE, END OF FISCAL YEAR	\$ 246,070	\$ 608,953	\$ 1,098,456	\$ 1,953,479

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance
To the Government-wide Statement of Activities
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

Net change in fund balance - total governmental funds		595,931
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property taxes and other revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.		(414)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
	Capital outlays	124,343
	Disposal of assets	(2,934)
	Depreciation and amortization expense	<u>(60,423)</u>
		60,986
The issuance of long-term debt (financed purchases and leases) provides current financial resources to governmental funds. Repayment of debt (bonds, certificates of participation and leases) is an expenditure in the governmental funds but the repayments reduce long-term liabilities in the statement of net position. This amount is the net effect of these differences in treatment of long-term debt.		
	Payments on long-term debt	110,384
	Issuance of long-term debt	(457,577)
	Capitalization of premiums and discounts	(30,435)
	Amortization of premiums and discounts	<u>6,280</u>
		(371,348)
Internal service funds are used by management to charge the costs of automotive services as well as transactions related to the provision of life, accident and medical insurance benefits through outside insurance companies for permanent employees and retirees. The net revenues of these activities are reported as governmental funds for affected departments.		
		<u>16,296</u>
		16,296
Pension related items reported in the statement of activities that do not require the use of current financial resources to governmental funds.		
	Deferred outflows-General pension	34,427
	Deferred outflows-Fire pension	71,445
	Deferred outflows-Police pension	123,519
	Deferred inflows of resources- General pension	107,939
	Deferred inflows of resources- Fire pension	102,093
	Deferred inflows of resources- Police pension	<u>205,877</u>
		645,300
OPEB related items reported in the statement of activities that do not require the use of current financial resources to governmental funds.		
	Deferred outflows-OPEB	37,954
	Deferred inflows of resources-OPEB	<u>(54,031)</u>
		(16,077)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
	Change in accrued interest payable	<u>(5,523)</u>
		(5,523)
	Change in net pension liability	(669,747)
	Amortization of deferred losses on refunding	(1,344)
	Change in health, dental and general claims payable	(3,051)
	Change in vacation and compensated absences	(6,552)
	Change in total OPEB liability	100,484
	Change in workers' compensation	<u>(1,056)</u>
		(581,266)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 343,885</u></u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2023
(Dollars in Thousands)

	Business Activities - Enterprise Funds			Governmental Activities	
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 12,829	\$ 13	\$ —	\$ 12,842	\$ —
Deposit in Transit	3,125	—	—	3,125	—
Restricted cash and cash equivalents	172,033	396,887	—	568,920	—
Equity in cash management pool	897,555	1,069,159	4,521	1,971,235	2,436
Receivables:					
Accounts	258,227	8,836	58,025	325,088	4
MOST receivable	16,857	—	—	16,857	—
Lease receivable	154	11,112	—	11,266	—
Less allowance for doubtful accounts	(184,856)	(7,509)	(11,445)	(203,810)	—
Total receivables, net	90,382	12,439	46,580	149,401	4
Due from other governments	25,040	—	—	25,040	—
Due from other component units	102	—	—	102	—
Inventories	14,519	12,404	—	26,923	1,163
Prepaid items	—	2,102	—	2,102	—
Restricted assets	706	51,816	—	52,522	—
Total current assets	1,216,291	1,544,820	51,101	2,812,212	3,603
Noncurrent assets:					
Restricted cash and cash equivalents	—	173,467	—	173,467	—
Restricted investments	152,850	572,788	—	725,638	—
Investment in joint venture	61,720	—	—	61,720	—
Lease receivable, non-current	993	63,895	—	64,888	—
Capital assets:					
Land	141,388	584,230	3,862	729,480	136
Construction in progress	285,806	1,081,741	—	1,367,547	—
Land improvements	13,376	3,717,698	1,801	3,732,875	29
Land purchased for noise abatement	—	277,776	—	277,776	—
Buildings and other structures	—	5,710,307	45,040	5,755,347	5,507
Water collection and distribution system	5,859,941	—	—	5,859,941	—
Water and wastewater plant and treatment facilities	2,254,302	—	—	2,254,302	—
Machinery, equipment, and other	308,456	561,941	51,192	921,589	4,094
Right-to-use lease/SBITA assets, net of amortization	17,060	—	—	17,060	—
Less accumulated depreciation	(3,049,626)	(4,638,109)	(41,614)	(7,729,349)	(9,242)
Capital assets, net	5,830,703	7,295,584	60,281	13,186,568	524
Total noncurrent assets	6,046,266	8,105,734	60,281	14,212,281	524
Total assets	7,262,557	9,650,554	111,382	17,024,493	4,127
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows	50,620	83,177	11,879	145,676	—
OPEB related deferred outflows	42,650	22,838	14,290	79,778	—
Accumulated losses on debt refunding	244,068	21,120	—	265,188	—
Total assets and deferred outflows of resources	\$ 7,599,895	\$ 9,777,689	\$ 137,551	\$ 17,515,135	\$ 4,127

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2023 (Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Funds
LIABILITIES					
Current liabilities					
Accounts payable	\$ 40,033	\$ 35,369	\$ 8,519	\$ 83,921	\$ 8,221
Accrued expenses	15,316	33,926	2,180	51,422	1,200
Current portion of unearned revenue	—	3,779	—	3,779	—
Current portion of OPEB	4,704	3,723	1,053	9,480	—
Current portion of claims payable	83	—	—	83	—
Current portion of other liabilities	847	687	144	1,678	—
Deposits and advances	11,161	—	—	11,161	—
Accrued interest payable	—	38,905	—	38,905	—
Due to other funds	—	—	6,000	6,000	3,317
Current portion of other debt	9,652	39,095	—	48,747	—
Lease liability, current	2,393	—	—	2,393	—
SBITA liability current	2,003	—	—	2,003	—
Current maturities of financed purchases	9,684	—	3,907	13,591	—
Accrued workers' compensation	2,787	866	1,129	4,782	—
Current liabilities	<u>98,663</u>	<u>156,350</u>	<u>22,932</u>	<u>277,945</u>	<u>12,738</u>
Current liabilities payable from restricted assets:					
Accounts payable	29,030	89,465	—	118,495	—
Arbitrage rebate payable	1,976	902	—	2,878	—
Accrued interest payable	21,326	30,818	67	52,211	—
Contract retention	8,368	31,025	—	39,393	—
Commercial paper notes payables	77,607	237,670	—	315,277	—
Current maturities of financed purchases	—	551	—	551	—
Current maturities of long-term debt	95,341	58,285	1,375	155,001	—
Total current liabilities payable from restricted assets	<u>233,648</u>	<u>448,716</u>	<u>1,442</u>	<u>683,806</u>	<u>—</u>
Total current liabilities	<u>332,311</u>	<u>605,066</u>	<u>24,374</u>	<u>961,751</u>	<u>12,738</u>
Noncurrent liabilities					
Long-term debt, excluding current maturities	2,786,200	3,136,914	17,673	5,940,787	—
Financed purchases, excluding current maturities	105,191	6,053	9,794	121,038	—
Lease liability, non-current	8,123	—	—	8,123	—
SBITA liability non-current	4,623	—	—	4,623	—
Unearned revenue	—	13,912	—	13,912	—
Net pension liability	192,265	196,459	43,682	432,406	—
Total OPEB liability	111,383	80,962	38,073	230,418	—
Claims payable	12,084	6,735	268	19,087	—
Arbitrage rebate payable	697	803	—	1,500	—
Contract retention, excluding current portion	—	10,559	—	10,559	—
Accrued workers' compensation	10,665	3,314	4,320	18,299	—
Advances from other funds	—	—	31,662	31,662	18,795
Landfill postclosure costs	—	—	9,344	9,344	—
Total noncurrent liabilities	<u>3,231,231</u>	<u>3,455,711</u>	<u>154,816</u>	<u>6,841,758</u>	<u>18,795</u>
Total Liabilities	<u>3,563,542</u>	<u>4,060,777</u>	<u>179,190</u>	<u>7,803,509</u>	<u>31,533</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	7,310	14,737	1,661	23,708	—
OPEB related deferred inflows	47,004	37,883	15,682	100,569	—
Lease related deferred inflows	1,108	72,447	—	73,555	—
Accumulated deferred gain of debt refundings	—	23,176	—	23,176	—
Total liabilities and deferred inflows of resources	<u>3,618,964</u>	<u>4,209,020</u>	<u>196,533</u>	<u>8,024,517</u>	<u>31,533</u>
NET POSITION					
Net investment in capital assets	3,016,990	3,904,313	27,532	6,948,835	524
Restricted					
Debt service	—	452,948	—	452,948	—
Capital projects	221,594	495,612	—	717,206	—
Unrestricted (deficit)	<u>742,347</u>	<u>715,796</u>	<u>(86,514)</u>	<u>1,371,629</u>	<u>(27,930)</u>
Total Net Position (Deficit)	<u>\$ 3,980,931</u>	<u>\$ 5,568,669</u>	<u>\$ (58,982)</u>	<u>\$ 9,490,618</u>	<u>\$ (27,406)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(28,703)</u>	
Net position of business-type activities				<u>\$ 9,461,915</u>	

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 465,542	\$ 321,478	\$ 54,610	\$ 841,630	\$ 203,886
Sewer service charges from other governmental units	24,176	—	—	24,176	—
Rentals, admissions and concessions	14	156,502	720	157,236	—
Other	4,224	30,321	9,344	43,889	14,793
Total operating revenues	493,956	508,301	64,674	1,066,931	218,679
Operating expenses:					
Salaries and employee benefits	99,428	118,840	15,484	233,752	123,076
Utilities	26,929	9,210	337	36,476	496
Supplies and materials	20,833	6,214	1,693	28,740	14,925
Repairs, maintenance and other contractual services	17,437	185,774	270	203,481	8,289
Motor equipment services	5,300	—	8,736	14,036	409
Engineering and consultant fees	40,266	28,647	7,435	76,348	1,217
General services and other costs	46,224	22,470	4,560	73,254	68,613
Depreciation and amortization	133,573	304,278	3,229	441,080	65
Total operating expenses	389,990	675,433	41,744	1,107,167	217,090
Operating income (loss)	103,966	(167,132)	22,930	(40,236)	1,589
Non-operating revenues (expenses):					
Investment Income	24,259	46,044	206	70,509	—
Municipal option sales tax revenue	203,494	—	—	203,494	—
Interest expense	(124,308)	(112,047)	(1,552)	(237,907)	(459)
Arbitrage rebate	—	(1,705)	—	(1,705)	—
Passenger facility charges	—	189,317	—	189,317	—
Customer facility charges	—	20,901	—	20,901	—
Non-capital grants	—	416,223	—	416,223	—
Other revenue (expenses), net	3,028	(3,506)	6	(472)	—
Total nonoperating revenues (expenses), net	106,473	555,227	(1,340)	660,360	(459)
Income (loss) before capital contributions and transfers	210,439	388,095	21,590	620,124	1,130
Capital contributions	5,167	19,549	—	24,716	—
Transfers in	—	—	28,741	28,741	16,223
Transfers out	(33,912)	(6,309)	(14,697)	(54,918)	(667)
Change in net position	181,694	401,335	35,634	618,663	16,686
Net Position, beginning of fiscal year	3,799,237	5,167,334	(94,616)	8,871,955	(44,092)
Net Position, end of fiscal year	\$ 3,980,931	\$ 5,568,669	\$ (58,982)	9,490,618	\$ (27,406)
			Change in net position	618,663	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				250	
			Change in net position of business-type activities	\$ 618,913	

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash received from user charges	\$ 486,474	\$ 502,497	\$ 49,371	\$ 1,038,342	\$ 218,675
Cash received for interfund services provided	11,833	—	—	11,833	—
Cash paid for interfund services received	(11,865)	—	—	(11,865)	—
Cash paid to employees for services	(121,135)	(135,367)	(26,411)	(282,913)	(123,288)
Cash paid to suppliers for goods and services	(138,148)	(243,000)	(25,114)	(406,262)	(110,521)
Net cash provided by (used in) operating activities	227,159	124,130	(2,154)	349,135	(15,134)
Cash flows from noncapital financing activities					
Non-capital grants and donations	—	427,683	—	427,683	—
Non-capital distributions	3,028	—	—	3,028	—
MOST sales tax revenue	203,316	—	—	203,316	—
Transfers in	—	—	28,741	28,741	16,223
Transfers out	(33,912)	—	(14,697)	(48,609)	(667)
Net cash provided by noncapital financing activities	172,432	427,683	14,044	614,159	15,556
Cash flows from capital and related financing activities					
Capital grants and donations	5,167	13,927	—	19,094	—
Principal repayments of long-term debt and financed purchases	(100,197)	(506,629)	(5,110)	(611,936)	—
Acquisition and construction of capital assets	(205,192)	(606,724)	(9,483)	(821,399)	(204)
Passenger and customer facility charges	—	208,127	—	208,127	—
Proceeds from bonds of long-term debt and financed purchases	32,192	208,744	4,351	245,287	—
Interest paid	(128,381)	(139,975)	(1,817)	(270,173)	(459)
Net cash used in capital and related financing activities	(396,411)	(822,530)	(12,059)	(1,231,000)	(663)
Cash flows from investing activities					
Change in pooled investments	(31,010)	(321,040)	—	(352,050)	—
Interest on investments	34,862	55,986	206	91,054	—
Purchases of restricted investments	—	(460,016)	—	(460,016)	—
Sales and redemptions of restricted investments	—	514,558	—	514,558	—
Net cash provided by (used in) investing activities	3,852	(210,512)	206	(206,454)	—
Increase (decrease) in cash and cash equivalents	7,032	(481,229)	37	(474,160)	(241)
Cash and cash equivalents:					
Restated Beginning of fiscal year	177,830	1,051,596	4,484	1,233,910	2,677
End of fiscal year	\$ 184,862	\$ 570,367	\$ 4,521	\$ 759,750	\$ 2,436

continued

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Business Activities - Enterprise Funds				Governmental Activities
	Department of Watershed Management	Department of Aviation	Other Nonmajor Funds	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 103,966	\$ (167,132)	\$ 22,930	\$ (40,236)	\$ 1,588
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	133,573	304,278	3,229	441,080	65
Changes in assets and liabilities					
Accounts receivable - net of allowance	(1,592)	5,959	(6,995)	(2,628)	(2)
Leases - GASB 87, Net	—	(937)	—	(937)	—
Inventories	(2,595)	1,587	—	(1,008)	435
Due from other funds	39	—	—	39	—
Prepaid items	—	103	—	103	—
Due (from) other governmental units, net	5,045	—	—	5,045	—
Investment in joint venture	2,626	—	—	2,626	—
Accounts payable and accrued expenses	(16,735)	(4,796)	2,421	(19,110)	(784)
Landfill postclosure liability	—	—	(8,316)	(8,316)	—
Unearned revenue	—	(3,779)	—	(3,779)	—
Other liabilities	—	(11,153)	(9,423)	(20,576)	(213)
Claims payable	1,934	—	—	1,934	—
Customer deposits	898	—	—	898	—
Due to other funds	—	—	6,000	6,000	(35,018)
Advances to other funds	—	—	(12,000)	(12,000)	18,795
Net cash provided by (used in) operating activities	<u>\$ 227,159</u>	<u>\$ 124,130</u>	<u>\$ (2,154)</u>	<u>\$ 349,135</u>	<u>\$ (15,134)</u>
Schedule of noncash capital and related financing activity:					
Acquisition of capital assets with accounts payable	\$ 31,006	\$ 89,465	\$ —	\$ 120,471	—
Amortization of bond discount and premium, net	16,608	39,732	—	56,340	—
Accrued contract retention	—	41,583	—	41,583	—
Retainage payable	8,368	—	—	8,368	—

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023
(Dollars in thousands)

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 59,476	\$ 154
Equity in cash management pool	—	16,249
Receivables:		
Other employee contributions	2,257	—
Other employer contributions	12,168	—
Due from brokers	9,750	—
Accrued interest receivable	6,291	—
Other receivables	16,811	1,134
Total receivables	47,277	1,134
Investments:		
Cash and cash equivalents	37,498	—
Domestic fixed income securities	1,015,679	—
Domestic equities	2,429,943	—
International fixed income securities	7,904	—
International equities	306,628	—
Alternative partnerships:		
Real estate	88,783	—
Limited partnerships	31,988	—
Commingled funds	168,466	—
Total investments	4,086,889	—
Total assets	4,193,642	17,537
LIABILITIES		
Payables:		
Accounts payable	3,997	11,574
Due to brokers for investments purchased	12,501	—
Total liabilities	16,498	11,574
Net Position Restricted for Pension and Custodial	\$ 4,177,144	\$ 5,963

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Pension Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer contributions	\$ 194,824	\$ —
Employee contributions	57,899	—
Refunds and other	373	6
Sewer collections for other governments	—	41,549
Court fees collected for other agencies	—	1,635
Fines and fees collected for other agencies	—	4,464
Total Contributions	253,096	47,654
Investment income:		
Net change in fair value of investments	324,191	—
Investment income	48,015	4
Less: Investment expenses	(8,245)	—
Net investment income	363,961	4
Total Additions, net	617,057	47,658
Deductions		
Benefit payments	350,142	—
Administrative expenses	3,261	18
Payments of sewer collections to other governments	—	41,512
Payments of court fees to other agencies	—	395
Payments of fines and fees to other agencies	—	4,532
Total Deductions	353,403	46,457
Change in net position	263,654	1,201
Net position held in trust for pension benefits/custodial:		
Beginning of fiscal year	3,913,490	4,762
End of fiscal year	\$ 4,177,144	\$ 5,963

The accompanying notes are an integral part of this statement



Component Units

Atlanta Fulton County Recreation Authority - Established to account for the acquisitions, construction, maintenance, and operation of an athletic coliseum, and the Atlanta Zoo.

Atlanta Development Authority – Atlanta Development Authority, d/b/a Invest Atlanta, is the official economic development authority for the City of Atlanta. Its purpose is to strengthen Atlanta's economy and global competitiveness in order to create increased opportunity and prosperity for the people of Atlanta.



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Component Units
Statement of Net Position
June 30, 2023
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 27,059	\$ 75,127	\$ 102,186
Restricted cash and cash equivalents	—	140,819	140,819
Receivables:			
Accounts	15	—	15
Other receivables	—	9,548	9,548
Total receivables	15	9,548	9,563
Due from primary government	—	4,048	4,048
Current portion of lease receivable	1,260	8,362	9,622
Prepaid items and other assets	8	2,813	2,821
Total current assets	28,342	240,717	269,059
Noncurrent Assets:			
Unrestricted assets:			
Due from primary government	328,139	339,458	667,597
Other receivable	—	1,050	1,050
Loans receivable	—	5,916	5,916
Lease receivable	23,615	837	24,452
Due from other component units	—	49,847	49,847
Other assets	—	21,454	21,454
Total unrestricted assets	351,754	418,562	770,316
Restricted assets:			
Cash	21,655	—	21,655
Investments	—	8,806	8,806
Total restricted assets	21,655	8,806	30,461
Capital assets - at cost:			
Right-to-use lease asset	—	2,843	2,843
Land	22,497	114,900	137,397
Construction-in-progress	—	276,032	276,032
Land improvements	347	5,809	6,156
Buildings and improvements	442,369	40,294	482,663
Other property and equipment	15,895	5,851	21,746
	481,108	445,729	926,837
Less accumulated depreciation	(213,856)	(29,469)	(243,325)
Capital assets, net	267,252	416,260	683,512
Total non-current assets	640,661	843,628	1,484,289
Total assets	669,003	1,084,345	1,753,348
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated deferred losses on debt refunding	\$ 1,807	\$ 715	\$ 2,522
Total assets and deferred outflows of resources	\$ 670,810	\$ 1,085,060	\$ 1,755,870

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Component Units
Statement of Net Position
June 30, 2023
(Dollars in Thousands)

	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	Totals
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 61	\$ 15,879	\$ 15,940
Accrued interest payable	—	16,925	16,925
Other accrued liabilities	44	3,251	3,295
Unearned revenues	—	2,766	2,766
Current portion of long-term debt	—	19,895	19,895
Total current liabilities	<u>105</u>	<u>58,716</u>	<u>58,821</u>
Liabilities payable from restricted assets:			
Current portion of long-term debt	7,350	—	7,350
Other liabilities	574	—	574
Total liabilities payable from restricted assets	<u>7,924</u>	<u>—</u>	<u>7,924</u>
Long-term liabilities:			
Long-term debt, less current portion	347,480	481,767	829,247
Noncurrent portion of unearned revenue	—	10,915	10,915
Other accrued liabilities	—	29,227	29,227
Lease liability	—	3,038	3,038
Due to other governments	16,320	—	16,320
Total long-term liabilities	<u>363,800</u>	<u>524,947</u>	<u>888,747</u>
Total liabilities	<u>371,829</u>	<u>583,663</u>	<u>955,492</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related deferred inflows	—	854	854
Accumulated deferred gain on refundings	287,215	593	287,808
Total liabilities and deferred inflows of resources	<u>659,044</u>	<u>585,110</u>	<u>1,244,154</u>
NET POSITION			
Net investment in capital assets	(20,032)	292,695	272,663
Restricted	14,854	167,173	182,027
Unrestricted	16,944	40,082	57,026
Total net position	<u>\$ 11,766</u>	<u>\$ 499,950</u>	<u>\$ 511,716</u>

The accompanying notes are an integral part of this statement

CITY OF ATLANTA, GEORGIA
Component Units
Statement of Activities
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		TOTALS
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Atlanta Fulton County Recreation Authority	Atlanta Development Authority	
Component Units							
Business-type activities							
Atlanta Fulton County Recreation Authority	\$ 38,453	\$ 7,683	\$ —	\$ 8,028	\$ (22,742)	\$ —	\$ (22,742)
Atlanta Development Authority	99,774	49,194	32,950	39,834	—	22,204	22,204
Total Business-type activities	138,227	56,877	32,950	47,862	(22,742)	22,204	(538)
Total Component Units	\$ 138,227	\$ 56,877	\$ 32,950	\$ 47,862	\$ (22,742)	\$ 22,204	\$ (538)
General revenues:							
Other taxes					\$ 8,999	\$ —	\$ 8,999
Investment income					3,741	4,621	8,362
Other					106	266	372
Total General revenues					12,846	4,887	17,733
Change in net position					(9,896)	27,091	17,195
Capital Contribution					—	39,044	39,044
Net position - beginning of fiscal year					21,662	433,815	455,477
Net position - end of fiscal year					\$ 11,766	\$ 499,950	\$ 511,716

The accompanying notes are an integral part of this statement



Notes to the Financial Statements

City of Atlanta, Georgia

Notes to Financial Statements

Contents

	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity	43
B. Basis of Presentation	47
C. Measurement Focus and Basis of Accounting	49
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances	49
E. New Accounting Pronouncements	60
F. Use of Estimates	60
II. Stewardship, Compliance and Accountability	
A. Budgets and Budgetary Accounting	61
B. Deficit Fund Balances/Net Positions	61
III. Detailed Notes on All Funds	
A. Deposits and Investments	62
B. Property Taxes, LOST, MOST, TSPLOST and Car Rental Taxes	74
C. Tax Abatements	75
D. Capital and Right-to-use Assets	77
E. Interfund Receivables, Payables, and Transfers	80
F. Leases/SBITAs	82
G. Restricted Net Position and Restricted Assets	88
H. Long Term Obligations	90
IV. Other Information	
A. Risk Management	113
B. Commitments and Contingent Liabilities	114
V. Pensions, Postemployment Benefits, Deferred Compensation Plan	
A. Pensions	120
B. Post-Employment Benefits	146
C. Deferred Compensation Plan	154
VI. Subsequent Events	
Subsequent Events	155
VII. Conduit Debt.....	
	156

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

I. Summary of Significant Accounting Policies

The accounting principles of the City of Atlanta ("City") conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental entities. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The Financial Reporting Entity

The City is a municipal corporation governed by the Mayor and the City Council. In evaluating how to define the City for financial reporting purposes, the management of the City has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Each discretely presented component unit is reported separately in the basic financial statements to emphasize that it is legally separate from the City Government.

All blended component units have a June 30 fiscal year end. Of the discretely presented component units, the Atlanta Fulton County (Recreation Authority) has a December 31 fiscal year end and the Atlanta Development Authority, d/b/a Invest Atlanta (Invest Atlanta), has a June 30 fiscal year end.

Blended Presented Component Units

Atlanta Public Safety and Judicial Facilities Authority (APSJFA), Solid Waste Management Authority (SWMA), and Atlanta Housing Opportunity, Inc.(AHOI) are legally separate from the City, but governed by boards appointed by the Mayor and/or the City Council. There exists a financial benefit/burden relationship between the City and these entities. APSJFA, SWMA, and AHOI are reported as if they are a part of the primary government because their primary purpose is to provide services to the City. The general fund of AHOI is reported as a special revenue fund of the City. APSJFA and SWMA's capital project funds are reported as capital project funds of the City.

Separate audited financial statements for AHOI may be obtained from Invest Atlanta, 133 Peachtree Street, NE, Suite 2900, Atlanta, GA 30303. Separate financial statements are not prepared for APSJFA and SWMA.

The City of Atlanta, Georgia General Employees' Pension Plan, the City of Atlanta, Georgia Firefighters' Pension Plan, and the City of Atlanta Georgia Police Officers' Pension Plan (the "Plans") are agent multiple-employer defined benefit pension plans (General Employees' Pension Plan) and single employer defined benefit pension plans (Firefighters' Pension Plan and Police Officers' Pension Plan) administered by the City of Atlanta Defined Benefit Pension Plan

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Investment Board of Trustees. Although the Plans are legally separate from the City, they are reported as fiduciary component units because their primary purpose is to provide retirement benefits to the employees of the City and because the Plans are fiscally dependent on the City.

A stand-alone audited financial report is issued for each of the Plans and can be obtained from the City of Atlanta, 68 Mitchell Street, S.W. Suite 1600 Atlanta, GA 30303.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the Atlanta Fulton County Recreation Authority ("Recreation Authority") and the Atlanta Development Authority ("Invest Atlanta"). They are reported as discretely presented component units because the governing body of each of these component units is not substantively the same as the primary government. All the discretely presented component units are accounted for as proprietary fund types.

Atlanta Fulton County Recreation Authority ("Recreation Authority") - Created in 1960, the principal activities of the Recreation Authority include the maintenance and oversight of an athletic stadium (the "Stadium"), an athletic coliseum (the "Arena"), and the Atlanta Fulton County Zoo, Inc. ("Zoo"), for which the Recreation Authority acts as lessee under a leasehold interest granted by the City. The Mayor appoints the majority of the governing body of the Recreation Authority. The City has a two-thirds interest in the Recreation Authority and Fulton County has one-third interest. The separate financial statements may be obtained from the Atlanta Fulton County Recreation Authority, 1 State Farm Drive, Atlanta, Georgia, 30303.

The City, Fulton County (*"the County"*), and the Zoo by contractual agreement with the Recreation Authority, will fund any deficiencies in principal and interest payments on the applicable revenue bonds issued for construction and capital improvements of the Arena and the Zoo. The funding of any deficiencies related to the Arena is based on the proportionate ownership interest noted above for the City and Fulton County. For the Arena, there were no such deficiencies during the fiscal year that required funding by the City or Fulton County. When the related Arena revenue bonds have been fully paid, the Recreation Authority will convey fee simple title of the Arena to the City and Fulton County based on their proportionate shares noted above, upon joint request of the City and Fulton County. The component unit presentation in the financial statements of the Recreation Authority consolidates the operations of the Stadium and Arena.

Atlanta Development Authority ("Invest Atlanta") - Invest Atlanta is the economic development agency for the City of Atlanta, created effective January 1, 1997, to promote the revitalization and growth of the City through a comprehensive and centralized program focusing on community development and redevelopment. It includes the Downtown Development Authority and Urban Residential Finance Authority and discretely presented component units: Atlanta Beltline Inc., Inner City Development Corporation, ADA/CAU Partners, Inc., Pryor Road/Lakewood LLC,

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

Imagine Downtown Inc., and Imagine Downtown Managing Member 2007 QEI, LLC. The Mayor and City Council are responsible for appointing the members of the Board of Directors of Invest Atlanta and have the ability to impose their will on Invest Atlanta. The separate audited financial statements may be obtained from Invest Atlanta, 133 Peachtree Street, N.E., Suite 2900, Atlanta, Georgia 30303.

Joint Ventures

The *Atlanta-Fulton County Water Resource Commission* ("Commission") is a joint venture between Fulton County ("the County") and the City for the construction and operation of a water treatment plant accounted for under the equity method of accounting. The Commission is governed by a seven-member management commission; three members are appointed by the City, three by the County, and one independent member is elected by majority vote of the other members. The City and County also approve the annual budget of the Commission. Under the terms of the amended Joint Venture Agreement, the City and the County equally share the costs of all capital expenditures. Capital contributions are recorded during the fiscal year in which the additions to capital assets are accrued, whether paid or recorded as a liability, including retainage. The City and County did not contribute any funds for the current fiscal year.

The costs of operations of the plant are paid directly by the County as incurred. The County is subsequently reimbursed by the City for its pro rata share of the cost of operations, net of personnel costs paid by the City. The costs of operations, including personnel costs, are allocated between the City and the County on the basis of water delivered to each. The City's share of those operating costs was approximately \$3,598,000 for the fiscal year ended June 30, 2023. The costs are reflected in operating costs. At June 30, 2023, the City owes the County \$310,830 for expenses and capital costs associated with the joint venture.

Financial information for the Commission summarized below is as of and for the fiscal year ended December 31, 2022 (in thousands):

Total assets	<u>\$ 119,564</u>
Total fund net position	<u>\$ 117,894</u>
Total operating revenue	<u>\$ 10,628</u>
Total operating expenses	<u>\$ 15,944</u>
Net loss	<u>\$ (5,316)</u>

The separate financial statements of the Commission may be obtained from the Commission, 9750 Spruill Road, Alpharetta, Georgia 30022.

Atlanta Regional Commission - Under Georgia law, the City, in conjunction with other cities and counties in metropolitan Atlanta, is a member of the Atlanta Regional Commission ("ARC") and is

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Reporting Entity, continued

required to pay annual dues thereto. During the fiscal year ended June 30, 2023, the City paid \$358,609 in dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality in the area. The OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC.

Separate financial statements may be obtained from the Atlanta Regional Commission at 229 Peachtree Street NE, STE 100, Atlanta, GA, 30303.

Related Organizations

The City is also responsible for appointing a majority of the members of the boards of the Atlanta Housing Authority (AHA), Atlanta Urban Redevelopment Agency (AURA), and the Downtown Development Authority of the City of Atlanta (DDA). The City's accountability for AHA does not extend beyond making appointments to the Board. AURA and DDA are reported as blended component units of Invest Atlanta.

The remainder of the page intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Basis of Presentation

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. The effect of material interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on user fees and charges for services. City activities are reported separately from certain legally separate component units for which the City is financially accountable. Interfund services provided and used are not eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to applicants who use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not meeting the definition of program revenues are reported as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, with the latter excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial transactions of the City, except those required to be accounted for in another fund.

The *Capital Project Fund* is used to account for the acquisition, construction or improvement of capital assets. Although reported as a single fund in aggregate, it is comprised of multiple, separately tracked accounts and projects funded with the proceeds of long-term debt.

The City reports the following major enterprise funds:

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Basis of Presentation, continued

The *Department of Watershed Management Fund (DWM)* accounts for all activities associated with the provision and management of clean water, wastewater and storm water systems, and water pollution control services to individuals, organizations and other governmental units within and around the City.

The *Department of Aviation Fund (DOA)* accounts for the activities of the William B. Hartsfield - Maynard H. Jackson Atlanta International Airport.

Additionally, the City reports the following fund types:

The *Special Revenue Funds* account for activities carried out by the City under the terms of certain intergovernmental grants and other special revenue sources. It accounts for the proceeds of special revenue sources that are legally restricted or committed to expenditures for specified purposes.

The *Debt Service Fund* is used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than certificates of participation and the debt of the tax allocation districts funds and enterprise funds). Bond ordinances require the City to account for debt service transactions in separate funds, to restrict the flow of cash between such funds, and to comply with various other covenants.

Internal Service Funds account for the activities of Motor Transport (Fleet) Services, and Group Insurance. These funds provide services to the other funds and departments of the primary government and its component units or to other governments, on a cost-reimbursement basis. Such services include maintaining the City's fleet of vehicles and motorized equipment as well as Group Insurance transactions related to the provision of life, accident, and medical insurance benefits through outside insurance companies for permanent employees and retirees of the City. The deficit accumulated in the Group Insurance fund over the years is primarily due to increases in healthcare costs nationwide and higher claims. This deficit will be repaid from operating transfers and future revenues expected due to changes in the Group Insurance Fund rate structure and certain fund-related budgeting practices.

Fiduciary Fund Types:

The *Pension Trust Funds* account for activities in which the City acts as trustee for an individual or organization. The *Pension Trust Funds* accumulate resources for pension benefit payments to members and their beneficiaries of the General Employees' (defined benefit and contribution plans), Fire Fighters' and Police Officers' benefit plans.

The *Perpetual Care Fund* accounts for the funds received from individuals for a Third Party's upkeep of their cemetery plots.

The *General Custodial Fund* accounts for various taxes, bonds deposits, fines, sewer service collections and other receipts held in escrow for individuals, outside organizations or other governments.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary funds and fiduciary fund 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. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the City considers non-grant revenues to be available if they are collected within 60 days of the end of the current fiscal year and grant revenues to be available if they are collected within 180 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, including lease and subscription liabilities, compensated absences, claims and judgments, and worker's compensation are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use lease and subscription assets, are reported as expenditures in governmental funds. Issuance of general long-term debt and financing through leases and subscriptions are reported as other financing sources.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

Cash Equivalents

The City considers all highly liquid debt securities with an original maturity of three months or less to be cash equivalents. The Georgia Fund 1 (GF1) is a stable asset value investment pool managed by the State of Georgia (Office of State Treasurer) and is not registered with the SEC. The GF1 operates in a manner consistent with SEC Rule 2a-7 of the Investment Company Act of 1940 and is considered a SEC Rule 2a-7- like pool. The fair value of the participant shares is computed weekly with pool earnings distributed on a monthly basis based on equivalent shares owned by participants based on \$1.00 per share.

Separate financial statements of the GF1 may be obtained from the Office of the Georgia State Treasurer, 200 Piedmont Avenue, Suite 1202, West Tower, Atlanta, Georgia 30334-5527.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Investments

The OCGA 36-83-4 authorizes the City to invest in (a) Obligations of this state or of other states; (b) Obligations issued by the United States government; (c) Obligations fully insured or guaranteed by the United States government or a United States government agency; (d) Obligations of any corporation of the United States government; (e) Prime bankers' acceptances; (f) The local government investment pool established by Code Section 36-83-8; (g) Repurchase agreements; and (h) Obligations of other political subdivisions of this state. Also, "pursuant to Code Section 50-17-53 and the other powers of the State Depository Board, the State Depository Board shall establish policies and procedures related to the approval of third-party service providers and the ongoing monitoring of participation in deposit placement programs in accordance with this Code section." The City's investment policy follows that of State Code and further puts limitations on Maximum Maturities, Ratings and Portfolio Percentage Limitations. By statute, which differs from the OCGA 36-83-4, up to 55% of the cost basis of the investment portfolio for the General Employees' Pension Plan, the Firefighters' Pension Plan and the Police Officers' Pension Plan (The Plans) may consist of U.S. corporate equity securities. Additionally, in accordance with authorized investment laws, the Plans can invest in various mortgage-backed securities, such as collateralized mortgage obligations ("CMOs") and government backed mortgage securities. These are separately identified in the disclosure of custodial credit risk (see Note III. A). In 2014, the General Employees' Pension Board, the Firefighters' Pension Board and the Police Officers' Pension Board (The Pension Boards) authorized The Plans to invest in alternative investments, not to exceed 5% of the total investments.

Investments, except in the pension funds, consist primarily of U.S. Government securities and are stated at fair value. Pension fund investments, which also include bonds and U.S. Government and other domestic and foreign securities, are stated at fair value or net asset value as a practical expedient to fair value at June 30, 2023. Repurchase Agreements are reported at amortized cost.

The City maintains a cash management pool whereby operating cash is held. This pool is not considered a separate accounting entity for financial reporting purposes; instead, each participating fund's equity in the cash management pool is recorded as such on its Balance Sheet or Statement of Net Position, as applicable. Related interest income is allocated to each participating fund based on each fund's recorded equity in the pool.

Inventories

Inventories are stated at cost (substantially first-in, first-out) which is not in excess of market. Inventories are accounted for using the purchase method whereby inventories are recorded as expenditures or expenses when they are used.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Prepaid Items

Payments for services that benefit future periods are recorded as prepaid items in accordance with the consumption method.

Restricted Assets

Restricted assets represent amounts which are required to be maintained pursuant to external restrictions imposed by Federal Government, banks, etc., relating to the passenger and customer facility charges; construction, renewal and extension and sinking funds; funds received for specific purposes pursuant to U. S. Government grants; municipal option sales tax; and various special purposes taxes.

Capital Assets

Capital assets which include property, easements, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), and right to use lease assets, and subscription based information technology arrangements (SBITAs) used in governmental and business-type activities of the City, are recorded in the statement of net position at historical cost (or estimated historical cost). Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Donated capital assets and capital assets received in a service concession arrangement are recorded at acquisition value. Expenses for replacements, maintenance, repairs, and improvements, which do not materially prolong the life of the related asset, are charged to expenditures/expenses when incurred. All reported capital assets, except land and construction in progress, and all reported right to use lease assets and SBITAs are depreciated/amortized.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Depreciation/amortization is computed using the straight-line method over the following estimated useful lives:

Governmental-type Activities:

Right-to-use lease (land)	2-20 years
Buildings	20-50 years
Right-to-use lease (buildings)	2-20 years
Building improvements	20 years
Land improvements	10-25 years
Furniture and equipment	5-15 years
Right-to-use lease (equipment)	5-10 years
Vehicles	5-25 years
Right-to-use SBITA	2-10 years
Infrastructure	25-50 years

Business-type activities:

Department of Aviation:

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

Department of Watershed Management:

Water and wastewater plant and treatment facilities	50 years
Right-to-use lease (building)	5-15 years
Water collection and distribution system	75 years
Wastewater system	67 years
Machinery, equipment, and other	5-15 years
Right-to-use lease (equipment)	5-10 years
Right-to-use SBITA	5-10 years
Land improvements	10-20 years

Sanitation:

Buildings	20-50 years
Equipment	5-15 years

Parks and Recreational Facilities:

Buildings	20-50 years
Other property and equipment	5-20 years

Internal Service Fund:

Buildings	20-50 years
Other property and equipment	5-15 years

City of Atlanta and Fulton County Recreation Authority:

(as a discretely presented component unit):	
Buildings and improvements	7-30 years
Other property and equipment	3- 20 years

Atlanta Development Authority:

(as a discretely presented component unit):	
Right-to-use lease (land)	2-20 years
Buildings and improvements	26-30 years
Right-to-use lease (buildings)	2-20 years
Furniture and equipment	3-5 years

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

The City has elected not to capitalize works of art and historical treasures based on its policy that these items are not held for financial gain. They will be preserved and any proceeds from the sale of the items will be used to acquire other collections.

Compensated Absences

City employees are awarded sick and vacation time as determined by personnel policies. A maximum accrual of 25 to 45 days of vacation leave is authorized, depending upon length of service. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation leave balance. The liability has been calculated using the vesting method, in which vacation amounts for employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability for compensated absences is only reported in governmental funds if they have matured.

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 City does not record an accrued liability for accumulated sick pay.

Bond Premiums and Discounts

In the government-wide and proprietary fund financial statements, the unamortized balances of bond premiums and bond discounts are presented as adjustments to the respective liability balances. Bond premiums and discounts are amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Insurance costs related to the issuance of bonds are reported as prepaid insurance and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the statement of revenue, expenditures, and changes in fund balance in the period incurred. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Fund Balances

City of Atlanta Code of Ordinances Section 6-315 provides authority pertaining to fund balances. Fund balances are classified as: (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned. *Nonspendable fund balance* refers to amounts that are not in spendable form or are legally required to remain intact. *Restricted fund balance* refers to amounts that are subject to externally enforceable legal restrictions by either debt covenants, or laws or regulations of other governments. *Committed fund balance* refers to amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council prior to the end of the fiscal year. The same formal action is required to remove the limitation. *Assigned fund balance* refers to amounts that are intended to be used for specific purposes. The Chief Financial Officer of the City may recommend assignment of fund balances subject to approval of the City Council. *Unassigned fund balance* refers to the residual net resources and are the excess of nonspendable, restricted, committed and assigned. The general fund is the only fund that reports a positive unassigned fund balance amount.

Spending Prioritization Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, restricted amounts shall be considered to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

Authority to Commit or Assign Funds Policy

Commitments or assignments of funds will only be used for specific purposes. Committed balances or assigned balances will only be established pursuant to formal action by the City Council, upon recommendation from the Chief Financial Officer. Such commitments or assignments cannot exceed the available fund balance in any particular fund.

Minimum Unassigned Balance in the General Fund Policy

The City maintains a minimum unassigned fund balance in the General Fund ranging from no less than 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers. At any time, the unassigned fund balance is within the range of 15% to 20% of the subsequent year's budgeted expenditures and outgoing transfers, upon recommendation by the Chief Financial Officer, the City Council may authorize additional transfers to a fund at its discretion, up to a maximum of 5% per year of the subsequent year's budgeted revenues in preparation for adoption of the upcoming year's budget. If the unassigned fund balance falls below the minimum 15% of the

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

subsequent fiscal year's budgeted expenditures and outgoing transfers, replenishment of shortages will be made within specified time periods and upon the recommendation of the Chief Financial Officer. Should the unassigned fund balance of the General Fund exceed the maximum of 20%, such surplus fund balance may be considered for transfer to deficit balances in other funds and for one-time expenditures that are nonrecurring. At least 50% of surplus fund balance must be used to reduce any deficit fund balance prior to allocation for any one-time expenditure.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Below are the fund balance classifications for the governmental funds at June 30, 2023 (dollars in thousands).

	General Fund	Capital Project Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Advances to other funds	\$ 50,457	\$ —	\$ —	\$ 50,457
Lease receivable, net	1,038	—	18	1,056
	<u>51,495</u>	<u>—</u>	<u>18</u>	<u>51,513</u>
Restricted				
HUD -Community Development	—	—	1,236	1,236
Tax Allocation Districts	—	—	51,344	51,344
Debt Service	—	—	565,362	565,362
Expendable Trust	—	—	83,065	83,065
HUD Section 108 Loans	—	—	3,327	3,327
TSPLOST	—	—	154,779	154,779
TSPLOST II	—	—	52,802	52,802
AHOI	—	—	42,922	42,922
Local Government Settlement Opioid Payments	—	—	920	920
HUD Home Investment	—	—	4,539	4,539
Capital Projects	—	608,953	109,954	718,907
E911	—	—	28,476	28,476
	<u>—</u>	<u>608,953</u>	<u>1,098,726</u>	<u>1,707,679</u>
Committed - Building Permit	<u>11,782</u>	<u>—</u>	<u>—</u>	<u>11,782</u>
Assigned				
Contract Services	11,601	—	—	11,601
Supplies	3,002	—	—	3,002
Capital	2,369	—	—	2,369
Other	51	—	—	51
	<u>17,023</u>	<u>—</u>	<u>—</u>	<u>17,023</u>
Unassigned	<u>165,770</u>	<u>—</u>	<u>(288)</u>	<u>165,482</u>
	<u>165,770</u>	<u>—</u>	<u>(288)</u>	<u>165,482</u>
Total Fund Balance	<u>\$ 246,070</u>	<u>\$ 608,953</u>	<u>\$ 1,098,456</u>	<u>\$ 1,953,479</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Encumbrances are commitments to unfilled purchase orders or unfilled contracts. Funds have been committed to a specific order, but the goods or services have not been billed or received. The City has outstanding encumbrances at June 30, 2023 as follows (dollars in thousands):

	General Fund
Contract Services	\$ 11,601
Supplies	3,002
Capital	2,369
Other	51
Total	<u>\$ 17,023</u>

Net Position

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

Net investment in capital assets - Consists of capital assets including restricted 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 fiscal year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

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/expenditure is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses/expenditures 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."

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resource (expense) until then. The *deferred losses on refunding* results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount for *pensions and OPEB* relates to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The *deferred gain on refunding* results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for *pensions and OPEB* relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources. The City also recognizes a deferred inflow of resources at the initial measurement of lease receivables.

Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, employment, construction programs, and other activities beneficial to the community. This funding primarily in the form of grants, is recorded in the governmental and proprietary funds. Grant contributions in the proprietary funds are for the purpose of construction activities, principal debt service reimbursements, land or easement acquisitions, or aid related to the COVID-19 pandemic. They are recorded in the statement of revenue, expenses, and changes in net position as capital contributions and non-capital grants. For all funds, a grant receivable is recorded when all applicable eligibility requirements have been met.

General Services Costs

The City allocates a portion of general services costs (such as purchasing, accounting, budgeting, personnel administration, and certain other costs based on allocation methods determined by an independent study) to the Department of Aviation, the Department of Watershed Management, the Sanitation Fund and the Internal Service Fund in order to more fully reflect the actual cost of providing these services. For the fiscal year ended June 30, 2023, such allocated expenses amounted to approximately \$11,865,000 for the Department of Watershed Management, approximately \$10,068,000 for the Department of Aviation, approximately \$4,340,000 for the Sanitation Fund, and approximately \$5,024,000 for the Internal Service Funds.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances, continued

Net Pension Liability

For purposes of measuring the 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. For the fiscal year ended June 30, 2023, the net pension liability for the City is approximately \$1.5 billion.

Total OPEB Liability

For purposes of measuring the total 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. For the fiscal year ended June 30, 2023, the total OPEB liability for the City is approximately \$756 million.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

E. New Accounting Pronouncements

Pronouncements effective for the 2023 Financial Statements:

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. The City has adopted this statement in its 2023 Annual Comprehensive Financial Report.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for fiscal years beginning after June 15, 2022. There was no impact of this pronouncement to the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and end users (governments). This Statement is effective for fiscal years beginning after June 15, 2022. The City has adopted this statement in its 2023 Annual Comprehensive Financial Report.

Pronouncements issued, but not yet effective, which will be adopted by the City in future years:

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. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

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. The City is in the process of evaluating the impact of this pronouncement on its financial statements.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources, liabilities, revenues, expenditures/expenses and disclosures. Actual results could differ from those estimates.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Detailed information pertaining to the budget is included in the Required Supplementary Information section on page 168.

B. Deficit Fund Balances/Net Positions

The following funds reported deficits in fund balance at June 30, 2023:

- Intergovernmental Grants fund had an accumulated deficit of approximately \$288 thousand. This deficit was primarily the result of timing differences between the expenditures and drawing down the grant funds as well as the effect of prior years unallowable costs not being reimbursed. The City will ensure timely billing of grant expenditures and resolve unallowable expenditures.
- Sanitation Services Fund had an accumulated deficit of approximately \$80.0 million. Lack of adequate billing to cover costs is contributing to this deficit. Therefore, Ordinance 18-O-1300 and Ordinance 19-O-1297 were both adopted in fiscal year 2019 to adjust the current solid waste rate structures to implement best practices and meet the future demands of the City's service area. The increase in the rate structure is expected to cover this deficit net position. It is expected that the full impact of the assessment to increase revenue will occur in upcoming years. Additionally, Ordinance 20-O-1337 was adopted as a part of the Fiscal Year 2023 budget to increase revenues related to Solid Waste.
- Group Insurance Fund had a deficit of approximately \$27.5 million. This deficit has accumulated as a result of increases in healthcare costs as well as increases in higher claims. This deficit will be funded at the rate of \$3.3 million per fiscal year starting with fiscal year 2024 until the deficit is eliminated. With making fundamental changes to the Group Insurance Fund and certain fund-related budgeting practices, the City reasonably expects this fund to generate cash flow to eliminate the deficit in future years.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

III. Detailed Notes on All Funds

A. Deposits and Investments

Following are components of the City’s cash and cash equivalents, and investments (excluding the Pension and Custodial Funds) at June 30, 2023 (dollars in thousands).

	Primary Government				Component Units	
	Unrestricted	Restricted	Cash Pool	Total	Unrestricted	Restricted
Cash and Cash Equivalents	\$ 12,986	\$1,923,988	\$ 82,687	\$2,019,661	\$ 102,186	\$ 162,474
Georgia Fund 1	—	—	433,497	433,497	—	—
Certificate of Deposit	—	—	3,384	3,384	—	—
State and Local Bonds	—	101,812	422,026	523,838	—	—
Federal Agency Obligations	—	656,081	1,113,474	1,769,555	—	—
US Treasury Obligations	—	119,034	431,833	550,867	—	—
Repurchase Agreements (Repos)	—	103,367	—	103,367	—	—
Other Investment Pools	—	15,157	—	15,157	—	8,806
	<u>\$ 12,986</u>	<u>\$2,919,439</u>	<u>\$2,486,901</u>	<u>\$5,419,326</u>	<u>\$ 102,186</u>	<u>\$ 171,280</u>

The OCGA 36-83-4 authorizes the City to invest in (a) Obligations of this state or of other states; (b) Obligations issued by the United States government; (c) Obligations fully insured or guaranteed by the United States government or a United States government agency; (d) Obligations of any corporation of the United States government; (e) Prime bankers' acceptances; (f) The local government investment pool established by Code Section 36-83-8; (g) Repurchase agreements; and (h) Obligations of other political subdivisions of this state. The General Employees’ Pension Fund is also authorized to invest in corporate bonds and debentures which are not in default as to principal and interest; corporate stocks, common or preferred; first loans on real estate where the loans are guaranteed by the Administrator of Veterans Affairs or by the Federal Housing Authority of the United States; certificates of deposit in national banks and state banks insured by the FDIC; alternative investments, and any other investments approved by the Pension Board. The Pension Trust Funds also invest in collateralized mortgage obligations (CMOs). These securities are based on cash flows from interest and principal payments on underlying mortgages. CMOs are sensitive to prepayments of mortgages, which may result from a decline in interest rates. The City invests in these securities in part to maximize yields and in part to hedge against a rise in interest rates.

Concentration of Credit Risk - Primary Government

The City diversifies its use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The City’s investment portfolios, in aggregate, should be diversified to limit market and credit risk in general accord with the following limitations.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Investment Type	Maximum Maturity	Ratings			Portfolio Limitation	
		S&P	Moody's	Fitch	Minimum	Maximum
U.S. Treasuries	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	15%	100%
U.S. Agencies/Instrumentalities	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	75%
Obligations of other political units in the State of Georgia	5 years	>AA/A-2	>Aa2-P-1	>AA/A-2	0%	25%
Other Municipal Securities	5 years	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	25%
Repurchase Agreements (Repos)/GICs	180 days	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	50%
Bankers Acceptances (BA's)	270 days	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	10%
Local Government Investment Pools	N/A	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	40%
Certificates of Deposits (CD's)	3 years	>AA/A-2	>Aa2/P-1	>AA/A-2	0%	25%

The allocation may be adjusted in response to changing market conditions, cash flow requirements and according to the discretion of the Chief Financial Officer.

Custodial Credit Risk - Deposits

To control custodial credit risk, the City's investment policy requires all securities and collateral to be held by an independent third-party custodian in the City's name. The custodian provides the City with monthly values.

Concentration of Credit Risk - Investments

The City's investment policy also requires that the weighted-average maturity of the total portfolio not exceed three (3) years and shall limit the maturity of any single security to five (5) years. The City shall have the authority to invest up to \$100,000,000 in municipal bonds which do not meet the Maximum Maturity and Ratings guidelines above. Those \$100,000,000 of municipal bonds will be allowed to have single security maximum maturities of up to 10 years and minimum investment grade ratings (BBB-/Baa3/BBB-). All other criteria herein will still need to be met.

The City's General Employees' Pension Plan investment policy sets targets of 42% invested in domestic equity, 28% in international equity, 25% in broad fixed income, and 5% alternative investments. The City's Firefighters' Pension Plan investment policy sets targets of 43% invested in domestic equity, 27% in international equity, 25% in broad fixed income, and 5% in alternative investments. The Police Officers' Pension Plan investment policy sets targets of 42% invested in domestic equity, 28% in international equity, 25% in broad fixed income, and 5% in alternative investments.

Pooled Cash and Investments Held in the State Treasury

The City maintains a cash and investment pool that is available for use by all funds. Each participating fund's portion of this pool is displayed on the accompanying financial statements as

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

“Equity in cash management pool”. The primary objectives of the pool are safety of capital, liquidity, investment income, and diversification. It is managed to maintain a constant net asset value of \$1.00 and a weighted average maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. At June 30, 2023, the GF1 weighted average maturity was 28 days. Portfolio composition in GF1 consisted of various investments allowed by State code above. The Annual report can be found at the following website: <https://ost.georgia.gov/divisions-offices/investments/georgia-fund-1>.

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 and liquidity. The Policy also identifies certain provisions of the Official Code of Georgia Annotated (OCGA) that address interest 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 Pension Plans.

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, outlined under the Concentration of Credit Risk- Primary Government section.

Fair Value Measurement - Primary Government

GASB Statement 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 are accessible 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

The following tables present the City's financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2023 (in thousands):

	Level 1	Level 2	Level 3	Total
Debt securities:				
US Treasury Obligations	\$ 550,867	\$ —	\$ —	\$ 550,867
Federal Agency Obligations	—	1,769,555	—	1,769,555
State and Local Bonds	—	523,838	—	523,838
Total debt securities	550,867	2,293,393	—	2,844,260
Repurchase Agreements	—	70,489	32,878	103,367
Total investments at fair value	<u>\$ 550,867</u>	<u>\$ 2,363,882</u>	<u>\$ 32,878</u>	<u>\$ 2,947,627</u>
Other Investments				
Georgia Fund 1, certificate of deposit, and other investment pools				452,038
Total Investments				<u>\$ 3,399,665</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 are subject to pricing by an alternative pricing source due to a lack of information by the primary vendor. Debt securities classified in Level 3 have limited trade information, and are priced using the last trade price or estimated using recent trade prices.

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.

The City has the ability and generally has the intent to hold all investments until their respective maturity dates. The average maturity of the City's pooled cash and investments governed by the Policy as of June 30, 2023, was approximately 1.036 years. If it becomes necessary or strategically prudent for the City to sell a security prior to maturity, the policy allows for occasional restructuring of the portfolio to minimize the loss of fair value and/or to maximize cash flows.

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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Interest Rate and Credit Risks

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

Type of Investments	Credit Rating	Maturity					Carrying Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years	Over 5 Years	
State and local bonds	Aaa-Baa2	\$ —	\$ 222,970	\$ 20,968	\$ 266,894	\$ 13,006	\$ 523,838
Federal Agency Obligations	Aaa/AA+	—	843,636	111,175	814,744	—	1,769,555
US Treasury Obligations	Exempt	—	279,630	116,948	154,289	—	550,867
Georgia Fund 1, certificate of deposit, and other investment pools	NR	452,038	—	—	—	—	452,038
Repurchase Agreements	NR	—	—	—	—	103,367	103,367
		<u>\$ 452,038</u>	<u>\$ 1,346,236</u>	<u>\$ 249,091</u>	<u>\$ 1,235,927</u>	<u>\$ 116,373</u>	<u>\$ 3,399,665</u>

Custodial Credit Risk.

Custodial credit risk - Deposits

It 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 - Investments

It 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.

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. All investments of the City are either held by the City or by counterparties in the City's name; therefore, the City's investments had no custodial risk as of June 30, 2023.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Concentration of 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, individual issuers that represent 5% or more of total financial instruments by investment type were as follows:

Issuer	Investment Type	Investment %
US Bank	Money Market	18.5 %
State of Georgia	Local Gov't Investment Pool	14.8 %

Investments in Pension Plans

The City has three (3) defined benefit pension plans for full-time employees; the General Employees' Pension Plan (GEPP), the Police Officers' Pension Plan (PPP) and the Firefighters' Pension Plan (FPP) (collectively, the "Plans"). Each Plan was administered by its own Board of Trustees until December 2017. In December 2017, the City of Atlanta 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) to improve administrative efficiency, governance and investment returns.

The Board is ultimately responsible for making all decisions regarding the administration of the Plans, including the management of Plan assets, and for carrying out the investment policy on behalf of their respective Plans. The Plans' investments are managed by various investment managers under contracts with the respective Plans who have discretionary authority over the assets managed by them, within the investment guidelines, established by the Board. The investments are held in trust by the Plans' custodians in each of the Plans' name. These assets are held exclusively for the purpose of providing benefits to members of the Plans and their beneficiaries. Identified below are the investment types authorized by the Board for each of the Plans. The investment policies also identify certain provisions addressing interest rate risk, credit risk and concentration of credit risk.

The Plans, by policy, are to invest their cash in domestic equities, domestic fixed income securities, international equities, international fixed income, alternative investments and cash equivalents. These instruments consist of common and preferred stock, obligations of the U.S. government and agencies (GNMA, FHLMC, and FNMA securities and CMO's), corporate bonds, and certificates of deposit. The Plans have strict limitations on the amounts managers are allowed to invest in any one issuer in all classes of securities. The Plans also invest in Repurchase Agreements which must be fully collateralized by the U.S. government or agency guaranteed securities. As of June 30, 2023, the Plans had an alternative investment in a limited partnership totaling \$31,988,113, with some

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

outstanding commitments. As part of the Partnership Agreement (Partnership), the Plan may not voluntarily withdraw from the partnership prior to its dissolution, and no limited partnership interest is redeemable or purchasable by the partnership at the option of the Plan.

Fair Value Measurement - Pensions

GASB Statement 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 in to 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 are accessible 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 remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

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 Plans also have investments held through limited partnerships and commingled vehicles for which fair value is estimated using the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

The following tables present the fiduciary funds (defined benefit pension plans and defined contribution plan) financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2023 (in thousands):

	June 30, 2023			Total
	Level 1	Level 2	Level 3	
Short term investments				
Cash and cash equivalents	\$ 37,498	\$ —	\$ —	\$ 37,498
Debt securities:				
Asset backed securities	—	36,152	—	36,152
Commingled bond funds	—	200,347	—	200,347
Corporate and municipal bonds	—	207,312	—	207,312
Bond exchange traded funds	19,340	—	—	19,340
U.S. agency securities	—	234,809	—	234,809
U.S. treasury securities	247,927	—	—	247,927
Total debt securities	267,267	678,620	—	945,887
Equity securities:				
Commingled equity funds	—	1,563,627	—	1,563,627
Common stock	568,689	—	—	568,689
Exchange traded funds	248,747	—	—	248,747
Total equity securities	817,436	1,563,627	—	2,381,063
Commingled Funds	—	168,466	—	168,466
Stable value funds	—	41,985	—	41,985
Total investments at fair value	<u>\$ 1,122,201</u>	<u>\$ 2,452,698</u>	<u>\$ —</u>	<u>\$ 3,574,899</u>
Investments measured at NAV:				
Commingled bond funds				35,711
Commingled equity funds				355,508
Limited partnerships				31,988
Real estate funds				88,783
Total investments measured at NAV				<u>511,990</u>
Total investments				<u>\$ 4,086,889</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Debt and Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Commingled equity funds, and stable value funds classified in Level 2 are valued using prices quoted in active markets for those investment types and the readily determinable fair value per share (unit) which is determined based on the publication of the price or on the basis of current transactions. There were no Level 3 investments.

Investments in privately held limited partnerships and commingled vehicles which do not have a readily determinable fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2023. The monthly or quarterly values of the partnership investments provided from the general partner are reviewed by the Plan to determine if any adjustments are necessary. The Plan currently has no plans to sell any of the investments resulting in these assets being carried at the NAV estimated by the general partner/investment manager.

Securities Lending

State statutes and the Board policies permit the Plans to lend their securities to broker dealers and other entities, provided that the securities are fully collateralized for at least 102% of securities loaned and that collateral is received prior to the release of the securities by the custodian. All lending securities can be terminated on demand by either the Plans or the borrower, with securities delivered to the Plans within a specified period of time.

As of June 30, 2023, the General Employees', Police Officers', and Firefighters' Pension Plans had no funds under a Securities Lending Agreement.

Alternative Investments

As of June 30, 2023, the Plans had alternative investments totaling approximately \$32.0 million in the form of limited partnerships and approximately \$88.8 million in real estate funds.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

As of June 30, 2023, the related unfunded commitments of the Plans' alternative investments and limitations and restrictions on the Plans' ability to redeem or sell are summarized as follow:

	Unfunded commitments	Redemptions frequency (if currently eligible)	Redemptions notice period
<u>General Employees' Pension Plan</u>			
Private equity fund	\$ 3,582,424	not eligible	not eligible
<u>Firefighters' Pension Plan</u>			
Private equity fund	\$ 1,998,355	not eligible	not eligible
<u>Police Officers' Pension Plan</u>			
Private equity fund	\$ 2,795,486	not eligible	not eligible

Pension Trust Fund's Investment Risk Disclosures

Interest Rate and Credit Risks. As of June 30, 2023, the Pension Plans (defined benefit pension plans and defined contribution plan) had the following fixed income investments with the corresponding credit ratings and maturities (dollars in thousands):

Type of Investments	Credit Rating	Maturity					Fair Value
		Under 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	
U.S. treasury securities	Exempt	\$ 4,738	\$ 30,276	\$ 53,263	\$ 32,153	\$ 32,680	\$ 153,110
U.S. treasury securities	TSY/NR	5,458	16,153	17,403	33,069	22,734	94,817
Corporate bonds	A-/A+/AA-/AA/ AAA	1,224	9,925	391	16,930	18,192	46,662
Corporate bonds	AAA/A-	773	7,119	279	11,541	13,759	33,471
Corporate bonds	AAA/AA+	1,322	10,103	1,226	12,726	18,110	43,487
Corporate bonds	BBB-/BBB/BBB+	279	2,561	1,080	15,131	10,377	29,428
Corporate bonds	BBB+/BBB-	630	5,836	1,781	23,421	10,396	42,064
Asset-backed securities	AAA	—	1,819	7,924	—	—	9,743
Asset-backed securities	AAA/NR	—	2,514	10,305	2,313	484	15,616
Asset-backed securities	NR	—	2,276	7,477	—	—	9,753
CMOs	AAA	—	—	—	—	86	86
CMOs	NR	—	—	—	—	954	954
Mutual Bonds	NR	—	—	—	—	19,340	19,340
U.S. government agencies	AA+	—	676	—	—	—	676
U.S. government agencies	AGY	—	1,671	115	2,267	166,300	170,353
U.S. government agencies	AGY/AA+	—	1,537	49	751	61,443	63,780
State and local obligations	AA-/AA+/AAA	—	144	—	—	3,051	3,195
State and local obligations	AA-/AAA	—	117	723	—	3,927	4,767
State and local obligations	AAA/AA+	—	218	—	—	4,020	4,238
Commingled Fixed Income	NR	111,978	—	—	—	—	111,978
Commingled bond Fund	NR	39,879	—	—	—	—	39,879
Commingled Funds	NR	84,201	—	—	—	—	84,201
		<u>\$ 250,482</u>	<u>\$ 92,945</u>	<u>\$ 102,016</u>	<u>\$ 150,302</u>	<u>\$ 385,853</u>	<u>\$ 981,598</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

Custodial Risk. As of June 30, 2023, the Pension Plans had no deposits or investments with custodial risk.

Concentration Credit Risk. Investments in any one issuer that represent 5% or more of total investments by each Defined Benefit Pension Plan are as follows (dollars in thousands):

<u>Issuer</u>	<u>Type</u>	<u>Fair Value</u>
Firefighters' Pension Plan:		
BlackRock Growth Index Fund	Commingled Equity Fund	\$ 168,014
BlackRock Mid Cap Equity Fund	Commingled Equity Fund	98,552
BlackRock MSCI ACWI Min Vol Index Fund	Commingled Equity Fund	89,685
Police Officers' Pension Plan:		
BlackRock Mid Cap Equity Fund	Commingled Equity Fund	\$ 209,001
BlackRock MSCI ACWI Min Vol Index Fund	Commingled Equity Fund	155,512
Johnston International Equity Group	Commingled Equity Fund	72,538
Artisan Partners Asset Management Inc.	Commingled Equity Fund	91,958
BlackRock Growth Index Fund	Commingled Equity Fund	244,877
BlackRock US Debt Index Fund	Commingled Bond Fund	91,523
General Employees' Pension Plan:		
BlackRock Equity Index Fund	Commingled Equity Fund	\$ 191,083
Artisan Funds	Equity Exchange Traded Fund	104,410
Johnston International Equity Group	Commingled Equity Fund	106,701
BlackRock MSCI ACWI Min Vol Index Fund	Commingled Equity Fund	103,643
BlackRock Mid Cap Equity Fund	Commingled Equity Fund	87,532

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates could adversely affect an investment's or deposit's fair value. The Defined Benefit plans' investment policies allow domestic and international equities, domestic and international fixed income, alternative investments and cash equivalents.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Deposits and Investments, continued

The following table provides investments of the Defined Benefit Plans in international markets. As of June 30, 2023, the exposure to foreign currency risk is as follows (dollars in thousands):

Currency:	Country:	Fixed Income	Equity	Total
Euro	France	\$ —	\$ 3,893	\$ 3,893
Euro	Germany	—	1,386	1,386
Euro	Italy	—	1,776	1,776
Euro	Netherlands	—	2,988	2,988
Euro	Spain	—	1,224	1,224
Total Euro		—	11,267	11,267
Australian Dollar	Australia	—	1,133	1,133
Brazilian Real	Brazil	—	2,677	2,677
Canadian Dollar	Canada	3,431	8,718	12,149
Chilean Peso	Chile	—	370	370
Chinese Yuan Renminbi	China	—	2,667	2,667
Denmark	Denmark	—	4,572	4,572
Indian Rupee	India	—	497	497
Indonesia Rupiah	Indonesia	—	673	673
Israeli New Shekel	Israel	—	939	939
Japanese Yen	Japan	—	5,323	5,323
South Korean Won	Korea, Republic of	—	458	458
Mexican Peso	Mexico	1,198	795	1,993
South African rand	South Africa	—	952	952
Swiss Franc	Switzerland	—	2,235	2,235
New Taiwan Dollar	Taiwan	—	1,020	1,020
Pound Sterling	United Kingdom	—	4,485	4,485
Various foreign currencies	Emerging Markets Region	—	8,686	8,686
Various foreign currencies	International Region	—	252,435	252,435
Total Securities subject to Foreign Currency Risk		\$ 4,629	\$ 309,902	\$ 314,531

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, Transportation Special Purpose Local Option Sales and Use Taxes, and Car Rental Taxes

Property taxes include amounts levied on all real, public utility, and tangible property within the City corporate limits. Senate Bill 177, Act 431 was signed April 30, 1999 and became effective January 1, 2000 (Taxpayers Bill of Rights). One key component of this legislation pertains to prevention of indirect tax increases due to property value appreciation and/or inflation. The O.C.G.A. 48-5-32.1 requires levying authorities; municipalities, counties, and school boards to either rollback property millage rates for property value appreciation by a corresponding millage equivalent or follow specific requirements if the levying authority chooses not to rollback their millage rate. House Bill 820, effective January 1, 2019, approved a "COA floating exemption" which caps the annually adjusted residential value at 2.6% percent over the automatically determined base year value and waived certain provisions of O.C.G.A. 48-5-32.1. The City's tax digest is coterminous with the Atlanta Independent School System, and overlaps portions of Fulton and DeKalb counties (the "Counties"), and Grady Hospital. Property taxes are normally levied and billed after July 1, on the assessed value of all real and personal property and property owner of record as of January 1. City property taxes are due 45 days from the date of billing for Fulton County; and 60 days from date of billing for DeKalb County. The distribution of the City's 2022 millage rate (tax rate per \$1,000 assessed taxable value) to its funds and to the Atlanta Independent School System (which operates as a separate legal entity and is not included in the City's financial reporting entity) is as follows:

Millage Rates:	
General Fund	\$ 8.520
General Obligation Bond Sinking Fund:	
City Bonds	1.880
Park Improvement Fund (included in Capital Projects Funds)	0.500
Board of Education (operations)	20.500
Special Tax District DeKalb County	0.929
	<u>\$ 32.329</u>

The Fulton and DeKalb County Tax Assessors establish assessed values at 40% of the fair market value. The property valuation in calendar year 2022 resulted in a gross assessed value of \$47,829,192,644 which includes tax exempt values. The City's millage rates are set in June of each year. Public utility values are assessed by the State Board of Equalization and are billed and collected by the Fulton and DeKalb Tax Commissioner's Offices.

The Fulton and DeKalb County Tax Commissioners' offices act as the City's billing and collection agents. The contracted fees due to the Counties for billing and collection services amounted to \$3,748,419 in fiscal year 2023. Real and tangible property taxes are payable to the Counties on August 15th and become delinquent on August 16th. Interest accrues at the rate of 1% per month on the 16th of each month and a 10% tax penalty accrues 90 days after the due date. Any remaining unpaid property tax amounts will attach as an enforceable lien on the property as of January 1 of the following year. A 1% local option sales tax is levied in Fulton County, of which the City receives a percentage of that amount based on a pre-defined formula. This amount is collected by the State of

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Property Taxes, Local Option Sales Taxes, Municipal Option Sales Tax, Transportation Special Purpose Local Option Sales and Use Taxes, and Car Rental Taxes, continued

Georgia and remitted to the City on a one-month lag. The tax law requires an offsetting reduction in property tax during each subsequent fiscal year of assessment equal to the amount of sales tax revenue received in the prior fiscal year.

Pursuant to paragraph (1) of subsection (b) of O.C.G.A. Section 48-8-121, the City of Atlanta imposed an additional 0.4% sales tax to be collected for 5 years for the purpose of transportation improvements and congestion reduction. Through a referendum, the voters approved the 0.4% TSPLOST in November 2016. The maximum amount of net proceeds to be collected is \$380,000,000. The TSPLOST began on January 1, 2017 and continues for up to five (5) years thereafter, or until such time the TSPLOST has raised revenues sufficient to provide the City the net proceeds equal to or greater than the maximum amount, whichever comes first. The TSPLOST concluded in fiscal year 2022. Proceeds from TSPLOST for fiscal year 2023 were approximately \$99,000.

Through a referendum, the voters approved the 0.4% TSPLOST II in May 2022. The maximum amount of net proceeds to be collected is \$350,000,000. TSPLOST II collections began in October 2022 and will continue for up to five (5) years thereafter, or until such time the TSPLOST II has raised revenues sufficient to provide the City the net proceeds equal to or greater than the maximum amount, whichever comes first. Proceeds from TSPLOST II for fiscal year 2023 were approximately \$58.8 million.

A 3% excise tax on all rental motor vehicles was implemented in June 1996. This car rental tax is intended to be used to promote industry trade, commerce, and tourism and to fund various capital outlay projects throughout the City. The capital outlay projects include infrastructure improvements necessary for the City to continue building a community that is stable, diverse and economically sound. See Note Section IV-B- Clean Water Atlanta Program regarding the levy of a 1% Municipal Option Sales Tax.

C. Tax Abatements

The City of Atlanta's tax abatement encourages economic development and growth throughout the City. The total economic impact to the City of the abatement is approximately \$4.6 billion along with the creation of 10,253 jobs and 2,036 housing units.

The City offers a reduction in property taxes through the structure of financing arrangements. Specifically, Invest Atlanta, a tax-exempt public organization created independently from the City, may enter into agreements with private individuals or entities in order to incentivize businesses to build, relocate, expand, or renovate in the City. These agreements involve a bond issuance and sale-leaseback transaction, whereby Invest Atlanta takes title to property and leases it back to the private individual or entity.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

C. Tax Abatements, continued

The private individual or entity is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed 10-year term, so that at the end of the incentive period the bonds are fully retired, and the company regains title of the property through an option to purchase.

The City's long-standing policy for Development Incentives provides for a 50% ramp up over a 10-year period. Following completion of construction, a company pays property taxes on its leasehold interest in the project of 50% of the fair market value of the real and/or personal property in the first year, with a 5% increase each year over a 10-year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright ownership of the property due to the reduced value of the company's leasehold interest in the property over the designated ramp-up period.

Invest Atlanta considers the economic impacts of a proposed project and weighs such benefits against the costs of reduced revenue impacts when considering whether to enter into a taxable revenue bond deal with an individual or entity. Generally eligible projects involve a commitment of significant capital investment and/or the creation of net new jobs to the City, which propose a favorable return on investment for the City. For residential projects, a commitment by the developer to provide affordable housing may be required. There are no additional commitments other than to provide the aforementioned tax treatment. There are no provisions for recapturing incentives; however, Invest Atlanta can immediately return title to a company for a non-performing project, which cancels the incentive going forward. There are no amounts receivable from other governments. There are no quantitative thresholds used to determine disclosures of these type agreements.

Tax Abatement Program	Total Amount of Taxes Abated For the year 2022	
Atlanta Development Authority d/b/a Invest Atlanta	\$	3,556,190

The City property tax revenues were reduced by approximately \$9.1 million under agreements entered into by Fulton County, Georgia.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Capital and Right-to-use Assets

A summary of capital assets activity and changes in accumulated depreciation for the fiscal year ended June 30, 2023 follows (dollars in thousands):

	Balance at June 30, 2022	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2023
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 237,810	\$ 1,629	\$ —	\$ 12,747	\$ 252,186
Construction in progress	320,938	80,212	—	(45,188)	355,962
Total capital assets not being depreciated	<u>558,748</u>	<u>81,841</u>	<u>—</u>	<u>(32,441)</u>	<u>608,148</u>
Capital assets being depreciated:					
Land improvements	120,366	813	—	—	121,179
Buildings and building improvements	511,906	810	—	3,422	516,138
Other property and equipment	316,083	32,778	(45)	5,434	354,250
Infrastructure	1,096,753	—	—	23,585	1,120,338
Total capital assets being depreciated	<u>2,045,108</u>	<u>34,401</u>	<u>(45)</u>	<u>32,441</u>	<u>2,111,905</u>
Total capital assets	<u>2,603,856</u>	<u>116,242</u>	<u>(45)</u>	<u>—</u>	<u>2,720,053</u>
Less: Accumulated Depreciation					
Land improvements	109,105	2,494	—	—	111,599
Buildings and building improvements	207,856	12,549	—	—	220,405
Other property and equipment	265,482	17,291	(39)	—	282,734
Infrastructure	775,433	21,460	—	—	796,893
Total accumulated depreciation	<u>1,357,876</u>	<u>53,794</u>	<u>(39)</u>	<u>—</u>	<u>1,411,631</u>
Governmental activities capital assets, net	<u>\$ 1,245,980</u>	<u>\$ 62,448</u>	<u>\$ (6)</u>	<u>\$ —</u>	<u>\$ 1,308,422</u>
Right-to-use assets, net					<u>\$ 29,933</u>
Total capital assets, net as reported in the statement of net position					<u>\$ 1,338,355</u>

Depreciation expense was charged to governmental functions as follows (dollars in thousands):

General government	\$ 9,342
Police	6,679
Fire	3,530
Corrections	349
Public Works	22,040
Parks, Recreation and Cultural Affairs	11,854
Total	<u>\$ 53,794</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Capital and Right-to-use Assets, continued

A summary of Lease assets and Subscription Based Information Technology Arrangements (SBITA) for Governmental activities for the fiscal year ended June 30, 2023, is as follows:

	Balance at June 30, 2022	Additions	Deductions	Balance at June 30, 2023
Governmental activities:				
Right-to-use Assets:				
Right to use Asset - Land	\$ 399	\$ —	\$ —	\$ 399
Right to use Asset - Buildings	23,603	2,487	—	26,090
Right to use Asset - Equipment	1,312	16	—	1,328
Right to use Asset - SBITA	14,729	5,598	(4,764)	15,563
Right-to-use Assets	<u>40,043</u>	<u>8,101</u>	<u>(4,764)</u>	<u>43,380</u>
Less: Accumulated Amortization for				
Right to use Asset - Land	140	80	—	220
Right to use Asset - Buildings	3,018	1,847	—	4,865
Right to use Asset - Equipment	612	536	—	1,148
Right to use Asset - SBITA	4,884	4,166	(1,836)	7,214
Total accumulated amortization	<u>8,654</u>	<u>6,629</u>	<u>(1,836)</u>	<u>13,447</u>
Total Right-to-use Assets, net	<u>\$ 31,389</u>	<u>\$ 1,472</u>	<u>\$ (2,928)</u>	<u>\$ 29,933</u>

Amortization expense was charged to governmental functions as follows (dollars in thousands):

General government	\$ 2,965
Police	2,990
Fire	544
Public Works	130
Total	<u>\$ 6,629</u>

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Capital and Right-to-use Assets, continued

	Balance at June 30, 2022	Additions	Deletions and Retirements	Transfers	Balance at June 30, 2023
Business-type activities:					
Capital assets not being depreciated					
Land	\$ 995,124	\$ 1,060	\$ —	\$ 11,072	\$ 1,007,256
Construction in progress	1,326,850	798,624	—	(757,927)	1,367,547
Total capital assets not being depreciated	<u>2,321,974</u>	<u>799,684</u>	<u>—</u>	<u>(746,855)</u>	<u>2,374,803</u>
Capital assets being depreciated					
Land improvements	3,624,038	—	(412)	109,249	3,732,875
Buildings and other structures	13,260,418	790	—	608,382	13,869,590
Other property and equipment	874,328	18,223	(186)	29,224	921,589
Total capital assets being depreciated	<u>17,758,784</u>	<u>19,013</u>	<u>(598)</u>	<u>746,855</u>	<u>18,524,054</u>
Total capital assets	<u>20,080,758</u>	<u>818,697</u>	<u>(598)</u>	<u>—</u>	<u>20,898,857</u>
Less: Accumulated Depreciation					
Land improvements	1,972,360	109,424	—	—	2,081,784
Buildings and other structures	4,686,281	275,429	—	—	4,961,710
Other property and equipment	636,127	49,873	(145)	—	685,855
Total accumulated depreciation	<u>7,294,768</u>	<u>434,726</u>	<u>(145)</u>	<u>—</u>	<u>7,729,349</u>
Business-type activities capital assets, net	<u>\$ 12,785,990</u>	<u>\$ 383,971</u>	<u>\$ (453)</u>	<u>\$ —</u>	<u>\$ 13,169,508</u>
Lease assets, net					<u>\$ 17,060</u>
Total capital assets, net as reported in the statement of net position					<u>\$ 13,186,568</u>

A summary of lease assets and Subscription Based Information Technology Arrangements (SBITA) for Business Type activities for the fiscal year ended June 30, 2023, is as follows:

	Balance at June 30, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
Right-to-use Assets					
Right-to-use - Building	\$ 4,065	\$ 12,630	\$ (4,065)	\$ —	\$ 12,630
Right-to-use - Equipment	391	1	—	—	392
Right-to-use - SBITA	4,125	6,027	(590)	—	9,562
Total Right-to-use Assets	<u>8,581</u>	<u>18,658</u>	<u>(4,655)</u>	<u>—</u>	<u>22,584</u>
Less accumulated amortization for:					
Right-to-use - Building	4,065	2,526	(4,065)	—	2,526
Right-to-use - Equipment	182	158	—	—	340
Right-to-use - SBITA	996	2,252	(590)	—	2,658
Total accumulated amortization	<u>5,243</u>	<u>4,936</u>	<u>(4,655)</u>	<u>—</u>	<u>5,524</u>
Right-to-use Assets, net	<u>\$ 3,338</u>	<u>\$ 13,722</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17,060</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

D. Capital and Right-to-use Assets, continued

Construction in Progress

In addition to the capital assets and construction in progress (CIP) already recorded in the City's financial statements, there are development and redevelopment projects ongoing through Invest Atlanta, a component unit of the City, where the CIP is recorded. Upon completion of those projects and acceptance by the City, the appropriate recording as capital assets on the City's financial statements will take place. Through June 30, 2023, there is approximately \$237 million of CIP recorded in Invest Atlanta's financial statements for Atlanta Beltline corridor design and other developments that are expected to become assets of the City.

Invest Atlanta is holding title to land within the Beltline Tax Allocation District, that is commonly referred to as the North East Corridor proper (NE Corridor). The NE Corridor was originally purchased for an amount equal to \$45.0 million for the purpose of redevelopment by Invest Atlanta. Subsequent to its development, certain parcels of land have been sold and as of June 30, 2023, the land value is now estimated at \$44.3 million. Upon completion of redevelopment, it is anticipated that title to the land will be transferred to the City.

E. Interfund Receivables, Payables, and Transfers

During the course of its operations, the City makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not occurred as of fiscal year-end, balances of interfund amounts receivable or payable have been recorded. Interfund receivable and payable balances as of June 30, 2023, are presented in the tables below (dollars in thousands).

Due to/from other funds:

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded and payments between funds are made. The balances are expected to be collected in the subsequent fiscal year and are scheduled to commence in fiscal year 2024.

		Due to:		
		General Fund	Non-Major Governmental	Capital Projects
Due from:	General Fund	\$ —	\$ 4,855	\$ 2,030
	Capital Projects	13,392	—	—
	Non-major Governmental	58,849	—	—
	Internal Service	3,317	—	—
	Non-major Enterprise	6,000	—	—
	Total	<u>\$ 81,558</u>	<u>\$ 4,855</u>	<u>\$ 2,030</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

E. Interfund Receivables, Payables, and Transfers, continued

Advances from/to other funds:

The amounts payable to the General Fund relate to working capital loans made to an internal service (Group Insurance) fund and non-major enterprise (Sanitation) fund.

With making fundamental changes to the Group Insurance Fund and certain fund-related budgeting practices, the Group Insurance Fund will repay \$3,317,000 each fiscal year commencing on July 1, 2023 and shall continue until the later of July 1, 2030 or until the obligation is fully repaid.

On June 21, 2022, the City Council adopted Ordinance 22-0-1281 to amend Chapter 130 of the City Code of Ordinances to adjust taxes, assessments, service fees, and charges for solid waste service. In addition, a millage rate increase on property taxes is expected to generate approximately \$20 million every year, a portion of which will go towards repaying the advances. The Sanitation Fund will repay \$6,000,000 each fiscal year commencing on July 1, 2023 and shall continue until the later of July 1, 2029 or until the obligation is fully repaid.

Advanced to:	<u>Advance from:</u>	
		<u>General Fund</u>
Internal Service	\$	18,795
Non-major Enterprise		31,662
Total	\$	50,457

Transfers

Transfers for the fiscal year ended June 30, 2023, are as follows (dollars in thousands):

		<u>Transfer from</u>							
		<u>General Fund</u>	<u>Capital Projects</u>	<u>DOA</u>	<u>DWM</u>	<u>Internal Services</u>	<u>Non-major Enterprise</u>	<u>Non-major Government</u>	<u>Total</u>
Transfer to	General Fund	\$ —	\$ 11,450	\$ —	\$ 24,829	\$ —	\$ —	\$ 34,722	\$ 71,001
	Capital Project	73,477	367	1,275	1,796	575	287	5,506	83,283
	Non-major Governmental	13,735	—	—	100	—	—	6,466	20,301
	Non-major Enterprise	14,586	—	—	—	—	14,155	—	28,741
	Internal Services	2,970	—	5,034	7,187	92	255	685	16,223
Total		\$104,768	\$ 11,817	\$ 6,309	\$ 33,912	\$ 667	\$ 14,697	\$ 47,379	\$ 219,549

Transfers are used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and (3) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs

Department of Aviation (DOA)

DOA 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 Airport Use and Lease Agreements (AULA) provide 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 deferred inflow of resources of \$72.4 million for fiscal year 2023. 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.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs, continued

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	<u>\$ 9,539</u>	<u>\$ 3,752</u>	<u>\$ 13,291</u>

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	<u>\$ 34,662</u>	<u>\$ 1,667</u>	<u>\$ 36,329</u>

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	<u>\$ 7,693</u>	<u>\$ 584</u>	<u>\$ 8,277</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs, continued

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 DOA does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that has 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 DOA 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.

Department of Watershed Management (DWM)

Lessee:

The Department is the lessee of an office building, parking spaces and other equipment under an non-cancelable leases for periods through 2027. The Department makes variable monthly and annual payments ranging from \$13.766 to \$2.594 million, which include the principal and interest components of the payments. As the lease does not contain a specific interest rate, the Department

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs, continued

has used its incremental borrowing rate of 4% as the discount rate for the lease. For the current fiscal year, the Department recognized \$2,739,000 in lease payment and \$415,000 in interest expense related to the lease.

Fiscal period ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,393	\$ 410	\$ 2,803
2025	2,418	318	2,736
2026	2,598	219	2,817
2027	3,107	114	3,221
Total	<u>\$ 10,516</u>	<u>\$ 1,061</u>	<u>\$ 11,577</u>

Subscription Based Information Technology Arrangements (SBITAs):

The Department is committed under various SBITAs for the right to use a vendor's information technology software and is therefore acting as a Lessee. As such a right-to-use subscription asset (intangible) & corresponding subscription liability is measured and recognized. The SBITA liability is initially measured at the present value of subscription payments expected to be made during the subscription term, discounted using rate charged by vendor or incremental borrowing rate. As the agreements do not contain a specific interest rate, the Department has used its incremental borrowing rate of 5% as the discount rate for the agreements. For the current year, the Department recognized \$2,659,000 in lease payment and \$311,000 in interest expense related to the agreements.

Fiscal period ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,003	\$ 245	\$ 2,248
2025	1,582	159	1,808
2026	1,613	77	1,759
2027	1,428	65	1,298
Total	<u>\$ 6,626</u>	<u>\$ 546</u>	<u>\$ 7,113</u>

Lessor:

The Department is the lessor of space for cell towers on tanks, building, and land under an non-cancelable lease for periods through 2036. The Department receives variable monthly payments ranging from \$8,000 to \$56,000 which include the principal and interest components of the payments. As the lease does not contain a specific interest rate, the Department has used its incremental borrowing rate of 4% as the discount rate for the lease. For the current year, the Department recognized \$165,000 in lease revenue and \$17,938 in interest revenue related to the lease. Also, the Department has a deferred inflow of resources associated with this lease that will be

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs, continued

recognized over the lease term that ends on May 31, 2036. This deferred inflows of resources has a balance of \$1,108,000 as of June 30, 2023.

Governmental Type Activities (GOVT)

Lessee:

The City of Atlanta (City) is a lessee for several leases of land, equipment, and office space (buildings). The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The City makes variable monthly and annual payments ranging from \$31,703 to \$986,178 which include the principal and interest components of the payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

The City recognized \$1,896,656 in lease payments and \$932,420 in interest expense related to the leases for the fiscal year ended June 30, 2023.

The aggregate amortization schedule for the non-cancellable lease liability is as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,681	\$ 888	\$ 2,569
2025	1,578	826	2,404
2026	1,625	761	2,386
2027	1,562	697	2,259
2028	1,458	638	2,096
2029-2033	7,162	2,327	9,489
2034-2038	6,403	893	7,296
2039-2043	1,860	165	2,025
Total	<u>\$ 23,329</u>	<u>\$ 7,195</u>	<u>\$ 30,524</u>

The lease assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets are amortized on a straight-line basis over their useful lives. Lease-related amortization expense of \$2,463,053 was recognized in fiscal year 2023.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs, continued

Subscription Based Information Technology Arrangements (SBITAs):

The City is committed under various SBITAs for the right to use a vendor's information technology software and is therefore acting as a Lessee. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. At the commencement of the subscription term, the City measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The City makes variable monthly and annual payments ranging from \$15,601 to \$2,127,950 which include the principal and interest components of the payments. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for SBITAs. The City recognized \$7,074,397 in SBITAs payments and \$463,671 in interest expense for the fiscal year ended June 30, 2023.

The aggregate amortization schedule for the SBITA liability is as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,916	\$ 298	\$ 4,214
2025	1,839	160	1,999
2026	2,086	55	2,141
2027	509	8	517
2028	19	3	22
Total	<u>\$ 8,369</u>	<u>\$ 524</u>	<u>\$ 8,893</u>

The SBITA assets are initially measured as the sum of the initial SBITA liability, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the SBITA is amortized on a straight-line basis over its useful life. SBITA amortization expense of \$4,166,472 was recorded in fiscal year 2023.

Lessor:

The City is a lessor for several leases of office space, building, property/land, and cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City, initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. These leases do not have a stated

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

F. Leases/SBITAs, continued

rate therefore the City used the published Daily U.S. Treasury rates plus the Applicable Federal Rate to discount the lessor revenues to the net present value. For the current fiscal year, the City recognized \$3,165,935 in lease revenue and \$1,064,677 in lease-related interest revenue.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City's schedule of future receipts included in the measurement of the lease receivables as of June 30, 2023, is as follows (in thousands):

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,468	\$ 877	\$ 4,345
2025	3,560	655	4,215
2026	3,665	418	4,083
2027	3,855	173	4,028
2028	990	154	1,144
2029-2033	4,187	490	4,677
2034-2038	2,861	143	3,004
2039-2043	219	2	221
Total	<u>\$ 22,805</u>	<u>\$ 2,912</u>	<u>\$ 25,717</u>

G. Restricted Net Position and Restricted Assets

The various bond covenants require certain restrictions of net position of the Department of Aviation. Restricted net position at June 30, 2023 is as follows (dollars in thousands):

	Department of Aviation
Debt service and debt service reserve	\$ 452,948
Capital Projects	495,612
Total	<u>\$ 948,560</u>

The General Fund, because of covenants required by the 1998 Georgia Municipal Association Certificates of Participation, is required to keep certain restricted balances. This includes the investment account related to the 1998 lease pool. The Municipal Option Sales Tax Fund (MOST), as required by City ordinance, is required to transfer all revenue collections to the Department of Watershed Management for the purpose of funding water, wastewater and storm water infrastructure improvement and repair. The Other Governmental Funds contain restricted assets representing amounts which are required to be maintained pursuant to City ordinances for capital

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

G. Restricted Net Position and Restricted Assets, continued

purposes, renewal and extension and sinking funds, and funds received for specific purposes pursuant to U. S. Government grants.

Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources that may be used only to service outstanding debt. Other assets are restricted by bond ordinances for capital purposes. Restricted assets of the enterprise funds at June 30, 2023 are as follows (dollars in thousands):

	Department of Watershed Management	Department of Aviation	Total
Renewal and Extension Fund:			
Cash and cash equivalents	\$ —	\$ 15,579	\$ 15,579
Other assets	—	17,454	17,454
Passenger Facility Charge Fund:			
Cash and cash equivalents	—	84,834	84,834
Other assets	—	29,882	29,882
Investments	—	404,677	404,677
Customer Facility Charge Fund:			
Cash and cash equivalents	—	18,303	18,303
Other assets	—	3,121	3,121
Construction Fund:			
Cash and cash equivalents	—	166,801	166,801
Sinking Funds:			
Cash and cash equivalents	—	284,837	284,837
Other assets	—	1,359	1,359
Investments	—	168,111	168,111
Construction Revenue Funds:			
Cash and cash equivalents	172,033	—	172,033
Sinking Fund:			
Restricted interest receivable	706	—	706
Investments - Guaranteed Investment Contracts	152,850	—	152,850
Total	<u>\$ 325,589</u>	<u>\$ 1,194,958</u>	<u>\$ 1,520,547</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2023, follow (dollars in thousands):

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>	<u>Due within One Year</u>
Governmental activities:					
Long-term debt:					
General obligation and annual bonds	\$ 243,950	\$ 409,700	\$ (20,225)	\$ 633,425	\$ 30,545
Issuance premiums	4,188	30,435	(3,258)	31,365	—
	<u>248,138</u>	<u>440,135</u>	<u>(23,483)</u>	<u>664,790</u>	<u>30,545</u>
Certificate of Participation	54,730	—	(4,635)	50,095	4,835
Issuance premiums	5,149	—	(816)	4,333	—
	<u>59,879</u>	<u>—</u>	<u>(5,451)</u>	<u>54,428</u>	<u>4,835</u>
APSJFA revenue bonds	14,940	—	(2,715)	12,225	2,835
Issuance premiums	1,086	—	(387)	699	—
	<u>16,026</u>	<u>—</u>	<u>(3,102)</u>	<u>12,924</u>	<u>2,835</u>
Limited obligation bonds	264,872	—	(44,772)	220,100	83,465
Issuance premiums	6,307	—	(1,819)	4,488	—
	<u>271,179</u>	<u>—</u>	<u>(46,591)</u>	<u>224,588</u>	<u>83,465</u>
Other long-term debt:					
Loan Payable	809	—	(61)	748	62
1998 GMA lease pool	32,444	—	—	32,444	—
Intergovernmental agreements	446,825	10,318	(23,307)	433,836	12,275
Installment sale program	6,460	—	(3,150)	3,310	3,310
Financed purchases	41,605	29,458	(2,548)	68,515	10,403
Total long-term debt	<u>1,123,365</u>	<u>479,911</u>	<u>(107,693)</u>	<u>1,495,583</u>	<u>147,730</u>
Other long-term liabilities:					
Vacation and compensation payable	35,238	12,605	(6,053)	41,790	—
Health and dental claims payable	10,382	59,700	(61,357)	8,725	3,046
General claims payable	74,259	19,462	(14,754)	78,967	5,782
Net Pension liability	413,845	778,360	(108,613)	1,083,592	—
Total OPEB liability	617,026	35,404	(135,888)	516,542	19,610
Workers' compensation	28,926	6,463	(5,407)	29,982	6,212
SBITA liability*	9,845	5,598	(7,074)	8,369	3,916
Lease liability	22,723	2,503	(1,897)	23,329	1,681
Total other long-term liabilities	<u>1,212,244</u>	<u>920,095</u>	<u>(341,043)</u>	<u>1,791,296</u>	<u>40,247</u>
Total governmental activities long-term liabilities	<u>\$ 2,335,609</u>	<u>\$ 1,400,006</u>	<u>\$ (448,736)</u>	<u>\$ 3,286,879</u>	<u>\$ 187,977</u>

*Amounts were adjusted to reflect the impact of GASB 96

For the governmental activities, other long-term liabilities are primarily liquidated by the General Fund.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Changes in long-term liabilities for business-type activities during the fiscal year ended June 30, 2023, follow (dollars in thousands):

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>	<u>Due within One Year</u>
Business-type activities:					
Long-term debt:					
Department of Aviation					
Facilities revenue bonds	\$ 2,973,455	\$ —	\$ (80,010)	\$ 2,893,445	\$ 97,380
Bond issuance premiums	380,649	—	(39,743)	340,906	—
Bond issuance discounts	(68)	—	11	(57)	—
Financed purchases (equipment)	7,124	—	(520)	6,604	551
Department of Watershed Management					
System revenue bonds	2,635,630	882	(95,001)	2,541,511	95,341
Bond issuance premiums	188,594	—	(16,704)	171,890	—
Bond issuance discounts	(403)	—	97	(306)	—
GEFA notes payable	187,547	—	(9,449)	178,098	9,652
Financed purchases (equipment)	124,258	—	(9,383)	114,875	9,684
Nonmajor funds					
Financed purchases (equipment)	6,215	11,286	(3,800)	13,701	3,907
Revenue Bond - City Plaza	7,510	—	(385)	7,125	405
Bond issuance premiums	629	—	(80)	549	—
Revenue Bond - Parking Deck	11,455	—	(925)	10,530	970
Bond issuance premiums	1,029	—	(185)	844	—
Total long-term debt	<u>6,523,624</u>	<u>12,168</u>	<u>(256,077)</u>	<u>6,279,715</u>	<u>217,890</u>
Other long-term liabilities					
Unearned revenue	21,470	—	(3,779)	17,691	3,779
Landfill postclosure liability	17,660	—	(8,316)	9,344	—
Health and dental claims payable	6,121	33,582	(34,899)	4,804	1,678
Contract retention	40,104	9,848	—	49,952	39,393
General claims payable	8,662	8,862	(1,480)	16,044	83
Net Pension liability	205,935	275,416	(48,945)	432,406	—
Total OPEB liability	267,339	33,889	(61,330)	239,898	9,480
Workers' compensation	20,152	6,194	(3,265)	23,081	4,782
SBITA liability*	2,948	4,903	(1,225)	6,626	2,003
Lease liability	213	10,303	—	10,516	2,393
Total other long-term liabilities	<u>590,604</u>	<u>382,997</u>	<u>(163,239)</u>	<u>810,362</u>	<u>63,591</u>
Total business-type activities long-term liabilities	<u>\$ 7,114,228</u>	<u>\$ 395,165</u>	<u>\$ (419,316)</u>	<u>\$ 7,090,077</u>	<u>\$ 281,481</u>

*Amounts were adjusted to reflect the impact of GASB 96

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>	<u>Due within One Year</u>
Component Units					
Long-term Debt and other obligations					
Atlanta Fulton County Recreation Authority					
Due to other governments	\$ 10,899	\$ 5,421	\$ —	\$ 16,320	\$ —
Revenue bonds	363,950	—	(9,120)	354,830	7,350
Total Atlanta Fulton County Recreation Authority	374,849	5,421	(9,120)	371,150	7,350
Atlanta Development Authority					
Revenue and other bonds	462,603	5,377	(15,085)	452,895	18,895
Bond issuance premiums	15,891	—	(1,282)	14,609	—
Housing Opportunity Bonds	1,594	10,318	—	11,912	—
Notes payable	19,580	—	(1,000)	18,580	1,000
Lease liability	—	3,038	—	3,038	—
Notes payable	3,343	—	(3,343)	—	—
Other long-term liabilities:					
Loans payable	3,666	—	—	3,666	—
Other long-term liabilities	35,042	—	(35,042)	—	—
Total Atlanta Development Authority	541,719	18,733	(55,752)	504,700	19,895
Total component units long-term liabilities	<u>\$ 916,568</u>	<u>\$ 24,154</u>	<u>\$ (64,872)</u>	<u>\$ 875,850</u>	<u>\$ 27,245</u>

Governmental-type Activities

General Obligation Bonds and Annual General Obligation Bonds- are direct general obligations secured by the full faith and credit of the City. Principal and interest are payable through the general and debt service funds from ad valorem taxes levied on all taxable property within the City.

On November 14, 2019 the City issued its City of Atlanta Various Purpose General Obligation Bonds, Series 2019A in the aggregate principal amount of \$3,350,000 (the “Series 2019A Bonds”) and City of Atlanta General Obligation Refunding Bonds, Series 2019B in the aggregate principal amount of \$16,290,000 (the “Series 2019B Bonds”). The Series 2019A Bonds were issued for the purpose of (a) providing funds for renovating, improving, adding to, and equipping certain existing municipal buildings and facilities, and (b) paying certain costs of issuance. The Series 2019B Bonds were issued for the purpose of refunding a portion of the City of Atlanta General Obligation Refunding Bonds, Series 2009A, \$22,730,000 and (b) paying certain costs of issuance. By issuing the Series 2019B bonds, the City obtained and estimated economic gain of approximately \$1.06 million and obtained a net present value savings of approx \$638 thousand.

On June 29, 2021, the City issued its City of Atlanta Various Purpose General Obligation Bonds, Series 2021A in the aggregate principal amount of \$3,455,000 (the “Series 2021A Bonds”). The Series 2021A Bonds were issued for the purpose of (a) providing funds for the cost of acquiring a site or sites and constructing and

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

equipping thereon municipal buildings and facilities, of acquiring property, both real and personal, necessary or desirable for use in connection therewith and (b) paying certain costs of issuance.

On December 23, 2021, the City issued its City of Atlanta Various Purpose General Obligation Bonds, Series 2021B in the aggregate principal amount of \$3,420,000 (the “Series 2021B Bonds”) and City of Atlanta General Obligation Refunding Bonds, Taxable Series 2021C in the aggregate principal amount of \$188,500,000 (the “Series 2021C Bonds”). The Series 2021B Bonds were issued for the purpose of (a) providing funds for renovating, improving, adding to, and equipping certain existing municipal facilities and (b) paying certain costs of issuance. The Series 2021C Bonds were issued for the purpose of refunding all or a portion of (a) the General Obligation Public Improvement Bonds, Series 2015, \$213,780,000 and (b) the General Obligation Refunding Bonds, series 2014A, \$7,100,000 and (c) paying certain costs of issuance. By issuing the Series 2021 C bonds, the City obtained an estimated net present value savings of approximately \$18,136,359.

On November 3, 2022, the City issued its City of Atlanta General Obligation Public Improvement Bonds, Series 2022A-1 in the aggregate principal amount of \$369,380,000 (the “Series 2022A-1 Bonds”). The Series 2022A-1 Bonds were issued for the purpose of (a) providing funds to pay, or to be applied or contributed toward, all or a portion of the cost (i) the construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of public safety fire facilities, buildings and equipment for use by fire and rescue and emergency medical services (EMS) departments, and parks and recreational facilities, including, but not limited to recreation, aquatic and greenhouse facilities, and related public improvements and the cost of compliance with the Americans with Disabilities Act of 1990 for such facilities and improvements and other costs incident thereto and (ii) the acquisition, the construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of roads, sidewalks, pathways, trails and related transportation, park and playground, improvements, including but not limited to, public sidewalks, traffic control infrastructure and equipment, curbing, bridges, viaducts, greenway systems, playgrounds, pools, trails, paths, bicycle and transit lanes, and safety lighting and the cost of compliance with the Americans with Disabilities Act of 1990 for such facilities and improvements and other cost incident thereto.

On November 3, 2022, the City issued City of Atlanta General Obligation Public Improvements Bonds, Series 2022A-2 (the “Series 2022A-2”), in accordance with the 2022A Bond Ordinance. The proceeds of the Bonds are expected to be used for the purpose of: (a) providing funds to pay, or to be applied or contributed toward all or a portion of the cost of (i) the construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of public safety, parks and recreational facilities, including, but not limited to public safety, parks and recreational facilities, a center for diversion services, buildings and equipment for use by the police, firms and rescue and emergency medical services (EMS) departments and related public improvements and the cost of compliance with the Americans with Disabilities Act of 1990 for such facilities and improvements and other costs incident thereto and the (ii) the acquisition, the construction, reconstruction, renovation, repair, improvement, critical capital maintenance and equipping of roads, sidewalks, pathways, trails and related transportation, park and playground, improvements, including but not limited to, public sidewalks, traffic control infrastructure and equipment, curbing, bridges, viaducts, greenway systems, playgrounds, pools, trails, paths, bicycle and transit lanes, and safety lighting and the cost of compliance with

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

the Americans with Disabilities Act of 1990 for such facilities and improvements and other cost incident thereto.

On November 3, 2022, the City issued its City of Atlanta General Obligation Public Improvement Bonds, Series 2022B in the aggregate principal amount of \$3,700,000 (the "Series 2022B Bonds"). The proceeds of the Series 2022B Bonds will be used for the purpose of: (a) providing funds to pay, or to be applied or contributed toward, the cost of acquiring a site or sites and constructing and equipping thereon municipal buildings and related facilities, of renovating, improving, adding to and equipping thereon municipal buildings and related facilities, and of acquiring property, both real and personal, necessary or desirable for use in connection therewith (collectively, the "Series 2022B Project") and (b) paying certain costs of issuance related to the Series 2022B Bonds.

Certificates of Participation-On February 22, 2018, the Georgia Municipal Association ("GMA," also referred to herein as the "Trustor") issued \$43,335,000 in aggregate of Certificates of Participation (City of Atlanta Public Safety Projects), Series 2018 pursuant to the Indenture of Trust and Assignment of Installment Sale Agreement, dated as of February 1, 2018 (the "Indenture"), between GMA and U.S. Bank National Association, as trustee (the "Trustee"). The Series 2018 Certificates were issued for the purpose of : (a) acquiring various public safety projects in the City of Atlanta (the "City"), and (b) paying certain costs of issuance related to the Series 2018 Certificates.

Limited Obligation Bonds - Tax Allocation District Bonds are not general obligations of the City, but limited obligations of the City secured solely by and payable solely from tax allocation increments and local option sales tax revenues, the income of any, derived from the investment thereof, certain reserves and payments and the credit and liquidity facility and the standby guaranty. Neither the faith and credit nor the taxing power of the State of Georgia or any political subdivision thereof, including the City and Fulton County, is pledged as a security for the payment of principal, of redemption premium, if any and interest on the bonds.

On December 21, 2017, the City of Atlanta refunded all outstanding Atlantic Station Series 2007 Bonds in the amount of \$44.6 million and a portion of the Atlantic Station Series 2006 Bonds in the amount of \$80.2 million. The City issued the Atlantic Station Refunding Series 2017 Bonds in the aggregate par amount of \$85,380,000. The Series 2017 Refunding Bonds were issued for the purpose of (a) refunding all of the City's outstanding Tax Allocation Refunding Bonds (Atlantic Station Project), Series 2007 (the "Series 2007 Bonds"), (b) refund a portion of the City's outstanding Subordinate Lien Tax Allocation Bonds (Atlantic Station Project), Series 2006 (the "Subordinate Series 2006 Bonds"), (c) fund certain accounts with respect to the Series 2017 Bonds, including, among others, the Series 2017 Debt Service Reserve Account, and (d) pay certain costs of issuance related to the Series 2017 Bonds. By issuing the Series 2017 Bonds, the City obtained an estimated economic gain of approximately \$62.94 million and a net present value savings of approximately \$20.2 million.

In fiscal year 2019, the City approved Master Draw-Down Compounding Interest Tax Allocation Bonds to provide funds for the Westside Gulch Area Project in an amount not to exceed \$40,000,000 in aggregate principal. On November 19th, 2021, \$24,900,000 in West Side Gulch Area Project Tax Allocation District Bonds were issued. The Master Draw-Down Compounding Interest Tax Allocation Bonds (Westside Gulch Area Project) are special and limited obligations of the issuer payable solely from and secured solely by the pledged revenues and other amounts specifically pledged therefore under the Master Indenture. The bonds do not constitute an indebtedness of the issuer or the State of Georgia within the meaning of Article IX, Section V

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

of the Constitution of the State of Georgia. Neither the faith and credit nor the taxing power of the issuer, the State of Georgia or any political subdivision thereof is, except to the extent provided within the Master Indenture, pledged to the payment of the principal of or interest on the bonds.

Loan Payable- In July 2015, the City entered into an agreement by and between the Georgia Transportation Infrastructure Bank (GTIB), by and through the State Road and Tollway Authority ("SRTA") in the aggregate principle amount of \$1,000,000. In fiscal year 2019 the proceeds of the the GTIB loan were drawn down and used to fund the Street Light LED Conversion Project (Transportation Infrastructure Repair and Replacement). The repayment schedule commenced on March 1, 2019.

Intergovernmental Agreements:

Atlanta Urban Redevelopment Agency

On December 12, 2019, the Atlanta Urban Redevelopment Agency was provided authorization to issue the Atlanta Urban Redevelopment Agency Taxable Revenue Bonds (City's Park Department Building Project) Series 2019 in the aggregate amount of \$25,000,000. The Series 2019 bonds were issued to provide financing for the cost of acquisition, construction and equipping of two vacant buildings, located at 160 Trinity Avenue, SW, Atlanta, Georgia 30303 and 185 Ted Turner Drive, SW, Atlanta, Georgia 30303, totaling approximately 129,000 gross square feet, and the associated land, for use by, among others, the City of Atlanta Department of Parks and Recreation and any other City Department, governmental agency or other tenant as may be designated, from time to time, by the City, together with a general use parking facility consisting of approximately 225 parking spaces, all located in the Urban Redevelopment Area (the "Project") (including without limitation, reimbursing the City for certain eligible costs of the Project incurred or expended prior to the date of issuance of the Series 2019 Bonds) and paid certain cost related to the issuance of the Series 2019 Bonds.

The Atlanta City Council approved an intergovernmental contract whereby the Atlanta Urban Redevelopment Agency ("AURA") agreed to complete the BeltLine trail corridor and issue bonds related thereto, and the City agreed to make payment to AURA in an amount equal to debt service due and payable on such bonds and certain administrative costs related to the undertaking from the revenues derived from the assessment levied on the property within the Special Service Districted (SSD). In December 2021, the Atlanta Urban Redevelopment Agency issued its Revenue Bonds (Atlanta BeltLine Trail Completion Project), Series 2021, in the original aggregate principal amount of \$95,090,000. The bonds issued by AURA are a special, limited obligation of AURA, payable solely from pledged revenues and are not a debt or obligation of the City of Atlanta for any constitutional or statutory purposes.

Invest Atlanta

In September 2017, the Atlanta Development Authority d/b/a Invest Atlanta (the "Issuer") issued \$25,700,000 in aggregate principal amount of its Revenue Bonds (Homeless Opportunity Project), Taxable Series 2017 ("Series 2017 Bonds"), for the purpose of: (a) financing, in whole or in part, the acquisition, renovation, installation and equipping of certain capital costs and related administrative and other expenses associated with emergency shelter, permanent supportive housing and transportation projects (collectively, the "Project"); and (b) paying certain costs of issuance related to the Series 2017 Bonds. The Regional Commission of Homelessness at the United Way (Homeless Commission") offered a philanthropic match to the Series 2017

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Bonds of up to \$25,000,000 which will be added to proceeds of the Series 2017 Bonds to fund the costs of the Project.

In Fiscal Year 2019, the City approved the Draw-Down Infrastructure Fee Compound Interest Revenue Bonds (Gulch Enterprise Zone Project) in an amount not to exceed \$1,250,000,000 aggregate principal. On November 19, 2021, the Atlanta Development Authority d/b/a Invest Atlanta (the "Issuer") issued \$100,000 in Gulch Enterprise Zone Project Infrastructure Fee Compound Interest Revenue Bonds. The bonds do not constitute an indebtedness of the City or the State of Georgia within the meaning of Article IX Section V of the Constitution of the State of Georgia. Neither the faith and credit nor the taxing power of the City or any political subdivision of the State of Georgia is, except to the extent provided under the Master Indenture and in the Intergovernmental Agreement.

Urban Residential Finance Authority

On March 4, 2021, the Urban Residential Finance Authority issued up to \$50,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2021 for the purpose of providing proceeds from the sale of the bonds to AHOI from which loans will be made to finance single-family housing and multi-family housing in the City and to provide land assemblage for such purposes. The City has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds, with the guarantee lasting the full term of the debt. On March 1, 2023, the Urban Residential Finance Authority took out the option to increase its original issuance of \$50,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2021 to \$75,000,000 for the purpose of providing proceeds from the sale of the bonds to AHOI from which loans will be made to finance single-family housing and multi-family housing in the City and to provide land assemblage for such purposes. In March 2023 the agreement was extended to March 1, 2025, and the benchmark rate was changed from LIBOR to SOFR. The City has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds, with the guarantee lasting the full term of the debt. As of June 30, 2023, the principal balance of the Series 2021 bonds was \$11,912,427.

Financed Purchase:

In October 2018, the City entered into two financed purchases for energy service performance initiatives. These agreements are reflected at the present value of the aggregate payments due over the remaining life of the agreement. There were no costs included in other property and equipment as of June 30, 2023 of the \$20,110,279 energy service performance initiative to be ultimately acquired under these equipment-lease purchase agreements. Included in construction in progress related to the equipment-lease purchase agreements was \$17,594,087 as of June 30, 2023.

On August 2, 2017, the City entered into an Intergovernmental Lease Agreement with the Atlanta Fulton County Recreation Authority for the purpose of financing the design, acquisition, construction, installation and equipping of a portion of the Zoo Parking Garage consisting of a 3-story structured parking deck totaling approximately 400,000 square feet with approximately 1,000 parking spaces. In January 2021, the Zoo Parking Garage was placed in service and included in buildings as of June 30, 2021 is \$37,098,138 for the Zoo Parking Garage to be ultimately acquired under this agreement. The accumulated depreciation on this building is \$4,637,267 as of June 30, 2023.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

The City entered into various lease agreements for the purpose of acquiring vehicles and equipment vital to the City's Police, Fire, Corrections and Public Works Departments. These leases expire between 2025 through 2030. Included in other property and equipment as of June 30, 2023 is \$21,667,550 of heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$5,495,895 at June 30, 2023.

Arbitrage Rebate

The arbitrage rebate liability on all City issued obligations is treated as a claim or judgment upon occurrence. Certain City long-term debt obligations are subject to Section 148 of the Internal Revenue Code which requires that interest earned on proceeds from tax-exempt debt be rebated to the Federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. At June 30, 2023, the Department of Aviation recognized an arbitrage rebate liability of \$1,705,000 and the Department of Watershed recognized an arbitrage rebate liability of \$2,673,000. There was no arbitrage rebate liability recognized in the Governmental Activities Statement of Net Position.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

A summary of governmental-type activities bonds payable and other general long-term obligations as of June 30, 2023, is as follows (dollars in thousands):

General Obligation Bonds:	
2014A Refunding Issue, \$15,365, 4.00% - 5.00%, due December 1, 2026	\$ 1,140
2014B Taxable Refunding Issue, \$40,025, 1.281% - 3.339%, due December 1, 2025	3,085
2015 Public Imp. Issue, \$252,000, 4.50% - 5.00%, due December 1, 2034	24,510
2016 Various Purpose General Obligation Bond \$3,575, 2.000%-4.000%, due December 1, 2025	1,225
2019A Various Purpose General Obligation Bonds \$3,350, 4.000% - 5.000%, due December 1, 2029	2,510
2021A Various Purpose General Obligation Bonds, \$3,455 3.00% - 4.000%, due June 30, 2031	2,855
2021B Various Purpose General Obligation Bonds, \$3,420, 4%, due December 1, 2031	3,135
2021C General Obligation Refunding Bonds, \$188,500, 0.501%-2.388%, due June 30, 2035	185,265
2022A1 GO Public Improv Infrastructure (Social Bonds), \$369,380,000	369,380
2022A2 GO Public Improvement Bond, \$36,620,000	36,620
2022B VP General Obligation Bonds, \$3,700,000	3,700
	633,425
Bond issuance premiums	31,365
Total general obligation and annual bonds payable	664,790
Certificate of Participation:	
2016 City Court of Atlanta Project, Refunding \$32,160, 4.000%-5.000%, due December 1, 2026	13,465
2018 City of Atlanta Public Safety Projects Series, \$43,335, 3.000%-5.000%, due June 30, 2038	36,630
	50,095
Bond issuance premiums	4,333
Total certificate of participation	54,428
APSJFA Revenue Bonds	
2016 Public Safety Facility Project, \$27,150, 4.25% - 5.00%, issued by the Atlanta Public Safety Judicial Facilities Authority, due December 1, 2026	12,225
Bond issuance premium	699
Total APSJFA revenue bonds payable	12,924
Limited Obligation Bonds:	
2005A Westside Project, \$72,350, (5.000% at June 30, 2021), due December 1, 2023	10,385
2005B Westside Project, \$10,215, (5.000% at June 30, 2021), due December 1, 2023	1,555
2006 Atlantic Station, \$166,515, (5.00% at June 30, 2021), December 1, 2024	34,205
2008 Westside, \$63,760 3.27%, due December 1, 2037	35,045
2014 Perry Bolton Project, \$21,000, 3.00% - 5.00%, due July 1, 2041	11,565
2016A Beltline Refunding, \$21,600, 3.00%-5.00%, due June 30, 2031	13,835
2016B Beltline Refunding, \$39,035, 3.00%-5.00%, due June 30, 2031	25,705
2016C Beltline Refunding, \$6,290, 1.984%-4.579%, due June 30, 2031	3,980
2016D Beltline Project, \$39,605, 3.00%-5.00%, due June 30, 2031	23,545
2016E Beltline Project, \$38,325, 1.984%-3.879%, due June 30, 2025	7,695
2017 Atlantic Station Refunding, \$85,380, 5.000%, due December 01, 2024	27,685
2021 Westside Gulch Area Project \$40,000, 12.00%, due December 1, 2038	24,900
Total Limited Obligation Bonds	220,100

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Bond issuance premiums	4,488
Total limited obligation bonds payable	224,588
Total bonds payable	956,730
Other general long-term debt	
GTIB Loan, \$1,000, 2.48%, due February 1, 2034	748
1998 GMA Loan Pool, \$32,444, 4.75%, due November 30, 2028	32,444
1998 Installment Sale Program, \$103,130, 5.00%, due December 1, 2023 (1998 COPS)	3,310
2010 Intergovernmental Agreement guaranteed payments toward Series 2010 Taxable Recovery Zone Economic Development Bonds, \$22,775, 5.370%, issued by the Atlanta Urban Redevelopment Agency, due January 1, 2028	7,935
2014 Intergovernmental Agreement Guaranteed payments toward 2014A Park Improvement Revenue and Refunding Bonds, \$61,180, 2.00%-5.00%, issued by the Atlanta Fulton County Recreation Authority, due December 1, 2035	44,654
2015 Intergovernmental Agreement Guaranteed payments toward 2015 Revenue Bonds (New Downtown Atlanta Stadium Project), \$224,655, 1.40% - 5.00%, issued by the Atlanta Development Authority, due July 1, 2044	191,900
2017 Intergovernmental Agreement Guaranteed payments toward 2017 URFRA Taxable Revenue Bond, \$63,685, 1.250%-2.839%, due June 30, 2037	41,870
2017 Intergovernmental Agreement Guaranteed payments toward 2017 Revenue Bonds (Homeless Opportunity Project), \$25,700, 1.500%-3.565%, issued by the Atlanta Development Authority due June 30, 2037	20,165
2019 Intergovernmental Agreement Guaranteed payments toward 2019 Revenue Bonds (AURA City Park Building Project), \$25,000, 1.767%-3.298%, issued by the Atlanta Urban Redevelopment Agency due December 01, 2039	21,945
2021 Intergovernmental Agreement Guaranteed payments toward 2021 Taxable Draw Down Revenue Bond (Housing Opportunity Program), \$75,000, 1.05%, issued by the Urban Residential Finance Authority, due March 4, 2026.	11,912
2021 Intergovernmental Agreement payments toward Series 2021 Revenue Bonds (Atlanta Beltline Trail Completion Project), \$95,090, 2.375%-3.875%, issued by the Atlanta Urban Redevelopment Agency due July 1, 2051 .	93,355
2021 Intergovernmental Agreement payments toward Series 2021 Infrastructure Fee Revenue Bonds (Gulch Enterprise Zone Project), \$1,250,000, 12.00%, issued by the Downtown Development Authority due December 1, 2048 .	100
	470,338
Financed purchases	68,515
Total long-term debt	\$ 1,495,583

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Business-type Activities

Revenue bonds are payable solely from revenues generated by enterprise fund activities. The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of a flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. There are a number of limitations and restrictions contained in the various bond indentures.

Department of Aviation (DOA)

The City has issued various revenue bonds on behalf of the Department of Aviation 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 on the first of January and July.

The City has issued commercial paper, classified as short-term debt, and bond anticipation notes, classified as short-term and long-term debt, to provide interim financing for long-term projects that will ultimately be funded with bonds, PFC debt, or City dollars through its renewal and extension fund.

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 remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Summary of Department of Aviation long-term debt at June 30, 2023, consists of the following (dollars in thousands):

Facilities Revenue Bonds:

General Revenue and Refunding Bonds:

Airport General Revenue and Refunding Bonds, Series 2014B, 3.0% - 5.0%, due serially through 2033	\$ 105,590
Airport General Revenue and Refunding Bonds, Series 2014C, 2.0% - 5.0%, due serially through 2030	71,295
Airport General Revenue Bond- Non-AMT Series 2019A at 4.00% – 5.00% due serially through 2049	45,585
Airport General Revenue Bond - AMT Series 2019B at 4.00% – 5.00% due serially through 2049	245,460
Airport General Revenue Bond - AMT Series 2019E at 4.00% – 5.00% due serially through 2039	92,015
Airport General Revenue Refunding Bonds - Non-AMT Series 2020A at 4.00% - 5% due serially through 2030	238,530
Airport General Revenue Refunding Bonds - AMT Series 2020B at 4% - 5% due serially through 2030	126,070
Airport General Revenue Refunding Bonds - Non-AMT Series 2021A at 4% - 5% due serially through 2042	42,325
Airport General Revenue Refunding Bonds - Non-AMT Series 2021B at 4% - 5% due serially through 2042	124,160
Airport General Revenue Refunding Bonds - AMT Series 2021C at 4% - 5% due serially through 2042	154,325
Airport General Revenue Bond- Non-AMT Series 2022A at 4.00% – 5.00% due serially through 2052	177,560
Airport General Revenue Bond - AMT Series 2022B at 5.00% due serially through 2052	204,810
Total General Revenue and Refunding Bonds	<u>1,627,725</u>

Passenger Facility Charge (PFC) and Subordinate Lien General Revenue Bonds:

PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2014A at 4.0% - 5.0%, due serially through 2034	523,605
PFC and Subordinate Lien GARB Non-AMT, Series 2019C, at 5.00%, due serially through 2040	185,670
PFC and Subordinate Lien GARB AMT, Series 2019D, at 4.00% due serially through 2040	220,105
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2019F, at 5.00%, due serially through 2025	59,650
PFC Hybrid Bonds-Non-AMT, Series 2022A, at 5.00%, due serially through 2042	107,530
PFC Hybrid Bonds-AMT, Series 2022B, at 5.00%, due serially through 2036	56,520
Total PFC and Subordinate Lien General Revenue Bonds	<u>1,153,080</u>

Customer Facility Charge (CFC) Restricted Revenue Bonds:

City of College Park Taxable Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Consolidated Rental Car Facility Project, Series 2006A at 5.758% - 5.965%	102,905
City of College Park Revenue Bonds, (Hartsfield-Jackson Atlanta International Airport Automated People Mover System Maintenance Facility Project), Series 2006B at 4.0% - 4.5%	9,735
Total Customer Facilities Charge (CFC) Revenue Bonds	<u>112,640</u>

Total Revenue Bonds	<u>2,893,445</u>
---------------------	------------------

Deferred amounts:

Bond issuance premiums	340,906
Bond issuance discounts	(57)
	<u>340,849</u>

Financed purchases	6,604
--------------------	-------

Total long-term debt	<u><u>\$ 3,240,898</u></u>
----------------------	----------------------------

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

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 Program of \$326M, leaving a remaining balance of \$128,960,000.

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, \$128,960,000 of the 2019 Commercial Program was refinanced to the new Commercial Program.

Commercial Paper Notes:

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.

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

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2023</u>	<u>Due within one fiscal year</u>
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>

All Department of Aviation 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 of Aviation to maintain a ratio of Net Airport Revenue to Aggregate Debt Service, as defined, of at least 120%.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Department of Watershed Management

Summary of revenue bonds payable and GEFA notes payable at June 30, 2023 consists of the following (dollars in thousands):

Revenue and Refunding Revenue Bonds:

Water and Wastewater Revenue Bonds, \$415,310 Series 2001A, (5.50%), due serially and term through 2027	\$	85,055
Water and Wastewater Revenue Bonds, \$849,330 Series 2004A, (5.75%), due serially through 2030		134,110
Water and Wastewater Refunding Revenue Bonds, \$448,965 Series 2009B, term bonds (5.25%), due serially and term through 2027		53,100
Water and Wastewater Refunding Revenue Bonds, \$200,140 Series 2013B, (5.00%), due serially through 2024		34,180
Water and Wastewater Revenue Refunding Bonds, \$1,237,405 Series 2015, (5.00%), due serially and term through 2040		815,200
Water and Wastewater Revenue Refunding Bonds, \$226,175 Series 2017A, (3.50% - 5.00%), due serially through 2039		210,915
Water and Wastewater Revenue Refunding Bonds, \$51,210 Series 2018A, serial bonds (5.00%), due serially through 2041		51,210
Water and Wastewater Revenue Refunding Bonds, \$289,730 Series 2018B, combination serial (4.00% - 5.00%) and term bonds (3.50% - 5.00%), due serially and term through 2047		269,270
Water and Wastewater Revenue Refunding Bonds, \$288,900 Series 2018C,serial bonds (4.00% - 5.00%), due serially through 2038		288,900
Water and Wastewater Revenue Refunding Bonds, \$14,020 Series 2018D,term bonds (3.50% - 5.00%), due serially through 2028		9,045
Water and Wastewater Revenue Refunding Bonds, \$103,135, Series 2019, serial bonds (2.00% - 5.00%), due serially through 2038		96,635
Water and Wastewater Revenue Refunding Bonds, \$61,949, Series 2020, serial bonds due serially through 2057		3,276
Water and Wastewater Revenue Refunding Bonds, \$504,590, Series 2020, serial bonds (0.19% - 2.91%), due serially through 2044		490,615
		2,541,511
Bond issuance premiums		171,890
Bond issuance discounts		(306)
Total revenue bonds		2,713,095
Georgia Environmental Finance Authority (GEFA) Notes Payable:		
Georgia Environmental Finance Authority (GEFA) \$4,669 Loan, 3.00% due serially through 2023		236
Georgia Environmental Finance Authority (GEFA) \$19,006 Loan, 3.82%, due serially through 2035		10,848
Georgia Environmental Finance Authority (GEFA) \$19,034 Loan, 3.92%, due serially through 2036		11,622
Georgia Environmental Finance Authority (GEFA) \$31,409 Loan, 3.00%, due serially through 2027		18,621
Georgia Environmental Finance Authority (GEFA) \$19,021 Loan, 4.12%, due serially through 2038		12,404
Georgia Environmental Finance Authority (GEFA) \$31,216 Loan, 3.00%, due serially through 2027		18,513
Georgia Environmental Finance Authority (GEFA) \$31,053 Loan, 3.00%, due serially through 2028		18,958
Georgia Environmental Finance Authority (GEFA) \$5,500 Loan, 3.00%, due serially through 2032		3,091
Georgia Environmental Finance Authority (GEFA) \$3,000 Loan, 3.81%, due serially through 2032		1,757
Georgia Environmental Finance Authority (GEFA) \$34,990 Loan, (3.00%), due serially through 2035		23,847
Georgia Environmental Finance Authority (GEFA) \$51,426 maximum gross loan (2.03%), due serially through 2039		41,412
Georgia Environmental Finance Authority (GEFA) \$45,000 maximum gross loan (2.25%), construction status		168
Georgia Environmental Finance Authority (GEFA) \$12,851 maximum gross loan (2.25%), construction status		641
Georgia Environmental Finance Authority (GEFA) \$12,851 maximum gross loan (2.25%), construction status		15,980
Total GEFA notes payable		178,098
Financed purchases		114,875
Total long-term debt	\$	3,006,068

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

The revenue bonds are payable from DWM revenue and are collateralized by DWM's revenue remaining after reasonable and necessary operating and maintenance costs. In addition, the bond ordinances require the maintenance of sinking funds to provide for debt service on the related bonds. The ordinances require that revenue must be 110% of maximum annual debt service.

On August 29, 2019, the City of Atlanta issued its Water and Wastewater Revenue Refunding Bonds, Series 2019 (the "Series 2019 Bonds") in the aggregate principal amount of approximately \$103.1 million for the purpose of refunding a portion of the Water and Wastewater Revenue Bonds, Series 2009B and pay the costs of issuance related to the Series 2019 Bonds. The refunding associated with the Series 2019 Bonds resulted in a net present value savings of approximately \$39.9 million.

On September 18, 2020, the City of Atlanta issued its Water and Wastewater Draw-Down Revenue Bond (North Fork Project), Taxable Series 2020 in the aggregate amount of \$61,949,715 (The "Series 2020 WIFIA Bonds"). The Series 2020 WIFIA Bonds were issued for the purpose of financing certain eligible project costs of the North Fork Storage Tank and Pump Station Project and costs of issuance related to the Series 2020 WIFIA Bonds.

On October 29, 2020, the City of Atlanta issued approximately \$504.6 million of its Water and Wastewater Revenue Refunding Bonds, Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds were issued to: (a) refunding the "Refunding Bonds," which comprised of a portion of the City's outstanding Water and Wastewater Revenue Refunding Bonds, Series 2013B bonds (the "Series 202013B Bonds"); and Water and Wastewater Revenue Refunding Bonds, Series 2013B bonds (the "Series 202013B Bonds") and (b) paying the cost of insurance related to the Series 2020 Bonds. By issuing the Series 2020 bonds the City obtained a net present value savings of approximately \$52.4 million.

Commercial Paper Notes Payable

In August 2018, the Department authorized the issuance of the Water and Wastewater Revenue Commercial Paper Notes (Series 2018 Notes), up to the amount of \$125,000,000. On August 1, 2018, the Department entered into a Letter of Credit and Reimbursement Agreement with Wells Fargo Bank National Association, which expired on August 2, 2021, to facilitate the payment of principal and interest on the Series 2018 Notes in the principal amount of \$125 million for the 2018 Commercial Paper Program. The Series 2018 Notes were issued to:

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

(A) finance or refinance, on an interim basis, the costs of planning, engineering, design, acquisition, construction and reconstruction of certain additions, extensions, improvements and betterments included as a part of a multi-phase long term capital improvement program for the Department, (B) refund in whole or in part the principal of and interest on outstanding Series 2018 Notes, and (C) pay expenses necessary to accomplish the foregoing. Revenue of the Department is pledged as security for payments on the Series 2018 Notes, which is junior and subordinate to the pledge of revenue securing the Department's long-term debt. The Series 2018 Notes do not constitute a debt, liability, or obligation of the City's governmental funds, or a pledge of the faith and credit or taxing power of the City. The Series 2018 Notes are considered a short term obligation of the Department and may be repaid and reissued as often as necessary to affect the purposes set out in the program. The Series 2018 Notes shall mature at such time or times not later than the earlier of: (a) 270 days from their respective dates or (b) two Business Days prior to the Termination Date (as such Termination Date may be extended from time to time) of the Series 2018 Credit Facility.

On July 29, 2021 the City of Atlanta issued its Water and Wastewater Commercial Paper Notes, Series 2021 in the aggregate amount of \$125,000,000 (the "Series 2021 Commercial Paper Notes"). The Series 2021 Commercial Paper Notes were issued to (a) pay the principal off and interest on the maturing Series 2018 Commercial Paper Notes or amounts required to reimburse any draw on a related credit facility for the Series 2018 Commercial Paper Notes; and (b) pay the costs associated with the issuance of the Series 2021 Commercial Paper Notes. The Series 2018 Commercial Paper Notes were paid in full on July 29, 2021.

The Series 2021 Notes and the interest thereon do not constitute a pledge of the faith and credit. The Series 2021 Notes may be repaid and reissued as often as shall be necessary to effectuate the purposes set forth in the 2021 Supplemental Commercial Paper Ordinance, so long as the maximum aggregate amount of principal Outstanding at any one time does not exceed \$125,000,000.

Short-term debt activity for the fiscal year ended June 30, 2023, was as follows (in thousands):

	<u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>2023</u>
Commercial paper	<u>\$46,297</u>	<u>\$31,310</u>	<u>\$—</u>	<u>\$77,607</u>

Finance/Installment Purchase

On August 31, 2016, the Department entered into an installment purchase agreement for the purchase of certain heavy equipment. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. The annual interest rate is 1.39 percent. Included in other property and equipment as of June 30, 2023 was approximately \$7,143,000 of heavy duty equipment. The accumulated amortization on this equipment is approximately \$2,802,300 and related amortization expense was approximately \$476,000.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

On November 30, 2017, the Department entered into an addendum to the existing installment purchase agreement for the purchase of a nutrient recovery system. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. The annual interest rate is 2.70 percent. The accumulated amortization on this equipment is approximately \$8,957,000 as of June 30, 2023, and related amortization expense was approximately \$398,000.

On December 19, 2017, the Department entered into two equipment-lease purchase agreements with Noresco and Schneider for the purchase of an energy service performance initiative. These lease agreements qualified as capital leases for accounting purposes and the lease payments are reflected as financed purchases at the present value of the aggregate payments due over the remaining life of the leases. The annual interest rate ranges from 2.83 to 3.46 percent. There were costs included Noresco in other property and equipment as of June 30, 2023 of \$78,020,000 energy service performance initiative to be ultimately acquired under these equipment-lease purchase agreements. The accumulated amortization on this equipment is approximately \$1,405,000 as of June 30, 2023. Included in construction in progress related to the equipment-lease purchase agreement for Schneider was approximately \$34,865,000.

On December 28, 2018, the Department entered into an installment purchase agreement for the purchase of certain equipment. This agreement is reflected as an installment purchase obligation at the present value of the aggregate payments due over the remaining life of the agreement. The annual interest rate is approximately 3.55 percent. In fiscal year 2021 Equipment 3 portion of the installment purchase agreement was refinanced with an annual interest of 2.55 percent. Included in other property and equipment as of June 30, 2023 is \$8,415,000 of the \$16.5 million equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is approximately \$2,967,339 and related amortization expense was approximately \$827,000 for fiscal year ended June 30, 2023.

The present value of future minimum installment purchase payments as of June 30, 2023, is as follows (in thousands):

Fiscal year	
2024	13,517
2025	13,393
2026	13,276
2027	13,159
2028	13,159
2029-2033	54,808
2034-2038	17,569
Total minimum payments	138,881
Less amount representing interest	(24,006)
Present value of minimum installment purchase payments	<u>\$ 114,875</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Sanitation Fund

The Sanitation Department has entered into several lease agreements with First Municipal for the acquisition and replacement of heavy duty vehicles. This agreement is reflected as a financed purchase at the value of the aggregate payments due over the remaining life of the agreement. Included in other property and equipment as of June 30, 2023 is \$18,855,279 of heavy duty equipment to be ultimately acquired under this installment purchase agreement. The accumulated amortization on this equipment is \$2,634,145 at June 30, 2023.

State and federal laws and regulations require the City to place final covers on its four landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. The City has landfill sites at Cascade Road, Key Road, Gun Club Road, and East Confederate Road. All City landfills were certified by the State of Georgia as closed during 2001 and only post-closure care costs will be incurred in the future. Although post-closure care costs will be paid over the remaining number of post-closure years, the City accrued a liability for those costs as the landfills were accepting waste. The \$9,343,858 reported as the landfill post-closure costs liability at June 30, 2023, represents the cumulative amount of post-closure costs expected to be incurred over the required 30 year monitoring period which began in 2001. The cost to perform all post-closure care amounts were estimated by an outside consultant service. Actual costs may differ from estimates due to inflation, changes in technology or regulations. Post-closure care costs will be funded by future sanitary charges of the Sanitation Fund or from future contributions from the General Fund, if necessary.

Interest Rate Exchange Agreements (SWAPs) and Associated Bonds

Governmental Activities

On June 25, 1998, the City, along with other Georgia municipal entities, entered into an interest rate swap agreement with Morgan Guaranty Trust Company of New York (Swap 1). The City's swap agreement is associated with a portion of the fixed rate Georgia Local Government Grantor Trust Certificates of Participation, Series 1998A with a total principal amount of \$150,126,000. The City is responsible for \$32,444,000 of principal of the Series 1998A bonds and \$32,444,000 of notional amount of the Series 1998A Swap.

The following Georgia Local Government Grantor Trust COPs, dated June 1, 1998, are associated with Swap 1:

Georgia Local Government Grantor Trust COP	Maturity Date	Principal Amount
City of Atlanta's portion of Series 1998A	June 1, 2028	\$32,444,000
Other Municipalities' portion of Series 1998A	June 1, 2028	<u>117,682,000</u>
Total		<u><u>\$150,126,000</u></u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2023, classified by type, and the changes in fair value of such derivative instruments for the years then ended are as follows (in thousands):

Swap	Terms	2023 Changes in Fair Value		Fair Value at June 30, 2023		Notional
		Classification	Amount	Classification	Amount	
1	Receive-fixed interest rate swaps	Deferred Outflow	\$1,645	Hedging	\$1,916	32,444

The fair value was estimated using zero coupon method. This method calculates the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

The fair values of derivative liabilities have been adjusted for nonperformance risk, which includes, but may not be limited to, the City's own credit risk. Inputs to the valuation techniques for the City's over-the-counter interest rate swaps are categorized as Level 2 as defined in GASB Statement No. 72.

The following table displays the objective and terms of the City's hedging derivative instrument that was outstanding as of June 30, 2023, along with the credit rating of the counterparty.

Swap	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
1	Receive-fixed interest rate swap	Hedge of changes in fair values of fixed debt obligations	\$32,444,000	7/21/1998	6/1/2028	Receive 4.75%; pay SIFMA + 31bps	AA/Aa2/A+

* AA issued by Fitch, London; Aa2 issued by Moody's, New York; A+ issued by Standard & Poor's, New York.

Risks

Credit Risk - Credit risk is the risk that a counterparty will not fulfill its obligations. A counterparty's likelihood of default under the terms of the agreement can be measured by the credit ratings of the counterparty. The counterparty is rated AA as issued by Fitch, London, Aa2 as issued by Moody's, New York, and A+ as issued by Standard & Poor's, New York.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the City's financial instruments or its cash flows. The City is exposed to interest rate risk on its receive-fixed, pay-variable interest rate swap. The fixed rate payments made on the Series 1998A bonds and the fixed rate payments received on the swap offset each other, leaving the City to make variable rate swap payments based on the SIFMA index plus 0.31%. As of June 30, 2023, the SIFMA index rate was 4.01% and

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

the floating interest rate paid on the swap was 4.32%. As a result of the City being exposed to interest rate risk, variable rate payments on the swap will increase if the SIFMA index increases.

Basis Risk - Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is not exposed to basis risk on its receive-fixed interest rate swap hedging instrument because the fixed-rate payments made to the counterparty exactly offset the fixed rate payments received from the counterparty.

Termination Risk - Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City's asset and liability strategy or will present the City with a potentially significant unscheduled termination payment to the counterparty. The swap can be voluntarily terminated for economic reasons, or involuntarily terminated as a result of an event of default or other termination event.

Rollover Risk -Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The City is not exposed to rollover risks because the hedging derivative instrument associated with the hedgeable debt item extends to the maturity of the hedgeable debt item.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Debt Service Requirements

The following summarizes the debt service requirements of long-term debt at June 30, 2023 (dollars in thousands):

Fiscal Year Ended June 30	Governmental Activities					
	General Obligations		Financed Purchases		APSJFA Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 30,545	\$ 33,073	\$ 10,403	\$ 1,947	\$ 2,835	\$ 523
2025	31,965	31,688	10,430	1,973	2,980	377
2026	32,930	22,388	10,710	1,746	3,130	227
2027	32,640	21,384	6,352	1,507	3,280	76
2028	32,990	20,342	6,654	1,258	—	—
2029-2033	181,050	83,924	15,011	3,702	—	—
2034-2038	149,230	50,819	8,955	923	—	—
2039-2043	142,075	18,469	—	—	—	—
	<u>\$ 633,425</u>	<u>\$ 282,087</u>	<u>\$ 68,515</u>	<u>\$ 13,056</u>	<u>\$ 12,225</u>	<u>\$ 1,203</u>

Fiscal Year Ended June 30	Certificate of Participation		Limited Obligations		Other General LT Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 4,835	\$ 2,335	\$ 83,465	\$ 8,344	\$ 15,647
2025	5,045	2,120	73,265	5,011	18,069	17,437
2026	5,290	1,879	10,995	3,069	30,657	16,717
2027	5,555	1,607	10,515	2,537	19,447	15,973
2028	2,055	1,417	10,005	2,028	52,608	15,199
2029-2033	11,960	5,393	27,995	3,630	90,554	68,430
2034-2038	15,355	1,996	1,485	705	97,008	60,803
2039-2043	—	—	2,375	416	78,600	24,493
2044-2048	—	—	—	—	48,280	8,283
2049-2053	—	—	—	—	19,468	1,545
	<u>\$ 50,095</u>	<u>\$ 16,747</u>	<u>\$ 220,100</u>	<u>\$ 25,740</u>	<u>\$ 470,338</u>	<u>\$ 237,409</u>

Fiscal Year Ended June 30	Component Unit			
	Recreation Authority		Atlanta Development Authority	
	Principal	Interest	Principal	Interest
2024	\$ 7,350	\$ 16,265	\$ 19,895	\$ 22,513
2025	7,650	15,960	19,054	19,368
2026	7,970	15,639	47,058	18,354
2027	8,295	15,299	19,445	16,448
2028	22,510	19,743	20,195	15,650
2029-2033	73,270	61,771	89,650	66,759
2034-2038	68,275	45,693	100,345	45,516
2039-2043	74,460	29,642	78,600	24,493
2044-2048	85,050	10,355	48,280	7,283
2049-2053	—	—	28,953	1,545
	<u>\$ 354,830</u>	<u>\$ 230,367</u>	<u>\$ 471,475</u>	<u>\$ 237,929</u>

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Business-Type Activities								
Non-Major Enterprise								
Fiscal Year Ended June 30	City Plaza		Downtown Parking Deck		Financed Purchases		Financed Purchase- Aviation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 405	\$ 297	\$ 970	\$ 459	\$ 3,907	\$ 276	\$ 551	\$ 156
2025	425	276	1,005	420	3,179	169	585	143
2026	445	254	1,040	373	1,611	114	621	129
2027	470	231	1,095	320	1,639	86	657	141
2028	495	207	1,160	264	1,667	58	696	99
2029-2033	2,875	634	5,260	443	1,698	29	3,494	228
2034-2038	2,010	95	—	—	—	—	—	—
	<u>\$ 7,125</u>	<u>\$ 1,994</u>	<u>\$ 10,530</u>	<u>\$ 2,279</u>	<u>\$ 13,701</u>	<u>\$ 732</u>	<u>\$ 6,604</u>	<u>\$ 896</u>
Department of Watershed Management								
Fiscal Year Ended June 30	Aviation Revenue Bonds		GA Environmental Finance-DWM		Watershed Management Revenue Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest		
2024	\$ 97,380	\$ 137,798	\$ 9,652	\$ 4,660	\$ 95,341	\$ 110,036		
2025	124,615	132,467	9,699	4,373	102,307	105,349		
2026	144,080	125,721	9,991	4,080	108,058	100,236		
2027	184,225	118,102	10,292	3,779	113,858	94,719		
2028	174,845	113,867	10,603	3,468	121,679	88,834		
2029-2033	804,955	413,965	57,912	12,318	629,931	358,304		
2034-2038	541,010	258,612	51,897	3,582	740,665	220,389		
2039-2043	518,405	122,054	18,052	9	512,596	65,358		
2044-2048	161,335	50,645	—	—	115,432	10,992		
2049-2053	142,595	14,049	—	—	390	90		
2054-2058	—	—	—	—	1,254	60		
	<u>\$ 2,893,445</u>	<u>\$ 1,487,280</u>	<u>\$ 178,098</u>	<u>\$ 36,269</u>	<u>\$ 2,541,511</u>	<u>\$ 1,154,367</u>		

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

H. Long Term Obligations, continued

Defeased Debt

The City has defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, removed as a liability from the City's government-wide and proprietary fund financial statements.

Below is a description of the City's defeased bonds and the outstanding balances as of June 30, 2023 (dollars in thousands):

Description of Bonds	Date Originally Issued	Original par Amount	Redemption Call Date	Date Defeased	Maturities Defeased	Interest Rate Defeased Bonds %	Amount Defeased	Outstanding 6/30/2023
General Obligation Bonds								
2014A Refunding	11/16/2014	\$ 15,365	12/1/2024	12/16/2021	2025-2026	5.0%	\$ 1,305	\$ 1,140
2015 Public Improvement	6/25/2015	\$ 252,000	12/1/2024	12/16/2021	2025-2034	4.5-5.0%	\$ 167,090	\$ 24,510
		<u>\$ 267,365</u>					<u>\$ 168,395</u>	<u>\$ 25,650</u>
Revenue Bonds								
2013B Water & Wastewater	9/12/2013	\$ 200,140	11/1/2030	10/29/2020	2021-2030	4.5-5.25%	\$ 58,170	\$ 34,180
2015 Water & Wastewater	3/12/2015	\$1,237,405	11/1/2043	10/29/2020	2021-2043	5.0%	\$ 364,180	\$ 815,200
		<u>\$1,437,545</u>					<u>\$ 422,350</u>	<u>\$ 849,380</u>

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

IV. Other Information

A. Risk Management

The City purchases a variety of insurance policies, including but not limited to all risks property and specific liability policies. The City also purchases distinct and separate insurance policies for Hartsfield-Jackson Atlanta International Airport, including but not limited to property, airport owners and operators liability, and environmental liability. The policy limits are established in order 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 has not received any insurance settlements in the past three fiscal years that exceed commercial insurance coverage.

The City also administers an Owner Controlled Insurance Program (OCIP) that provides insurance coverage for enrolled contractors for certain construction projects at the airport. These policies include, but are not limited to, builders risk, general liability, workers' compensation and pollution liability.

Insurance requirements are established with contractors and consultants that do business with the City based on the scope of services and nature of the project(s). Contractors and consultants are generally required to maintain certain types of insurance coverage including but not limited to, general liability, automobile liability, workers' compensation and professional liability. There has not been any material change to insurance coverage from the previous fiscal year.

Self-insurance

The City is self-insured for parts of the medical and dental plan, workers' compensation and general claims liabilities. The City pays for such claims as they become due. These claim liabilities are accounted for in the governmental activities of the government-wide financial statements and the applicable enterprise funds.

Workers' Compensation

The City's workers' compensation liability is calculated by an outside actuary. Liabilities are reported 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 2023. The City has annual excess insurance coverage with a \$5 million per occurrence retention with no annual aggregate limit.

Health and Dental Insurance

The City's medical plan under Anthem Point of Service and its dental plan under 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 yet reported.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

A. Risk Management, continued

General Claims

The City is self-insured for actions presented against the City for unforeseen and/or negligent acts or omissions of its' officers and employees during the course and scope of employment. Actions based on the use of a City vehicle in the occurrence are self-insured and the City's governmental immunity is waived subject to statutory limits imposed by law. The City's Law Department administers these claims against the City. The City maintains a commercial policy of insurance for acts or omissions occurring on or about Hartsfield Jackson International Airport. The insurance carrier administers the claims for Hartsfield Jackson International Airport. Changes in the balances of claims liabilities for workers' compensation, health/dental insurance and general claims liabilities during the fiscal year ended June 30, 2023 were as follows (dollars in thousands):

	Beginning of period liability	Period claims and changes in estimates	Claim payments	End of period liability
Workers' compensation:				
2022	\$ 48,014	\$ 9,496	\$ (8,432)	\$ 49,078
2023	\$ 49,078	\$ 12,657	\$ (8,672)	\$ 53,063
Health and Dental claims-Actives:				
2022	\$ 4,759	\$ 60,338	\$ (54,205)	\$ 10,892
2023	\$ 10,892	\$ 61,567	\$ (63,530)	\$ 8,929
Health and Dental claims-Retirees:				
2022	\$ 2,452	\$ 31,083	\$ (27,924)	\$ 5,611
2023	\$ 5,611	\$ 31,716	\$ (32,727)	\$ 4,600
General claims liability:				
2022	\$ 88,032	\$ 57,116	\$ (62,227)	\$ 82,921
2023	\$ 82,921	\$ 22,869	\$ (16,234)	\$ 89,556

B. Commitments and Contingent Liabilities

Litigation

There have been ante litem notices based on incidents related to the civil unrest that occurred during the summer of 2020, but no new litigation at this point. The City is subject to various suits and proceedings arising in the ordinary conduct of its affairs and has been named as defendant in numerous lawsuits. The City has accrued amounts related to litigation where an outcome unfavorable to the City is probable and the amount can be reasonably estimated. The City has been named as defendant in several other suits and actions claiming personal and property damages. In the opinion of the City Attorney, all suits and actions now pending, or likely to be filed, will be resolved without a material effect on the financial position of the City.

Grants from Governments

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 applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Construction and Commitments

At June 30, 2023, the total estimated remaining costs on committed projects are \$118.0 million for the City, \$1.5 billion for the Department of Aviation, and \$315.0 million for the Department of Watershed Management.

Department of Aviation

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 of Leased Space formerly between Northwest and the Georgia EPD. As of June 30, 2023, a restricted non-current asset is recorded for approximately \$5.5 million as a result of this settlement.

Department of Watershed Management

Other Governments

In July 1968, the City and DeKalb County, Georgia (DeKalb County) entered into an agreement (the "Clayton Agreement") providing for the construction of a 120 million gallons per day (MGD) water pollution control facility to be known as the R.M. Clayton Water Reclamation Center (the "Plant"). Pursuant to the Clayton Agreement, the City agreed to assume responsibility for the financing, construction, operation, and maintenance of the Plant. The Clayton Agreement gives DeKalb County the right to use 25 MGD, or 20.83%, of the plant capacity. The Clayton Agreement with DeKalb County was amended in 1987, to increase DeKalb County's capacity in the Plant to 50 MGD, which is 48.54% of the 103 MGD of average daily flow capacity.

In 1977, DeKalb County entered into an agreement for 2.62 MGD, or 5.82%, of the capacity rights in the South River Water Reclamation Center and 2.60 MGD, or 12.38%, of the capacity rights in the Intrenchment Creek Water Reclamation Center. These two Water Reclamation Centers, along with the R.M. Clayton Water Reclamation Center, are hereafter referred to as the "Plants".

Additional capital improvements may be made to the Plants to relieve excessive flows and/or loads that impair the efficient operation of the City's sewer system, to improve existing processes, to improve the efficiency of current operations, or to comply with applicable laws. In any such event, the DWM and DeKalb County have agreed to share the costs of such capital improvements, generally upon the basis of relative sewerage flow contributed by the City and DeKalb County, respectively.

DeKalb County, Fulton County, the City of Hapeville, the City of East Point and the City of College Park (collectively, the "Municipalities") share in the costs of the operation and maintenance of the R.M. Clayton, South River, Intrenchment Creek and Utoy Creek Water Reclamation Centers based upon the ratio that their sewerage flow bears to the total flows to the Plants. The Municipalities' share of the operation and maintenance costs for the Plants was \$24,176,000 for the fiscal year ended June 30, 2023. These payments are treated as operating revenue for the Department of Watershed Management.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

The Municipalities have agreed to share in the capital improvement costs made to certain Plants with their share being based on their portion of the sewerage flow. The Municipalities' shares of the capital improvement costs was \$5,167,000 for the fiscal year ended June 30, 2023. These payments are treated as capital contributions. The amounts receivable from the Municipalities is included in the amount due from other governments in the accompanying financial statements.

Contingencies

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 property damages. The City is working with most of the property owners to settle these claims that primarily relate to water and sewer overflow issues. The nature of the Department's operations and the matters currently being alleged are such that similar suits may be filed in the future. The outcomes of these matters are not expected to materially affect the Department's financial position.

Other than the lawsuits discussed above, the Department has been named defendant of a class-action lawsuit in May 2014. Plaintiffs plead for a class-action lawsuit and allege that a payment-in-lieu-of-taxes (PILOT) and Franchise Fee paid by the Water and Wastewater enterprise fund to the City's General Fund is an illegal tax that must cease. The class seeks a refund for all allegedly illegal taxes paid since June 29, 2009, plus interest. The estimated maximum potential liability in that litigation is approximately \$62 million, and based on the current information available, the City believes it is more likely than not that it will be successful in its defense.

Consent Decrees for Wastewater System

DWM is subject to two related consent decrees the City entered into to resolve alleged violations of the Federal Clean Water Act and the Georgia Water Quality Control Act.

On October 10, 1995, the Upper Chattahoochee Riverkeeper Fund, Inc. (the "Riverkeeper"), brought suit against the City pursuant to the citizen suit provision of the Clean Water Act seeking injunctive relief and the assessment of civil penalties. Subsequently, the United States of America, acting at the request and on behalf of the Environment Protection Agency (EPA), and the State of Georgia, at the request of the Georgia Environmental Protection Division (EPD), also filed a complaint against the City alleging violations of the Clean Water Act and seeking similar relief. The actions were consolidated.

The plaintiffs alleged that the City violated the terms of its permits that authorize discharge of wastewater from the City's Combined Sewer Overflows (CSO) Control Facilities and its wastewater treatment facilities. In 1998, the plaintiffs and the City agreed to the entry of a consent decree relating to the CSO Control Facilities. On December 20, 1999, the First Amended Consent Decree (the "FACD") was entered into with the United States District Court for the Northern District of Georgia. The United States, the State of Georgia, and the City are the parties to the FACD. Because claims brought by Riverkeeper were resolved under the CSO Consent Decree, Riverkeeper

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

is not a party to the FACD. Current CSO related contract commitments for the wastewater project are \$156,137,000.

CSO Consent Decree

With respect to the October 10, 1995 action brought against the City by Riverkeeper, the court dismissed allegations regarding the phosphorus reduction program and common law nuisance claims, but found that the City violated federal and State water pollution laws with regard to the City's operation of its Tanyard Creek, Proctors Creek/North Avenue, and Proctor Creek/Greensferry CSO treatment facilities. As mentioned, the City and the citizen plaintiffs settled the lawsuit in what is referred to as the CSO Consent Decree (EPA and the EPD also joined). The CSO Consent Decree required the City to study the performance of the existing CSO treatment facilities, evaluate treatment alternatives that may be necessary for meeting State water quality standards, and improve the performance, maintenance, operation, and management of the existing treatment facilities. As of June 30, 2023, all projects required under the CSO Consent Decree were substantially complete. Remaining liabilities for the CSO are approximately \$7,909,000,000.

First Amended Consent Decree

The FACD resolved allegations regarding the City's wastewater treatment facilities, inter-jurisdictional requirements, and the City's sewerage collection and transmission system. For the wastewater treatment facilities, the FACD requires the City to: continue its ongoing wastewater treatment facilities Capital Improvement Program to complete upgrades at the R.M. Clayton, Utoy Creek, Intrenchment Creek, and South River Water Reclamation Centers; install and implement a maintenance management system, revise the current operations program, and implement upgrades to the current laboratory information system; and review its inter-jurisdictional agreements to address overloading and pretreatment issues. There are milestones that must be completed on schedule. The provisions regarding the wastewater treatment facilities were completed in March 2004. All capital improvements, upgrades, and repairs under the FACD had an original completion date of July 1, 2014.

Amendment to the First Amended Consent Decree

On September 24, 2012, the court entered an amendment to the FACD. This amendment contained five changes: (1) it extended the deadlines on the work to rehabilitate and provide capacity relief in the City's sewerage collection and transmission system with the final deadline for this work under the FACD extended from 2014 to 2027; (2) it eliminated the requirement that sewer lines that were merely surcharging as opposed to overflowing be upgraded; (3) it required that the City complete one major project, the Peachtree Creek Storage and Pump Station by July 1, 2014; (4) it required the City to reassess its financial capability on July 1, 2020 and accelerate remaining projects if financial conditions substantially improve; and (5) it required the City to report certain performance metrics to federal and state environmental protection agencies on a semi-annual basis as opposed to a quarterly basis. This amendment allowed the City to continue to improve the financial condition of its water and wastewater system, balance its competing system needs, and prevent a substantial increase in the burden on its ratepayers.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Clean Water Atlanta Program

The City is actively seeking federal and state grants and loans and other sources of funding to perform the tasks outlined above as part of its Clean Water Atlanta (the "CWA") Program. Key elements of the comprehensive funding and financing plan include the following:

- Municipal Option Sales Tax (MOST) - Effective October 1, 2004, a 1% municipal sales and use tax is being collected for retail sales and use occurring in the incorporated city limits of the City of Atlanta. Proceeds from this tax are used for operations, debt service and funding renovations to the City's water and sewer system. The MOST was approved by the City's residents in the July 2004 general election for a period not to exceed four years and for raising not more than \$750,000,000. Up to two extensions, at four years each can be approved by a vote of the City's residents. In the February 2008 general election, the residents approved the first extension and in the March 2012 general election, the residents approved the second extension. In 2010, the statute was amended to allow up to three four-year extensions. In May 2018, the City of Atlanta secured state legislative approval for additional referenda to continue MOST as a funding source for the Department's system improvements. Proceeds from the MOST for the year ended June 30, 2023 were approximately \$203,494,000, of which approximately \$16,857,000 was receivable from the Georgia Department of Revenue at June 30, 2023.
- Federal Appropriation - Some small Federal grants have been obtained and efforts to secure additional Federal grants continue.
- State GEFA Loans - The State of Georgia passed legislation to provide up to \$50 million per year in low interest Georgia Environmental Finance Authority (GEFA) loans to the City. The City is pursuing the maximum loan amount for each year of the CWA Program. Liabilities for these loans will be recorded at the time funds are drawn. In fiscal year 2023, no such funding was received. As of June 30, 2023, the City had \$178,098,000 in short and long-term loans outstanding to GEFA.
- The City Council approved annual increases to the current water and wastewater rates to support revenue bonds financing the five-year portion (2008-2012) of the CWA Capital Improvement Program. The graduated three-tiered rate structure is intended to minimize, to the extent possible, the impact of rate increases on ratepayers to maintain affordability and to permit water conservation. The 2019- 2023 rates are summarized below. In July 2020, the Atlanta City Council approved holding the current water and wastewater rates at fiscal year 2012 levels through fiscal year 2024.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

Graduated Monthly Water Rate Structure:

Water Consumption	2019	2020	2021	2022	2023
Base Charge	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56
1-3 ccf	\$ 2.58	\$ 2.58	\$ 2.58	\$ 2.58	\$ 2.58
4-6 ccf	\$ 5.34	\$ 5.34	\$ 5.34	\$ 5.34	\$ 5.34
Above 7 ccf	\$ 6.16	\$ 6.16	\$ 6.16	\$ 6.16	\$ 6.16

Graduated Monthly Wastewater Rate Structure:

Water Consumption	2019	2020	2021	2022	2023
Base Charge	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56	\$ 6.56
1-3 ccf	\$ 9.74	\$ 9.74	\$ 9.74	\$ 9.74	\$ 9.74
4-6 ccf	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64
Above 7 ccf	\$ 15.69	\$ 15.69	\$ 15.69	\$ 15.69	\$ 15.69

Consent Orders for Drinking Water System

The City is subject to two administrative Consent Orders issued by the Georgia Department of Natural Resources Environmental Protection Division. They are dated December 9, 1997, and March 21, 2003. Those Orders require capital improvement at the Chattahoochee and Hemphill Treatment Plants, as well as operational improvement to ensure compliance with Georgia Rules for Safe Drinking water. While the City is in substantial compliance with the provisions of both Orders, certain aspects of the capital program remain to be completed. Estimated remaining cost to satisfy the CSO is \$26,442,000.

Estimated Capital Costs to Complete Compliance with Decrees and Orders

The DWM is in the midst of a Capital Improvement Program mandated by court orders, regulatory and priority requirements. This Capital Improvement Program details all of the improvements needed through 2027 to meet the aforementioned objectives. The current cost estimate of the overall Capital Improvement Program is approximately \$1.47 billion. Total capital cost recorded to date is approximately \$3.76 billion.

CITY OF ATLANTA, GEORGIA

Notes to Financial Statements
Fiscal Year Ended June 30, 2023

Notes to the Financial Statements - Continued

B. Commitments and Contingent Liabilities, continued

The following is a summary of the funded and unfunded future costs to complete projects by type based on the current estimate:

<u>Project Types</u>	Total 2006-2027 CIP (In millions)	Remaining Cost 2024-2027 CIP (In millions)
	Wastewater Projects:	
Consent Decree Program (CSO)	\$ 858	\$ 8
First Amended Consent Decree Program (SSO)	2,134	887
Regulatory	165	0
Renewal & Extension Fund Projects	892	288
	<u>4,049</u>	<u>1,183</u>
Water Projects:		
Consent Order	70	26
Non-Consent Order	1,251	260
	<u>1,321</u>	<u>286</u>
	<u>\$ 5,370</u>	<u>\$ 1,469</u>

V. Pensions and Postemployment Benefits

A. Pensions

The City maintains the following separately administered pension plans:

Plan Type	Plan Name
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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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 from the City of Atlanta, 68 Mitchell Street, S.W. Suite 14106 Atlanta, GA 30303. The defined contribution plan does not have separately issued financial statements. The condensed financial statements for the defined contribution plan can be found on page 145.

The valuation date for the three defined benefit plans is July 1, 2021, with the results rolled forward to the measurement date of June 30, 2022. The allocation of the pension liability to the various funds is based upon fiscal year 2022 contributions from the various departments. The City is presenting the net pension liability as of the measurement date of June 30, 2022 for the fiscal year 2023 financial statements.

The 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 of Atlanta (the City), (excluding sworn personnel of the Police and Fire Rescue Departments of the City), and the employees of the Atlanta Independent School System Board (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 GEPP. By a constitutional amendment, effective July 1983, control over all aspects of the GEPP transferred to the City under the principle of Home Rule. The types of benefits offered by the GEPP 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.

The funding methods and determination of benefits payable were established by the legislative acts creating the GEPP, as amended, and in general, provide that funds are to be accumulated from employee contributions, City and School System contributions, and income from the investment of accumulated funds.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

General Employees' Pension Plan

a. *Contribution requirements of the GEPP - The City*

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. During the fiscal year ended June 30, 2023, the City contributions were approximately \$48,330,000.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

b. Contribution requirements of the GEPP - School System

Obligations to contribute to the Plan are subject to minimum funding standards of the Georgia Public Retirement Systems Standards law and are established by the Board. Previously, the School System's policy was to contribute to the Plan based on a level percent of payroll amortization method using a closed amortization period with 12.5 years remaining. By resolution adopted by the Atlanta Independent School System's Board on June 2, 2014, the School System changed its funding policy whereby each year's employer contribution will be equal to the prior year's amount, increased by 3%, until the Plan is fully funded. In addition, active participants are required to contribute 7% of pay to the Plan (8% if a participant is married or elects to name a covered beneficiary).

c. Description of GEPP benefit terms - The City

In June 2011, the City Council approved changes for the City's GEPP, 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 GEPP has established to receive benefits.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Normal Pension

Hired before July 1, 2010:

Age 60 after completing 10 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 participants 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:

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.

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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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.

d. Amendment of the eligibility for participation in the City of Atlanta, Georgia General Employees' Pension Plan

Effective September 1, 2005, a participant in the City of Atlanta Defined Contribution Plan (the "Defined Contribution Plan") who (i) is a permanent, full-time employee of the City of Atlanta, (ii) is either a classified employee, as defined in section 114-84 of the Code of Ordinances of the City of Atlanta, or an employee whose payroll grade level is 18 or below and (iii) either has never received a distribution from the Defined Contribution Plan or has repaid to the Defined Contribution Plan the full amount of any prior distribution pursuant to the terms of such plan, may elect at any time before January 31, 2005 to transfer his vested and unvested account balance under the Defined Contribution Plan, excluding any amounts attributable to rollover contributions from other plans and voluntary after-tax employee contributions made under the Defined Contribution Plan, to the fund established under this act, 1927 Ga. Laws, as amended, and shall be credited with (A) such service and monthly earnings as the employee would have been credited if he or she had participated under the terms in this act during the period that he or she participated in the Defined Contribution Plan and (B) if such employee previously participated under the terms of this act and elected to transfer the actuarial present value of his benefit under this act to the Defined Contribution Plan pursuant to Ordinance No. 02-0-0791, such service and monthly earnings as were used to determine the amount so transferred.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Effective January 1, 2018, a participant in the City of Atlanta Defined Contribution Plan (the "Defined Contribution Plan") on December 13, 2017 (date of passage of Ordinance No. 17-O-1826) who: (i) is a permanent, full-time employee of the City of Atlanta who was hired between January 1, 2001 and December 31, 2005, and (ii) either has never received a distribution from the Defined Contribution Plan or has repaid to the Defined Contribution Plan the full amount of any prior distribution pursuant to the terms of such plan, and (iii) has executed a payment plan, which shall not exceed five (5) years from the date that it is signed, to contribute all additional sums that such employee would have contributed to the General Employees' Pension Fund. Specifically, an additional 1-2% of salary for any period of employment between January 1, 2001 and September 1, 2011; and an additional 6-7% of salary for any period of employment between September 1, 2011 and January 1, 2018 as applicable.

Such employees may elect at any time before April 30, 2018 to transfer their vested and unvested account balance under the Defined Contribution Plan, excluding any amounts attributable to rollover contributions from other plans and voluntary after-tax employee contributions made under the Defined Contribution Plan, to the fund established under this act, 1927 Ga. Laws, page 265, as amended, and shall be credited with (A) such service and monthly earnings as the employee would have been credited if they had participated under the terms of this act during the period that they participated in the Defined Contribution Plan and (B) if such employee previously participated under the terms of this act and elected to transfer the actuarial present value of his benefit under this act to the Defined Contribution Plan pursuant to Ordinance No. 02-0-0791, such service and monthly earnings as were used to determine the amount so transferred.

e. Description of GEPP benefit terms - the School System

The major provisions of the GEPP for the School System are as stated below.

Normal Pension: a participant may retire at age 60 after completing 10 years of service. The monthly benefit is 2.5% of the average monthly salary for each year of credited service. This amount cannot be less than \$17 per month for each year of service, and is capped at 80% of average monthly salary. Average monthly salary is defined as the highest average monthly base compensation over any 36-month period.

Early Pension: a participant must have 10 years of credited service. The normal pension monthly amount is reduced by one half of 1% per month for the first 60 months and one quarter of 1% per month for the remaining months by which age at retirement is less than 60. Un-reduced early retirement is available with 30 years of credited service.

Disability: a participant must have 5 years of credited service for non-job related disability. For job-related disability there is no service requirement. Normal pension is based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of the average monthly salary. This amount is paid until attainment of normal retirement age at which time the benefit is recalculated to value years while disabled as years of service.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Firefighters' and Police Officers' Plans

Plan Description

The City of Atlanta, Firefighters' (FPP) and Police Officers' (PPP) Pension Plans are single-employer defined-benefit plans. They 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 (the City) 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 of the FPP and PPP 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 FPP and PPP, 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 Rescue 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

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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.

Employer contributions to the FPP and PPP during the fiscal year ended June 30, 2023 were approximately \$25,956,000 and \$40,974,000, respectively.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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 (hired before July 1, 2010)

Any age with at least 15 years of creditable service (hired from July 1, 2010 to August 31, 2011)

Minimum age 47 with at least 15 years of 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 cannot 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 cannot exceed 75% of the participant's salary at the time of disability (payable until the earlier of recovery from disability or Normal Retirement Age).

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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 compensation or other payments (payable to the eligible beneficiary beginning two years after the 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).

Membership

As of the beginning of the fiscal year ended June 30, 2023, pension plan membership consisted of the following:

	General Employees - The City	Firefighters	Police Officers
Inactive plan members or beneficiaries currently receiving benefits	3,992	1,101	1,718
Inactive plan members entitled to, but not yet receiving benefits	1,556	205	428
Active plan members	3,657	926	1,589
Total membership	9,205	2,232	3,735

The Plans’ Investments

The investments for the Plans are made within the Public Retirement Systems Investment Authority Law of the Georgia Code (OCGA 47-20-80). The Board has been granted the authority by City Ordinance to establish and amend the Plans' investment policy. The Board is responsible for making all decisions with regard to the administration of the Plans, including the management of Plans' 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 has discretionary authority over the assets managed by them and within the investment guidelines as established by the Board. The investments are held in trust by the Plans' custodian in

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

the Plans' names. These assets are held exclusively for the purpose of providing benefits to members of the respective 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, are summarized in the table below:

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

General Employees' Plan

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%
	<u>100 %</u>	

Police Officers' Plans

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%
	<u>100 %</u>	

Firefighters' Plans

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%
	<u>100 %</u>	

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

For the fiscal year ended June 30, 2023, 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%, 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 pension liability is based on the July 1, 2021 actuarial valuation rolled forward to June 30, 2022 using standard roll-forward techniques (dollars in thousands):

	General Employees' (City)	Firefighters'	Police Officers'	Total
Total pension liability	\$2,004,776	\$1,142,448	\$1,818,218	\$ 4,965,442
Plan fiduciary net position	\$1,403,948	\$ 770,228	\$1,275,268	\$ 3,449,444
Net pension liability	<u>\$ 600,828</u>	<u>\$ 372,220</u>	<u>\$ 542,950</u>	<u>\$ 1,515,998</u>
Plan fiduciary net position as a percentage of the total pension liability	70.03 %	67.42 %	70.14 %	

The net pension liability of the General Employees' (the City), Firefighters' and Police Officers' Plans allocated among the governmental activities, the Department of Aviation, the Department of Watershed Management and Other Non-major Enterprise Funds as June 30, 2023 (dollars in thousands):

	General Employees'	Firefighters'	Police Officers'	Total
Governmental Activities	\$ 297,469	\$ 286,610	\$ 499,513	\$ 1,083,592
Department of Aviation	67,412	85,610	43,437	196,459
Department of Watershed Management	192,265	—	—	192,265
Other Non-major Enterprise	43,682	—	—	43,682
Total	<u>\$ 600,828</u>	<u>\$ 372,220</u>	<u>\$ 542,950</u>	<u>\$ 1,515,998</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Changes in Net Pension Liability

The City is presenting the net pension liability for the fiscal year June 30, 2023 based on the June 30, 2022 measurement date, as follows (dollars in thousands):

<u>General Employees' - the City</u>	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 fiscal year:			
Service cost	26,474	—	26,474
Interest expense	136,585	—	136,585
Difference between expected and actual investments 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
Balances at June 30, 2023	<u>\$ 2,004,776</u>	<u>\$ 1,403,948</u>	<u>\$ 600,828</u>
 <u>Firefighters'</u>	 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 fiscal 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	—	(134,870)	134,870
Other Income	—	1	(1)
Benefit payments and refunds	(56,593)	(56,593)	—
Administrative expenses and other	—	(996)	996
Net changes	81,132	(158,501)	239,633
Balances at June 30, 2023	<u>\$ 1,142,448</u>	<u>\$ 770,228</u>	<u>\$ 372,220</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

<u>Police Officers'</u>	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 fiscal 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	—	(200,785)	200,785
Benefit payments and refunds	(79,097)	(79,097)	—
Administrative expenses	—	(946)	946
Other	—	3	(3)
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>

Discount Rate

The discount rates used to measure the total pension for the Plans is 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 plan's 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 the measurement date of June 30, 2022:

General Employees' Plan	Firefighters'	Police Officers'
7.00%	6.71%	6.69%

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Sensitivity of the Net Pension Liability (asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plans, calculated using the discount rates for each Plan as well as what the Plan net pension liability (asset) 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):

	Discount Rate		
	1% Decrease 6.00%	Current 7.00%	1% Increase 8.00%
General Employees - the City	\$ 813,781	\$ 600,828	\$ 420,650
	5.71%	6.71%	7.71%
Firefighters' Pension	\$ 529,676	\$ 372,220	\$ 244,291
	5.69%	6.69%	7.69%
Police Officers' Pension	\$ 804,870	\$ 542,950	\$ 331,091

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to the June 30, 2022 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

	Inflation	Salary increases	Investment rate of return
General Employees'	2.25%	3.00%	7.00%
Firefighters'	2.25%	3-10%	6.71%
Police Officers'	2.25%	3-10%	6.69%

The General, Police and Firefighters' Pension Plan's last experience study was conducted in 2022 and covered the period from July 1, 2014 to June 30, 2019.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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 actuarial methods and assumptions used to determine the most recent contribution rate are as follows:

	General Employees' - the City	Firefighters'	Police Officers'
Valuation date	July 1, 2021	July 1, 2021	July 1, 2021
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	Fair Value	Fair Value	Fair Value

For the General Employees' Plan, the pre-retirement mortality assumption was based on the Pri-2012 Blue Collar Employee Amount-weighted Mortality Table with rates increased by 15% for males and females. The post-retirement mortality assumption for annuitants was based on the Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table with rates increased by 15% for males and females. The mortality assumption for disabled retirees was based on the Pri-2012 Disabled Retiree Amount-weighted Mortality Table with rates increased by 15% for males and females.

For the Firefighters' and Police Officers' Pension Plans the mortality assumption was based on the PUB-2010 Public Safety Mortality Table with full generational improvements in mortality using Scale MP-2020.

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

The City recognized total pension expense of \$140,512,915 for the fiscal year ended June 30, 2023. Of the total pension expense, \$106,058,343 was recognized in the governmental activities and \$34,454,572 was recognized in the business type activities, \$40,435,936 was recognized for the General Employees' Plan, \$40,214,510 was recognized for the Firefighters' Plan, and \$59,862,469 was recognized for the Police Officer's Plan.

Deferred outflows of resources totaling approximately \$625,261,000 with \$115,260,000 of contributions made after the plan's measurement date, \$133,425,000 for demographic gains/losses, \$153,069,000 for assumption changes, \$379,000 in changes in proportion and differences between employer's contribution and proportionate share of contributions and \$223,128,000 for net investment change.

Deferred inflows of resources totaling approximately \$99,108,000 with \$86,260,000 for demographic gains/losses, \$379,000 in changes in proportion and differences between employer's

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

contribution and proportionate share of contributions and \$12,469,000 for assumption changes. The following table presents a summary of deferred inflows and outflows of resources related to the pension plans (dollars in thousands):

	Fiscal Year of deferral	Amortization period (in fiscal years)	Beginning of fiscal year balance	Additions	Deductions	End of fiscal year balance
General employees'						
Deferred Inflows						
Difference between expected and actual experience	2019	4.00	\$ (1,060)	\$ —	\$ 1,060	\$ —
	2020	4.00	(1,971)	—	987	(984)
	2021	4.00	(4,413)	—	1,470	(2,943)
	2022	4.00	—	(25,224)	6,306	(18,918)
Net difference between projected and actual pension investments income	2018	5.00	(6,273)	—	6,273	—
	2019	5.00	6,149	—	(6,149)	—
	2020	5.00	28,049	—	(28,049)	—
	2021	5.00	(261,342)	—	261,342	—
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2021		(758)	—	758	—
	2022		—	(379)	—	(379)
			<u>\$ (241,619)</u>	<u>\$ (25,603)</u>	<u>\$ 243,998</u>	<u>\$ (23,224)</u>
Deferred Outflows						
Net difference between projected and actual pension investments income	2018	5.00	\$ —	\$ (6,273)	\$ 6,273	\$ —
	2019	5.00	—	6,149	(3,075)	3,074
	2020	5.00	—	28,049	(9,348)	18,701
	2021	5.00	—	(261,342)	65,335	(196,007)
	2022	5.00	—	314,267	(62,856)	251,411
Contributions subsequent to the measurement date experience	2016	4.00	51,750	48,330	(51,750)	48,330
Changes in proportion and differences between employer's contribution and proportionate share of contribution	2021		758	—	(758)	—
	2022		—	379	—	379
Assumption changes	2021		36,900	—	(12,301)	24,599
	2022		—	10,772	(2,692)	8,080
			<u>\$ 89,408</u>	<u>\$ 140,331</u>	<u>\$ (71,172)</u>	<u>\$ 158,567</u>
Firefighters'						
Deferred Inflows						
Demographic gain/loss	2015	11.95	\$ (9,475)	\$ —	\$ 1,914	\$ (7,561)
	2016	12.10	(11,491)	—	1,884	(9,607)
	2018	6.09	(3,726)	—	1,782	(1,944)
	2020	6.11	(7,847)	—	1,909	(5,938)
	2021	5.73	(7,406)	—	1,566	(5,840)
Net difference between projected and actual pension investments income	2018	5.00	(3,897)	—	3,897	—
	2019	5.00	8,093	—	(8,093)	—
	2020	5.00	19,951	—	(19,951)	—
	2021	5.00	(150,681)	—	150,681	—
Assumption changes	2019	5.98	(4,270)	—	1,433	(2,837)
	2022	5.26	—	(5,476)	1,041	(4,435)
			<u>\$ (170,749)</u>	<u>\$ (5,476)</u>	<u>\$ 138,063</u>	<u>\$ (38,162)</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

	Fiscal Year of deferral	Amortization period (in fiscal years)	Beginning of fiscal year balance	Additions	Deductions	End of fiscal year balance
<u>Firefighters'</u>						
Deferred Outflows						
Net difference between projected and actual pension investments income	2018	5.00	\$ —	\$ (3,897)	\$ 3,897	\$ —
	2019	5.00	—	8,093	(4,047)	4,046
	2020	5.00	—	19,951	(6,650)	13,301
	2021	5.00	—	(150,681)	37,670	(113,011)
	2022	5.00	—	196,407	(39,281)	157,126
Contributions subsequent to the measurement date			27,626	25,956	(27,626)	25,956
Demographic gain/loss	2014	12.30	3,529	—	(821)	2,708
	2017	6.36	1,031	—	(761)	270
	2019	5.98	6,176	—	(2,072)	4,104
	2022	5.26	—	62,329	(11,848)	50,481
Assumption changes	2014	12.30	5,680	—	(1,322)	4,358
	2018	6.09	6,911	—	(3,306)	3,605
	2021	5.73	43,539	—	(9,205)	34,334
			<u>\$ 94,492</u>	<u>\$ 158,158</u>	<u>\$ (65,372)</u>	<u>\$ 187,278</u>
<u>Police Officers'</u>						
Deferred Inflows						
Net difference between projected and actual pension investments income	2018	5.00	\$ (4,696)	\$ —	\$ 4,696	\$ —
	2019	5.00	8,914	—	(8,914)	—
	2020	5.00	34,177	—	(34,177)	—
	2021	5.00	(244,098)	—	244,098	—
Demographic gain/loss	2015	10.65	(11,157)	—	3,056	(8,101)
	2016	11.03	(15,621)	—	3,105	(12,516)
	2018	6.03	(14,467)	—	7,126	(7,341)
	2019	5.84	(3,250)	—	1,144	(2,106)
	2020	5.78	(2,170)	—	574	(1,596)
	2021	5.58	(1,112)	—	247	(865)
Assumption changes	2019	5.84	(8,022)	—	2,825	(5,197)
			<u>\$ (261,502)</u>	<u>\$ —</u>	<u>\$ 223,780</u>	<u>\$ (37,722)</u>
Deferred Outflows						
Net difference between projected and actual pension investments income	2018	5.00	\$ —	\$ (4,696)	\$ 4,696	\$ —
	2019	5.00	—	8,914	(4,457)	4,457
	2020	5.00	—	34,177	(11,392)	22,785
	2021	5.00	—	(244,098)	61,025	(183,073)
	2022	5.00	—	300,399	(60,081)	240,318
Contributions subsequent to the measurement date			41,500	40,974	(41,500)	40,974
Demographic gain/loss	2014	11.08	10,108	—	(3,282)	6,826
	2017	6.44	3,718	—	(2,581)	1,137
	2022	5.58	—	82,724	(14,825)	67,899
Assumption changes	2014	11.08	3,719	—	(1,206)	2,513
	2018	6.03	10,271	—	(5,058)	5,213
	2021	5.58	75,840	—	(16,561)	59,279
	2022	5.58	—	13,509	(2,421)	11,088
			<u>\$ 145,156</u>	<u>\$ 231,903</u>	<u>\$ (97,643)</u>	<u>\$ 279,416</u>
				Grand total of deferred inflows		\$ (99,108)
				Grand total of deferred outflows		\$ 625,261

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

The following table presents a summary of allocations to the departments in the collective deferred outflows and deferred inflows of resources as indicated above for the fiscal year ended June 30, 2023 (amounts in thousands):

	Balance June 30, 2023	Governmental Activities	Department of Watershed Management	Department of Aviation	Other non-major enterprise funds
General employees'					
Deferred Inflows					
Changes in proportion and differences between employer's contribution and proportionate share of contribution	\$ (379)	\$ —	\$ —	\$ (379)	\$ —
Difference between expected and actual experience	(22,845)	(11,311)	(7,310)	(2,563)	(1,661)
	<u>(23,224)</u>	<u>(11,311)</u>	<u>(7,310)</u>	<u>(2,942)</u>	<u>(1,661)</u>
Deferred Outflows					
Net difference between projected and actual pension investments income	77,179	38,212	24,697	8,660	5,610
Changes of Assumptions	32,679	16,179	10,457	3,667	2,376
Changes in proportion and differences between employer's contribution and proportionate share of contribution	379	—	—	—	379
Contributions subsequent to the measurement date	48,330	23,927	15,466	5,423	3,514
	<u>158,567</u>	<u>78,318</u>	<u>50,620</u>	<u>17,750</u>	<u>11,879</u>
Deferred amount to be amortized	<u>\$ 87,013</u>	<u>\$ 43,080</u>	<u>\$ 27,844</u>	<u>\$ 9,385</u>	<u>\$ 6,704</u>
Firefighters'					
Deferred Inflows					
Demographic gain/loss	(30,890)	(23,785)	—	(7,105)	—
Assumption changes	(7,272)	(5,599)	—	(1,673)	—
	<u>(38,162)</u>	<u>(29,384)</u>	<u>—</u>	<u>(8,778)</u>	<u>—</u>
Deferred Outflows					
Net difference between projected and actual pension investments income	61,462	47,326	—	14,136	—
Assumption changes	42,297	32,569	—	9,728	—
Demographic gain/loss	57,563	44,323	—	13,240	—
Contributions subsequent to the measurement date	25,956	19,986	—	5,970	—
	<u>187,278</u>	<u>144,204</u>	<u>—</u>	<u>43,074</u>	<u>—</u>
Deferred amount to be amortized	<u>\$ 123,160</u>	<u>\$ 94,834</u>	<u>\$ —</u>	<u>\$ 28,326</u>	<u>\$ —</u>
Police Officers'					
Deferred Inflows					
Demographic gain/loss	(32,525)	(29,923)	—	(2,602)	—
Assumption changes	(5,197)	(4,782)	—	(415)	—
	<u>(37,722)</u>	<u>(34,705)</u>	<u>—</u>	<u>(3,017)</u>	<u>—</u>
Deferred Outflows					
Net difference between projected and actual pension investments income	84,487	77,728	—	6,759	—
Assumption changes	78,093	71,846	—	6,247	—
Demographic gain/loss	75,862	69,793	—	6,069	—
Contributions subsequent to the measurement date	40,974	37,696	—	3,278	—
	<u>279,416</u>	<u>257,063</u>	<u>—</u>	<u>22,353</u>	<u>—</u>
Deferred amount to be amortized	<u>\$ 200,720</u>	<u>\$ 184,662</u>	<u>\$ —</u>	<u>\$ 16,058</u>	<u>\$ —</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Contributions subsequent to the measurement date in the amount of approximately \$115,260,000 will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows (amount in thousands):

General employees'

	Amortization amount	Governmental Activities	Department of Watershed Management	Department of Aviation	Other non-major enterprise units
2024	\$ 16,174	\$ 8,007	\$ 5,175	\$ 1,436	\$ 1,556
2025	14,084	6,973	4,507	1,580	1,024
2026	(6,095)	(3,018)	(1,950)	(684)	(443)
2027	62,850	31,118	20,112	7,053	4,567
	<u>\$ 87,013</u>	<u>\$ 43,080</u>	<u>\$ 27,844</u>	<u>\$ 9,385</u>	<u>\$ 6,704</u>

Firefighters'

2024	\$ 29,627	\$ 22,813	\$ —	\$ 6,814	\$ —
2025	23,907	18,408	—	5,499	—
2026	16,493	12,700	—	3,793	—
2027	52,396	40,345	—	12,051	—
2028 and thereafter	737	568	—	169	—
	<u>\$ 123,160</u>	<u>\$ 94,834</u>	<u>\$ —</u>	<u>\$ 28,326</u>	<u>\$ —</u>

Police Officers'

2024	\$ 41,319	\$ 38,013	\$ —	\$ 3,306	\$ —
2025	38,366	35,297	—	3,069	—
2026	27,436	25,241	—	2,195	—
2027	83,684	76,989	—	6,695	—
2028 and thereafter	9,915	9,122	—	793	—
	<u>\$ 200,720</u>	<u>\$ 184,662</u>	<u>\$ —</u>	<u>\$ 16,058</u>	<u>\$ —</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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

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.

The City of Atlanta has a contract with Prudential Financial 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 a 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 which includes a mandatory employee salary contribution of 3.75% and 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 contributions at a rate of 20% per year and become fully vested in the City's contribution after 5 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 \$141,784,421. Employer contributions

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

for the fiscal year ended June 30, 2023, were approximately \$17,564,000 and employee contributions were approximately \$15,703,000, totaling 23.5% of covered payroll. In addition, there were another 4,600 Defined Contribution Plan participants in the hybrid plans. 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 non-governmental individual investments that exceeded 5% of the net position of the Plan.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

A. Pensions, continued

Condensed financial statement information for the Defined Contribution Plan for the fiscal year ended June 30, 2023, is shown below (dollars in thousands):

Current assets:	
Investments	
Domestic fixed income securities	\$ 46,153
Domestic equities	40,479
Commingled funds	168,466
Other assets	16,229
Total Assets	<u>\$ 271,327</u>
Current liabilities	
Accounts payable	<u>\$ 177</u>
Total net position held in trust for pension benefits	<u><u>\$ 271,150</u></u>
Additions:	
Employer contributions	\$ 17,564
Employee contributions	15,703
Investment income, net of expenses	22,375
Total additions	<u>\$ 55,642</u>
Deductions:	
Benefit payments	\$ 18,217
Administrative expenses	37
Total deductions	<u>\$ 18,254</u>
Change in net position held in trust for pension benefits	<u><u>\$ 37,388</u></u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits

Plan Description: The City of Atlanta Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Post-employment 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 year ended June 30, 2023, the City made approximately \$62.1 million “pay-as-you-go” benefit payments on behalf of the Plan, subsequent to the measurement date of June 30, 2022, note there were no refunds included. Retiree contributions vary based on the plan elected, dependent coverage and Medicare eligibility. Eligible retirees receiving benefits contributed approximately \$17 million through their required contributions.

Contributions: Pay-as-you-go premiums net of retiree contributions. There has not been a Trust established for this plan.

Plan Membership: The Valuation Date is June 30, 2022 and claims and participant data is collected as of this date. Employees covered by benefit terms as of June 30, 2022 consisted of the following:

Participant Data	Medical	Dental	Life Insurance
Inactive employees or beneficiaries currently receiving benefits	6,419	6,924	6,615
Active employees	7,029	7,029	7,029
	<u>13,448</u>	<u>13,953</u>	<u>13,644</u>

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2022 and the total OPEB Liability was valued as of the measurement date. The valuation date is June 30, 2022.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

Actuarial Assumptions: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified:

Inflation	2.25%
Salary Increases	2.25% plus age-related salary adjustments. 3.00% plus age-related salary adjustments for Police and Fire.
Discount Rate	3.54%
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 Retiree (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 Retiree (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

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of the sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2022 actuarial valuation, the Entry Age Normal Actuarial Cost Method was used for the health care cost trend rates. The health care trend measures the anticipated overall rate at which health plan costs are expected to increase in the future. Currently there are no assets set aside that are legally held exclusively for OPEB.

Fiscal Year ending June 30,	Non-Medicare	Medicare Adv	Dental	Trend on Penalty Amount
2024	3.92 %	4.50 %	3.00 %	4.50 %
2025	7.87 %	4.50 %	3.00 %	4.50 %
2026	7.62 %	4.50 %	3.00 %	4.50 %
2027	7.37 %	4.50 %	3.00 %	4.50 %
2028	7.12 %	4.50 %	3.00 %	4.50 %
2029	6.87 %	4.50 %	3.00 %	4.50 %
2030	6.62 %	4.50 %	3.00 %	4.50 %
2031	6.37 %	4.50 %	3.00 %	4.50 %
2032 and after	6.12 %	4.50 %	3.00 %	4.50 %

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The determined actuarial valuations of OPEB provided under the Plan incorporated the use of various assumptions including demographic, salary increases, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the Total OPEB Liability. For unfunded OPEB plans, the Net OPEB Liability equals the Total OPEB Liability.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The major benefit provisions as included in the valuation are summarized below as of the measurement date.

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 before 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 before July 1, 2010),
- Any age with 15 years of service (if hired before September 1, 2011),
- Age 47 with 15 years of service (if hired after August 31, 2011).

Normal Retirement

General Employees: Earlier of:

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

Police Officers and Firefighters: Earlier of:

- Any age with 30 years of service (only if covered by the '05 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).

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The following table shows the elements of the City's OPEB cost for the fiscal year and changes in the City's total OPEB liability to the Plan for the fiscal year ended June 30, 2023 (dollars in thousands):

Change in Total OPEB liability	
Service cost	\$ 31,779
Interest expense	19,190
Difference between expected and actual experience	109,226
Changes of assumptions	(232,364)
Benefit payments and refunds	<u>(55,755)</u>
Net change in total OPEB liability	(127,924)
Total OPEB liability - beginning	<u>884,364</u>
Total OPEB liability - ending	<u><u>\$ 756,440</u></u>

The total OPEB liability allocated among the Governmental Activities, the Department of Aviation, the Department of Watershed Management and other non-major enterprise funds as June 30, 2023 (dollars in thousands):

	<u>Total OPEB Liability</u>
Governmental Activities	\$ 516,542
Department of Airport	84,685
Department of Watershed Management	116,087
Other Non-major Enterprise	39,126
Total	<u><u>\$ 756,440</u></u>

- Benefit Types:** Medical, prescription drug, dental and life insurance.
- Duration of Coverage:** Lifetime.
- Dependent Benefits:** Medical, prescription drug, dental, and life insurance.
- Dependent Coverage:** Lifetime.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

Summary of Key Valuation Result: Total OPEB Liability (TOL) represents the value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

Total OPEB Liability	\$ 756,440,246	\$ 884,364,413
Reporting Date	June 30, 2023	June 30, 2022
Annual OPEB Expense (Benefit)	\$ (58,446,974)	\$ (84,736,355)
Service Cost at Beginning of Fiscal Year	31,778,869	30,017,891
Total Covered Payroll	444,030,137	499,908,144

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the Total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. Also, shown is the TOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

Total OPEB Liability Sensitivity to Changes in Discount Rate (in thousands)

	Discount Rate		
	1% Decrease 2.54%	Current 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 861,549	756,440	\$ 670,150

Total OPEB Liability Sensitivity to Changes in Healthcare Cost Trend (in thousands)

	Healthcare Cost Trend		
	1% Decrease (1)%	Current 0%	1% Increase 1%
Total OPEB Liability	\$ 670,444	756,440	\$ 861,905

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of approximately \$(58,447,000). Of the total OPEB expense, \$(35,762,000) was recognized in the governmental activities and \$(22,685,000) was recognized in the business type activities.

The deferred outflows of resources totaled approximately \$208,830,000, with approximately \$125,846,000 for demographic gains/losses, approximately \$12,762,000 in differences between

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

employer's contributions and proportionate share of contributions, approximately \$8,100,000 in assumption changes, and approximately \$62,122,000 of contributions made after the plan's measurement date. The deferred inflows of resources totaled approximately \$295,091,000, with approximately \$19,809,000 for demographic gains/losses, approximately \$12,762,000 in differences between employer's contributions and proportionate share of contributions, and approximately \$262,520,000 in assumption changes.

The remainder of the page is intentionally left blank

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The following table presents a summary of deferred inflows and outflows of resources related to the OPEB (dollars in thousands):

	Fiscal Year of deferral	Amortization period (in fiscal years)	Beginning of fiscal year balance	Additions	Deductions	Allocation for Proportionate Share	Total
<u>OPEB</u>							
Deferred Inflows							
Changes in proportion and differences between employer's contributions and proportionate share of contributions							
	2021	5	(14,314)	—	14,314	—	—
	2022	5	—	(12,762)	—	—	(12,762)
Demographic gain/loss	2020	5	(26,412)	—	4,267	2,336	(19,809)
Assumption Changes							
	2017	5	(23,421)	—	23,421	—	—
	2018	5	(75,397)	—	75,397	—	—
	2020	5	(57,482)	—	14,370	—	(43,112)
	2021	6	(32,214)	—	6,445	—	(25,769)
	2022	6	—	\$ (232,364)	38,725	—	(193,639)
			<u>\$ (229,240)</u>	<u>\$ (245,126)</u>	<u>\$ 176,939</u>	<u>\$ 2,336</u>	<u>\$ (295,091)</u>
Deferred Outflows							
Changes in proportion and differences between employer's contributions and proportionate share of contributions							
	2021	5	14,314	—	(14,314)	—	—
	2022	5	—	12,762	—	—	12,762
Demographic gain/loss	2017	5	1,963	—	(1,963)	—	—
	2018	5	19,834	—	(19,834)	—	—
	2019	5	22,563	—	(4,406)	(2,336)	15,821
	2021	6	23,754	—	(4,751)	—	19,003
	2022	6	—	109,226	(18,204)	—	91,022
Contributions subsequent to the measurement date							
			45,682	62,122	(45,682)	—	62,122
Assumption Changes	2019	5	12,149	—	(4,049)	—	8,100
			<u>\$ 140,259</u>	<u>\$ 184,110</u>	<u>\$ (113,203)</u>	<u>\$ (2,336)</u>	<u>\$ 208,830</u>

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

B. Post-Employment Benefits, continued

The following table presents a summary of allocations to the departments in the collective deferred outflows and deferred inflows of resources as indicated above for the fiscal year ended June 30, 2023 (amounts in thousands):

	Total	Governmental Activities	Department of Watershed Management	Department of Aviation	Other non-major enterprise funds
Deferred Inflows					
Proportionate share of contribution	\$ (12,762)	\$ (2,506)	\$ (2,940)	\$ (6,485)	\$ (831)
Demographic gain/loss	(19,809)	(9,705)	(5,871)	(2,254)	(1,979)
Assumption Changes	(262,520)	(182,311)	(38,193)	(29,144)	(12,872)
	<u>(295,091)</u>	<u>(194,522)</u>	<u>(47,004)</u>	<u>(37,883)</u>	<u>(15,682)</u>
Deferred Outflows					
Proportionate share of contribution	12,762	3,678	6,631	301	2,152
Demographic gain/loss	125,846	77,700	25,055	14,646	8,445
Assumption Changes	8,100	6,145	801	884	270
Contributions subsequent to the measurement date	62,122	41,529	10,163	7,007	3,423
	<u>208,830</u>	<u>129,052</u>	<u>42,650</u>	<u>22,838</u>	<u>14,290</u>
Deferred amount to be amortized*	<u>\$ (148,383)</u>	<u>\$ (106,999)</u>	<u>\$ (14,517)</u>	<u>\$ (22,052)</u>	<u>\$ (4,815)</u>

*Excluding contribution subsequent to the measurement date

Amounts reported as deferred outflow of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows (amount in thousands):

	Deferred amount to be amortized	Governmental Activities	Department of Watershed Management	Department of Aviation	Other non-major enterprise units
2024	\$ (32,397)	\$ (22,316)	\$ (3,231)	\$ (5,343)	\$ (1,507)
2025	(32,397)	(22,316)	(3,231)	(5,343)	(1,507)
2026	(40,850)	(28,242)	(5,253)	(5,530)	(1,825)
2027	(22,215)	(17,547)	(1,312)	(3,404)	48
2028 and thereafter	(20,524)	(16,578)	(1,490)	(2,432)	(24)
	<u>\$ (148,383)</u>	<u>\$ (106,999)</u>	<u>\$ (14,517)</u>	<u>\$ (22,052)</u>	<u>\$ (4,815)</u>

C. Deferred Compensation Plan

The City has adopted a deferred compensation plan in accordance with the 1997 revisions of Section 457 of the Internal Revenue Code. The deferred compensation plan, available to all City 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 providers to administer the investment of the deferred funds. Administrative costs of the plan are deducted from the participants' accounts. The deferred compensation 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 financial statements.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

VI. Subsequent Events

General Government

On July 13, 2023, the Urban Residential Finance Authority issued up to \$100,000,000 of Georgia Taxable Draw-Down Revenue Bonds (Housing Opportunity Program), Series 2023 for the purpose of providing proceeds from the sale of the bonds to AHOI to fund Multifamily Preservation, Public Land Development, and Multifamily Loan Programs within the City. The City has guaranteed that it will make payments sufficient in time and amount to enable AHOI to pay the principal and interest on the bonds, with the guarantee lasting the full term of the debt. As of December 11, 2023, the principal balance of the Series 2023 bonds was \$1,500,000.

Department of Aviation

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”, these refunded the 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 Project 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.

CITY OF ATLANTA, GEORGIA
Notes to Financial Statements
Fiscal Year Ended June 30, 2023
Notes to the Financial Statements - Continued

VII. Conduit Debt

The Atlanta Development Authority (Invest Atlanta), the Urban Residential Finance Authority (URFA), and the Downtown Development Authority (DDA) issue private activity tax exempt and taxable revenue bonds to private sector entities for projects located within the Atlanta city limits. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans or promissory notes. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds and does not report these as liabilities in the accompanying financial statements. At June 30, 2023, the outstanding principal amounts of bonds issued as conduit debt were:

<u>Entity</u>	<u>Balance</u>
Invest Atlanta	\$ 2,059,627,710
URFA	502,578,020
DDA	3,872,573

The remainder of the page is intentionally left blank



THIS PAGE INTENTIONALLY LEFT BLANK



Required Supplementary Information

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Employer Net Pension Liability and Related Ratios
 General Employees' Pension Plan
 Fiscal Year Ended June 30
 (Dollars in thousands)
 (Unaudited)

General Employees' Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$2,004,776	\$1,993,306	\$1,920,062	\$1,895,114	\$1,872,962	\$1,941,752	\$1,915,577	\$1,873,213	\$1,832,883
Plan fiduciary net position	\$1,403,948	\$1,672,138	\$1,317,795	\$1,333,862	\$1,300,987	\$1,229,420	\$1,122,786	\$1,153,715	\$1,145,333
Employers net pension liability	\$ 600,828	\$ 321,168	\$ 602,267	\$ 561,252	\$ 571,975	\$ 712,332	\$ 792,791	\$719,498	\$ 687,550
Plan fiduciary net position as a percentage of total pension liability	70.03 %	83.89 %	68.63 %	70.38 %	69.46 %	63.31 %	58.61 %	61.59 %	62.49 %
Covered payroll	\$185,252	\$188,795	\$176,470	\$180,549	\$171,195	\$158,839	\$151,625	\$145,654	\$142,494
Employers net pension liability as a percentage of covered payroll	324.33 %	170.11 %	341.29 %	310.86 %	334.11 %	448.46 %	522.86 %	493.98 %	482.51 %

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

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Employer Net Pension Liability and Related Ratios
 Firefighters' Pension Plan
 Fiscal Year Ended June 30
 (Dollars in thousands)
 (Unaudited)

Firefighters' Pension Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$1,142,448	\$1,061,316	\$990,698	\$971,323	\$937,070	\$897,096	\$861,493	\$853,690	\$846,325
Plan fiduciary net position	\$770,228	\$928,729	\$716,418	\$727,344	\$718,133	\$669,508	\$612,637	\$644,649	\$658,508
Employers net pension liability	\$372,220	\$132,587	\$274,280	\$243,979	\$218,937	\$227,588	\$248,856	\$209,041	\$187,817
Plan fiduciary net position as a percentage of total pension liability	67.42%	87.51 %	72.31 %	74.88 %	76.64 %	74.63 %	71.11 %	75.51 %	77.81 %
Covered payroll	\$49,225	\$50,060	\$49,940	\$47,197	\$46,962	\$47,479	\$46,918	\$47,181	\$44,508
Employers net pension liability as a percentage of covered payroll	756.16%	264.86 %	549.22 %	516.94 %	466.20 %	479.34 %	530.41 %	443.06 %	421.98 %

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

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Employer Net Pension Liability and Related Ratios
 Police Officers' Pension Plan
 Fiscal Year Ended June 30
 (Dollars in thousands)
 (Unaudited)

Police Officers' Pension Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$1,818,218	\$1,667,650	\$1,524,959	\$1,472,276	\$1,439,664	\$1,394,134	\$1,317,840	\$1,294,907	\$1,270,494
Plan fiduciary net position	\$1,275,268	\$1,501,624	\$1,150,481	\$1,163,143	\$1,130,389	\$1,051,671	\$950,415	\$983,385	\$987,507
Employers net pension liability	\$542,950	\$166,026	\$374,478	\$309,133	\$309,275	\$342,463	\$367,425	\$311,522	\$282,987
Plan fiduciary net position as a percentage of total pension liability	70.14%	90.04%	75.44%	79.00%	78.52%	75.44%	72.12%	75.94%	77.73%
Covered payroll	\$103,112	\$102,498	\$94,943	\$88,768	\$90,948	\$104,788	\$92,965	\$93,836	\$91,840
Employers net pension liability as a percentage of covered payroll	526.56 %	161.98 %	394.42 %	348.25 %	340.06 %	326.82 %	395.23 %	331.99 %	308.13 %

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

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability
General Employees' Pension Plan
Fiscal Year ended June 30
(Dollars in thousands)
(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 26,474	\$ 25,027	\$ 24,972	\$ 20,216	\$ 18,850	\$ 21,238	\$ 20,230	\$ 20,191	\$ 19,644
Interest	136,585	136,257	134,473	132,670	142,508	139,298	136,155	133,276	130,279
Change of benefit terms	—	—	—	—	34,081	—	—	—	—
Demographic experience	—	—	—	—	—	—	—	(1,399)	—
Differences between expected and actual experience	(25,224)	(5,880)	(3,944)	(4,244)	(48,346)	(17,825)	1,610	—	—
Changes of assumptions	10,772	49,201	—	—	(94,889)	—	—	—	—
Benefit payments, including refunds of member contributions	(137,137)	(131,361)	(130,553)	(126,491)	(120,993)	(116,536)	(115,631)	(111,738)	(108,175)
Net change in total pension liability	11,470	73,244	24,948	22,151	(68,789)	26,175	42,364	40,330	41,748
Total pension liability - beginning	1,993,306	1,920,062	1,895,114	1,872,963	1,941,752	1,915,577	1,873,213	1,832,883	1,791,135
Total pension liability - ending	<u>\$ 2,004,776</u>	<u>\$ 1,993,306</u>	<u>\$ 1,920,062</u>	<u>\$ 1,895,114</u>	<u>\$ 1,872,963</u>	<u>\$ 1,941,752</u>	<u>\$ 1,915,577</u>	<u>\$ 1,873,213</u>	<u>\$ 1,832,883</u>
Plan fiduciary net position:									
Contributions - employer	\$ 51,750	\$ 48,764	\$ 48,219	\$ 47,220	\$ 51,903	\$ 53,817	\$ 54,236	\$ 48,015	\$ 42,145
Contributions - member	18,552	19,133	19,599	35,639	20,671	18,243	19,173	16,975	17,366
Net investment income	(199,617)	419,843	47,653	77,334	121,682	152,258	12,257	56,575	188,381
Benefit payments, including member refunds	(137,137)	(131,361)	(130,553)	(126,491)	(120,993)	(116,536)	(115,631)	(111,738)	(108,175)
Administrative expenses	(1,838)	(2,091)	(1,252)	(832)	(1,806)	(1,148)	(964)	(1,445)	(8,813)
Other	100	55	267	5	110	—	—	—	—
Net changes in plan fiduciary net position	(268,190)	354,343	(16,067)	32,875	71,567	106,634	(30,929)	8,382	130,904
Plan fiduciary net position - beginning	1,672,138	1,317,795	1,333,862	1,300,987	1,229,420	1,122,786	1,153,715	1,145,333	1,014,429
Plan fiduciary net position - ending	<u>1,403,948</u>	<u>1,672,138</u>	<u>1,317,795</u>	<u>1,333,862</u>	<u>1,300,987</u>	<u>1,229,420</u>	<u>1,122,786</u>	<u>1,153,715</u>	<u>1,145,333</u>
Plan net pension liability - ending	<u>\$ 600,828</u>	<u>\$ 321,168</u>	<u>\$ 602,267</u>	<u>\$ 561,252</u>	<u>\$ 571,976</u>	<u>\$ 712,332</u>	<u>\$ 792,791</u>	<u>\$ 719,498</u>	<u>\$ 687,550</u>

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

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA

Required Supplementary Information
 Schedule of Changes in Net Pension Liability
 Firefighters' Pension Plan
 Fiscal Year ended June 30
 (Dollars in thousands)
 (Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 10,814	\$ 14,237	\$ 11,779	\$ 11,773	\$ 11,925	\$ 12,155	\$ 12,013	\$ 12,612	\$ 13,783
Interest	70,058	65,646	70,940	68,477	65,668	63,123	62,584	60,396	59,473
Differences between expected and actual experience	—	—	—	—	—	—	—	—	10,092
Demographic experience	62,329	(8,972)	(11,664)	12,391	(10,855)	4,834	(22,794)	(23,053)	
Changes of assumptions	(5,476)	52,742	—	(8,569)	20,135	—	—	—	16,251
Benefit payments, including refunds of member contributions	(56,593)	(53,035)	(51,680)	(49,819)	(46,898)	(44,510)	(44,000)	(42,590)	(41,629)
Net change in total pension liability	81,132	70,618	19,375	34,253	39,975	35,602	7,803	7,365	57,970
Total pension liability - beginning	1,061,316	990,698	971,323	937,070	897,095	861,493	853,690	846,325	788,355
Total pension liability - ending	<u>\$1,142,448</u>	<u>1,061,316</u>	<u>990,698</u>	<u>971,323</u>	<u>937,070</u>	<u>897,095</u>	<u>861,493</u>	<u>853,690</u>	<u>846,325</u>
Plan fiduciary net position:									
Contributions - employer	\$ 27,626	\$ 24,628	\$ 15,626	\$ 21,194	\$ 21,882	\$ 17,901	\$ 16,454	\$ 20,866	\$ 20,656
Contributions - member	6,331	6,247	6,130	5,980	5,945	5,711	5,667	5,637	5,670
Net investment income (loss)	(134,870)	235,610	19,489	32,146	68,379	78,247	(9,895)	2,651	112,374
Other	1	42	48	—	—	1	150	(427)	(374)
Benefit payments, including member refunds	(56,593)	(53,035)	(51,680)	(49,819)	(46,898)	(44,510)	(44,000)	(42,590)	(41,268)
Administrative expenses	(996)	(1,181)	(539)	(290)	(683)	(479)	(388)	4	—
Net change in plan fiduciary net position	(158,501)	212,311	(10,926)	9,211	48,625	56,871	(32,012)	(13,859)	97,058
Plan fiduciary net position - beginning	928,729	716,418	727,344	718,133	669,508	612,637	644,649	658,508	561,450
Plan fiduciary net position - ending	770,228	928,729	716,418	727,344	718,133	669,508	612,637	644,649	658,508
Plan net pension liability - ending	<u>\$ 372,220</u>	<u>\$ 132,587</u>	<u>\$ 274,280</u>	<u>\$ 243,979</u>	<u>\$ 218,937</u>	<u>\$ 227,587</u>	<u>\$ 248,856</u>	<u>\$ 209,041</u>	<u>\$ 187,817</u>

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

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Police Officers' Pension Plan
Fiscal Year ended June 30
(Dollars in thousands)
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:									
Service cost	\$ 23,013	\$ 26,974	\$ 21,287	\$ 19,836	\$ 21,230	\$ 24,887	\$ 21,573	\$ 22,387	\$ 23,755
Interest	110,420	101,316	108,027	105,604	102,549	97,265	95,436	91,326	89,442
Changes of benefit terms	82,724	(1,358)	(3,318)	(6,683)	(42,971)	16,627	(34,253)	(33,047)	—
Differences between expected and actual experience	—	—	—	—	—	—	—	—	36,363
Changes of assumptions	13,509	92,401	—	(16,496)	30,506	—	—	—	13,373
Benefit payments, including refunds of member contributions	(79,097)	(76,643)	(73,313)	(69,649)	(65,785)	(62,484)	(59,823)	(56,253)	(51,070)
Net change in total pension liability	150,569	142,690	52,683	32,612	45,529	76,295	22,933	24,413	111,863
Total pension liability - beginning	<u>1,667,649</u>	<u>1,524,959</u>	<u>1,472,276</u>	<u>1,439,664</u>	<u>1,394,135</u>	<u>1,317,840</u>	<u>1,294,907</u>	<u>1,270,494</u>	<u>1,158,631</u>
Total pension liability - ending	<u>\$ 1,818,218</u>	<u>\$ 1,667,649</u>	<u>\$ 1,524,959</u>	<u>\$ 1,472,276</u>	<u>\$ 1,439,664</u>	<u>\$ 1,394,135</u>	<u>\$ 1,317,840</u>	<u>\$ 1,294,907</u>	<u>\$ 1,270,494</u>
Plan fiduciary net position:									
Contributions - employer	\$ 41,500	\$ 35,709	\$ 21,571	\$ 31,232	\$ 34,176	\$ 27,493	\$ 25,441	\$ 32,693	\$ 30,197
Contributions - member	12,969	12,354	12,141	11,273	10,555	10,830	11,825	11,224	11,157
Net investment income	(200,785)	381,101	27,714	60,466	100,532	125,938	(10,177)	8,734	168,964
Other	3	4	40	—	76	—	193	4	(327)

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Police Officers' Pension Plan
Fiscal Year ended June 30
(Dollars in thousands)
(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Benefit payments, including member refunds	(79,097)	(76,643)	(73,313)	(69,649)	(65,785)	(62,484)	(59,823)	(56,253)	(51,299)
Administrative expenses	(946)	(1,382)	(815)	(568)	(836)	(521)	(429)	(524)	—
Net change in plan fiduciary net position	(226,356)	351,143	(12,662)	32,754	78,718	101,256	(32,970)	(4,122)	158,692
Plan fiduciary net position - beginning	1,501,624	1,150,481	1,163,143	1,130,389	1,051,671	950,415	983,385	987,507	828,815
Plan fiduciary net position - ending	1,275,268	1,501,624	1,150,481	1,163,143	1,130,389	1,051,671	950,415	983,385	987,507
Plan net pension liability - ending	<u>\$ 542,950</u>	<u>\$ 166,025</u>	<u>\$ 374,478</u>	<u>\$ 309,133</u>	<u>\$ 309,275</u>	<u>\$ 342,464</u>	<u>\$ 367,425</u>	<u>\$ 311,522</u>	<u>\$ 282,987</u>

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

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Employer Contributions -
General Employees', Firefighters' and Police Officers' Pension Plans
Fiscal Year ended June 30
(Dollars in thousands)
(Unaudited)

General Employees'	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 48,330	\$ 51,750	\$ 48,764	\$ 48,219	\$ 47,220	\$ 51,903	\$ 53,817	\$ 54,236	\$ 48,015	\$ 42,145
Contributions in relation to the actuarially determined contribution	48,330	51,750	48,764	48,219	47,220	51,903	53,817	54,236	48,015	42,145
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 205,495	\$ 185,252	\$ 188,795	\$ 176,470	\$ 180,549	\$ 171,195	\$ 158,839	\$ 151,625	\$ 145,654	\$ 142,494
Contributions as a percentage of covered payroll	23.5 %	27.9 %	25.8 %	27.3 %	26.2 %	30.3 %	33.9 %	35.8 %	33.0 %	29.6 %
Firefighters'	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 25,956	\$ 27,626	\$ 24,628	\$ 15,626	\$ 21,194	\$ 21,882	\$ 17,901	\$ 16,454	\$ 20,866	\$ 20,656
Contributions in relation to the actuarially determined contribution	25,956	27,626	24,628	15,626	21,194	21,882	17,901	16,454	20,866	20,656
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 54,452	\$ 49,225	\$ 50,060	\$ 49,940	\$ 47,197	\$ 46,962	\$ 47,479	\$ 46,918	\$ 47,181	\$ 44,508
Contributions as a percentage of covered payroll	47.7 %	56.1 %	49.2 %	31.3 %	44.9 %	46.6 %	37.7 %	35.1 %	44.2 %	46.4 %
Police Officers'	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 40,974	\$ 41,500	\$ 35,709	\$ 21,571	\$ 31,232	\$ 34,176	\$ 27,493	\$ 25,441	\$ 32,693	\$ 30,197
Contributions in relation to the actuarially determined contribution	40,974	41,500	35,709	21,571	31,232	34,176	27,493	25,441	32,693	30,197
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 108,701	\$ 103,112	\$ 102,498	\$ 94,943	\$ 88,768	\$ 90,948	\$ 104,788	\$ 92,965	\$ 93,836	\$ 91,840
Contributions as a percentage of covered payroll	37.7 %	40.2 %	34.8 %	22.7 %	35.2 %	37.6 %	26.2 %	27.4 %	34.8 %	32.9 %

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
 Required Supplementary Information
 Schedule of Investment Returns -
 General Employees', Firefighters' and Police Officers' Pension Plans
 Fiscal Year ended June 30
 (Dollars in thousands)
 (Unaudited)

General Employees' Pension Plan -
 the City

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weight rate of return	9.67%	-11.75%	31.35%	3.56%	6.09%	10.27%	13.32%	1.24%	4.64%	19.26%

Firefighters' Pension
 Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weight rate of return	8.95%	-14.72%	33.28%	2.74%	4.75%	9.85%	13.15%	-1.13%	0.79%	21.01%

Police Officers' Pension
 Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weight rate of return	9.77%	-13.45%	33.34%	2.47%	5.74%	10.00%	14.19%	-0.71%	1.22%	21.37%

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Year ended June 30
(Dollars in thousands)
(Unaudited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:						
Service cost	\$ 31,779	\$ 30,018	\$ 21,113	\$ 18,510	\$ 30,350	\$ 35,579
Interest	19,190	19,820	34,641	36,254	42,319	36,735
Change in benefit terms	—	—	—	—	(1,262)	—
Differences between expected and actual experience	109,226	28,505	(25,587)	26,415	99,182	11,772
Changes of assumptions	(232,364)	(38,660)	(86,222)	24,298	(376,987)	(140,512)
Benefit payments	(55,755)	(44,019)	(47,343)	(63,315)	(51,540)	(48,947)
Net change in total OPEB liability	(127,924)	(4,336)	(103,398)	42,162	(257,938)	(105,373)
Total OPEB liability - beginning	884,364	888,700	992,098	949,936	1,207,874	1,313,247
Total OPEB liability - ending	<u>\$ 756,440</u>	<u>\$ 884,364</u>	<u>\$ 888,700</u>	<u>\$ 992,098</u>	<u>\$ 949,936</u>	<u>\$1,207,874</u>
Plan Fiduciary net position as a percentage of total OPEB liability	N/A	N/A	N/A	N/A	N/A	N/A
Covered Employee Payroll	<u>\$444,030</u>	<u>\$499,908</u>	<u>\$483,478</u>	<u>\$416,862</u>	<u>\$378,659</u>	<u>\$384,478</u>
City's total OPEB liability as a percentage of covered-employee payroll	<u>170.36%</u>	<u>176.91%</u>	<u>183.81%</u>	<u>237.99%</u>	<u>250.87%</u>	<u>314.16%</u>

Notes to Schedule:

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

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.

See accompanying notes to required supplementary schedules

CITY OF ATLANTA, GEORGIA

General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

(Dollars in Thousands)

(Unaudited)

Notes and Comments:

Total revenue for Original and Final, per Council approval, was: \$ 678,668

To ensure the Actual Column is consistent with the Statement of Revenue, Expenses and Changes in Fund Balance, the Original and Final Budget figures reflect the following adjustments:

Total Budget for Revenues:	\$ 754,200	
less: Operating Transfer Budget	(44,712)	Reflected in other financing sources and uses as a transfer in
less: Indirect Cost Recovery	(30,820)	Reflected as an offset to General Government expenditures
Total Revenues	\$ 678,668	

	<u>Budgeted Amounts</u>			<u>Actual Amounts</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Adjustment</u>	<u>Final Budget</u>		
Revenues:					
Property taxes	\$ 263,120	\$ —	\$ 263,120	\$ 280,917	\$ 17,797
Local and municipal option sales taxes	135,100	—	135,100	150,239	15,139
Public utility, alcoholic beverage and other taxes	123,700	—	123,700	142,072	18,372
Licenses and permits	117,300	—	117,300	155,366	38,066
Charges for current services	5,150	—	5,150	5,329	179
Fines, forfeitures and penalties	17,800	—	17,800	19,949	2,149
Investment income	2,223	—	2,223	8,794	6,571
Intergovernmental Revenues and Contributions:					
Federal Revenues	—	—	—	268	268
State and Local Grants and Contributions	—	49	49	149	100
Building rentals and concessions	8,280	5,000	13,280	9,408	(3,872)
Other	5,995	57,800	63,795	11,968	(51,827)
Total revenues	678,668	62,849	741,517	784,459	42,942
Expenditures:					
General government	695,040	(404,780)	290,260	247,105	43,155
Police	5,617	232,004	237,621	246,217	(8,596)
Fire	958	106,057	107,015	111,481	(4,466)
Corrections	21,047	(3,315)	17,732	16,928	804
Public works	930	61,507	62,437	59,206	3,231
Parks, recreation and cultural affairs	6,822	36,869	43,691	51,443	(7,752)
Debt service					
Principal payments	21,529	830	22,359	16,093	6,266
Interest payments	8,293	77	8,370	2,774	5,596
Paying agent fees	110	—	110	39	71
Total expenditures	760,346	29,249	789,595	751,286	38,309
Excess (Deficiency) of revenues over (under) expenditures	(81,678)	33,600	(48,078)	33,173	81,251
Other financing sources (uses):					
Issuance of financed purchase	—	—	—	226	226
Leases (as lessee) and SBITAs	—	—	—	6,281	6,281
Transfers in	44,712	5,850	50,562	71,001	20,439
Transfers out	(24,676)	(39,448)	(64,124)	(104,768)	(40,644)
Total other financing sources (uses):	20,036	(33,598)	(13,562)	(27,260)	(13,698)
Net change in fund balance	(61,642)	2	(61,640)	5,913	67,553
Fund balance, beginning of the fiscal year	240,157	—	240,157	240,157	—
Fund balance, end of fiscal year	\$ 178,515	\$ 2	\$ 178,517	\$ 246,070	\$ 67,553

CITY OF ATLANTA, GEORGIA
Notes to Required Supplementary Information
Fiscal Year ended June 30, 2023
(Unaudited)

(1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the General Employees' Plan actuary, Segal Actuarial Services and the Firefighters' and Police Officers' Pension Plan actuary, Southern Actuarial Services. For the General Employees' Plan, a separate actuarial valuation is completed separately for the City and the School System. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the respective Plan.

(2) Schedule of Employer Contributions

The required contributions and percentage of those contributions actually made are presented in the schedule.

(3) Changes of Assumptions and Benefit Terms

Changes of assumptions for Pension Plans: For the fiscal year ending June 30, 2023 no assumptions or methods were changed for the General Employees', Firefighters' and Police Officers' Pension Plans. For fiscal year 2022, several assumptions were changed for the General Employees', Firefighters' and Police Officers' Pension Plans.

Fiscal year 2022 assumption changes for the Firefighters' and Police Officers' Pension Plans

(1) The assumed disability rates have been reduced from 100% of the Wyatt 1985 Disability Study (Class 4) to 25% of those rates and no disabilities have been assumed to be service connected. (2) The assumed termination and retirement rates were updated based on an experience study covering the period July 1, 2014 through June 30, 2019. (3) The adjustment to reflect unused vacation and sick leave was revised based on an experience study covering the period July 1, 2014 through June 30, 2019. (4) 95% of future terminated vested participants are assumed to choose a refund of their accumulated employee contributions in lieu of any other benefits under the plan. (5) The assumed age difference between participants and their surviving beneficiaries was reduced and 75% of active participants hired after August 31, 2011 are assumed to be eligible for a pre-retirement surviving annuity.

Fiscal year 2022 assumption changes for the General Employees' Pension Plan

(1) The gender-neutral, service-based withdrawal assumption was modified to reflect an amount-weighted set of rates rather than a headcount-weighted set of rates. (2) The sex-distinct ordinary disability rates were lowered to approximately 70% of the existing age-based rates. The distinction for occupational disability of 10% of ordinary disability rates was removed. (3) The retirement rates for participants with 30 or more years of service at retirement were increased for ages 50 to 61 with slight reductions in the rates for ages 65 and over. Minor adjustments also were made to the retirement rates for participants with less than 30 years of service at retirement at ages 62 to 67. (4) The spousal age assumption was modified for female participants only to assume male spouses are two years older. (5) The percent married assumption for participants hired prior to September 1, 2011 was changed from 75% to an assumption based on the active participant contribution rate provided with the valuation data. No modifications were made to the assumption that all participants hired after August 31, 2011 are not married. (6) The assumption that 75% of terminated participants hired prior to September 1, 2011 will take a refund of contributions was decreased to 60%; there was no change in the 100% assumption for terminated participants hired after August 31, 2011. (7) A load of 0.50% on retirement benefits for unused sick leave pay was introduced for participants hired prior to September 1, 2011 only. (8) An assumption of 0.25 years of additional service for unused sick leave at retirement for use in the calculation of retirement

CITY OF ATLANTA, GEORGIA
Notes to Required Supplementary Information
Fiscal Year ended June 30, 2023
(Unaudited)

benefits was also introduced for participants hired prior to September 1, 2011. No adjustment was introduced for participants hired after August 31, 2011. (9) The vacation pay load on retirement benefits for participants hired prior to September 1, 2011 was increased from 4.00% to 4.50% and a vacation pay load on retirement benefits of 1.50% for participants hired after August 31, 2011 was introduced.

Changes of assumptions for OPEB: Per capita claims cost and trend rates were updated to reflect recent experience. The discount rate effective June 30, 2022 was 3.54%. For June 30, 2021, the effective discount rate was 2.16%. The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse. Demographic assumptions for each of the General Employees, Police and Fire pension plans were updated to reflect the results of the most recent experience study as noted in the 2022 pension reports for each plan. As a result, the mortality, disability, retirement, turnover, and salary scale assumptions were updated for each of these groups.

Budgetary Data

The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and City Council. Annual budgets are adopted for the General Fund as well as the following non-Major funds: Community Development, Emergency Telephone System, Intergovernmental Grants, Atlanta Beltline SSD, COVID-19 Response Grants, ARPA American Rescue Plan, Local Government Settlement Opioid Payments, Tax Allocation Districts, Other Special Revenue, and the Debt Service Fund with the level of legal budgetary control established by the City Council at the fund level. The General Government consists of central support such as Executive Offices, Finance, Human Resources, Information Management, Procurement, and Planning. The budgetary comparisons for these non-major funds are included in the combining statements. The Capital Projects Funds adopt project-length budgets. In preparing the budgets, the Government utilizes GAAP for all legally required budgeted funds. The budget is prepared and presented to City Council for adoption. The adopted budget is available on the City's website.

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

The responsibility for revenue anticipations and specified appropriations is fixed by law by the Budget Commission, which is composed of the Mayor, the Chief Financial Officer, the Chair of the City Council Finance Committee, and two other members of City Council. The Budget Commission may not anticipate in any fiscal year an amount in excess of 99% of the normal revenues of the City actually collected during the previous fiscal year (unless tax rates or fees are increased) plus any accumulated cash surplus carried forward from the previous fiscal year. Grant revenues are anticipated in the Community Development, Intergovernmental Grants, COVID-19 Response Grants, ARPA American Rescue Plan Funds in the fiscal year the grant is awarded to the City, although the funds may not be received in the same fiscal year. Grant revenue is therefore not considered to be over-anticipated until the activity for which the funds were granted is completed, and actual revenues are less than anticipated revenues.

After the initial annual budget is adopted, it may be amended for interdepartmental transfers of appropriations with the approval of City Council. Intra-departmental transfers of appropriations

CITY OF ATLANTA, GEORGIA
Notes to Required Supplementary Information
Fiscal Year ended June 30, 2023
(Unaudited)

among individual budgetary accounts may be initiated by a department head with the approval of the Chief Operating Officer, the Chair of the City Council Finance Committee, and the Chief Financial Officer.

Total appropriations for any fund may be increased if, during the fiscal year, sources of revenue become available to the City in excess of original anticipations, and these amounts are anticipated by the Budget Commission and subsequently appropriated by City Council. No such additional appropriations were required during the fiscal year ended June 30, 2023.

All appropriations, except for the General Fund's construction, bond proceed funds, and Special Revenue funds, lapse at the end of the fiscal year, but are considered during the following fiscal year's budgeting process. Contractually encumbered appropriations and certain unencumbered appropriations in the General Fund do not lapse, but are carried forward to the ensuing budget fiscal year as budgetary amendments.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) for adopted annual operating budget for the general fund and all special revenue funds is the fund level.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for specific purposes.

Community Development Fund - Established to account for the revenue and expenditures provided under Title I of the Housing and Community Development Act of 1974 which provides for development of viable urban communities, including decent housing and suitable living environments and expansion of economic opportunities, principally for persons of low and moderate incomes.

Emergency Telephone System Fund - Established to account for the revenues and expenditures associated with the operation and management of the Emergency Telephone System.

Inter-Governmental Grants Fund - Established to account for the revenues and expenditures for miscellaneous grants except for those recorded in the Department of Aviation, Department of Watershed Management, Community Development, COVID-19 Response Grants and American Rescue Plan Act (ARPA) funds.

Atlanta Beltline SSD - Established to account for the revenue received from the Atlanta BeltLine SSD Levy and expenditures associated with completing the BeltLine trial corridor.

Covid-19 Response Grants - Established to account for revenue and expenditures related to CARES Act 2020 relief funds received from the Federal Government to cover costs incurred due to the public health emergency Coronavirus. Includes the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) grant, Emergency Rental Assistance (ERA) grant, Federal Emergency Management Agency (FEMA) grant and the State of Georgia Public Safety Officials & First Responders grant.

American Rescue Plan Act - Established to account for the revenues and expenditures provided under the American Rescue Plan Act of 2021 to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, to make necessary investments in water, sewer, or broadband infrastructure, or for premium pay for eligible workers performing essential work during the COVID-19 pandemic.

Local Government Settlement Opioid Payments - Established to account for the revenues and expenditures related to the national opioid settlement payments.

Tax Allocation Districts - Established by the law creating the district to account for the use of tax increments to develop a specific area. The Districts include:

<i>Northwest Atlanta</i>	<i>Campbelton Road</i>	<i>Stadium Neighborhoods</i>
<i>Hollowell/M.L. King</i>	<i>Metropolitan Parkway</i>	

Other Special Revenue - Accounts for other restricted monies (expendable trust funds) that are classified as Special Revenue Funds. Established to account for activities in which the city acts as trustee for an individual organization, or other governmental units. These funds include:

<i>Expendable Trust Fund</i>	<i>Section 108 Loan Trust</i>	<i>Hotel/Motel Excise Tax Fund</i>
<i>Home Investment Partnership Trust Fund</i>	<i>Car Rental Excise Tax Fund</i>	<i>Atlanta Housing Opportunity, Inc.</i>

Debt Service Fund

Bond Service Fund - Established for the accumulation of resources to meet current and future debt service requirements on general long-term debt.

Tax Allocation Districts - Established to account for the proceeds of bonds issued and the collection of the tax increments created for developments within the specific Districts and repayment of the bonds. The Districts include:

<i>Atlantic Station</i>	<i>Eastside</i>	<i>Princeton Lake</i>
<i>Westside</i>	<i>Atlanta Beltline</i>	

Capital Projects Funds

TSPLOST - Established to record transportation improvement and congestion reduction projects. Collections from special purpose local option sales and use tax (TSPLOST) within the City, for a limited period (2017-2022), will fund these activities.

TSPLOST II - Established to record transportation improvement and congestion reduction projects. Collections from special purpose local option sales and use tax (TSPLOST) within the City, for a limited period (beginning in 2023), will fund these activities.

Park Improvement Fund - For permanent improvements to parks, the zoo, and recreation facilities funded by an ad valorem tax levy.

Special Assessment Fund - For the accumulation and expenditures of resources for various public improvements, which are financed through assessment to individual property owners.

General Government Capital Outlay Fund - Established to record the acquisition, construction or improvement of capital assets which are funded by working capital obtained from certificates of participation and funds allocated from general government resources (transfers): dedicated taxes or a combination of financing sources which are not funded by the issuance of general obligation bonds.

Solid Waste Management Authority Fund - Established to account for the revenues and expenditures associated with the operation and management of debt financings related to post-closure costs of City landfills. The Solid Waste Management Authority, a blended component unit of the City, is legally separate from the City, and is governed by a board appointed by the Mayor and City Council.



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(Dollars in Thousands)

	Special Revenue Funds							Debt Service Funds			
	Community Development	Emergency Telephone System	Inter-Governmental Grants	Atlanta Beltline SSD	COVID-19 Response Grants	American Rescue Plan	Local Government Settlement Opioid Payments	Tax Allocation Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
ASSETS											
Cash and cash equivalents, restricted	\$ 5,351	\$ —	\$ 35,301	\$ —	\$ 13,784	\$ 45,552	\$ —	\$ 56,834	\$ 39,094	\$ 222,533	\$ 344,562
Equity in cash management pool	—	24,504	—	3,169	—	—	—	—	81,175	—	—
Restricted investments	—	—	—	—	—	—	—	—	413	—	5,542
Receivables											
Taxes, net	—	—	—	—	—	—	—	539	7,202	1,178	1,070
Accounts	711	4,634	19,384	27	1,665	—	57	—	27,450	696	4,077
Lease receivable	—	—	—	—	—	—	—	—	472	—	—
Due from other governments	11,944	—	23,048	—	—	—	—	—	1,687	—	—
Due from other funds	—	—	—	—	—	—	863	34	—	1,922	490
TOTAL ASSETS	\$ 18,006	\$ 29,138	\$ 77,733	\$ 3,196	\$ 15,449	\$ 45,552	\$ 920	\$ 57,407	\$ 157,493	\$ 226,329	\$ 355,741
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Account payable	\$ 2,988	\$ 215	\$ 27,134	\$ —	\$ 1,189	\$ 803	\$ —	\$ 129	\$ 6,205	\$ 10	\$ 9,153
Accrued expenditures	22	297	35	—	—	12	—	—	121	—	—
Contract retentions	—	—	2	—	—	—	—	—	—	—	—
Due to other governments	—	—	—	3,196	—	—	—	—	13,352	—	109
Due to other funds	6,114	—	31,836	—	4,901	1,448	—	5,445	2,096	—	594
Unearned revenue	7,646	—	19,014	—	9,359	43,289	—	—	1,016	—	5,000
Total liabilities	16,770	512	78,021	3,196	15,449	45,552	—	5,574	22,790	10	14,856
Deferred inflows of resources											
Deferred inflows of property taxes	—	—	—	—	—	—	—	489	—	973	869
Unavailable Revenues	—	150	—	—	—	—	—	—	378	—	—
Lease related deferred inflows	—	—	—	—	—	—	—	—	454	—	—
Total deferred inflows of resources	—	150	—	—	—	—	—	489	832	973	869

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(Dollars in Thousands)

	Special Revenue Funds								Debt Service Funds		
	Community Development	Emergency Telephone System	Inter-Governmental Grants	Atlanta Beltline SSD	COVID-19 Response Grants	American Rescue Plan	Local Government Settlement Opioid Payments	Tax Allocation Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
Total liabilities and deferred inflows of resources	16,770	662	78,021	3,196	15,449	45,552	—	6,063	23,622	983	15,725
Fund Balances:											
Nonspendable	—	—	—	—	—	—	—	—	18	—	—
Restricted	1,236	28,476	—	—	—	—	920	51,344	133,853	225,346	340,016
Unassigned (deficit)	—	—	(288)	—	—	—	—	—	—	—	—
Total Fund Balances (deficit)	1,236	28,476	(288)	—	—	—	920	51,344	133,871	225,346	340,016
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 18,006</u>	<u>\$ 29,138</u>	<u>\$ 77,733</u>	<u>\$ 3,196</u>	<u>\$ 15,449</u>	<u>\$ 45,552</u>	<u>\$ 920</u>	<u>\$ 57,407</u>	<u>\$ 157,493</u>	<u>\$ 226,329</u>	<u>\$ 355,741</u>

CITY OF ATLANTA, GEORGIA

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023
(Dollars in Thousands)

	Capital Project Funds						Total Nonmajor Governmental Funds
	TSPLOST	TSPLOST II	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	
ASSETS							
Cash and cash equivalents, restricted	\$ —	\$ 52,512	\$ —	\$ —	\$ 73,491	\$ 407	\$ 889,421
Equity in cash management pool	156,772	—	26,649	8,943	—	—	301,212
Restricted investments	—	—	—	—	—	—	5,955
Receivables							
Taxes, net	—	6,301	703	—	—	—	16,993
Accounts	—	—	—	—	—	—	58,701
Lease receivable	—	—	—	—	—	—	472
Due from other governments	—	—	—	—	—	—	36,679
Due from other funds	—	—	—	—	1,546	—	4,855
TOTAL ASSETS	\$ 156,772	\$ 58,813	\$ 27,352	\$ 8,943	\$ 75,037	\$ 407	\$ 1,314,288
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Account payable	\$ 1,743	—	\$ 613	\$ 459	\$ 6	\$ —	\$ 50,647
Accrued expenditures	10	2	34	—	2	—	535
Contract retentions	240	—	—	—	—	—	242
Due to other governments	—	—	—	—	—	—	16,657
Due to other funds	—	6,009	—	—	—	406	58,849
Unearned revenue	—	—	—	—	—	—	85,324
Total liabilities	1,993	6,011	647	459	8	406	212,254
Deferred inflows of resources							
Deferred inflows of property taxes	—	—	265	—	—	—	2,596
Unavailable Revenues	—	—	—	—	—	—	528
Lease related deferred inflows	—	—	—	—	—	—	454
Total deferred inflows of resources	—	—	265	—	—	—	3,578

CITY OF ATLANTA, GEORGIA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023
 (Dollars in Thousands)

	Capital Project Funds						Total Nonmajor Governmental Funds
	TSPLOST	TSPLOST II	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	
Total liabilities and deferred inflows of resources	1,993	6,011	912	459	8	406	215,832
Fund Balances:							
Nonspendable	—	—	—	—	—	—	18
Restricted	154,779	52,802	26,440	8,484	75,029	1	1,098,726
Unassigned (deficit)	—	—	—	—	—	—	(288)
Total Fund Balances (deficit)	154,779	52,802	26,440	8,484	75,029	1	1,098,456
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)	<u>\$ 156,772</u>	<u>\$ 58,813</u>	<u>\$ 27,352</u>	<u>\$ 8,943</u>	<u>\$ 75,037</u>	<u>\$ 407</u>	<u>\$ 1,314,288</u>

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Special Revenue Funds								Debt Service Funds		
	Community Development	Emergency Telephone System	Inter-Governmental Grants	Atlanta Beltline SSD	COVID-19 Response Grants	American Rescue Plan	Local Government Settlement Opioid Payments	Tax Allocation Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
REVENUES											
Property taxes	\$ —	\$ —	\$ —	\$ 6,625	\$ —	\$ —	\$ —	\$ 19,238	\$ —	\$ 84,181	\$ 174,426
Local and municipal option Sales taxes	—	—	—	—	—	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—	—	—	97,260	6,398	—
Licenses and permits	—	—	—	—	—	—	—	—	1,092	—	—
Charges for current services	—	27,105	—	—	—	—	—	—	8,318	—	—
Fines, forfeitures and penalties	—	—	—	—	—	—	920	—	1,564	—	—
Investment income	—	—	—	—	—	—	—	388	2,567	3,697	7,506
Intergovernmental revenues and contributions:											
Federal revenues, grants and contributions	8,332	—	46,391	—	5,687	28,405	—	—	622	—	—
State and local governments	—	—	7,522	—	16,919	40	—	—	3,772	—	—
Total intergovernmental revenues	8,332	—	53,913	—	22,606	28,445	—	—	4,394	—	—
Building rentals and concessions	—	—	—	—	—	—	—	—	1,241	—	—
Other	—	7	—	—	—	—	—	—	8,656	—	73
Total Revenues	8,332	27,112	53,913	6,625	22,606	28,445	920	19,626	125,092	94,276	182,005
EXPENDITURES											
Current:											
Executive offices	176	—	10,319	—	22,493	15,486	—	—	5,778	—	—
City Council	—	—	—	—	—	—	—	—	3	—	—
Personnel and human services	—	—	—	—	—	9,720	—	—	1,639	—	—
Courts and judicial agencies	71	—	—	—	—	—	—	—	—	—	—
Finance	288	—	229	—	113	1,279	—	—	8	—	—
Housing, planning and development	436	—	4,461	—	—	—	—	—	1,483	—	—
Nondepartmental	7,164	845	27,019	1,371	—	2,090	—	1,731	61,495	1,168	125,901
Total general government	8,135	845	42,028	1,371	22,606	28,575	—	1,731	70,406	1,168	125,901
Police	197	16,534	494	—	—	915	—	—	393	—	—
Fire	—	—	284	—	—	—	—	—	—	—	—
Corrections	—	—	—	—	—	—	—	—	1,311	—	—
Public works	—	—	9,994	—	—	—	—	—	56	—	—
Parks, recreation and cultural affairs	—	—	1,163	—	—	—	—	—	9,846	—	—

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Special Revenue Funds						Debt Service Funds				
	Community Development	Emergency Telephone System	Inter-Governmental Grants	Atlanta Beltline SSD	COVID-19 Response Grants	American Rescue Plan	Local Government Settlement Opioid Payments	Tax Allocation Districts	Other Special Revenue	Bond Service Fund	Tax Allocation Districts
Debt Service:											
Principal payments	—	15	—	1,735	—	27	—	1,125	13,995	20,225	43,648
Interest payments	—	7	—	3,519	—	35	—	512	11,450	17,410	9,471
Paying agent fees	—	—	—	—	—	—	—	3	—	6	22
Total Expenditures	8,332	17,401	53,963	6,625	22,606	29,552	—	3,371	107,457	38,809	179,042
Excess (Deficiency) of Revenues Over (under) Expenditures	—	9,711	(50)	—	—	(1,107)	920	16,255	17,635	55,467	2,963
OTHER FINANCING SOURCES (USES)											
Leases (as lessee) and SBITAs	—	161	—	—	—	1,107	—	—	—	—	—
Issuance of long term debt	—	—	—	—	—	—	—	—	10,318	—	—
Transfers in	—	6,466	50	—	—	—	—	—	13,785	—	—
Transfers out	—	(7,151)	—	—	—	—	—	(5,100)	(34,722)	—	—
Total Other Financing Sources (Uses)	—	(524)	50	—	—	1,107	—	(5,100)	(10,619)	—	—
Net Change in Fund Balances	—	9,187	—	—	—	—	920	11,155	7,016	55,467	2,963
FUND BALANCE (DEFICIT):											
Beginning of the fiscal year	1,236	19,289	(288)	—	—	—	—	40,189	126,855	169,879	337,053
FUND BALANCE (DEFICIT), END OF FISCAL YEAR	\$ 1,236	\$ 28,476	\$ (288)	\$ —	\$ —	\$ —	\$ 920	\$ 51,344	\$ 133,871	\$ 225,346	\$ 340,016

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Capital Project Funds						Total Nonmajor Governmental Funds
	TSPLOST	TSPLOST II	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	
REVENUES							
Property taxes	\$ —	\$ —	\$ 17,229	\$ —	\$ —	\$ —	\$ 301,699
Local and municipal option Sales taxes	99	58,806	—	—	—	—	58,905
Other taxes	—	—	1,577	—	—	—	105,235
Licenses and permits	—	—	—	—	—	—	1,092
Charges for current services	—	—	—	2,318	9,563	—	47,304
Fines, forfeitures and penalties	—	—	—	—	—	—	2,484
Investment income	3,002	7	594	170	2,065	2	19,998
Intergovernmental revenues and contributions:							
Federal revenues, grants and contributions	—	—	—	—	—	—	89,437
State and local governments	—	—	—	—	—	—	28,253
Total intergovernmental revenues	—	—	—	—	—	—	117,690
Building rentals and concessions	—	—	—	—	—	—	1,241
Other	—	—	239	—	—	—	8,975
Total Revenues	3,101	58,813	19,639	2,488	11,628	2	664,623
EXPENDITURES							
Current:							
Executive offices	—	—	—	—	—	—	54,252
City Council	—	—	—	—	—	—	3
Personnel and human services	—	—	—	—	—	—	11,359
Courts and judicial agencies	—	—	—	—	—	—	71
Finance	—	—	—	—	—	1	1,918
Housing, planning and development	—	—	—	—	152	—	6,532
Nondepartmental	—	—	327	1,001	23	—	230,135
Total general government	—	—	327	1,001	175	1	304,270
Police	—	—	—	874	—	—	19,407
Fire	—	—	—	—	15	—	299
Corrections	—	—	—	—	—	—	1,311
Public works	10,886	6,011	—	—	736	—	27,683
Parks, recreation and cultural affairs	—	—	6,629	—	898	—	18,536

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Capital Project Funds						Total Nonmajor Governmental Funds
	TSPLOST	TSPLOST II	Park Improvement	Special Assessment	General Government Capital Outlay	Solid Waste Management Authority	
Debt Service:							
Principal payments	—	—	2,400	—	—	—	83,170
Interest payments	—	—	2,293	—	—	—	44,697
Paying agent fees	—	—	1	—	—	—	32
Total Expenditures	10,886	6,011	11,650	1,875	1,824	1	499,405
Excess (Deficiency) of Revenues Over (under) Expenditures	(7,785)	52,802	7,989	613	9,804	1	165,218
OTHER FINANCING SOURCES (USES)							
Leases (as lessee) and SBITAs	—	—	—	—	—	—	1,268
Issuance of long term debt	—	—	—	—	—	—	10,318
Transfers in	—	—	—	—	—	—	20,301
Transfers out	—	—	—	—	—	(406)	(47,379)
Total Other Financing Sources (Uses)	—	—	—	—	—	(406)	(15,492)
Net Change in Fund Balances	(7,785)	52,802	7,989	613	9,804	(405)	149,726
FUND BALANCE (DEFICIT):							
Beginning of the fiscal year	162,564	—	18,451	7,871	65,225	406	948,730
FUND BALANCE (DEFICIT), END OF FISCAL YEAR	<u>\$ 154,779</u>	<u>\$ 52,802</u>	<u>\$ 26,440</u>	<u>\$ 8,484</u>	<u>\$ 75,029</u>	<u>\$ 1</u>	<u>\$ 1,098,456</u>

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Tax Allocation Districts
June 30, 2023
(Dollars in Thousands)

	Special Revenue Funds					Debt Service Funds						
	NW Atlanta	Hollowell/ M.L. King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
ASSETS												
Cash and cash equivalents, restricted	\$ 36,181	\$ 3,974	\$ 9,875	\$ 2,952	\$ 3,852	\$ 56,834	\$ 20,660	\$ 99,219	\$ 2	\$ 67,382	\$ 157,299	\$ 344,562
Restricted investments	—	—	—	—	—	—	545	—	—	4,997	—	5,542
Receivable:												
Taxes	272	99	140	18	10	539	84	202	—	58	726	1,070
Accounts	—	—	—	—	—	—	2	4,029	—	46	—	4,077
Due from other funds	—	—	34	—	—	34	—	484	6	—	—	490
TOTAL ASSETS	\$ 36,453	\$ 4,073	\$ 10,049	\$ 2,970	\$ 3,862	\$ 57,407	\$ 21,291	\$ 103,934	\$ 8	\$ 72,483	\$ 158,025	\$ 355,741
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
Liabilities:												
Account payable	92	18	13	5	1	129	252	1,244	8	475	7,174	9,153
Due to other governments	—	—	—	—	—	—	109	—	—	—	—	109
Due to other Funds	5,222	50	—	159	14	5,445	44	—	—	336	214	594
Unearned revenue	—	—	—	—	—	—	—	5,000	—	—	—	5,000
Total Liabilities	5,314	68	13	164	15	5,574	405	6,244	8	811	7,388	14,856
Deferred inflows of resources												
Deferred inflows of property taxes	231	97	137	15	9	489	72	189	—	48	560	869
Total liabilities and deferred inflows of resources	5,545	165	150	179	24	6,063	477	6,433	8	859	7,948	15,725
Fund Balance:												
Restricted	30,908	3,908	9,899	2,791	3,838	51,344	20,814	97,501	—	71,624	150,077	340,016
Total Fund Balances	30,908	3,908	9,899	2,791	3,838	51,344	20,814	97,501	—	71,624	150,077	340,016
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 36,453	\$ 4,073	\$ 10,049	\$ 2,970	\$ 3,862	\$ 57,407	\$ 21,291	\$ 103,934	\$ 8	\$ 72,483	\$ 158,025	\$ 355,741

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds-Tax Allocation Districts
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Special Revenue Funds						Debt Service Funds					
	NW Atlanta	Hollowell/ M.L. King	Campbelton Road	Metropolitan Parkway	Stadium Neighborhoods	Total	Atlantic Station	Westside	Princeton Lake	Eastside	Atlanta Beltline	Total
REVENUE												
Property taxes	\$ 12,972	\$ 1,078	\$ 2,531	\$ 653	\$ 2,004	\$ 19,238	\$ 25,486	\$ 30,052	\$ 2,359	\$ 29,554	\$ 86,975	\$ 174,426
Investment income	280	21	53	16	18	388	297	524	32	2,920	3,733	7,506
Other	—	—	—	—	—	—	—	73	—	—	—	73
Total Revenues	13,252	1,099	2,584	669	2,022	19,626	25,783	30,649	2,391	32,474	90,708	182,005
EXPENDITURES												
Current:												
Nondepartmental	806	141	368	315	101	1,731	75	12,198	6,787	60,988	45,853	125,901
Total general government	806	141	368	315	101	1,731	75	12,198	6,787	60,988	45,853	125,901
Debt Service:												
Paying agent fees	3	—	—	—	—	3	7	6	—	—	9	22
Principal payment	1,125	—	—	—	—	1,125	17,860	9,388	3,600	—	12,800	43,648
Interest payment	512	—	—	—	—	512	4,475	751	74	—	4,171	9,471
Total Expenditures	2,446	141	368	315	101	3,371	22,417	22,343	10,461	60,988	62,833	179,042
Excess (Deficiency) of Revenue Over (under) Expenditures	10,806	958	2,216	354	1,921	16,255	3,366	8,306	(8,070)	(28,514)	27,875	2,963
OTHER FINANCING USES												
Transfer out	(5,100)	—	—	—	—	(5,100)	—	—	—	—	—	—
Total Other Financing Uses	(5,100)	—	—	—	—	(5,100)	—	—	—	—	—	—
Net Change in Fund Balances	5,706	958	2,216	354	1,921	11,155	3,366	8,306	(8,070)	(28,514)	27,875	2,963
FUND BALANCE:												
Beginning of the fiscal year	25,202	2,950	7,683	2,437	1,917	40,189	17,448	89,195	8,070	100,138	122,202	337,053
FUND BALANCE, END OF FISCAL YEAR	\$ 30,908	\$ 3,908	\$ 9,899	\$ 2,791	\$ 3,838	\$ 51,344	\$ 20,814	\$ 97,501	\$ —	\$ 71,624	\$ 150,077	\$ 340,016

CITY OF ATLANTA, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds-Other Special Revenue Funds
June 30, 2023
(Dollars in Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Home Investment Partnership Trust	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity, Inc.	
ASSETS							
Cash and cash equivalents, restricted	\$ 13,720	\$ 5,708	\$ 3,327	\$ 7	\$ —	\$ 16,332	\$ 39,094
Equity in cash management pool	75,025	—	—	—	6,150	—	81,175
Restricted Investments	413	—	—	—	—	—	413
Receivables:							
Taxes	—	—	—	34	7,168	—	7,202
Accounts	1,124	—	—	—	—	26,326	27,450
Lease receivable	472	—	—	—	—	—	472
Due from other governments	—	1,423	—	—	—	264	1,687
TOTAL ASSETS	\$ 90,754	\$ 7,131	\$ 3,327	\$ 41	\$ 13,318	\$ 42,922	\$ 157,493
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Account payable	6,182	23	—	—	—	—	6,205
Accrued expenditures	120	1	—	—	—	—	121
Due to other governments	—	—	—	34	13,318	—	13,352
Due to other funds	—	2,089	—	7	—	—	2,096
Unearned revenue	537	479	—	—	—	—	1,016
Total liabilities	6,839	2,592	—	41	13,318	—	22,790
Deferred inflows of resources							
Unavailable Revenues	378	—	—	—	—	—	378
Lease related deferred inflows	454	—	—	—	—	—	454
Total deferred inflows of resources	832	—	—	—	—	—	832
Total liabilities and deferred inflows of resources	7,671	2,592	—	41	13,318	—	23,622
Fund Balances:							
Nonspendable	18	—	—	—	—	—	18
Restricted	83,065	4,539	3,327	—	—	42,922	133,853
Total Fund Balance	83,083	4,539	3,327	—	—	42,922	133,871
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 90,754	\$ 7,131	\$ 3,327	\$ 41	\$ 13,318	\$ 42,922	\$ 157,493

CITY OF ATLANTA, GEORGIA
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds-Other Special Revenue Funds
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Other Special Revenue Funds						Total Other Special Revenue
	Expendable Trust	Home Investment Partnership Trust	Section 108 Loan Trust	Car Rental Excise Tax	Hotel/Motel Excise Tax	Atlanta Housing Opportunity, Inc.	
REVENUES							
Other taxes	\$ —	\$ —	\$ —	\$ 1,691	\$ 95,569	\$ —	\$ 97,260
Licenses and permits	1,092	—	—	—	—	—	1,092
Charges for current services	8,318	—	—	—	—	—	8,318
Fines, forfeitures and penalties	1,564	—	—	—	—	—	1,564
Investment income	1,705	—	74	—	—	788	2,567
Intergovernmental revenues and contributions:							
Federal revenues	—	622	—	—	—	—	622
State and local grants and contributions	3,772	—	—	—	—	—	3,772
Total intergovernmental revenues and contributions	3,772	622	—	—	—	—	4,394
Building rentals and concessions	1,241	—	—	—	—	—	1,241
Other	8,656	—	—	—	—	—	8,656
Total Revenues	26,348	622	74	1,691	95,569	788	125,092
EXPENDITURES							
Current:							
Executive offices	5,240	538	—	—	—	—	5,778
City Council	3	—	—	—	—	—	3
Personnel and human services	1,639	—	—	—	—	—	1,639
Finance	8	—	—	—	—	—	8
Housing, planning and development	1,402	81	—	—	—	—	1,483
Nondepartmental	667	3	—	1,691	54,137	4,997	61,495
Total general government	8,959	622	—	1,691	54,137	4,997	70,406
Police	393	—	—	—	—	—	393
Corrections	1,311	—	—	—	—	—	1,311
Public works	56	—	—	—	—	—	56
Parks, recreation and cultural affairs	9,846	—	—	—	—	—	9,846
Debt Service:							
Principal payment	—	—	—	—	10,160	3,835	13,995
Interest payments	—	—	—	—	10,050	1,400	11,450
Total Expenditures	20,565	622	—	1,691	74,347	10,232	107,457
Excess (Deficiency) of Revenues Over (under) Expenditures	5,783	—	74	—	21,222	(9,444)	17,635
OTHER FINANCING SOURCES (USES)							
Issuance of long term debt	—	—	—	—	—	10,318	10,318
Transfers in	8,550	—	—	—	—	5,235	13,785
Transfers out	(13,500)	—	—	—	(21,222)	—	(34,722)
Total Other Financing Sources (Uses)	(4,950)	—	—	—	(21,222)	15,553	(10,619)
Net Change in Fund Balances	833	—	74	—	—	6,109	7,016
FUND BALANCE:							
Beginning of fiscal year	82,250	4,539	3,253	—	—	36,813	126,855
FUND BALANCE (deficit), END OF FISCAL YEAR	\$ 83,083	\$ 4,539	\$ 3,327	\$ —	\$ —	\$ 42,922	\$ 133,871

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Community Development Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues:				
Federal Revenues	\$ 15,637	\$ 18,160	\$ 8,332	\$ (9,828)
State and local governments	—	650	—	(650)
Total intergovernmental revenues	<u>15,637</u>	<u>18,810</u>	<u>8,332</u>	<u>(10,478)</u>
Total Revenues	<u>15,637</u>	<u>18,810</u>	<u>8,332</u>	<u>(10,478)</u>
EXPENDITURES				
Current:				
Executive offices	13,569	809	176	633
Courts and judicial agencies	83	139	71	68
Finance	1,873	372	288	84
Housing, planning and development	34	1,211	436	775
Nondepartmental	9	13,606	7,164	6,442
Total general government	<u>15,568</u>	<u>16,137</u>	<u>8,135</u>	<u>8,002</u>
Police	—	1,151	197	954
Public works	69	466	—	466
Parks, recreation and cultural affairs	—	1,051	—	1,051
Debt Service:				
Principal payment	—	5	—	5
Total Expenditures	<u>15,637</u>	<u>18,810</u>	<u>8,332</u>	<u>10,478</u>
Excess of revenues over expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCE:				
Fund balance, beginning of fiscal year	<u>1,236</u>	<u>1,236</u>	<u>1,236</u>	<u>—</u>
Fund Balance, End of Fiscal Year	<u>\$ 1,236</u>	<u>\$ 1,236</u>	<u>\$ 1,236</u>	<u>\$ —</u>

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Emergency Telephone System Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for current services	\$ 23,930	\$ 23,930	\$ 27,105	\$ 3,175
Other	18,738	18,738	7	(18,731)
State and local governments	—	1,483	—	(1,483)
Total Revenues	42,668	44,151	27,112	(17,039)
EXPENDITURES				
Current:				
Nondepartmental	13,340	3,153	845	2,308
Total General government	13,340	3,153	845	2,308
Police	29,328	40,976	16,534	24,442
Total public safety	29,328	40,976	16,534	24,442
Debt Service:				
Principal payment	—	15	15	—
Interest payment	—	7	7	—
Total Expenditures	42,668	44,151	17,401	26,750
Excess of revenues over expenditures	—	—	9,711	9,711
Other Financing Sources (Uses):				
Leases (as lessee) and SBITAs	—	—	161	161
Transfers In	—	306	6,466	6,160
Transfers Out	—	(306)	(7,151)	(6,845)
Total Other Financing Sources (Uses)	—	—	(524)	(524)
Excess of revenues over expenditures	—	—	9,187	9,187
FUND BALANCE				
Fund balance, beginning of fiscal year	19,289	19,289	19,289	—
Fund Balance, End of Fiscal Year	\$ 19,289	\$ 19,289	\$ 28,476	\$ 9,187

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Inter-governmental Grants Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for current services	\$ 41	\$ 41	\$ —	\$ (41)
Intergovernmental Revenues:				
Federal revenues	70,672	87,981	46,391	(41,590)
State and local governments	15,272	37,924	7,522	(30,402)
Total Revenues	85,985	125,946	53,913	(72,033)
EXPENDITURES				
Current:				
Executive offices	47,538	20,669	10,319	10,350
Finance	1,790	248	229	19
Housing, planning and development	3,000	11,642	4,461	7,181
Nondepartmental	1	29,532	27,019	2,513
Total general government	52,329	62,091	42,028	20,063
Police	1,601	4,734	494	4,240
Fire	—	337	284	53
Corrections	—	—	—	—
Total public safety	1,601	5,071	778	4,293
Public works	32,055	55,311	9,994	45,317
Parks, recreation and cultural affairs	—	3,473	1,163	2,310
Principal payment	—	—	—	—
Total Expenditures	85,985	125,946	53,963	71,983
Excess (deficiency) of revenues over (under) expenditures	—	—	(50)	(50)
Other Financing Sources:				
Transfers in	—	—	50	50
Total Other Financing Sources	—	—	50	50
Net change in Fund Balance	—	—	—	—
FUND BALANCE (Deficit):				
Fund balance (deficit), beginning of fiscal year	(288)	(288)	(288)	—
Fund Balance (deficit), end of Fiscal Year	\$ (288)	\$ (288)	\$ (288)	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Atlanta Beltline SSD			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property Taxes	\$ 3,552	\$ 6,625	\$ 6,625	\$ —
Total Revenues	3,552	6,625	6,625	—
EXPENDITURES				
Current:				
Nondepartmental	3,552	1,371	1,371	—
Debt Service:				
Principal Payment	—	1,735	1,735	—
Interest Payment	—	3,519	3,519	—
Total general government	3,552	6,625	6,625	—
Total Expenditures	3,552	6,625	6,625	—
Excess of revenues over expenditures	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of fiscal year	—	—	—	—
Fund Balance, End of Fiscal Year	\$ —	\$ —	\$ —	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

Covid-19 Response Grants

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Federal revenues	\$ —	\$ 35,185	\$ 5,687	\$ (29,498)
State and local governments	—	25,191	16,919	(8,272)
Total intergovernmental revenues	—	60,376	22,606	(37,770)
Total Revenues	—	60,376	22,606	(37,770)
EXPENDITURES				
Current:				
Executive offices	—	28,840	22,493	6,347
Personnel and human services	—	15,570	—	15,570
Finance	—	4,283	113	4,170
Nondepartmental	—	6,683	—	6,683
Total general government	—	55,376	22,606	32,770
Police	—	5,000	—	5,000
Total Expenditures	—	60,376	22,606	37,770
Excess of revenues over expenditures	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of fiscal year	—	—	—	—
Fund Balance, End of Fiscal Year	\$ —	\$ —	\$ —	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

American Rescue Plan Act

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Federal revenues	\$ —	\$ 93,656	\$ 28,405	\$ (65,251)
State and local governments	—	—	40	40
Total intergovernmental revenues	—	93,656	28,445	(65,211)
Total Revenues	—	93,656	28,445	(65,211)
EXPENDITURES				
Current:				
Executive offices	—	61,437	15,486	45,951
Personnel and human services	—	15,001	9,720	5,281
Finance	—	5,479	1,279	4,200
Nondepartmental	—	6,677	2,090	4,587
Total general government	—	88,594	28,575	60,019
Police	—	5,000	915	4,085
Debt Service:				
Principal payment	—	27	27	—
Interest payment	—	35	35	—
Total Expenditures	—	93,656	29,552	64,104
Deficiency of revenues under expenditures	—	—	(1,107)	(1,107)
Other Financing Sources:				
Leases (as lessee) and SBITAs	—	—	1,107	1,107
Total Other Financing Sources	—	—	1,107	1,107
Net change in Fund Balance	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of fiscal year	—	—	—	—
Fund Balance, End of Fiscal Year	\$ —	\$ —	\$ —	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

Local Government Settlement Opioid Payments

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Fines, Forfeitures and Penalties	\$ —	\$ 863	\$ 920	\$ 57
Total intergovernmental revenues	—	863	920	57
Total Revenues	—	863	920	57
EXPENDITURES				
Current:				
Finance	—	863	—	863
Total general government	—	863	—	863
Total Expenditures	—	863	—	863
Excess of revenues over expenditures	—	—	920	920
FUND BALANCE:				
Fund balance, beginning of fiscal year	—	—	—	—
Fund Balance, End of Fiscal Year	\$ —	\$ —	\$ 920	\$ 920

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	NW Atlanta Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 10,012	\$ 10,012	\$ 12,972	\$ 2,960
Investment income	200	200	280	80
Other	15,648	15,648	—	(15,648)
Total Revenues	25,860	25,860	13,252	(12,608)
EXPENDITURES				
Current:				
General government	24,243	24,220	806	23,414
Debt Service:				
Paying agent fees	3	3	3	—
Principal payments	1,125	1,125	1,125	—
Interest payments	489	512	512	—
Total Expenditures	25,860	25,860	2,446	23,414
Excess of revenues over expenditures	—	—	10,806	10,806
Other Financing Uses:				
Transfers out	—	—	(5,100)	(5,100)
Total Other Financing Uses	—	—	(5,100)	(5,100)
Net change in Fund Balance	—	—	5,706	5,706
FUND BALANCE:				
Fund balance, beginning of fiscal year	25,202	25,202	25,202	—
Fund Balance, End of Fiscal Year	\$ 25,202	\$ 25,202	\$ 30,908	\$ 5,706

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Hollowell-Martin Luther King Dr. Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 615	\$ 615	\$ 1,078	\$ 463
Investment income	1	1	21	20
Other	1,583	1,583	—	(1,583)
Total Revenues	2,199	2,199	1,099	(1,100)
EXPENDITURES				
Current:				
General government	2,199	2,199	141	2,058
Total Expenditures	2,199	2,199	141	2,058
Excess of revenues over expenditures	—	—	958	958
FUND BALANCE:				
Fund balance, beginning of fiscal year	2,950	2,950	2,950	—
Fund Balance, End of Fiscal Year	\$ 2,950	\$ 2,950	\$ 3,908	\$ 958

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Campelton Road Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 1,448	\$ 1,448	\$ 2,531	\$ 1,083
Investment income	4	4	53	49
Other	4,392	4,392	—	(4,392)
Total Revenues	5,844	5,844	2,584	(3,260)
EXPENDITURES				
Current:				
General government	5,844	5,844	368	5,476
Total Expenditures	5,844	5,844	368	5,476
Excess of revenues over expenditures	—	—	2,216	2,216
FUND BALANCE:				
Fund balance, beginning of fiscal year	7,683	7,683	7,683	—
Fund Balance, End of Fiscal Year	\$ 7,683	\$ 7,683	\$ 9,899	\$ 2,216

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Metropolitan Parkway Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 387	\$ 387	\$ 653	\$ 266
Investment income	5	5	16	11
Other	1,646	1,646	—	(1,646)
Total Revenues	2,038	2,038	669	(1,369)
EXPENDITURES				
Current:				
General government	2,038	2,038	315	1,723
Total Expenditures	2,038	2,038	315	1,723
Excess of revenues over expenditures	—	—	354	354
FUND BALANCE:				
Fund balance, beginning of fiscal year	2,437	2,437	2,437	—
Fund Balance, End of Fiscal Year	\$ 2,437	\$ 2,437	\$ 2,791	\$ 354

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Special Revenue Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Stadium Neighborhoods Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 546	\$ 546	\$ 2,004	\$ 1,458
Investment income	—	—	18	18
Other	1,334	1,334	—	(1,334)
Total Revenues	1,880	1,880	2,022	142
EXPENDITURES				
Current:				
General government	1,798	1,880	101	1,779
Debt Service:				
Principal payments	82	—	—	—
Total Expenditures	1,880	1,880	101	1,779
Excess of revenues over expenditures	—	—	1,921	1,921
FUND BALANCE:				
Fund balance, beginning of fiscal year	1,917	1,917	1,917	—
Fund Balance, End of Fiscal Year	\$ 1,917	\$ 1,917	\$ 3,838	\$ 1,921

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Atlantic Station Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 24,032	\$ 24,032	\$ 25,486	\$ 1,454
Investment income	250	250	297	47
Other	8,490	8,490	—	(8,490)
Total Revenues	32,772	32,772	25,783	(6,989)
EXPENDITURES				
Current:				
Nondepartmental	4,599	4,599	75	4,524
Debt Service:				
Paying agent fees	7	7	7	—
Principal payments	22,860	22,860	17,860	5,000
Interest payments	5,306	5,306	4,475	831
Total Expenditures	32,772	32,772	22,417	10,355
Excess of revenues over expenditures	—	—	3,366	3,366
FUND BALANCE:				
Fund balance, beginning of fiscal year	17,448	17,448	17,448	—
Fund Balance, End of Fiscal Year	\$ 17,448	\$ 17,448	\$ 20,814	\$ 3,366

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Westside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 27,514	\$ 27,514	\$ 30,052	\$ 2,538
Investment income	100	100	524	424
Other	77	65,512	73	(65,439)
Total Revenues	27,691	93,126	30,649	(62,477)
EXPENDITURES				
Current:				
General government	81,662	81,662	12,198	69,464
Debt Service:				
Paying agent fees	9	9	6	3
Principal payments	9,388	9,388	9,388	—
Interest payments	2,067	2,067	751	1,316
Total Expenditures	93,126	93,126	22,343	70,783
Excess (deficiency) of revenues over (under) expenditures	(65,435)	—	8,306	8,306
OTHER FINANCING SOURCES				
Proceeds of sales of assets	65,435	—	—	—
Total Other Financing Sources	65,435	—	—	—
Net change in Fund Balance	—	—	8,306	8,306
FUND BALANCE:				
Fund balance, beginning of fiscal year	89,195	89,195	89,195	—
Fund Balance, End of Fiscal Year	\$ 23,760	\$ 89,195	\$ 97,501	\$ 8,306

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Princeton Lake Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 2,394	\$ 2,394	\$ 2,359	\$ (35)
Investment income	5	5	32	27
Other	7,047	8,108	—	(8,108)
Total Revenues	9,446	10,507	2,391	(8,116)
EXPENDITURES				
Current:				
Nondepartmental	4,722	6,787	6,787	—
Fire	3,897	—	—	—
Debt Service:				
Paying agent fees	—	3	—	3
Principal payments	710	3,600	3,600	—
Interest payments	117	117	74	43
Total Expenditures	9,446	10,507	10,461	46
Deficiency of revenues under expenditures	—	—	(8,070)	(8,070)
FUND BALANCE:				
Fund balance, beginning of fiscal year	8,070	8,070	8,070	—
Fund Balance, End of Fiscal Year	\$ 8,070	\$ 8,070	\$ —	\$ (8,070)

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Eastside Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 27,769	\$ 27,769	\$ 29,554	\$ 1,785
Investment income	2,000	2,000	2,920	920
Other	141,177	141,177	—	(141,177)
Total Revenues	170,946	170,946	32,474	(138,472)
EXPENDITURES				
Current:				
General government	170,926	170,926	60,988	109,938
Debt Service:				
Paying agent fees	20	5	—	5
Interest payments	—	15	—	15
Total Expenditures	170,946	170,946	60,988	109,958
Deficiency of revenues under expenditures	—	—	(28,514)	(28,514)
FUND BALANCE:				
Fund balance, beginning of fiscal year	100,138	100,138	100,138	—
Fund Balance, End of Fiscal Year	\$ 100,138	\$ 100,138	\$ 71,624	\$ (28,514)

CITY OF ATLANTA, GEORGIA
 Nonmajor Governmental Funds
 Tax Allocation Districts-Debt Service Funds
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ending June 30, 2023
 (Dollars in Thousands)

	Atlanta Beltline Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 76,692	\$ 76,692	\$ 86,975	\$ 10,283
Investment income	100	100	3,733	3,633
Other	327	327	—	(327)
Total Revenues	77,119	77,119	90,708	13,589
EXPENDITURES				
Current:				
General government	60,136	60,136	45,853	14,283
Debt Service:				
Paying agent fees	12	12	9	3
Principal payments	12,800	12,800	12,800	—
Interest payments	4,171	4,171	4,171	—
Total Expenditures	77,119	77,119	62,833	14,286
Excess of revenues over expenditures	—	—	27,875	27,875
FUND BALANCE:				
Fund balance, beginning of fiscal year	122,202	122,202	122,202	—
Fund Balance, End of Fiscal Year	\$ 122,202	\$ 122,202	\$ 150,077	\$ 27,875

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds
Bond Service-Debt Service Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Bond Service Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 76,443	\$ 76,443	\$ 84,181	\$ 7,738
Other taxes	3,783	3,783	6,398	2,615
Investment income	—	—	3,697	3,697
Total Revenues	80,226	80,226	94,276	14,050
EXPENDITURES				
Current:				
General government	42,295	42,295	1,168	41,127
Debt Service:				
Paying agent fees	36	36	6	30
Principal payment	26,925	20,485	20,225	260
Interest payment	10,970	17,410	17,410	—
Total Expenditures	80,226	80,226	38,809	41,417
Excess of revenues over expenditures	—	—	55,467	55,467
Net change in Fund Balance	—	—	55,467	55,467
FUND BALANCE:				
Fund balance, beginning of fiscal year	169,879	169,879	169,879	—
Fund Balance, End of Fiscal Year	\$ 169,879	\$ 169,879	\$ 225,346	\$ 55,467

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Expendable Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
License & permits	\$ —	\$ 1,092	\$ 1,092	\$ —
Charges for recurring services	—	8,030	8,318	288
Fines, forfeitures and penalties	—	1,564	1,564	—
Investment income	—	1,679	1,705	26
Intergovernmental revenues:				
Federal revenues	—	587	—	(587)
State and local governments	—	4,359	3,772	(587)
Building rentals and concessions	—	1,257	1,241	(16)
Other	—	101,975	8,656	(93,319)
Total Revenues	—	120,543	26,348	(94,195)
EXPENDITURES				
Current:				
Executive offices	1,083	39,786	5,240	34,546
Personnel and human services	—	15,222	1,639	13,583
City Council	1,563	37	3	34
Courts and judicial agencies	—	429	—	429
Finance	—	10,007	8	9,999
Housing, planning, and development	—	17,467	1,402	16,065
Nondepartmental	4	6,504	667	5,837
Total General Government	2,650	89,452	8,959	80,493
Police	—	6,141	393	5,748
Fire	—	57	—	57
Corrections	59	3,619	1,311	2,308
Total public safety	59	9,817	1,704	8,113
Public works	63	7,051	56	6,995
Parks, recreation and cultural affairs	121	22,499	9,846	12,653
Debt Service:				
Paying agent fees	—	296	—	296
Total Expenditures	2,893	129,115	20,565	108,550
Excess (deficiency) of revenues over (under) expenditures	(2,893)	(8,572)	5,783	14,355
Other Financing Sources:				
Proceeds from sale of assets	—	21	—	(21)
Transfers in	—	8,550	8,550	—
Transfers out	—	—	(13,500)	(13,500)
Total Other Financing Sources	—	8,571	(4,950)	(13,521)
Net change in Fund Balance	(2,893)	(1)	833	834
FUND BALANCE:				
Fund balance, beginning of the fiscal year	82,250	82,250	82,250	—
Fund Balance, End of Fiscal Year	\$ 79,357	\$ 82,249	\$ 83,083	\$ 834

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Home Investment Partnership Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental revenues:				
Federal revenues	\$ 3,098	\$ 3,373	\$ 622	\$ (2,751)
Total Revenues	3,098	3,373	622	(2,751)
EXPENDITURES				
Current:				
Executive offices	734	549	538	11
Finance	234	—	—	—
Housing, planning and development	2,130	2,567	81	2,486
Nondepartmental	—	257	3	254
Total General government	3,098	3,373	622	2,751
Total Expenditures	3,098	3,373	622	2,751
Excess of revenues over expenditures	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of fiscal year	4,539	4,539	4,539	—
Fund Balance, End of Fiscal Year	\$ 4,539	\$ 4,539	\$ 4,539	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Section 108 Loan Trust Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Investment income	\$ —	\$ —	\$ 74	\$ 74
Intergovernmental Revenues				
Federal Revenues	—	772	—	(772)
Total Revenues	—	772	74	(698)
EXPENDITURES				
Current:				
Finance	—	772	—	772
Total Expenditures	—	772	—	772
Excess of revenues over expenditures	—	—	74	74
FUND BALANCE:				
Fund balance, beginning of fiscal year	3,253	3,253	3,253	—
Fund Balance, End of Fiscal Year	\$ 3,253	\$ 3,253	\$ 3,327	\$ 74

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	<u>Car Rental Excise Tax Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Other taxes	\$ 1,925	\$ 1,925	\$ 1,691	\$ (234)
Total Revenues	1,925	1,925	1,691	(234)
EXPENDITURES				
Current:				
General government	1,925	1,925	1,691	234
Total Expenditures	1,925	1,925	1,691	234
Excess of revenues over expenditures	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of fiscal year	—	—	—	—
Fund Balance, End of Fiscal Year	\$ —	\$ —	\$ —	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Hotel/Motel Excise Tax Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Other taxes	\$ 88,452	\$ 98,503	\$ 95,569	\$ (2,934)
Total Revenues	88,452	98,503	95,569	(2,934)
EXPENDITURES				
Current:				
General government	66,348	55,404	54,137	1,267
Total general government	66,348	55,404	54,137	1,267
Debt Service:				
Principal payment	—	10,160	10,160	—
Interest payment	—	10,050	10,050	—
Total Expenditures	66,348	75,614	74,347	1,267
Excess of revenues over expenditures	22,104	22,889	21,222	(1,667)
Other Financing Uses:				
Transfers out	(22,104)	(22,889)	(21,222)	1,667
Total Other Financing Uses	(22,104)	(22,889)	(21,222)	1,667
Net change in Fund Balance	—	—	—	—
FUND BALANCE:				
Fund balance, beginning of fiscal year	—	—	—	—
Fund Balance, End of Fiscal Year	\$ —	\$ —	\$ —	\$ —

CITY OF ATLANTA, GEORGIA

Nonmajor Governmental Funds

Other Special Revenue Funds

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Atlanta Housing Opportunity, Inc. Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Investment income	\$ —	\$ 800	\$ 788	\$ (12)
Total Revenues	—	800	788	(12)
EXPENDITURES				
Current:				
General government	—	11,200	4,997	6,203
Debt Service:				
Principal payment	—	3,835	3,835	—
Interest payment	—	1,400	1,400	—
Total Expenditures	—	16,435	10,232	6,203
Deficiency of revenues under expenditures	—	(15,635)	(9,444)	6,191
Other Financing Sources:				
Issuance of long term debt	—	10,400	10,318	(82)
Transfers in	—	5,235	5,235	—
Total Other Financing Sources	—	15,635	15,553	(82)
Net change in Fund Balance	—	—	6,109	6,109
FUND BALANCE:				
Fund balance, beginning of fiscal year	36,813	36,813	36,813	—
Fund Balance, End of Fiscal Year	\$ 36,813	\$ 36,813	\$ 42,922	\$ 6,109



THIS PAGE INTENTIONALLY LEFT BLANK

Nonmajor Proprietary Funds



Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for good or services.

Operations of enterprise funds are designed to be self-supporting. The Department of Watershed Management, Department of Aviation, Sanitation Services, Parking Deck and City Plaza are accounted for as enterprise funds. The latter three were determined to be nonmajor proprietary funds and are presented herein.

Sanitation Services Fund - Established to account for the operation of sanitary services activities, including collection and disposal of garbage, recycled materials and yard trimmings.

Parking Deck - Established to account for the operations of the parking deck located between Capital Avenue and Washington Street, south of Trinity Avenue and adjacent to City Hall.

City Plaza - Established to account for the financial activities of the City Plaza.

INTERNAL SERVICES

Fleet Services - Established to account for the activities of motor transport services.

Group Insurance - Established to account for transactions related to the provision of life, accident, and medical insurance benefits through outside insurance companies for permanent employees and retirees of the City

CITY OF ATLANTA, GEORGIA

Nonmajor Proprietary Funds Combining Statement of Net Position June 30, 2023 (Dollars in Thousands)

	Sanitation Services	Parking Deck	City Plaza	Totals
ASSETS				
Current assets:				
Equity in cash management pool	\$ —	\$ 1,406	\$ 3,115	\$ 4,521
Receivables:				
Accounts	57,999	26	—	58,025
Less allowance for doubtful accounts	(11,445)	—	—	(11,445)
Total receivables	46,554	26	—	46,580
Total current assets	46,554	1,432	3,115	51,101
Noncurrent assets:				
Capital assets:				
Land	582	—	3,280	3,862
Land improvements	1,327	—	474	1,801
Buildings and other structures	2,443	23,480	19,117	45,040
Machinery and other	51,192	—	—	51,192
Less accumulated depreciation	(30,756)	(7,201)	(3,657)	(41,614)
Capital assets, net	24,788	16,279	19,214	60,281
Total assets	\$ 71,342	\$ 17,711	\$ 22,329	\$ 111,382
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	11,879	—	—	11,879
OPEB related deferred outflow	14,290	—	—	14,290
Total assets and deferred outflows of resources	\$ 97,511	\$ 17,711	\$ 22,329	\$ 137,551
LIABILITIES AND NET POSITION				
Current Liabilities				
Accounts payable	\$ 8,519	\$ —	\$ —	\$ 8,519
Accrued expenses	2,180	—	—	2,180
Due to other funds	6,000	—	—	6,000
Current portion of claims payable	144	—	—	144
Current maturities of financed purchases	3,907	—	—	3,907
Current portion of OPEB	1,053	—	—	1,053
Accrued workers' compensation	1,129	—	—	1,129
Current liabilities	22,932	—	—	22,932
Liabilities payable from restricted assets:				
Accrued interest payable	67	—	—	67
Current maturities of long-term debt	—	970	405	1,375
Total liabilities payable from restricted assets	67	970	405	1,442
Total current liabilities	22,999	970	405	24,374
Long-term liabilities:				
Long-term debt, excluding current maturities	—	10,404	7,269	17,673
Financed purchases, excluding current maturities	9,794	—	—	9,794
Advances from other funds	31,662	—	—	31,662
Net pension liability	43,682	—	—	43,682
Total OPEB liability	38,073	—	—	38,073
Claims payable	268	—	—	268
Accrued workers' compensation	4,320	—	—	4,320
Landfill postclosure costs	9,344	—	—	9,344
Total long-term liabilities	137,143	10,404	7,269	154,816
Total liabilities	160,142	11,374	7,674	179,190
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	1,661	—	—	1,661
OPEB related deferred inflows	15,682	—	—	15,682
Total liabilities and deferred inflows of resources	\$ 177,485	\$ 11,374	\$ 7,674	\$ 196,533
Net Position:				
Net Investment in capital assets	11,087	4,905	11,540	27,532
Unrestricted (deficit)	(91,061)	1,432	3,115	(86,514)
Total net position	\$ (79,974)	6,337	14,655	(58,982)

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds
Combining Statement of Revenue, Expenditures and Changes in Net Position
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Sanitation Services	Parking Deck	City Plaza	Totals
Operating revenues:				
Charges for services	\$ 54,610	\$ —	\$ —	\$ 54,610
Rentals, admissions, and concessions	—	—	720	720
Other	9,344	—	—	9,344
Total operating revenues	<u>63,954</u>	<u>—</u>	<u>720</u>	<u>64,674</u>
Operating expenses:				
Salaries and employee benefits	15,484	—	—	15,484
Utilities	337	—	—	337
Materials and supplies	1,693	—	—	1,693
Repairs, maintenance, and other contractual services	270	—	—	270
Motor equipment service	8,736	—	—	8,736
Engineering and consultant fees	7,435	—	—	7,435
General services and other costs	4,517	—	43	4,560
Depreciation and amortization	2,234	470	525	3,229
Total operating expenses	<u>40,706</u>	<u>470</u>	<u>568</u>	<u>41,744</u>
Operating income (loss)	<u>23,248</u>	<u>(470)</u>	<u>152</u>	<u>22,930</u>
Nonoperating revenues (expenses):				
Interest expense	(1,006)	(312)	(234)	(1,552)
Other revenues (expenses)	8	—	(2)	6
Investment income	145	—	61	206
Total nonoperating revenues (expenses)	<u>(853)</u>	<u>(312)</u>	<u>(175)</u>	<u>(1,340)</u>
Income (loss) before transfers	22,395	(782)	(23)	21,590
Transfers in	27,319	1,422	—	28,741
Transfers out	(14,697)	—	—	(14,697)
Change in Net Position	<u>35,017</u>	<u>640</u>	<u>(23)</u>	<u>35,634</u>
Net Position (deficit), beginning of fiscal year	<u>(114,991)</u>	<u>5,697</u>	<u>14,678</u>	<u>(94,616)</u>
Net Position (deficit), end of fiscal year	<u>\$ (79,974)</u>	<u>\$ 6,337</u>	<u>\$ 14,655</u>	<u>\$ (58,982)</u>

CITY OF ATLANTA, GEORGIA
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Sanitation Services	Parking Deck	City Plaza	Total
Cash flow from operating activities				
Cash received from user charges	\$ 48,651	\$ —	\$ 720	\$ 49,371
Cash paid to employees for services	(26,411)	—	—	(26,411)
Cash paid to suppliers for goods and services	(25,071)	—	(43)	(25,114)
Net cash provided by (used in) operating activities	(2,831)	—	677	(2,154)
Cash flows from noncapital financing activities				
Transfers in	27,319	1,422	—	28,741
Transfers out	(14,697)	—	—	(14,697)
Net cash provided by noncapital financing activities	12,622	1,422	—	14,044
Cash flows from capital and related financing activities				
Proceeds from financed purchases	4,351	—	—	4,351
Principal repayments of long term debt	(3,800)	(925)	(385)	(5,110)
Interest paid	(1,006)	(497)	(314)	(1,817)
Acquisition and construction capital assets	(9,481)	—	(2)	(9,483)
Net cash used in capital and related financing activities	(9,936)	(1,422)	(701)	(12,059)
Cash flows from investing activities				
Interest on investments	145	—	61	206
Net cash provided by investing activities	145	—	61	206
Increase (decrease) in cash and cash equivalents	—	—	37	37
Restated Cash and cash equivalents, beginning of fiscal year	—	1,406	3,078	4,484
Cash and cash equivalents, end of fiscal year	\$ —	\$ 1,406	\$ 3,115	\$ 4,521
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 23,248	\$ (470)	\$ 152	\$ 22,930
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,234	470	525	3,229
Accounts receivables - net of allowance	(6,995)	—	—	(6,995)
Accounts payable and accrued expenses	2,421	—	—	2,421
Pension and OPEB related deferred inflows of resources	(15,734)	—	—	(15,734)
Pension and OPEB related deferred outflows of resources	(12,659)	—	—	(12,659)
Total OPEB liability	(1,363)	—	—	(1,363)
Net Pension liability	20,333	—	—	20,333
Landfill postclosure liability	(8,316)	—	—	(8,316)
Due to other funds	6,000	—	—	6,000
Advances from other funds	(12,000)	—	—	(12,000)
Net cash provided by (used in) operating activities	\$ (2,831)	\$ —	\$ 677	\$ (2,154)

CITY OF ATLANTA, GEORGIA

Internal Service Funds Combining Statement of Net Position June 30, 2023 (Dollars in Thousands)

	Fleet Services	Group Insurance	Total
ASSETS			
Current Assets:			
Equity in cash management pool	\$ 2,436	\$ —	\$ 2,436
Receivables:			
Accounts	—	4	4
Total Receivables, Net	—	4	4
Inventories	1,163	—	1,163
Total Current Assets	3,599	4	3,603
Non Current Assets:			
Capital Assets:			
Land	136	—	136
Land improvements	29	—	29
Buildings and other structures	5,507	—	5,507
Other property and equipment	4,094	—	4,094
Less accumulated depreciation	(9,242)	—	(9,242)
Capital assets, net	524	—	524
Total Assets	4,123	4	4,127
LIABILITIES			
Liabilities:			
Current liabilities			
Account payable	2,885	5,336	8,221
Accrued expenses	1,099	101	1,200
Due to other funds	—	3,317	3,317
Total Current liabilities	3,984	8,754	12,738
Noncurrent liabilities:			
Advances from other funds	—	18,795	18,795
Total liabilities	3,984	27,549	31,533
NET POSITION			
Investment in capital assets	524	—	524
Unrestricted (deficit)	(385)	(27,545)	(27,930)
Total Net Position	\$ 139	\$ (27,545)	\$ (27,406)

CITY OF ATLANTA, GEORGIA

Internal Service Funds

Combining Statement of Revenue, Expenditures and Changes in Net Position

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Operating Revenue:			
Charges for services	\$ 40,765	\$ 163,121	\$ 203,886
Other	107	14,686	14,793
Total Operating Revenue	40,872	177,807	218,679
Operating Expenses:			
Salaries and employee benefits	12,563	110,513	123,076
Utilities	496	—	496
Supplies and materials	14,887	38	14,925
Repairs, maintenance, and other contractual services	8,284	5	8,289
Motor equipment services	409	—	409
Engineering and consultant fees	1,063	154	1,217
General services and other costs	2,021	66,592	68,613
Depreciation and amortization	65	—	65
Total operating expenses	39,788	177,302	217,090
Operating Income	1,084	505	1,589
Non operating expenses:			
Interest expense	—	(459)	(459)
Total non operating expenses	—	(459)	(459)
Income before transfers:	1,084	46	1,130
Transfers in	—	16,223	16,223
Transfers out	(667)	—	(667)
Change in net position	417	16,269	16,686
Net position (deficit), beginning of fiscal year	(278)	(43,814)	(44,092)
Net position, (deficit) end of fiscal year	\$ 139	\$ (27,545)	\$ (27,406)

CITY OF ATLANTA, GEORGIA

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Fleet Services	Group Insurance	Total
Cash flow from operating activities			
Cash received from user charges	\$ 40,870	\$ 177,805	\$ 218,675
Cash payments to employees for services	(12,748)	(110,540)	(123,288)
Cash payments to suppliers for goods and services	(27,492)	(83,029)	(110,521)
Net cash provided by (used in) operating activities	<u>630</u>	<u>(15,764)</u>	<u>(15,134)</u>
Cash flows from noncapital financing activities			
Transfers in	—	16,223	16,223
Transfers out	(667)	—	(667)
Net cash provided by (used in) noncapital financing activities	<u>(667)</u>	<u>16,223</u>	<u>15,556</u>
Cash flows from capital and related financing activities			
Interest paid	—	(459)	(459)
Acquisition of capital assets	(204)	—	(204)
Net cash used in capital and related financing activities	<u>(204)</u>	<u>(459)</u>	<u>(663)</u>
Cash flows from investing activities			
Change in equity in cash management pool	—	—	—
Net cash provided by investing activities	<u>—</u>	<u>—</u>	<u>—</u>
Increase (decrease) in cash and cash equivalents	<u>(241)</u>	<u>—</u>	<u>(241)</u>
Restated Cash and cash equivalents, beginning of fiscal year	<u>2,677</u>	<u>—</u>	<u>2,677</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 2,436</u>	<u>\$ —</u>	<u>\$ 2,436</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating Income	\$ 1,083	\$ 505	\$ 1,588
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	65	—	65
Accounts receivables - net of allowance	—	(2)	(2)
Inventory	435	—	435
Accounts payable and accrued expenses	(767)	(17)	(784)
Other Liabilities	(186)	(27)	(213)
Due to other funds	—	(35,018)	(35,018)
Advances from other funds	—	18,795	18,795
Net cash provided by (used in) operating activities	<u>\$ 630</u>	<u>\$ (15,764)</u>	<u>\$ (15,134)</u>

Fiduciary Funds



Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support the government's own programs.

PENSION TRUST FUNDS

General Employees' Defined Benefit Pension Fund - To account for the operations of the defined benefit pension plan covering general officers and employees of the City.

General Employees' Defined Contribution Pension Fund - To account for the operation of the defined contribution pension plan covering general officers and employees of the City.

Firefighters' Pension Fund - To account for the operations of the defined benefit pension plan covering fire fighting employees of the City.

Police Officers' Pension Fund - To account for the operations of the defined benefit pension plan covering sworn police employees of the City.

CUSTODIAL FUNDS

General Custodial Fund - To account for various taxes, bonds deposits, sewer collections and other receipts held in escrow for individuals, outside organizations or other governments.

Perpetual Care Fund - To account for the funds received from individuals for a Third Party's upkeep of their cemetery plots.

CITY OF ATLANTA, GEORGIA
Combining Statement of Net Position-Pension Trust Funds and Custodial Funds
Fiduciary Funds
June 30, 2023
(Dollars in Thousands)

	Pension Trust Funds					Custodial Funds		
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Total Pension Trust Funds	General Custodial	Perpetual Care	Total Custodial Funds
ASSETS								
Current Assets:								
Cash and cash equivalents	\$ 18,670	\$ —	\$ 11,621	\$ 29,185	\$ 59,476	\$ 154	\$ —	\$ 154
Equity in Cash Pool	—	—	—	—	—	16,001	248	16,249
Receivables								
Employee Contribution	864	682	199	512	2,257	—	—	—
Employer Contribution	4,194	683	3,851	3,440	12,168	—	—	—
Due from brokers	4,753	—	1,642	3,355	9,750	—	—	—
Accrued interest receivable	2,548	—	1,739	2,004	6,291	—	—	—
Other receivables	828	14,864	203	916	16,811	1,134	—	1,134
Total receivables	13,187	16,229	7,634	10,227	47,277	1,134	—	1,134
Investments:								
Cash and cash equivalents	26,948	—	3,309	7,241	37,498	—	—	—
Domestic fixed income securities	382,023	46,153	234,466	353,037	1,015,679	—	—	—
Domestic equities	1,073,352	40,479	477,932	838,180	2,429,943	—	—	—
International fixed income securities	4,473	—	1,483	1,948	7,904	—	—	—
International equities	149,827	—	52,258	104,543	306,628	—	—	—
Alternative Investments:								
Real Estate	58,311	—	15,236	15,236	88,783	—	—	—
Limited partnerships	11,634	—	9,116	11,238	31,988	—	—	—
Commingled Funds	—	168,466	—	—	168,466	—	—	—
Total Investments	1,706,568	255,098	793,800	1,331,423	4,086,889	—	—	—
Total Assets	1,738,425	271,327	813,055	1,370,835	4,193,642	17,289	248	17,537

CITY OF ATLANTA, GEORGIA
Combining Statement of Net Position-Pension Trust Funds and Custodial Funds
Fiduciary Funds
June 30, 2023
(Dollars in Thousands)

	Pension Trust Funds				Custodial Funds			
	General Employees' Defined Benefit	Employees' Defined Contribution	Firefighters'	Police Officers'	Total Pension Trust Funds	General Custodial	Perpetual Care	Total Custodial Funds
LIABILITIES AND NET POSITION								
Current liabilities:								
Accounts payable	\$ 2,179	\$ 177	\$ 660	\$ 981	\$ 3,997	\$ 11,574	\$ —	\$ 11,574
Due to brokers for investments purchased	6,848	—	2,023	3,630	\$ 12,501	—	—	—
Total liabilities	9,027	177	2,683	4,611	16,498	11,574	—	11,574
Net Position Restricted for Pension/Custodial	\$ 1,729,398	\$ 271,150	\$ 810,372	\$ 1,366,224	\$ 4,177,144	\$ 5,715	\$ 248	\$ 5,963

CITY OF ATLANTA, GEORGIA
Combining Statement of Changes in Plan Net Position - Pension Trust Funds and Custodial Funds
Fiduciary Funds
For the Fiscal Year Ending June 30, 2023
(Dollars in Thousands)

	Pension Trust Funds					Custodial Funds		
	General Employees' Defined Benefit	General Employees' Defined Contribution	Firefighters'	Police Officers'	Total Pension Trust Funds	General Custodial	Perpetual Care	Total Custodial Funds
ADDITIONS:								
Contributions:								
Employer contributions	\$ 110,330	\$ 17,564	\$ 25,956	\$ 40,974	\$ 194,824	\$ —	\$ —	\$ —
Employee contributions	21,559	15,703	6,993	13,644	57,899	—	—	—
Refunds and other	92	—	104	177	373	—	6	6
Sewer collections for other governments	—	—	—	—	—	41,549	—	41,549
Court fees collected for other agencies	—	—	—	—	—	1,635	—	1,635
Fines and fees collected for other agencies	—	—	—	—	—	4,464	—	4,464
Total contributions	<u>131,981</u>	<u>33,267</u>	<u>33,053</u>	<u>54,795</u>	<u>253,096</u>	<u>47,648</u>	<u>6</u>	<u>47,654</u>
Investment income:								
Net change in fair value of investments	135,020	21,580	56,804	110,787	324,191	—	—	—
Investment income	22,928	1,258	11,114	12,715	48,015	—	4	4
Less: Investment expenses	(4,210)	(463)	(1,444)	(2,128)	(8,245)	—	—	—
Net investment income	<u>153,738</u>	<u>22,375</u>	<u>66,474</u>	<u>121,374</u>	<u>363,961</u>	<u>—</u>	<u>4</u>	<u>4</u>
Total additions	<u>285,719</u>	<u>55,642</u>	<u>99,527</u>	<u>176,169</u>	<u>617,057</u>	<u>47,648</u>	<u>10</u>	<u>47,658</u>
DEDUCTIONS:								
Benefit payments	189,008	18,217	58,563	84,354	350,142	—	—	—
Administrative expenses	1,545	37	820	859	3,261	18	—	18
Payments of sewer collections to other governments	—	—	—	—	—	41,512	—	41,512

CITY OF ATLANTA, GEORGIA

Combining Statement of Changes in Plan Net Position - Pension Trust Funds and Custodial Funds

Fiduciary Funds

For the Fiscal Year Ending June 30, 2023

(Dollars in Thousands)

	Pension Trust Funds				Custodial Funds			
	Employees' Defined Benefit	Employees' Defined Contribution	Firefighters'	Police Officers'	Total Pension Trust Funds	General Custodial	Perpetual Care	Total Custodial Funds
Payments of court fees to other agencies	—	—	—	—	—	395	—	395
Payments of fines and fees to other agencies	—	—	—	—	—	4,532	—	4,532
Total deductions	190,553	18,254	59,383	85,213	353,403	46,457	—	46,457
Change in net position	95,166	37,388	40,144	90,956	263,654	1,191	10	1,201
Net position held in trust for pension benefits/Custodial:								
Beginning of fiscal year	1,634,232	233,762	770,228	1,275,268	3,913,490	4,524	238	4,762
End of fiscal year	<u>\$ 1,729,398</u>	<u>\$ 271,150</u>	<u>\$ 810,372</u>	<u>\$ 1,366,224</u>	<u>\$ 4,177,144</u>	<u>\$ 5,715</u>	<u>\$ 248</u>	<u>\$ 5,963</u>

Statistical Section



(Unaudited)

The financial information presented provides detailed data on the financial, economic, and physical characteristics of the City. These tables cover multiple fiscal years and provide financial report users with a broader and more complete understanding of the City and its financial affairs.

City of Atlanta, Georgia
Statistical Section

Contents

Financial Trends (Schedule 1 through 5)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Schedule 6 through 12)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Schedule 13 through 17)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Schedule 18 through 19)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Schedule 20 through 22)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules are derived from the annual comprehensive financial reports for the relevant fiscal year.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 1
 City of Atlanta, Georgia
 Net Position by Component (unaudited)
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Dollars in thousands)

	Fiscal Year									
	2014*	2015	2016	2017	2018**	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 53,144	\$ (292,446)	\$ 6,564	\$ 86,340	\$ 156,421	\$ 59,923	\$ 253,197	\$ 337,961	\$ 312,326	\$ 155,573
Restricted for										
Debt service	259,422	232,789	229,522	336,669	318,538	335,533	391,800	459,900	509,163	565,362
Federal Programs	65,332	64,806	62,807	109,282	127,924	170,200	205,674	249,241	350,959	423,410
Capital projects	87,398	369,276	345,993	298,923	339,057	269,780	254,705	273,023	261,950	718,907
Unrestricted	(132,877)	(898,791)	(1,146,682)	(1,370,094)	(2,025,541)	(1,729,573)	(1,727,110)	(1,715,352)	(1,427,705)	(1,512,674)
Total Governmental Activities Net Position	\$ 332,419	\$ (524,366)	\$ (501,796)	\$ (538,880)	\$ (1,083,601)	\$ (894,137)	\$ (621,734)	\$ (395,227)	\$ 6,693	\$ 350,578
Business-type Activities										
Net investment in capital assets	\$5,032,865	\$5,174,578	\$5,380,368	\$5,687,008	\$5,921,310	\$5,958,423	\$6,457,144	\$6,605,281	\$6,700,557	\$6,948,835
Restricted										
Debt service	382,414	406,162	413,288	417,463	418,808	429,034	458,750	404,275	425,332	452,948
Capital projects	554,081	607,322	629,667	652,115	675,680	758,005	665,704	544,054	738,004	717,206
Unrestricted	1,406,617	1,005,755	1,052,124	888,396	652,638	1,047,348	916,331	993,633	979,109	1,342,926
Total Business-type Activities Net Position	\$7,375,977	\$7,193,817	\$7,475,447	\$7,644,982	\$7,668,436	\$8,192,810	\$8,497,929	\$8,547,243	\$8,843,002	\$9,461,915
Primary Government										
Net investment in capital assets	\$5,086,009	\$4,882,132	\$5,386,932	\$5,773,348	\$6,077,731	\$6,018,346	\$6,710,341	\$6,943,242	\$7,012,883	\$7,104,408
Restricted										
Debt service	641,836	638,951	642,810	754,132	737,346	764,567	850,550	864,175	934,495	1,018,310
Federal Programs	65,332	64,806	62,807	109,282	127,924	170,200	205,674	249,241	350,959	423,410
Capital projects	641,479	976,598	975,660	951,038	1,014,737	1,027,785	920,409	817,077	999,954	1,436,113
Unrestricted	1,273,740	106,964	(94,558)	(481,698)	(1,372,903)	(682,225)	(810,779)	(721,719)	(448,596)	(169,748)
Total Primary Government Activities Net Position	\$7,708,396	\$6,669,451	\$6,973,651	\$7,106,102	\$6,584,835	\$7,298,673	\$7,876,195	\$8,152,016	\$8,849,695	\$9,812,493

*2014 and prior has not been restated for the implementation of GASB 68.

** City implemented GASB 75 in 2018. Prior fiscal years were not restated.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 2
City of Atlanta, Georgia
Changes in Net Position (unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)
(Dollars in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental Activities										
General government	\$ 346,897	\$ 472,818	\$ 308,606	\$ 464,517	\$ 392,479	\$ 344,274	259,946	409,827	471,609	497,413
Police	210,418	197,267	213,198	226,881	200,849	195,031	205,209	237,194	195,638	253,891
Fire	87,587	86,906	86,768	85,527	80,377	86,236	83,403	100,939	79,966	107,407
Corrections	32,324	33,990	34,181	36,169	33,161	25,614	17,339	4,021	11,712	17,101
Public works	72,476	73,280	93,719	130,715	155,416	121,525	124,193	99,567	79,845	112,220
Parks, recreation and cultural affairs	56,124	60,246	58,589	64,952	81,545	79,454	66,907	65,197	56,995	85,159
Interest on long-term debt	36,508	29,788	40,686	38,173	59,594	75,241	37,555	33,983	47,604	71,241
Total Governmental Activities Expenses	842,334	954,295	835,747	1,046,934	1,003,421	927,375	794,552	950,728	943,369	1,144,432
Business-type Activities										
Watershed Management	\$ 454,742	\$ 443,300	\$ 450,896	\$ 471,536	\$ 479,911	\$ 483,199	\$ 465,908	\$ 465,471	\$ 414,205	\$ 514,298
Aviation	638,452	628,824	640,793	673,027	667,442	688,909	716,194	713,012	716,578	792,691
Other	85,827	87,864	88,475	46,983	58,158	57,502	66,072	63,970	71,021	43,290
Total Business-type Activities Expenses	1,179,021	1,159,988	1,180,164	1,191,546	1,205,511	1,229,610	1,248,174	1,242,453	1,201,804	1,350,279
Total Primary Government Expenses	\$ 2,021,355	\$ 2,113,683	\$ 2,015,911	\$ 2,238,480	\$ 2,208,932	\$ 2,156,985	\$ 2,042,726	\$ 2,193,181	\$ 2,145,173	\$ 2,494,711
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 108,164	\$ 115,798	\$ 113,637	\$ 166,954	\$ 155,662	\$ 162,685	\$ 141,974	\$ 113,454	\$ 171,387	\$ 190,096
Public safety	29,742	33,182	32,469	31,311	35,599	30,374	26,507	21,182	31,999	35,492
Public works	4,152	5,002	5,560	7,970	7,263	8,659	7,557	6,039	9,122	10,118
Parks recreation and cultural affairs	3,405	3,519	5,454	4,698	16,284	29,137	25,428	20,320	30,696	34,046
Operating grants and contributions	63,249	51,070	61,369	73,217	65,388	54,924	55,389	126,556	144,862	117,691
Capital grants and contributions	4,540	77,707	253	—	—	—	—	—	—	—
Total Governmental Activities Program Revenue	213,252	286,278	218,742	284,150	280,196	285,779	256,855	287,551	388,066	387,443
Business-type Activities										
Charges for services										
Watershed Management	436,644	459,673	466,929	486,285	478,132	488,089	478,397	453,149	482,084	493,956
Aviation	496,252	483,022	486,812	497,955	525,477	568,507	442,318	354,470	379,357	508,301
Other	82,293	86,875	78,147	58,603	56,323	65,110	77,076	77,893	66,283	64,674
Capital grants and contributions	235,883	259,682	271,863	266,459	263,784	280,759	258,186	150,100	241,490	234,934
Total Business-type Activities Revenues	1,251,072	1,289,252	1,303,751	1,309,302	1,323,716	1,402,465	1,255,977	1,035,612	1,169,214	1,301,865
Total Primary Government Revenues	\$ 1,464,324	\$ 1,575,530	\$ 1,522,493	\$ 1,593,452	\$ 1,603,912	\$ 1,688,244	\$ 1,512,832	\$ 1,323,163	\$ 1,557,280	\$ 1,689,308
Net (expense) revenue										
Governmental activities	(629,082)	(668,017)	(617,005)	(762,784)	(723,225)	(641,596)	(537,697)	(663,177)	(555,303)	(756,989)
Business-type activities	72,051	129,864	123,587	117,756	118,205	172,855	77,803	(206,841)	(72,590)	(48,414)
Total Primary Government Net Expense	\$ (557,031)	\$ (538,153)	\$ (493,418)	\$ (645,028)	\$ (605,020)	\$ (468,741)	\$ (529,894)	\$ (870,018)	\$ (587,893)	\$ (805,403)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 183,109	\$ 189,613	\$ 189,714	\$ 197,921	\$ 206,718	\$ 217,256	\$ 222,468	\$ 234,010	\$ 250,863	\$ 280,503
Property taxes levied for debt service	96,933	107,108	132,277	133,284	147,093	192,655	213,215	235,832	260,063	301,699
Local and municipal option sales tax	223,976	233,803	236,168	247,175	167,852	176,909	168,130	177,986	198,065	209,144
Public utilities franchise taxes	40,125	43,193	46,758	42,176	42,176	42,176	43,323	41,118	43,540	47,747
Business taxes	125,010	132,738	142,236	138,352	147,272	155,530	122,529	98,742	174,698	199,560
Federal and state aid not restricted for specific purposes	2	—	—	—	704	1,895	362	64,421	13,241	417
Investment income	4,228	3,864	8,445	1,288	9,803	23,073	17,786	4,812	(4,685)	35,627
Gain on Sale of Assets	—	—	—	—	—	—	—	—	—	—
Transfers	(84,250)	(118,897)	(116,023)	(34,496)	(60,784)	(21,566)	(22,287)	(32,979)	(21,185)	(26,177)
Total Governmental Activities	\$ 589,133	\$ 591,422	\$ 639,575	\$ 725,700	\$ 782,402	\$ 831,060	\$ 810,100	\$ 889,900	\$ 956,970	\$ 1,100,874
Business-Type Activities										
Local option sales tax	—	—	—	—	145,244	154,634	146,696	154,957	191,686	203,494
Investment income	35,429	32,985	41,775	5,971	23,710	202,915	96,867	19,976	(26,072)	70,509
Non-capital grants	—	—	—	—	—	—	80,881	114,805	183,920	416,223
Other	(3,053)	3	245	11,312	29,278	15,536	(4,841)	(604)	—	3,278
Transfers	84,250	118,897	116,023	34,496	(60,784)	(21,566)	(22,287)	(32,979)	(21,185)	(26,177)
Total Business-type Activities	116,626	151,885	158,043	51,779	137,448	351,519	297,316	256,155	328,349	667,327
Total Primary Government	\$ 705,759	\$ 743,307	\$ 797,618	\$ 777,479	\$ 919,850	\$ 1,182,579	\$ 1,107,416	\$ 1,146,055	\$ 1,385,319	\$ 1,768,201
Change in Net Position										
Governmental activities	(39,949)	(76,595)	22,570	(37,084)	59,177	189,464	272,403	226,723	401,667	343,885
Business-type activities	188,677	281,749	281,630	169,535	255,653	524,374	305,119	49,314	295,759	618,913
Total Primary Government	\$ 148,728	\$ 205,154	\$ 304,200	\$ 132,451	\$ 314,830	\$ 713,838	\$ 577,522	\$ 276,037	\$ 697,426	\$ 962,798

2014 and prior has not been restated for the implementation of GASB 68

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 3
 City of Atlanta, Georgia
 Program Revenues by Function/Program (unaudited)
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Dollars in thousands)

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government										
Governmental activities:										
Charges for Services										
General government	\$ 108,164	\$ 115,798	\$ 113,637	\$ 166,954	\$ 155,662	\$ 162,685	\$ 141,974	\$ 113,454	\$ 171,387	\$ 190,096
Police	22,351	27,149	28,598	21,066	25,624	27,460	23,964	19,150	28,929	32,087
Fire	998	906	906	1,341	815	826	721	576	870	965
Corrections	6,393	5,127	2,965	8,904	9,160	2,088	1,822	1,456	2,200	2,440
Public works	4,152	5,002	5,560	7,970	7,263	8,659	7,557	6,039	9,122	10,118
Parks, Recreation, and Cultural Affairs	3,405	3,519	5,454	4,698	16,284	29,137	25,428	20,320	30,696	34,046
Total Governmental activities	\$ 145,463	\$ 157,501	\$ 157,120	\$ 210,933	\$ 214,808	\$ 230,855	\$ 201,466	\$ 160,995	\$ 243,204	\$ 269,752
Operating Grants	\$ 63,249	\$ 51,070	\$ 61,369	\$ 73,217	\$ 65,388	\$ 54,924	\$ 55,389	\$ 126,556	\$ 144,862	\$ 117,691
Capital Grants and Contributions	\$ 4,540	\$ 77,707	\$ 253	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Business-type activities:										
Charges for Services										
Watershed Management	\$ 436,644	\$ 459,673	\$ 466,929	\$ 486,285	\$ 478,132	\$ 488,089	\$ 478,397	\$ 453,149	\$ 482,084	\$ 493,956
Aviation	496,252	483,022	486,812	497,955	525,477	568,507	442,318	354,470	379,357	508,301
Sanitation	55,565	54,593	46,527	54,698	54,324	62,648	74,584	76,767	65,315	63,954
Parks and Recreational Facilities	513	482	15	—	—	—	—	—	—	—
Underground Atlanta	2,309	4,229	1,695	1,281	—	—	—	—	—	—
Parking Deck	805	870	857	1,019	776	1,002	1,032	—	—	—
Permit Fund	21,541	25,977	28,155	—	—	—	—	—	—	—
City Plaza	—	—	500	1,261	960	1,460	1,460	1,126	968	720
Civic Center	1,560	724	398	344	263	—	—	—	—	—
Capital Grants & Contributions	235,883	259,682	271,863	266,459	263,784	280,759	258,186	150,100	241,490	234,934
Total Business-type activities	\$ 1,251,072	\$ 1,289,252	\$ 1,303,751	\$ 1,309,302	\$ 1,323,716	\$ 1,402,465	\$ 1,255,977	\$ 1,035,612	\$ 1,169,214	\$ 1,301,865
Total Primary Government	\$ 1,464,324	\$ 1,575,530	\$ 1,522,493	\$ 1,593,452	\$ 1,603,912	\$ 1,688,244	\$ 1,512,832	\$ 1,323,163	\$ 1,557,280	\$ 1,689,308

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 4

City of Atlanta, Georgia

Fund Balances, Governmental Funds (unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Dollars in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 11,101	\$ 1,946	\$ 15,726	\$ 5,941	\$ 5,247	\$ 21,219	\$ 29,094	\$ 29,637	\$ 82,310	\$ 51,495
Committed	—	—	—	47,208	30,944	29,944	29,395	24,228	16,282	11,782
Assigned	12,287	7,814	7,254	8,537	10,624	14,891	19,800	19,534	16,337	17,023
Unassigned	118,597	141,254	130,169	138,396	132,065	128,158	108,137	113,639	125,228	165,770
Total General Fund	\$ 141,985	\$ 151,014	\$ 153,149	\$ 200,082	\$ 178,880	\$ 194,212	\$ 186,426	\$ 187,038	\$ 240,157	\$ 246,070
Capital Project										
Restricted	\$ —	\$ 327,865	\$ 298,438	\$ 247,278	\$ 291,580	\$ 216,677	\$ 188,881	\$ 195,329	\$ 168,661	\$ 608,953
Total Capital Project	\$ —	\$ 327,865	\$ 298,438	\$ 247,278	\$ 291,580	\$ 216,677	\$ 188,881	\$ 195,329	\$ 168,661	\$ 608,953
All Other Governmental Funds										
Nonspendable	—	—	—	—	—	—	—	—	8	18
Restricted	412,152	339,006	339,884	497,596	493,938	558,836	663,527	786,835	949,010	1,098,726
Unassigned (deficit)	(12,815)	(2,510)	(12,035)	(19,274)	(10,960)	(10,435)	(10,880)	(14,671)	(288)	(288)
Total all other Governmental Funds	\$ 399,337	\$ 336,496	\$ 327,849	\$ 478,322	\$ 482,978	\$ 548,401	\$ 652,647	\$ 772,164	\$ 948,730	\$ 1,098,456

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 5
City of Atlanta, Georgia
Changes in Fund Balance, Governmental Funds (unaudited)
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Property taxes	\$ 281,369	\$ 298,123	\$ 325,494	\$ 331,389	\$ 353,616	\$ 411,591	\$ 440,064	\$ 470,494	\$ 511,870	\$ 582,616
Local and municipal option sales taxes	223,976	233,803	236,168	247,175	167,852	176,909	168,130	177,986	198,065	209,144
Public utility, alcoholic beverages and other taxes	165,135	175,931	188,994	180,528	189,448	197,706	165,852	139,860	218,238	247,307
Licenses and permits	67,994	70,703	79,523	118,063	118,350	124,533	120,283	85,674	154,900	156,458
Charges for current services	30,023	34,286	37,556	36,477	40,121	41,550	42,684	40,787	47,138	52,633
Fines, forfeitures and penalties	26,119	28,827	26,333	24,352	20,594	25,610	20,610	12,044	18,706	24,975
Investment income	4,115	3,779	8,289	1,308	9,803	23,073	17,656	4,781	(4,645)	35,627
Intergovernmental revenues and contributions										
Federal revenues	40,839	34,675	46,723	54,655	52,402	42,421	46,552	180,654	78,037	89,705
State and local grants and contributions	22,412	16,395	14,646	18,562	13,689	12,503	8,837	10,323	80,067	28,402
Building rentals and contributions	8,178	8,845	8,267	12,450	15,078	6,636	5,725	4,048	4,427	10,649
Other	13,149	14,840	5,441	19,591	20,665	32,526	11,292	18,442	18,033	25,038
TOTAL REVENUES	\$ 883,309	\$ 920,207	\$ 977,434	\$ 1,044,550	\$ 1,001,618	\$ 1,095,058	\$ 1,047,685	\$ 1,145,093	\$ 1,324,836	\$ 1,462,554
EXPENDITURES										
Current										
General government	\$ 304,137	\$ 252,123	\$ 304,634	\$ 387,514	\$ 361,235	\$ 376,955	\$ 355,634	\$ 452,978	\$ 508,098	\$ 583,103
Police	204,830	208,128	226,517	231,513	222,083	226,926	237,150	244,515	255,441	284,736
Fire	82,418	87,805	87,938	84,134	89,087	100,853	96,429	103,325	105,015	120,384
Corrections	32,108	36,243	36,662	37,444	37,811	30,519	20,442	4,224	15,629	19,518
Public works	52,132	55,846	79,667	114,303	154,518	121,913	124,812	83,133	80,552	104,925
Parks, recreation and cultural affairs	47,484	48,635	51,008	55,845	81,672	83,167	67,605	56,967	60,532	85,409
Debt service										
Principal	47,006	89,650	82,310	44,508	71,688	103,372	88,466	80,356	107,710	110,384
Interest	36,337	33,002	44,413	37,011	58,956	68,492	33,894	34,567	41,557	54,109
Bond issuance costs	1,647	1,050	375	1,162	638	66	60	66	78	2,688
TOTAL EXPENDITURES	\$ 808,099	\$ 812,482	\$ 913,524	\$ 993,434	\$ 1,077,688	\$ 1,112,263	\$ 1,024,492	\$ 1,060,131	\$ 1,174,612	\$ 1,365,256
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,210	107,725	63,910	51,116	(76,070)	(17,205)	23,193	84,962	150,224	97,298
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 21,000	\$ 307,390	\$ 84,844	\$ 235,690	\$ 43,335	\$ 1,000	\$ 373	\$ 2,303	\$ —	\$ —
Financed purchases	363	—	—	8,735	20,110	—	—	—	—	—
Leases (as lessee) and SBITAs	—	—	—	—	—	—	—	—	628	8,101
Premium on bonds sold	277	39,325	10,903	16,077	15,732	—	1,479	544	576	30,435
Issuance of refunding bonds	—	—	—	—	85,380	—	(23,308)	—	—	—
Issuance of long term debt	—	—	—	—	—	—	44,640	4,049	217,820	449,476
Payment to refunded bond escrow agent	—	(58,866)	(77,443)	(128,993)	(125,392)	—	—	—	(187,669)	—
Sales of capital assets	2,547	3,376	1,287	380	1,275	491	—	—	—	—
Transfers in (out)	(90,250)	(124,897)	(119,440)	(36,759)	63,386	21,566	22,287	34,935	21,185	10,621
Total Other Financing Sources (Uses)	\$ (66,063)	\$ 166,328	\$ (99,849)	\$ 95,130	\$ 103,826	\$ 23,057	\$ 45,471	\$ 41,831	\$ 52,540	\$ 498,633
NET CHANGE IN FUND BALANCE	\$ 9,147	\$ 274,053	\$ (35,939)	\$ 146,246	\$ 27,756	\$ 5,852	\$ 68,664	\$ 126,793	\$ 202,764	\$ 595,931
Debt service as a percentage of noncapital expenditures	11.8 %	15.6 %	14.8 %	8.7 %	13.4 %	17.1 %	13.4 %	12.2 %	13.8 %	13.3 %

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 6

City of Atlanta, Georgia

Assessed and Estimated Actual Value of Taxable Property (unaudited)

Last Ten Fiscal Years

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property(1)	Less: Tax-exempt Property(2)	Total Taxable Assessed Value	Total Direct Tax Rate
June 30, 2014	\$11,183,385,556	\$ 10,556,075,940	\$ 687,309,657	\$1,671,292,251	\$ 2,430,432,837	\$ 21,667,630,567	33.49%
June 30, 2015	11,687,041,707	11,151,391,836	683,832,400	1,554,353,314	2,599,674,413	22,476,944,844	33.19%
June 30, 2016	12,848,381,757	12,774,083,537	711,630,623	1,503,577,204	2,874,052,314	24,963,620,807	33.49%
June 30, 2017	13,444,916,986	12,741,070,429	746,742,197	1,357,032,493	2,726,925,124	25,562,836,981	32.6%
June 30, 2018	13,493,027,408	14,154,056,870	843,130,074	1,210,968,574	2,985,921,567	26,715,261,359	32.56%
June 30, 2019	17,863,794,272	15,356,502,641	820,071,202	1,052,958,644	2,665,173,788	32,428,152,971	30.97%
June 30, 2020	19,945,206,363	17,205,214,920	850,290,917	1,179,949,809	5,698,451,725	33,482,210,284	30.97%
June 30, 2021	21,267,932,937	17,589,854,851	844,631,642	1,430,734,819	6,125,025,157	35,008,129,092	30.97%
June 30, 2022	23,144,454,278	18,169,696,299	1,362,265,283	1,347,628,840	6,664,338,803	37,359,705,897	30.97%
June 30, 2023	25,631,886,761	19,449,182,590	1,094,883,954	1,653,239,339	7,607,662,364	40,221,530,280	31.4%

(1) Other Property consists of Historical, Agricultural, Conservation, Utility, Motor Vehicle, Heavy Equipment, Timber, Mobile Homes, etc.

(2) Tax Exempt Property consists of Basic Homestead, Elderly, Disabled Veteran, Freeport, etc.

Source: Assessed values are established by the Fulton & DeKalb Counties Board of Tax Assessors on January 1 of each year at 40% of the market value as required by State Law.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 7

City of Atlanta, Georgia

Direct and Overlapping Property Tax Rates (unaudited)

Last Ten Fiscal Years

(per \$1,000 of assessed value)

Fiscal Year Ended	DeKalb County						Fulton County			
	General Operating Levy	Hospital Levy	Bond Levy	Library Levy	State of Georgia Levy	Total Levy	County Levy	County Bond Levy	Georgia State Levy	Total
June 30, 2014	10.71	0.80	—	1.16	0.15	12.82	10.21	0.27	0.15	10.63
June 30, 2015	8.22	0.80	0.01	1.06	0.10	10.19	11.78	0.27	0.10	12.15
June 30, 2016	10.39	0.89	0.01	1.11	0.05	12.45	10.50	0.25	0.05	10.80
June 30, 2017	8.76	0.74	0.48	0.97	—	10.95	10.45	0.25	—	10.70
June 30, 2018	8.69	0.74	0.43	1.18	—	11.04	10.38	0.25	—	10.63
June 30, 2019	9.64	0.73	0.33	1.17	—	11.87	10.20	0.23	—	10.43
June 30, 2020	9.30	0.65	0.36	1.37	—	11.68	9.90	0.22	—	10.12
June 30, 2021	9.36	0.64	0.35	1.38	—	11.73	9.78	0.22	—	10.00
June 30, 2022	9.37	0.64	0.35	1.01	—	11.37	9.33	0.21	—	9.54
June 30, 2023	8.99	0.48	—	0.93	—	10.40	8.87	0.20	—	9.07

Fiscal Year Ended	City Atlanta			Board of Education		
	General Levy	Bond Levy	Parks Levy	Operating Levy	School Bond Levy	Total
June 30, 2014	10.05	1.20	0.50	21.64	0.10	33.49
June 30, 2015	9.75	1.20	0.50	21.64	0.10	33.19
June 30, 2016	8.89	1.48	0.50	21.64	0.10	32.61
June 30, 2017	8.88	1.48	0.50	21.72	0.03	32.61
June 30, 2018	8.84	1.48	0.50	21.74	—	32.56
June 30, 2019	7.85	1.88	0.50	20.74	—	30.97
June 30, 2020	7.85	1.88	0.50	20.74	—	30.97
June 30, 2021	7.85	1.88	0.50	20.74	—	30.97
June 30, 2022	7.85	1.88	0.50	20.74	—	30.97
June 30, 2023	8.52	1.88	0.50	20.50	—	31.40

Sources: Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor.
Debt outstanding data provided by each governmental unit.

City of Atlanta 2023 Annual Comprehensive Financial Report

Schedule 8 City of Atlanta, Georgia Principal Property Tax Payers (unaudited) Last Ten Fiscal Years*

Taxpayer	Type of Business	Tax Year																					
		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023			
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
AC Property Owner LP	Commercial Real Estate	\$ —	—	—	\$ —	—	—	\$ —	—	—	\$ —	—	—	\$ 101,269,000	9	—	\$ 124,000,000	8	0.38 %	\$ 127,287,440	9	0.27 %	
Bell South	Communication Service	144,069,022	5	0.70 %	170,914,613	4	0.80 %	155,862,813	4	0.66 %	179,628,391	3	0.74 %	140,954,632	5	0.53 %	336,499,587	3	0.8 %	399,213,431	3	0.91 %	
Coca-Cola Company	Marketing and Manufacturing	154,658,325	4	0.75 %	154,851,783	5	0.72 %	146,645,787	5	0.62 %	145,352,469	5	0.60 %	144,804,388	4	0.54 %	183,877,780	4	0.45 %	160,188,041	5	0.36 %	
Corporate Property Corporation	Commercial Real Estate	87,232,240	8	0.42 %	107,531,880	6	0.50 %	136,742,310	6	0.58 %	110,808,080	7	0.46 %	110,808,080	8	0.41 %	118,818,080	10	0.33 %	116,724,641	9	0.27 %	
Delta Airlines	Transportation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	141,736,421	6	0.35 %	1,684,728,646	1	3.83 %	
Development Authority of Fulton	Government	708,697,642	1	3.42 %	914,748,466	1	4.27 %	979,728,452	1	4.12 %	1,146,589,582	1	4.74 %	1,219,165,494	1	4.56 %	1,799,716,494	1	4.4 %	1,799,716,494	1	4.4 %	
GA-Met	—	—	—	—	72,000,000	10	0.34 %	82,628,961	10	0.35 %	82,628,961	10	0.34 %	—	—	—	—	—	—	—	—	—	
Georgia Power Company	Utility Service	287,889,088	2	1.39 %	281,251,853	2	1.31 %	296,597,925	2	1.25 %	282,000,331	2	1.17 %	283,491,164	2	1.06 %	395,727,057	2	0.97 %	398,865,005	2	0.91 %	
Google Inc	Technology	99,021,890	6	0.48 %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Hines One Atlantic Center LP	Commercial Real Estate	—	—	—	80,341,160	8	0.38 %	96,895,409	8	0.41 %	96,894,280	8	0.40 %	—	—	—	—	—	—	—	—		
HRLP Monarch LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
IEP Peachtree LLC	—	72,222,920	10	0.35 %	74,371,960	9	0.35 %	96,592,350	9	0.41 %	96,479,600	9	0.40 %	—	—	—	—	—	—	—	—		
JPMCC 2006 CIBC17 Office 600 Ltd	Banking & Financial Services	80,772,360	9	0.39 %	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Norfolk Southern Corp	Transportation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	96,767,666	10	0.36 %
Post Apartment Homes	Residential Real Estate	164,277,960	—	0.79 %	176,237,783	3	0.82 %	172,256,249	3	0.72 %	172,644,191	4	0.71 %	130,285,628	6	0.49 %	158,637,060	5	0.39 %	168,397,420	4	0.38 %	
SunTrust Plaza Association	Commercial Real Estate	96,130,950	7	0.46 %	94,698,251	7	0.44 %	110,808,080	7	0.47 %	135,009,840	6	0.56 %	150,955,860	3	0.56 %	155,670,270	7	0.35 %	155,670,270	7	0.35 %	
Total		\$1,894,972,397		9.15 %	\$ 2,126,947,749		9.93 %	\$2,274,758,336		9.99 %	\$ 2,448,035,725		10.12 %	\$2,498,184,421		9.34 %	\$2,866,593,460		7.29 %	\$ 3,475,977,052		7.9 %	

*Dates reflect the fiscal year the data was reported.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 9
City of Atlanta, Georgia
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	Taxes Levies for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
		Amount(1)	Percentage of Levy	Collections, net of adjustments in Subsequent Years	Amount	Percentage of Levy
June 30, 2014	\$ 222,103	\$ 218,184	98.24 %	\$ 3,337	\$ 221,521	99.73 %
June 30, 2015	227,842	224,808	98.67 %	2,744	227,552	99.74 %
June 30, 2016	239,875	237,840	99.15 %	1,676	239,516	99.87 %
June 30, 2017	247,078	243,948	98.73 %	2,652	246,600	99.85 %
June 30, 2018	255,610	250,068	97.83 %	5,196	255,264	99.81 %
June 30, 2019	288,539	284,140	98.48 %	4,074	288,214	99.86 %
June 30, 2020	299,597	297,027	99.14 %	1,849	298,876	99.89 %
June 30, 2021	319,118	315,332	98.81 %	3,037	318,369	99.76 %
June 30, 2022	338,360	335,767	99.23 %	1,720	337,487	99.23 %
June 30, 2023	392,173	389,258	99.26 %	—	389,258	99.26 %

(1) Does not include tax revenues retained by Fulton and DeKalb County for administrative expenditures/expenses, therefore the collection rate shown is slightly less than actual.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 10
City of Atlanta, Georgia
Taxable Sales by Category (unaudited)
Last Ten Fiscal Years
(Dollars in thousands)

Local Option Sales Tax	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Food	\$ 20,421,886	\$ 21,981,932	\$ 23,194,803	\$ 23,803,463	\$ 23,941,493	\$ 24,586,292	\$ 23,301,105	\$ 22,866,378	\$ 28,125,367	\$ 30,975,284
Apparel	9,916,645	9,692,190	8,803,428	8,736,540	9,131,013	9,860,341	9,744,378	9,232,864	12,167,894	13,616,424
General	12,062,397	12,630,008	12,799,010	12,398,959	12,381,060	12,912,334	12,481,726	15,507,735	16,220,363	15,373,774
Automotive	2,350,901	2,250,224	2,403,091	2,498,320	2,233,973	2,161,219	1,841,357	2,066,761	2,362,863	2,167,948
Home	8,180,418	8,660,495	9,006,150	8,815,470	9,092,674	9,096,797	8,930,136	9,176,292	10,414,506	10,567,742
Lumber	896,719	1,030,259	1,121,857	1,149,400	1,286,249	1,472,462	1,448,243	1,584,721	1,845,010	1,928,133
Miscellaneous Services	14,187,954	13,322,206	13,045,306	13,615,484	16,045,853	16,981,506	14,059,540	17,329,467	21,353,681	21,354,001
Manufacturers	5,910,241	6,459,079	5,702,950	5,414,370	5,967,053	6,220,602	6,451,403	6,432,859	7,499,335	8,012,934
Utilities	6,283,211	6,389,567	6,452,505	6,157,788	5,857,190	6,405,020	6,504,641	6,297,342	6,499,195	7,581,015
Miscellaneous	19,497,898	19,808,260	20,986,349	20,764,655	24,247,218	27,023,556	26,007,262	27,093,138	34,806,252	38,094,607
Total	\$ 99,708,270	\$ 102,224,220	\$ 103,515,449	\$ 103,354,449	\$ 110,183,776	\$ 116,720,129	\$ 110,769,791	\$ 117,587,557	\$ 141,294,466	\$ 149,671,862
City direct sales tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Municipal Option Sales Tax (1)	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Food	\$ 27,193,787	\$ 29,072,255	\$ 31,087,468	\$ 32,390,909	\$ 18,132,972	\$ 17,821,366	\$ 17,052,504	\$ 15,557,689	\$ 19,493,529	\$ 21,509,472
Apparel	9,081,924	8,575,055	8,085,793	7,676,618	8,036,125	8,599,037	8,572,651	7,956,256	10,562,209	12,200,916
General	16,527,598	17,425,387	17,544,873	17,354,996	10,500,771	10,271,970	9,134,011	11,619,575	13,720,240	13,136,212
Automotive	862,640	893,948	887,289	905,611	1,006,166	1,101,906	1,015,990	1,130,448	1,161,126	1,148,152
Home	10,625,539	11,079,218	11,758,120	11,228,626	11,783,938	10,197,343	10,186,544	10,122,393	12,076,470	12,591,000
Lumber	1,257,158	1,361,648	1,638,714	1,611,894	1,665,362	1,913,617	2,071,562	2,137,574	2,560,620	2,416,624
Miscellaneous Services	17,423,469	17,955,003	16,713,310	17,445,223	22,418,492	32,399,300	29,053,357	17,219,463	46,481,321	48,355,794
Manufacturers	7,090,205	7,258,328	6,818,479	6,869,995	7,849,422	7,313,239	7,788,592	7,291,368	8,685,051	9,887,199
Utilities	7,386,966	7,825,616	7,674,084	7,516,300	7,608,192	8,108,857	8,305,932	8,046,606	7,501,687	7,631,206
Miscellaneous	26,787,112	29,237,076	30,911,020	28,709,431	56,242,103	56,907,475	53,514,897	54,627,306	69,443,616	74,438,998
Total	\$ 124,236,398	\$ 130,683,534	\$ 133,119,150	\$ 131,709,603	\$ 145,243,543	\$ 154,634,110	\$ 146,696,040	\$ 135,708,678	\$ 191,685,869	\$ 203,315,573
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Note: (1) Effective October 1, 2004, the City began collecting a 1% Municipal Option Sales Tax (MOST) for retail sales and use occurring within the incorporated city limits of Atlanta
Source: Georgia Department of Revenue; Local Government Division

*Total taxable sales are reported based on year end collections and do not include any collections after June 30, 2023.

City of Atlanta
2023 Annual Comprehensive Financial Report
Schedule 11
City of Atlanta, Georgia
Direct and Overlapping Sales Tax Rates (unaudited)
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Fulton County
2014	1.00 %	7.00 %
2015	1.00 %	7.00 %
2016	1.00 %	7.00 %
2017	1.00 %	7.00 %
2018	1.90 %	7.00 %
2019	1.90 %	7.00 %
2020	1.90 %	7.00 %
2021	1.90 %	7.00 %
2022	1.90 %	7.00 %
2023	1.00 %	7.00 %

Source: Sales Tax Rates, Georgia Department of Revenue

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 12
City of Atlanta, Georgia
Principal Sales Tax Remitters (unaudited)
Last Ten Fiscal Years

Tax Remitters	2014		2015		2016		2017		2018	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 27,193,787	21.88 %	\$ 29,072,255	22.25 %	\$ 31,087,468	23.35 %	\$ 32,390,909	24.59 %	\$ 18,132,972	12.48 %
Apparel	9,081,924	7.31 %	8,575,055	6.56 %	8,085,793	6.07 %	7,676,618	5.83 %	8,036,125	5.53 %
General	16,527,598	13.30 %	17,425,387	13.33 %	17,544,873	13.18 %	17,354,996	13.18 %	10,500,771	7.23 %
Automotive	862,640	0.69 %	893,948	0.68 %	887,289	0.67 %	905,611	0.69 %	1,006,166	0.69 %
Home	10,625,539	8.55 %	11,079,218	8.48 %	11,758,120	8.83 %	11,228,626	8.53 %	11,783,938	8.11 %
Lumber	1,257,158	1.01 %	1,361,648	1.04 %	1,638,714	1.23 %	1,611,894	1.22 %	1,665,362	1.15 %
Miscellaneous Services	17,423,469	14.05 %	17,955,003	13.74 %	16,713,310	12.56 %	17,445,223	13.25 %	22,418,492	15.44 %
Manufacturers	7,090,205	5.71 %	7,258,328	5.55 %	6,818,479	5.12 %	6,869,995	5.22 %	7,849,422	5.40 %
Utilities	7,386,966	5.94 %	7,825,616	5.99 %	7,674,084	5.76 %	7,516,300	5.71 %	7,608,192	5.24 %
Miscellaneous	26,787,112	21.56 %	29,237,076	22.37 %	30,911,020	23.22 %	28,709,431	21.80 %	56,242,103	38.72 %
Total	\$ 124,236,398	100 %	\$ 130,683,534	100 %	\$ 133,119,150	100 %	\$ 131,709,603	100 %	\$ 145,243,543	100 %
Tax Remitters	2019		2020		2021		2022		2023	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Food	\$ 17,821,366	11.52 %	\$ 17,052,504	11.62 %	\$ 15,557,689	11.46 %	\$ 19,493,529	10.17 %	\$ 21,509,472	10.58 %
Apparel	8,599,037	5.56 %	8,572,651	5.84 %	7,956,256	5.86 %	10,562,209	5.51 %	12,200,916	6.00 %
General	10,271,970	6.64 %	9,134,011	6.23 %	11,619,575	8.56 %	13,720,240	7.16 %	13,136,212	6.46 %
Automotive	1,101,906	0.71 %	1,015,990	0.69 %	1,130,448	0.83 %	1,161,126	0.61 %	1,148,152	0.56 %
Home	10,197,343	6.59 %	10,186,544	6.94 %	10,122,393	7.46 %	12,076,470	6.30 %	12,591,000	6.19 %
Lumber	1,913,617	1.24 %	2,071,562	1.41 %	2,137,574	1.58 %	2,560,620	1.34 %	2,416,624	1.19 %
Miscellaneous Services	32,399,300	20.95 %	29,053,357	19.81 %	17,219,463	12.69 %	46,481,321	24.25 %	48,355,794	23.78 %
Manufacturers	7,313,239	4.73 %	7,788,592	5.31 %	7,291,368	5.37 %	8,685,051	4.53 %	9,887,199	4.86 %
Utilities	8,108,857	5.24 %	8,305,932	5.66 %	8,046,606	5.93 %	7,501,687	3.91 %	7,631,206	3.75 %
Miscellaneous	56,907,475	36.80 %	53,514,897	36.48 %	54,627,306	40.25 %	69,443,616	36.23 %	74,438,998	36.61 %
Total	\$ 154,634,110	100 %	\$ 146,696,040	100 %	\$ 135,708,678	100 %	\$ 191,685,869	100 %	\$ 203,315,573	100 %

Source: Georgia Department of Revenue, Local Government Division

Note: Effective October 1, 2004, the City began collecting 1% Municipal Option Sale Tax (MOST) for retail sales and use within the incorporated city limits of Atlanta

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 13
 City of Atlanta, Georgia
 Ratio of Outstanding Debt by Type (unaudited)
 Last Ten Fiscal Years
 (Dollars in thousands, except per capita)

Fiscal Year Ended	Governmental Activities												Total Governmental Activities	% Personal Income (c)	Per Capita (c)
	General Obligation Debt (a)	Certificate of participation	APSJFA Revenue Bonds (b)	SWMA Revenue Refunding Bonds	Limited Obligation Bonds (a)	Loans Payable	Financed Purchases	1998 GMA Lease Pool	Installment Sale Program	Inter-Govt Agreements	Notes Payable	Lease Liability & SBITAs			
June 30, 2014	\$ 205,176	\$ —	\$ —	\$ 14,005	\$ 519,521	\$ 1,175	\$ 57,129	\$32,444	\$ 29,780	\$ 133,358	\$ 7,683	\$ —	\$ 1,000,271	4.38 %	2,422
June 30, 2015	437,112	—	36,027	12,530	464,734	1,175	50,620	32,444	25,195	350,468	5,892	—	1,416,197	6.21 %	3,428
June 30, 2016	395,623	36,889	33,681	10,980	444,681	930	19,261	32,444	20,385	353,455	4,016	—	1,352,345	5.50 %	3,088
June 30, 2017	384,058	33,704	31,280	9,360	515,522	660	23,544	32,444	15,330	376,552	2,054	—	1,424,508	5.53 %	3,159
June 30, 2018	355,482	80,038	28,232	7,665	453,900	440	37,406	32,444	10,025	452,845	—	—	1,458,477	5.32 %	3,080
June 30, 2019	325,615	75,544	25,196	5,885	387,565	1,202	30,050	32,444	9,200	424,503	—	—	1,317,204	3.98 %	2,344
June 30, 2020	297,822	70,436	22,160	4,015	335,176	926	22,390	32,444	8,330	415,796	—	—	1,209,495	3.87 %	2,305
June 30, 2021	268,807	65,218	19,106	2,050	298,762	868	45,836	32,444	7,420	366,456	—	23,668	1,130,635	3.37 %	2,029
June 30, 2022	248,138	59,879	16,026	—	271,179	809	41,605	32,444	6,460	446,825	—	22,723	1,146,088	3.07 %	1,869
June 30, 2023	664,790	54,428	12,924	—	224,588	748	68,515	32,444	3,310	433,836	—	31,698	1,527,281	3.93 %	2,416

Fiscal Year Ended	Business-Type Activities															
	Department of Aviation		Department of Watershed Management					Nonmajor Proprietary								
	Facilities Revenue Bonds and Bond Anticipation Notes	Financed Purchases/ Other Obligations	System Revenue Bonds	Issuance Premiums and Discounts	GEFA Notes Payable	Financed Purchases/ Other Obligations	Lease Liability & SBITAs	Sanitation Financed Purchases	Parking Deck Financed Purchases	Underground Atlanta Financed Purchases	City Plaza	Parking Deck	Total Business-Type Activities	Total Primary Government	% Personal Income (c)	Per Capita (c)
June 30, 2014	\$ 3,102,242	\$ —	\$3,006,165	\$ 37,783	\$ 172,445	\$ 3,930	\$ —	\$ —	\$ 19,660	\$ 15,445	\$ —	\$ —	\$ 6,357,670	\$ 7,357,941	32.25 %	16,136
June 30, 2015	2,978,917	—	2,870,765	207,886	168,843	2,724	—	—	18,930	7,915	—	—	6,255,980	7,672,177	33.64 %	16,829
June 30, 2016	3,145,561	—	2,814,455	209,685	168,222	1,304	—	—	18,165	—	10,680	—	6,368,072	7,720,417	33.81 %	16,621
June 30, 2017	3,007,984	—	2,740,300	234,491	176,874	7,143	—	—	—	—	10,316	—	6,177,108	7,601,616	29.59 %	16,897
June 30, 2018	2,865,383	9,300	2,727,860	227,331	201,680	130,691	—	—	—	—	9,903	—	6,172,148	7,630,625	27.90 %	16,155
June 30, 2019	2,417,047	8,498	2,821,475	280,157	193,165	143,924	—	—	—	—	9,478	—	5,873,744	7,190,948	25.73 %	16,155 (e)
June 30, 2020	3,060,046	8,069	2,720,285	278,642	185,690	138,691	—	12,570	—	—	9,042	14,639	6,427,674	7,637,169	23.89 % (d)	15,142
June 30, 2021	2,867,238	7,612	2,720,285	278,642	185,690	138,691	2,471	10,525	—	—	8,593	13,569	6,233,316	7,363,951	22.43 %	14,214
June 30, 2022	3,354,036	7,124	2,823,821	188,191	187,547	124,258	213	6,215	—	—	8,139	12,484	6,712,028	7,858,116	21.90 %	13,331
June 30, 2023	3,234,294	6,604	2,541,511	171,584	178,098	114,875	17,142	13,701	—	—	7,674	11,374	6,296,857	7,824,138	20.10 %	12,349

(a) Net of any discount or premium
 (b) APSJFA revenue bonds reported as Limited Obligation Bonds prior to Fiscal Period 2015.
 (c) See schedule for personal income and population data.
 (d) Personal income data not available for 2020, % based on 2019 data.
 (e) Per capita data not available for 2019, figure based on 2018 data.
 Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 14
City of Atlanta, Georgia
Ratio of General Bonded Debt Outstanding (unaudited)
Last Ten Fiscal Years
(Dollars in thousands, except per capita)

Fiscal Year Ended	General Obligation Bonds	Less; Amounts Restricted to Repaying Principal	Net General Obligation Bonds	Certificate of Participation	SWMA Revenue Refunding Bonds	APSFA Revenue Bond	Inter- Governmental Agreements	Notes Payable	Other Long-term Debt (a)	Financed Purchases	Lease Liability & SBITA	Total	Percentage of Actual Taxable Value of Property (b)	Per Capita (c)
June 30, 2014	205,176	(66,460)	138,716	—	14,005	37,230	133,358	7,683	62,224	57,129	—	450,345	2.08 %	1,004
June 30, 2015	437,112	(33,451)	403,661	—	12,530	36,027	350,468	5,892	57,639	50,620	—	916,837	4.08 %	2,011
June 30, 2016	395,623	(14,746)	380,877	32,160	10,980	33,681	343,455	4,016	53,759	19,261	—	878,189	3.52 %	1,893
June 30, 2017	384,058	(31,954)	352,104	29,780	9,360	31,280	376,552	2,054	48,434	23,544	—	873,108	3.42 %	1,848
June 30, 2018	355,482	(33,575)	321,907	80,038	7,665	28,232	452,845	—	42,909	37,406	—	971,002	3.63 %	1,997
June 30, 2019	325,615	(53,041)	272,574	75,544	5,885	25,196	424,503	—	42,846	30,050	—	876,598	2.70 %	1,760
June 30, 2020	(d) 297,822	(85,358)	212,464	70,436	4,015	22,160	415,796	—	41,700	22,390	—	788,961	2.36 %	1,557
June 30, 2021	268,807	(121,923)	146,884	65,218	2,050	19,106	366,456	—	40,732	45,836	23,668	709,950	(e) 2.03 %	1,354
June 30, 2022	248,138	(168,598)	79,540	59,879	—	16,026	446,725	—	39,713	41,605	22,723	706,211	(e) 1.89 %	1,537
June 30, 2023	664,790	(222,533)	442,257	54,428	—	12,924	433,836	—	36,502	68,515	31,698	1,080,160	2.69 %	2,164

- (a) Inclusive of GMA Lease Pool, 1998 Installment Sales Program and Section 108 loans.
- (b) See Schedule 6 for assessed property value
- (c) See Schedule 18 for population value
- (d) Population data not available for 2020, percentage based on 2019 data
- (e) Total revised to include the Lease Liability and SBITA

City of Atlanta

2023 Annual Comprehensive Financial Report

Schedule 15

City of Atlanta, Georgia

Direct and Overlapping Governmental Activities Debt (unaudited)

(Dollars in thousands)

	Net Debt Outstanding	Percentage Applicable to City of Atlanta (a)	Amount Applicable to City of Atlanta
Direct Debt			
General Obligation Bonds	\$ 664,790	100.00 %	\$ 664,790
Certificate of Participation	54,428	100.00 %	54,428
APSJFA Revenue Bonds	12,924	100.00 %	12,924
Limited Obligation Bonds	224,588	100.00 %	224,588
Other General Long-term debt	470,338	100.00 %	470,338
Financed purchases	68,515	100.00 %	68,515
Subscription Based Information Technology Arrangements (SBITA)	8,369	100.00 %	8,369
Lease liability	23,329	100.00 %	23,329
Total Direct Debt			<u>1,527,281</u>
Overlapping Debt:			
Fulton County	367,411	47.00 %	172,683
Dekalb County	188,256	4.60 %	8,660
Fulton-Dekalb Hospital Authority	94,355	47.00 %	44,347
Total Overlapping Debt			<u>225,690</u>
Total Direct and Overlapping Debt			<u>\$ 1,752,971</u>

(a) Method used to calculate overlapping debt:

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for the City's financed purchases and other debt.

Sources: Assessed value data used to estimate applicable percentage provided by Fulton County Tax Assessor. Debt outstanding data provided by each governmental unit.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 16
City of Atlanta, Georgia
Legal Debt Margin Information (unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$2,166,763,057	\$2,247,694,484	\$2,615,707,678	\$2,680,586,893	\$2,874,146,148	\$3,850,491,690	\$3,348,221,028	\$4,113,315,425	\$4,625,043,288	\$4,022,153,028
Total net debt applicable to limit	199,215,000	395,890,000	357,955,000	350,285,000	325,430,000	299,095,000	273,900,000	247,650,000	243,950,000	633,425,000
Legal debt margin	<u>\$1,967,548,057</u>	<u>\$1,851,804,484</u>	<u>\$2,257,752,678</u>	<u>\$2,330,301,893</u>	<u>\$2,548,716,148</u>	<u>\$3,551,396,690</u>	<u>\$3,074,321,028</u>	<u>\$3,865,665,425</u>	<u>\$4,381,093,288</u>	<u>\$3,388,728,028</u>
Total net debt applicable to the limit as a percentage of debt limit	9.19 %	17.61 %	13.68 %	13.07 %	11.32 %	7.77 %	8.18 %	6.02 %	5.27 %	15.75 %

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 17A

City of Atlanta, Georgia

Department of Aviation

Schedule of Revenue Bond Coverage (unaudited)

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal Year	Operating Revenue (1)	Current Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)				
				General Revenue Debt	Debt Paid From PFC Revenues	Debt Paid From CARES Grant Funds	Debt Paid From Net Revenue	Coverage Percentage
2014	\$ 509,891	\$ 224,276	\$ 285,615	\$ 158,935	\$ —	\$ —	\$ 158,935	1.80
2015	512,952	225,189	287,763	153,298	—	—	153,298	1.88
2016	499,792	240,432	259,360	168,552	42,675	—	125,877	2.06
2017	512,726	264,125	248,601	167,951	28,318	—	139,633	1.78
2018	549,120	248,854	300,266	167,964	25,310	—	142,654	2.10
2019	619,459	316,419	303,040	168,449	26,480	—	141,969	2.13
2020	427,872	273,871	154,001	171,957	25,582	—	146,375	1.53
2021	387,265	291,013	96,252	136,262	8,342	101,890	26,030	3.70
2022	393,048	225,663	167,385	91,535	8,600	82,935	—	N/A
2023	527,745	99,299	428,446	116,683	6,618	110,065	—	N/A

(1) Represents total operating revenues on a cash basis.

(2) Represents total operating expenses on a cash basis.

(3) Debt service requirements are calculated per the requirements of the Master Bond Ordinance (dated March 20, 2000), as amended.

(4) During fiscal year 2022 & 2023, net revenues were not used to pay GARB debt service, therefore the debt service coverage is N/A

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 17B

City of Atlanta, Georgia

Department of Watershed Management

Schedule of Revenue Bond Coverage (unaudited)

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal Year	Operating Revenue (1)(2)	Current Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total (4)	Coverage Percentage
2014	\$ 575,656	\$ 210,265	\$ 365,391	\$ 51,370	\$ 158,893	\$ 210,263	1.74
2015	601,210	202,633	398,577	53,710	124,383	178,093	2.24
2016	614,633	224,954	389,679	56,310	155,241	211,551	1.84
2017	621,905	228,027	393,878	60,120	143,824	203,944	1.93
2018	640,537	239,020	401,517	63,650	138,913	202,563	1.98
2019	687,278	217,392	469,886	66,230	140,114	206,344	2.28
2020	654,505	217,531	436,974	74,985	135,610	210,595	2.07
2021	616,390	236,739	379,651	77,860	117,293	195,153	1.95
2022 (5)	666,839	188,928	477,911	89,027	118,560	207,587	2.30
2023	721,709	256,418	465,291	93,691	114,187	207,878	2.24

(1) The Department's revenue is pledged to the extent of the annual debt service of the Revenue Bonds.

(2) Total operating revenue plus investment income and Municipal Optional Sales Tax (MOST) included in operating transfer prior to 2018 and in nonoperating revenue in subsequent to 2018.

(3) Total operating expenses exclusive of the payment in lieu of taxes and franchise fee, depreciation, amortization and legal fees.

(4) Annual debt service includes sinking fund requirements of the Water and Wastewater revenue fund, net of capitalized interest.

(5) Revised to agree to the FY 2023 Department of Watershed's ACFR.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 18
City of Atlanta, Georgia
Demographic and Economic Statistics (unaudited)
Last Ten Fiscal Years

Reported in Fiscal Year *	Population	Personal Income (millions of dollars)	Per Capita Personal income	Median Age	Educational Attainment	School Enrollment	Unemployment Rate
2014	448,409	\$228,134	\$41,307	33.2	88.0	48,831	7.8%
2015	456,002	228,134	41,307	33.2	88.0	49,842	6.8%
2016	463,878	244,065	43,472	33.3	88.4	50,708	5.3%
2017	472,522	257,510	45,092	33.0	89.0	51,296	4.6%
2018	486,290	274,129	47,348	36.4	90.5	51,662	3.8%
2019	498,044	292,221	49,657	33.5	89.9	51,983	3.5%
2020	506,811	312,213	52,473	33.2	90.3	52,039	8.5%
2021	506,811	328,450	54,557	36.8	90.9	51,012	3.2%
2022	496,461	357,795	58,773	36.6	91.7	49,994	2.4%
2023	499,127	(1) 388,423 (2)	63,219 (3)	37.2 (4)	92.1 (5)	50,325 (6)	2.6% (7)

*Dates reflect the fiscal year the data was reported.

(1) U.S. Census Bureau, QuickFacts Annual Estimates of the Resident Population: July 1, 2022

(2) U.S. Department of Commerce, Bureau of Economic Analysis - data reported annually, available through 2020 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta as of September 30, 2021.

(3) <http://censusreporter.org/profiles/16000US1304000-atlanta-ga/>

(4) U.S. Census Bureau, American Community Survey for City of Atlanta, % of population that attained high school degree or higher educational degrees; data based on population 25 years and over and limited to household population, excludes institutions, college dormitories, & other group quarters; data available through 2021 as of July 1, 2022.

(5) U.S. Census Bureau, American Community Survey for City of Atlanta, % of population that attained high school degree or higher educational degrees; data based on population 25 years and over.

(6) Georgia Department of Education - Enrollment as of October 6, 2021.

(7) U.S. Department of Labor, Bureau of Labor Statistics; City of Atlanta data for December 2022 (Preliminary) is not seasonally adjusted and is inclusive of Atlanta-Sandy Springs-Marietta.

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 20

City of Atlanta, Georgia

Full-time Equivalent City Government Employees by Function/Program (unaudited)

Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Mayors Office	5	5	5	5	5	5	5	5	5	5
City Council	47	48	49	48	46	46	48	48	48	48
Finance	141	165	138	146	145	150	149	156	156	157
Planning	164	166	161	213	214	215	233	236	233	294
Procurement	46	41	41	82	81	82	77	81	81	82
Human Resources	143	147	134	136	134	141	153	144	138	137
Police										
Officers	1,973	2,009	2,007	2,368	2,420	2,402	2,205	2,425	2,431	2,508
Civilian	444	525	520	169	169	169	168	169	172	192
Fire										
Officers	1,060	1,062	1,064	1,069	1,086	1,086	1,089	1,143	1,120	1,123
Civilian	49	65	65	65	65	65	64	64	64	64
Corrections										
Officers	313	326	346	359	359	360	225	232	210	215
Public Works										
Streets	371	371	374	461	369	389	465	514	191	193
Refuse Collection	346	346	348	176	326	503	496	472	475	487
Parks, Recreation and Cultural Affairs	347	370	365	393	430	444	428	459	448	459
Water/Wastewater	1,515	1,486	1,567	1,162	1,096	1,243	1,382	1,384	1,316	1,328
Aviation	600	616	596	595	657	647	734	712	714	740
Total full-time equivalent employees	7,564	7,748	7,780	7,447	7,602	7,947	7,921	8,244	7,802	8,032

Source: City of Atlanta Fiscal Year 2023 Adopted Budget Book

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 21

City of Atlanta, Georgia

Operating Indicators by Function/Program (unaudited)

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Arrests	44,428	42,439	35,886	35,634	32,562	31,197	28,919	16,329	18,847	20,768
Parking violations	14,818	12,430	10,621	12,335	8,393	8,446	3,219	1,713	4,459	8,457
Traffic violations	167,421	203,761	188,450	157,399	125,546	149,544	115,201	53,409	53,866	57,658
Fire										
Emergency responses	91,379	93,725	97,106	92,380	93,015	91,602	84,581	77,084	88,649	86,840
Fires extinguished	1,701	1,731	1,763	1,940	1,920	1,819	1,964	1,852	2,099	2,200
Inspections	17,843	15,710	14,234	13,226	14,026	28,422	25,976	7,840	15,021	26,622
Refuse collection										
Refuse collected (tons per day)	467	511	427	514	447	468	467	566	537	334
Other public works										
Miles of streets resurfaced	12	33	24	69	51	25	19	34	58	22
Potholes repaired	5,006	2,561	3,919	3,771	6,402	15,173	3,131	2,865	6,495	10,270
Parks and recreation										
Athletic field permits issued	326	449	553	469	572	588	274	105	534	603
Community center admissions	600,000	455,388	503,421	465,504	492,308	526,440	260,989	36,451	97,632	199,945
Water										
New connections	1,041	1,115	1,541	1,694	1,760	1,753	1,593	1,814	1,896	1,496
Water main breaks	514	372	401	588	471	358	366	346	382	339
Average daily consumption (thousands of gallons)	90,880,000	92,930,000	96,930,000	97,570,000	96,840,000	96,880,000	98,350,000	94,120,000	104,600,000	111,120,000
Peak daily consumption (thousands of gallons)	129,510,000	113,210,000	124,500,000	131,870,000	116,890,000	105,810,000	140,680,000	114,910,000	121,100,000	176,620,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	127,900,000	132,738,000	132,340,000	120,940,000	129,850,000	140,100,000	133,462,000	130,222,000	131,695,000	136,379,000
Aviation										
Number of passengers served	94,778,483	98,267,049	103,689,041	104,258,612	105,208,100	109,128,294	79,743,513	49,718,951	89,791,316	99,504,505

City of Atlanta
2023 Annual Comprehensive Financial Report

Schedule 22
City of Atlanta, Georgia
Capital Asset Statistics by Function/Program (unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	16	17	15	15	11	11	12	13	14	13
Zone offices	6	6	6	6	6	6	6	6	6	6
Patrol units	337	377	396	359	365	420	403	377	446	396
Fire Stations	35	35	36	36	36	36	36	36	36	36
Refuse collection										
Collection trucks	95	94	88	88	87	93	95	95	84	92
Parks and recreation										
Acreage	4,395	4,781	4,810	4,816	4,970	4,798	4,847	4,847	4,305	4,476
Playgrounds	111	111	113	115	135	134	135	137	153	153
Baseball/softball diamonds	86	58	58	58	76	54	70	76	78	78
Soccer/football fields	32	36	36	36	21	16	16	16	30	29
Community centers	42	44	42	43	43	32	32	32	37	37
Water										
Water mains (miles)	2,766	2,766	2,766	2,818	2,828	2,861	2,869	2,886	2,898	2,904
Storage capacity (thousands of gallons)	247	247	247	247	247	247	247	247	247	247
Wastewater										
Sanitary sewers (miles)	2,259	2,259	2,259	1,871	1,865	1,839	1,840	1,833	1,805	1,806
Treatment capacity (thousands of gallons)	188.0MGD	202.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD	188.0MGD
Aviation										
Number of Runways	5	5	5	5	5	5	5	5	5	5
Number of Feet for each Runway:										
9R 27L 9,000 feet or 2,743 meters										
9L 27R 12,390 feet or 3,777 meters										
8R 27L 10,000 feet or 3,048 meters										
8L 26R 9,000 feet or 2,743 meters										
10-28 9,000 feet or 2,743 meters										

Sources: Various city departments