



 **ATL**

# Annual Comprehensive Financial Report

For the fiscal years ended June 30, 2022 and 2021  
Prepared by the Finance Division

**Department of Aviation**

An enterprise fund of the City of Atlanta, Georgia

6000 North Terminal Parkway · Suite 4000 · Atlanta, GA 30320



# **Annual Comprehensive Financial Report**

For the Fiscal Years Ended June 30, 2022 and 2021

Department of Aviation

An enterprise fund of the City of Atlanta, Georgia

Prepared by the Finance Division

Andre Dickens

Mayor

Balram Bheodari

Airport General Manager

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From left to right: Mayor Dickens, U.S. Senator for Georgia Jon Ossoff and General Manager Bheodari at a press conference



Mayor of Atlanta  
Andre Dickens



Airport General Manager  
Balram 'B' Bheodari

## INTRODUCTORY SECTION

Letter of Transmittal

GFOA Certificate of Achievement

Principal Officers

Organizational Chart

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**Andre Dickens**  
Mayor

**Balram Bheodari**  
Airport General Manager

**Letter of Transmittal**

December 22, 2022

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. Gordon, Chief Operating Officer  
55 Trinity Avenue  
Atlanta, Georgia 30303

Ladies and Gentlemen:

We are pleased to present the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR) for the City of Atlanta’s Department of Aviation (the 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, 2022, 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/](http://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 Airport General Manager, directly supervises Airport operations. The Department has a staff of 1,290, 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 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, 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**

After the major disruption caused by the COVID-19 pandemic, in FY22 the industry continues to recover as vaccines and booster shots remain readily available and air travel restrictions both domestic and international have been lifted in nearly all regions of the world. This financial recovery is expected to continue in fiscal year 2023 and reach pre-pandemic levels by fiscal year 2025. Due to the globalization of business and the increase in international trade and tourism, the conflict between Russia and Ukraine, is having a negative impact on the overall recovery, as certain carriers were sanctioned and no longer allowed to do business in the U.S. The impact of the closure of both Ukraine and Russia's airspace is impacting the recovery in Europe. The economic disruption and sanctions resulting from the Russian invasion and war on Ukraine have exacerbated the worldwide imbalance of demand and supply and caused a spike in oil and aviation fuel prices. Higher fuel prices have a negative effect on airline profitability as well as far-reaching implications of the global economy.

The Airport's financial performance is dependent partially on the profitability of our stakeholders, more specifically our major carriers. Per the ACI Global Outlook, the airlines are expected to improve in all regions, with the US being the only region returning to profitability in calendar year 2022.

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 terminal, 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 executing a list of priorities aimed at 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 rental, 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 year 2021, to lower the operating expenses and debt service related to the airfield to a level that allowed the rate to remain the same as the pre-pandemic landing fee rate of fiscal year 2020. These funds were also used in fiscal year 2022 to cover the cost of operating the airfield, which effectively suspended landing fees for fiscal year 2022. 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
2018	\$ 0.74770	\$ 2.61	\$ 4.97	\$ 6.54	\$ 10.00
2019	0.76270	2.81	5.15	6.67	10.43
2020	0.95130	3.33	6.05	6.62	11.13
2021	0.95130	5.71	10.25	6.59	14.22
2022	—	1.04	3.69	6.14	8.46

### Major Initiatives

One of the Airport's major challenges has been its ability to expand 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 and is expanding cargo facilities and concourses including the addition of five domestic gates. On May 1, 2022, the Airport began the renovation of the South Parking deck. Longer-term plans anticipate the renovation of the North parking deck, additional gates, and major concourse renewal and replacement projects.

Major projects completed by the issuance of the fiscal year 2022 report, include the following:

- Completion of the Concourse E Project replaced all existing hold-room seating and tables through the boarding level. The new seats include charging portals which further enhances the customer experience.
- The T-North Extension project was completed which strengthens our position as global gateway. This will enhance the customer experience by accommodating an increasing number of passengers at the Airport.
- Completion of the 9 Left End-Around Taxiway which will eliminate more than 400 aircraft crossings a day, increase sustainability by saving millions of gallons of fuel a year and increase efficiency by reducing aircraft taxi time between runways and gates.
- Completion of the CPTC (Central Terminal Passenger Complex) Modernization (DOA Landslide) modernized the existing Domestic Terminal to a new, fresh look and feel, unifying the facility with the Maynard H. Jackson International Terminal. Additionally, the focus of the project was to enhance the customer experience and service throughout the airport complex.

### Awards

Hartsfield-Jackson was awarded the Airports Council International Airport Service Quality Award: Best Airport by Size and Region.

Hartsfield-Jackson was awarded the Air Transport Research Society (ATRS) Award of Excellence - Top North American Airport Efficiency Excellence.

Hartsfield-Jackson was awarded the 2022 ACI Large Airport Adaptability Award for demonstrating adaptability and versatility to maintain a safe concessions program while preserving the customer experience during the COVID-19 pandemic.

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 ended June 30, 2021. 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 2022 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 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 acknowledgement is extended to the Mayor, the Atlanta City Council and members of the Transportation and Finance Executive committees, and the Chief Operating Officer 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 ended June 30, 2022 (FY 2022) is submitted herewith.

Respectfully,

DocuSigned by:  
*Balram Bheodari*  
49858DA27AC64F8...

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, 2021

*Christopher P. Morill*

Executive Director/CEO

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# Principal Officers

## EXECUTIVE

Mayor .....	Andre Dickens
Chief of Staff .....	Odie Donald II
Chief Operating Officer .....	Lisa Y. Gordon
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)

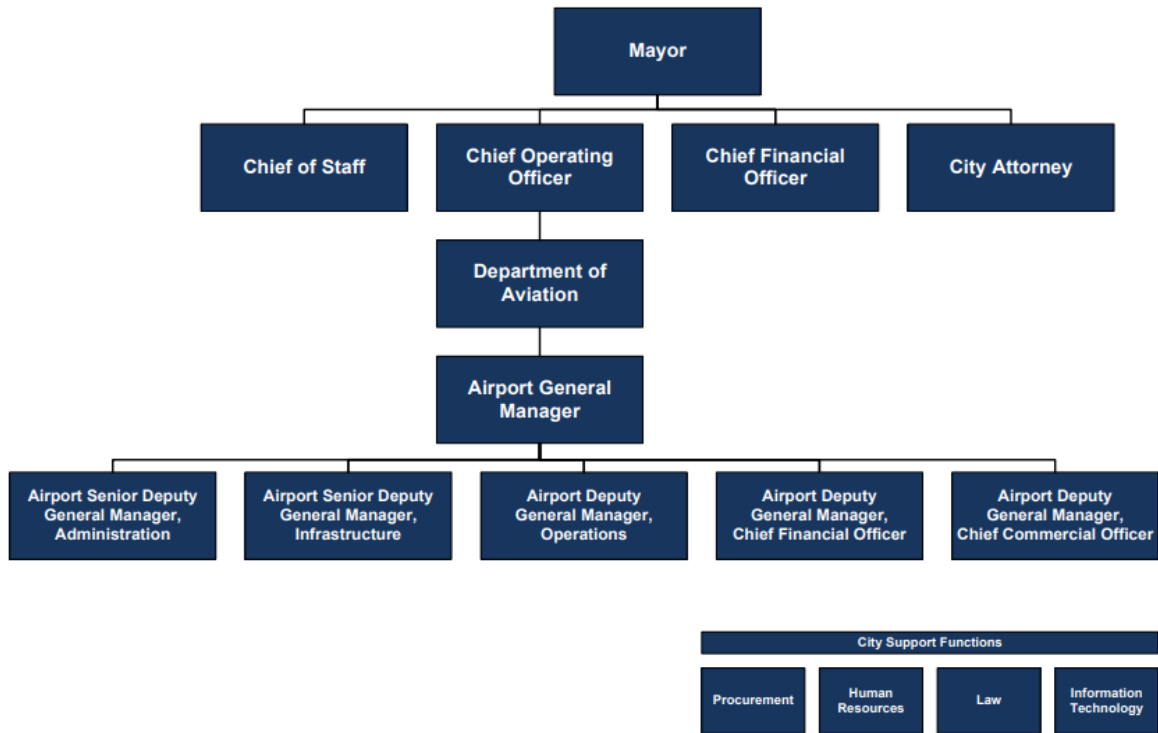
## DEPARTMENT OF AVIATION ADMINISTRATIVE OFFICIALS

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

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## **FINANCIAL SECTION**

Independent Auditors' Report Management's  
Discussion and Analysis

(Unaudited)

Basic Financial Statements

Notes to Financial Statements

Required Supplementary Information

(Unaudited)

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## INDEPENDENT AUDITOR'S REPORT

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**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 accompanying financial statements of the Department of Aviation (the "Department"), a major proprietary fund of the City of Atlanta, Georgia, as of and for the year ended June 30, 2022 and June 30, 2021, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Department as of June 30, 2022 and June 30, 2021, 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 Opinion***

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 (*Government Auditing Standards*). 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.

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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.

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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 proprietary 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, 2022 and June 30, 2021, 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.

As described in Notes 1 and 7 to the financial statements, as of July 1, 2021, the Department of Aviation adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinions are 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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**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.

The financial statements of the Department of Aviation as of June 30, 2021, were audited by other auditors whose report dated December 17, 2021, expressed an unmodified opinion on those statements.

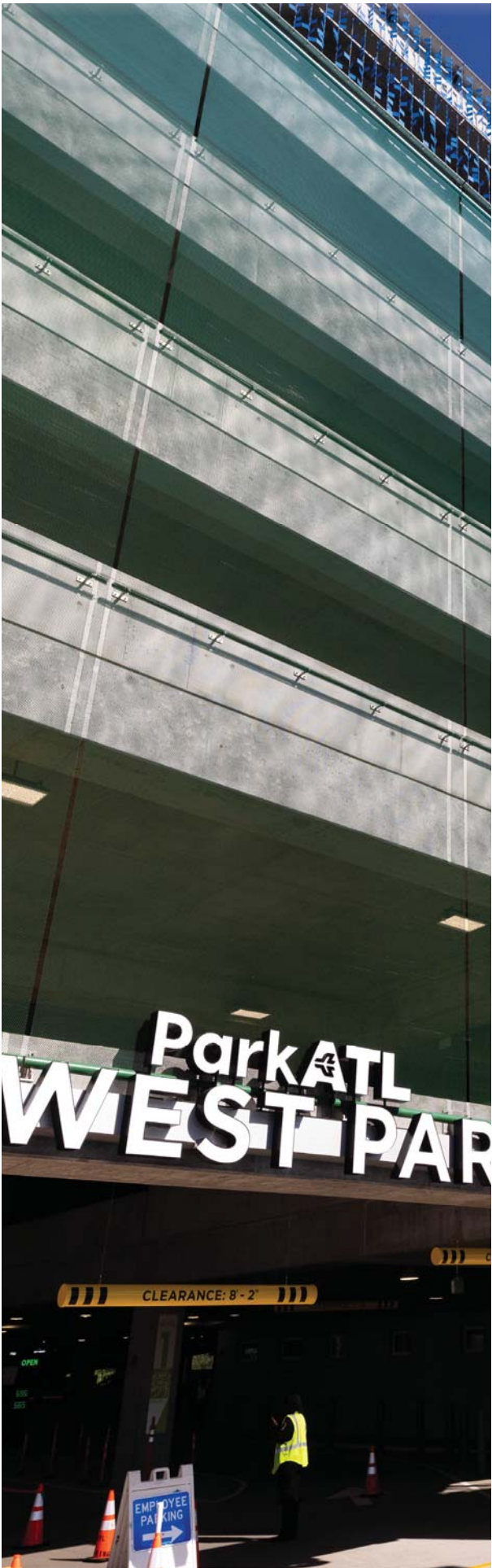
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, 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 22, 2022





## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2022 and 2021 with selected comparable data for the fiscal year ended June 30, 2020. 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. This information taken collectively 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). 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 Department continues to focus on moving beyond the impacts of COVID-19. As the Department moves forward, its focus is on its three strategic pillars: People, Purpose, and Performance. The achievements of fiscal year 2022 are summarized below:

- Hartfield-Jackson Atlanta International Airport was named the "World's Busiest" airport by the Airports Council International for 2021.

- Awarded the FAA Sandy Wright/Richard Dolbeer Excellence in Strike Reporting Award which was initiated in 2014 to recognize airports that have exhibited a noteworthy reporting program. The award highlights the commitment to the identification and documentation of wildlife and aircraft strike information.
- Awarded the Goodr Food Waste Partner of the Year Award for donating 131,392 surplus meals, preventing 85,615 lbs of carbon dioxide emissions, and diverting 157,670lbs of waste away from landfills.
- Awarded the Airport News and Training Network (ANTN) Digicast Excellence in Airport Award for Training Excellence – Large Hub (2021).
- Awarded the Airports Council International-North America (ACI) Concessions Large Airport Adaptability Award.
- Awarded the Air Transport Research Society (ATRS) Award of Excellence - Top North American Airport Efficiency Excellence.
- Awarded the Airports Council International-North America (ACI) Inclusion Champion Award – Large Hub Airport.

During fiscal year 2022, total enplanements increased by 80.0% 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 air cargo and mail previously reported for fiscal year 2021 have been updated based on corrections to air traffic reporting made after the issuance of last year's ACFR.

<b>Enplanements and operations activity:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Enplanements	44,860,920	24,928,472	39,747,596
Percent change from prior year	80.0 %	(37.3)%	(27.1)%
Flight operations	725,508	616,355	723,317
Percent change from prior year	17.7 %	(14.8)%	(19.7)%
Air cargo and mail (metric tons)	730,046	686,084	593,134
Percent change from prior year	6.4 %	15.7 %	(12.4)%

The total number of enplaned and deplaned passengers served by the Airport in fiscal year 2022 was approximately 89.8 million, which is an increase of 80.3% from the previous year as the Airport continues to recover from the impacts of the COVID-19 pandemic. Total enplaned and deplaned passengers in fiscal year 2021 and 2020 were 49.8 million and 79.7 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 prior to 2016 and bonds to be issued for the Terminal Modernization Project. Coverage is to be calculated at 30% for bonds issues 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 19.7% in 2022 compared to 2021 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. Operating revenue increased by 7.0% while nonoperating revenue increased by 67.0%. Comparative figures for the last three fiscal years are as follows (in thousands).

Revenues	2022	2021	2020
Operating revenue	\$ 379,357	354,470	442,318
Percent change	7.0 %	(19.9)%	(22.2)%
Nonoperating revenue, net	\$ 158,680	95,009	233,141
Percent change	67.0 %	(59.2)%	(29.8)%
Total revenue	\$ 538,037	449,479	675,459
Total percent change	19.7 %	(33.5)%	(25.0)%

### Operating Revenue

Operating revenue increased by 7.0% in fiscal year 2022 compared to fiscal year 2021. Parking increased by \$82.6 million, Other Concessions increased by \$9.5 million and Landing Fees decreased by \$36.5 million. The increase in operating revenue was due to the increase in passenger traffic impacted by continued recovery from the COVID-19 pandemic. Parking increased due to the increase in passenger traffic. Car Rental and Other Revenue increased by \$12.2 million and \$5.4 million, respectively. Car Rental increase due to non-airline customers renting cars at the Airport and Other Revenues increased due to insurance proceeds and recoverable costs for the operations and maintenance of the Rental Car Center. Building and Land Rental, decreased by \$49.1 million. The decrease in Building, Land Rentals, and Landing Fees is attributable to credits granted to signatory carriers from the COVID-19 Relief Grants.

Operating Revenues	2022	2021	2020
Parking	\$ 148,382	65,807	107,378
Car rental	45,636	33,423	32,001
Other concessions	44,561	35,082	99,143
Building and land rental	109,369	159,344	146,612
Landing fees	181	36,673	38,285
Other	31,228	24,141	18,899
Total operating revenue	379,357	354,470	442,318

Operating revenue decreased overall by 19.9% in fiscal year 2021 compared to fiscal year 2020. Parking decreased by \$41.6 million, Other Concessions \$64.1 million, and Landing Fees by \$1.6 million. The decrease in Parking and Other Concessions was as a result of the significant decrease in passenger traffic due to the COVID-19 Pandemic. Landing Fees were suspended for the fourth quarter of fiscal year 2020. Car Rentals increased by \$1.4 million, due to non-passengers renting cars at the Airport.; while Buildings and Land Rentals increased by \$12.7 million due to fewer COVID-19 accommodations granted in fiscal year 2021 when compared to fiscal year 2020.

### Nonoperating Revenue

Nonoperating revenue consists of net investment income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and other nonoperating income net of expenses. Net investment income (loss) was \$(18.9) million in 2022, \$11.7 million in 2021, and \$67.4 million in 2020. PFCs were \$185.8 million in 2022, \$90.2 million in 2021, and \$154.4 million in 2020. CFCs, which are collected to fund the financing and operation of the Rental Car Center (RCC), were \$30.4 million in 2022, \$21.0 million in 2021, and \$33.8 million in 2020. For fiscal years 2022, 2021, and 2020 operating expenses related to the RCC of \$14.0 million, \$13.7 million and \$14.4 million, respectively, are netted against gross CFC revenues to arrive at each year's reported CFC revenues of \$16.4 million, \$7.3 million, and , \$19.5 million respectively.

### Operating Expenses

Operating expenses in fiscal year 2022 decreased by \$4.0 million in comparison 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 in comparison 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 resumption of operations.

Depreciation and amortization expense increased by \$5.8 million in comparison 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 in comparison 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 in comparison to fiscal year 2021. This decrease 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.

Operating Expenses	2022	2021	2020
Salaries and employee benefits	\$ 81,971	105,262	97,237
Repairs, maintenance, and other contractual services	165,422	150,092	158,015
General services	23,132	22,773	23,149
Utilities	7,854	8,141	8,105
Materials and supplies	6,359	3,694	4,559
Other operating expenses	24,127	28,660	32,137
Depreciation and amortization expenses	291,581	285,808	272,495
Total operating expenses	\$ 600,446	604,430	595,697

Operating expenses in fiscal year 2021 increased by \$8.7 million in comparison to fiscal year 2020. Salaries and employee benefits expense contributed \$8.0 million to this increase, which is attributed to staffing of vacant positions, an increase in hazardous and comp-time pay related to the COVID-19 pandemic, and yearly adjustments related to pension. These increases were offset by decreases in vacancies in sworn officer positions, overtime, and other postemployment benefit liabilities.

Depreciation and amortization expense increased by \$13.3 million in comparison to fiscal year 2020, which is attributable to a net increase of \$416.9 million of depreciable assets during fiscal year 2021. Repairs, maintenance, and other contractual services decreased by \$7.9 million in comparison to fiscal year 2020. These decreases were offset by increases in repair and maintenance costs.

General services expenses contributed \$0.4 million to the decrease driven mainly by decreases in business meetings, training, and travel expenses as a result of the COVID-19 pandemic and decreases in indirect costs charged to the Airport for services rendered by other City departments. These decreases were offset by increases in telephone expense, computer and equipment purchases, and increases in bank charges.

Utilities expenses were essentially unchanged between fiscal years 2021 and 2020. The slight increase in usage in fiscal year 2021 was related to an increase in electricity usage due to operations of vertical transportation at the Rental Car Center offset by decreases in water and sewer expenses as a result of the COVID-19 pandemic.

Material and supplies expenses decreased by \$0.9 million in comparison to fiscal 2020. This decrease was driven by reductions in consumption and purchases of less consumable and non-consumable supplies as a result of a large number of employees working remotely.

Other operating expenses decreased by \$3.5 million in comparison to fiscal year 2020. This decrease was driven by decreases in major maintenance-type expenditures and litigation expenses, which were offset by an increase in fuel facility costs and insurance expenses.

### Nonoperating Expenses

Nonoperating expenses consist primarily of interest on long-term debt. Interest expense was \$91.2 million in 2022, \$94.5 million in 2021, and \$112.4 million in 2020. Except for fiscal year 2022, these amounts are net of any capitalized interest, which is recorded in the Department's capital assets as part of construction in process.

The net decrease in interest expense in fiscal year 2022 is the result of a reduction of outstanding principal, 2022 debt refunding of the series 2012ABC bonds, a decrease in amortization of combined gains on losses on refunding which were offset by an increase in premiums amortization, and a decrease of capitalized interest. Beginning in fiscal year 2022, with the adoption of GASB No.89, Accounting for Interest Cost Incurred Before the end of a Construction Period, the Department of Aviation will no longer compute capitalized interest costs on its projects. The impact of capitalized interest is a reduction in interest expense and an increase in construction in progress.

### Changes in Net Position

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

<b>Net Position</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Operating revenue	\$ 379,357	354,470	442,318
Operating expenses, excluding depreciation and amortization	308,865	318,622	323,202
Operating income before depreciation and amortization	70,492	35,848	119,115
Depreciation and amortization	291,581	285,808	272,495
Operating (loss)	(221,089)	(249,960)	(153,379)
Nonoperating income, net	251,448	115,359	201,669
Income (loss) before capital contributions and transfers	30,359	(134,601)	48,290
Capital contributions	33,180	44,956	29,615
Transfers in (out)	—	(4,339)	—
Increase in net position	63,539	(93,984)	77,905
Net position, beginning of the year	5,103,795	5,197,779	5,119,874
Net position, end of the year	<u>\$ 5,167,334</u>	<u>5,103,795</u>	<u>5,197,779</u>

The Airport receives Airport Improvement Program Grants and other grant-related funds from various sources to support particular programs. In fiscal year 2022, the Airport received revenues 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. The Airport also recorded \$184 million from the COVID-19 Relief Grants. In fiscal year 2021, the Airport recorded revenue of \$45.0 million from the Federal Aviation Administration which includes \$36.9 million for Airport-wide projects, \$7.8 million from the Transportation Security Administration, and



\$0.2 million from Georgia Department of Transportation. The Airport also received \$114.8 million from the CARES Act as a result of the COVID-19 pandemic.

### 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 and can be viewed as an indicator of the financial health of the Airport. During fiscal year 2022, net position increased by \$63.5 million, or 1.2%. Net position decreased in fiscal year 2021 by \$94.0 million, or 1.8%, compared to fiscal year 2020.

Total assets increased by \$505.9 million, or 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, or 66.9% in 2022. These assets will be used for annual debt obligations. Capital assets, net of accumulated depreciation, increased by \$216.7 million, or 3.2% in 2022.

Current assets decreased by \$160.4 million in fiscal year 2022 compared to fiscal year 2021, which is primarily due to decreases in restricted cash and cash equivalents, equity in cash management pool, and accounts receivables. 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, decreased by \$16.7 million in fiscal year 2022 compared to fiscal year 2021. This decrease is a result of a net increase of pension and other postemployment benefit-related deferred outflows of \$9.3 million, and a decrease in amortization of deferred outflows on refunding of bond debt of \$26.0 million.

Total assets decreased by \$121.0 million, or 1.3%, in fiscal year 2021 compared to fiscal year 2020. Non-current assets (excluding capital assets), which are predominately comprised of restricted cash and cash equivalents and investments, decreased by \$388.3 million, or 36.6% in 2021. These assets will be used for annual debt obligations. Capital assets, net of accumulated depreciation, increased by \$79.9 million, or 1.2% in 2021.

Deferred outflows of resources, which includes unamortized amounts for gains and losses on the refunding of bond debt and pension-related deferred outflows, increased by \$2.4 million in fiscal year 2021 compared to fiscal year 2020. This increase is the result of an increase of pension-related deferred outflows of \$5.6 million, and a decrease in amortization of deferred outflows on refunding of bond debt of \$3.2 million.

<b>Assets</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current assets	\$ 1,397,228	1,557,624	1,411,170
Noncurrent assets	1,163,509	713,949	1,061,281
Capital assets, net	6,964,737	6,748,045	6,668,192
Deferred outflows of resources	62,983	79,702	77,318
	<u>\$ 9,588,457</u>	<u>9,099,320</u>	<u>9,217,961</u>

For fiscal year 2022, total liabilities increased by \$370.0 million due primarily to increases 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 liability in 2022.

Deferred inflows of resources, which includes pension, other postemployment benefit-related deferred inflows, and lessor type lease activity increased by \$57.2 million in fiscal year 2022 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 2021, total liabilities decreased by \$62.5 million due primarily to decreases in restricted accounts payable, unearned revenue, contract retention, other postemployment benefit liability, and long-term debt, which is being offset by increases in accrued expenses, commercial paper notes, and net pension liability in 2021.

Deferred inflows of resources, which includes pension-related deferred inflows, decreased by \$6.9 million in fiscal year 2021 as a result of charges related to GASB 68 and GASB 75.

<b>Liabilities</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current liabilities (payable from unrestricted assets)	\$ 155,220	154,562	197,376
Current liabilities (payable from restricted assets)	615,738	644,329	535,083
Noncurrent liabilities	3,487,717	3,089,794	3,218,685
Deferred inflows of resources	162,448	106,840	69,038
	<u>\$ 4,421,123</u>	<u>3,995,525</u>	<u>4,020,182</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 \$422.8 million as of June 30, 2022 represents amounts that are not subject to external restrictions (in thousands).

<b>Net Position</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net investment in capital assets component of net position	\$ 3,798,439	3,626,842	3,612,986
Restricted component of net position	946,125	946,788	1,124,454
Unrestricted component of net position	422,770	530,165	460,339
Total net position	<u>\$ 5,167,334</u>	<u>5,103,795</u>	<u>5,197,779</u>

### Airport Capital Assets and Capital Improvement Plan

As of fiscal years ended 2022, 2021, and 2020, the Airport had capital assets, net of \$7.0 billion, \$6.7 billion, and \$6.7 billion in each of these fiscal years. The majority of these balances are in runways, taxiways, and other land improvements and 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, \$741.5 million, and \$793.4 million, respectively. For fiscal year 2022, 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	\$	483,054
Airfield and runway projects		236,940
Concourse transportation system (AGTS)		209,706
Terminal/passenger projects		27,275
Security/operations projects		42,087
Other		82,062
Total construction in process	\$	<u>1,081,124</u>

### Long-Term Debt

As of June 30, 2022, the Airport had a total of \$3.0 billion outstanding in General Airport Revenue, PFC Subordinate Revenue, and CFC Taxable Revenue Bonds. These bonds mature from January 1, 2021 to July 1, 2052, with interest rates ranging from 2.00% to 6.00%. 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

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## **BASIC FINANCIAL STATEMENTS**

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

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Current assets:		
Cash and cash equivalents	\$ 64	\$ 13
Restricted cash and cash equivalents	560,111	589,115
Equity in cash management pool	753,648	907,187
Accounts receivable, net of allowance for doubtful accounts of \$7,236 in 2022 and \$8,037 in 2021	7,286	14,029
Lease receivable	4,360	3,713
Restricted other assets	55,563	29,017
Prepaid expenses	2,205	1,426
Materials and supplies	13,991	13,124
Total current assets	<u>1,397,228</u>	<u>1,557,624</u>
Noncurrent assets:		
Lease receivable	40,345	40,990
Restricted cash and cash equivalents	491,421	—
Restricted investments	631,743	672,959
Capital assets:		
Land	584,230	584,230
Land purchased for noise abatement	277,776	277,776
Runways, taxiways, and other land improvements	3,608,862	3,583,712
Terminal, maintenance buildings, and other structures	5,219,551	5,091,310
Other property and equipment	527,446	512,201
Construction in process	1,081,124	741,487
Less accumulated depreciation	<u>(4,334,252)</u>	<u>(4,042,671)</u>
Total capital assets, net	<u>6,964,737</u>	<u>6,748,045</u>
Total noncurrent assets	<u>8,128,246</u>	<u>7,461,994</u>
Total assets	<u>9,525,474</u>	<u>9,019,618</u>
Deferred outflows of resources:		
Pension and other postemployment benefit related deferred outflows	60,216	50,963
Accumulated deferred amount of debt refundings	2,767	28,739
Total assets and deferred outflows of resources	<u>\$ 9,588,457</u>	<u>\$ 9,099,320</u>

(Continued)

<b>Liabilities and Net Position</b>	<b>2022</b>	<b>2021</b>
Current liabilities:		
Accounts payable	\$ 27,450	\$ 29,289
Accrued expenses	48,463	44,390
Current portion of unearned revenue	3,779	3,779
Claims payable	—	800
Current maturities of long-term debt	38,780	33,950
Accrued interest payable	31,444	37,148
Current portion of other postemployment benefit liability	4,131	4,548
Current portion of other liabilities	1,173	658
	<u>155,220</u>	<u>154,562</u>
Current liabilities payable from restricted assets:		
Current maturities of long-term debt	41,230	39,190
Current portion of financed purchased obligation	519	488
Accrued interest payable	27,792	28,813
Accounts payable	64,931	65,311
Contract retention	26,241	11,713
Commercial paper notes	455,025	498,814
Current liabilities payable from restricted assets	<u>615,738</u>	<u>644,329</u>
Total current liabilities	<u>770,958</u>	<u>798,891</u>
Long-term liabilities:		
Long-term debt, less current maturities	3,274,026	2,794,098
Financed purchase obligation, less current portion	6,605	7,124
Unearned revenue	17,691	21,470
Contract retention	8,274	3,766
Claims Payable	800	—
Accrued workers' compensation, health, and dental claims	4,700	2,724
Net pension liability	79,812	160,617
Other postemployment benefit liability	95,809	99,995
Total long-term liabilities	<u>3,487,717</u>	<u>3,089,794</u>
Total liabilities	<u>4,258,675</u>	<u>3,888,685</u>
Deferred inflows of resources:		
Deferred inflows - leases	43,082	44,703
Pension and other postemployment benefit related deferred inflows	119,366	62,137
Total liabilities and deferred inflows of resources	<u>\$ 4,421,123</u>	<u>\$ 3,995,525</u>
Net position:		
Net investment in capital assets	\$ 3,798,439	\$ 3,626,842
Restricted for:		
Capital projects	520,793	542,513
Debt service	425,332	404,275
Unrestricted	422,770	530,165
Total net position	<u>\$ 5,167,334</u>	<u>\$ 5,103,795</u>

See accompanying notes to financial statements.

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Parking, car rental, and other concessions	\$ 238,579	\$ 134,312
Terminal, maintenance buildings, and other rentals	109,369	159,344
Landing fees	181	36,673
Other	31,228	24,141
Total operating revenue	<u>379,357</u>	<u>354,470</u>
Operating expenses:		
Salaries and employee benefits	81,971	105,262
Repairs, maintenance, and other contractual services	165,422	150,092
General services	23,132	22,773
Utilities	7,854	8,141
Materials and supplies	6,359	3,694
Other	24,127	28,660
Depreciation and amortization expenses	291,581	285,808
Total operating expenses	<u>600,446</u>	<u>604,430</u>
Operating loss	<u>(221,089)</u>	<u>(249,960)</u>
Nonoperating revenue (expenses):		
Investment loss, net	(18,920)	11,676
Passenger facility charges	185,769	90,153
Customer facility charges, net	16,360	7,307
Non-capital grants	183,920	114,805
Interest on long-term debt	(91,153)	(94,455)
Other revenue (expenses), net	(24,528)	(14,127)
Non-operating revenue, net	<u>251,448</u>	<u>115,359</u>
Income (loss) before contributions and transfers	30,359	(134,601)
Capital contributions	33,180	44,956
Transfers (out) to the City	—	(4,339)
Change in net position	63,539	(93,984)
Net position, beginning of the year	<u>5,103,795</u>	<u>5,197,779</u>
Net position, end of the year	<u>\$ 5,167,334</u>	<u>\$ 5,103,795</u>

See accompanying notes to financial statements.



	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Receipts from customers and tenants	\$ 383,547	\$ 377,879
Payments to suppliers for goods and services	(230,379)	(215,791)
Payments to employees for services	(115,306)	(111,425)
Net cash provided by operating activities	<u>37,862</u>	<u>50,663</u>
Cash flows from investing activities:		
Interest and dividends on investments	25,981	22,775
Purchases of restricted investments	(392,265)	(496,436)
Sales and redemptions of restricted investments	404,300	574,592
Change in pooled investment fund	137,819	(68,234)
Net cash provided by investing activities	<u>175,835</u>	<u>32,697</u>
Cash flows from capital and related financing activities:		
Grants received	29,137	48,238
Principal repayments of short-term and long-term obligations and leases	(715,466)	(617,347)
Proceeds from short-term and long-term obligations	1,218,726	602,744
Acquisition, construction, and improvement of capital assets	(489,999)	(397,361)
Passenger and customer facility charges	191,687	89,145
Interest and other fees paid on bonds	(157,774)	(146,206)
Net cash provided by (used in) capital and related financing activities	<u>76,311</u>	<u>(420,787)</u>
Cash flows from non-capital and related financing activities		
Non-capital grants	<u>172,460</u>	<u>114,805</u>
Net cash provided by non-capital and related financing activities	<u>172,460</u>	<u>114,805</u>
Increase (decrease) in cash and cash equivalents	462,468	(222,622)
Cash and cash equivalents:		
Beginning of year	589,128	811,750
End of year	<u>\$ 1,051,596</u>	<u>\$ 589,128</u>

(Continued)

	<u>2022</u>	<u>2021</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (221,089)	\$ (249,960)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	291,581	285,808
Changes in assets and liabilities:		
Accounts receivable, net of allowances	6,743	7,932
Leases - GASB 87, Net	(1,623)	—
Prepaid expenses	(779)	273
Materials and supplies	(867)	(1,234)
Accounts payable and accrued expenses	2,616	21,033
Unearned revenue	(3,779)	(3,779)
Net pension liability and related deferred items	(26,604)	2,778
Other postemployment benefit liability and related deferred items	(8,337)	(12,188)
Net cash provided by operating activities	<u>\$ 37,862</u>	<u>\$ 50,663</u>
Schedule of noncash capital and related financing activity:		
Acquisition of capital assets with accounts payable	64,931	65,312
Amortization of bond discount and premium, net	37,364	31,777
Accrued contract retention	34,515	15,479

See accompanying notes to financial statements.



## 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

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**(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, 2022; 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, 2022 and 2021, cash and cash equivalents included the following (in thousands):

	<u>2022</u>	<u>2021</u>
Unrestricted cash and cash equivalents	\$ 64	13
Restricted cash and cash equivalents	<u>1,051,531</u>	<u>589,115</u>
Total cash and cash equivalents	<u>\$ 1,051,595</u>	<u>589,128</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, 2022 and 2021 were \$119.4 million and \$62.1 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, 2022 and 2021 was \$2.8 million and \$28.7 million, respectively. Total pension and other postemployment benefit related deferred outflows at June 30, 2022 and 2021 were \$60.2 million and \$51.0 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, 2022 and 2021, the Department recorded \$33.2 million and \$45.0 million, respectively, in federal and state grants that are reimbursable. The Airport also recorded a total of \$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, 2022. The Department is still pending the receipt of \$11 million from the CRRSA Act grant for concessions. Additionally, the Department received and recorded \$114.8 million from CARES Act as of June 30, 2021.

**(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, 2022, there were no transfers recorded. In fiscal year 2021, \$4.3 million in transfers were recorded. The transfer that occurred during fiscal year 2021 was related to the Department's portion of the City's Oracle ERP software upgrade costs.

**(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 nonexchange 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 \$21.4 million and \$25.2 million of unearned revenue at June 30, 2022 and 2021, 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 \$185.8 million and \$90.2 million in passenger facility charges for the years ended June 30, 2022 and 2021, 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 \$30.4 million and \$21.0 million in customer facility charges for the years ended June 30, 2022 and 2021, respectively. Operating expenses during fiscal years 2022 and 2021 of approximately \$14.0 million and \$13.7 million, respectively, are netted against the CFC revenue and result in net CFC income of \$16.4 million for 2022 and \$7.3 million for 2021.

**(q) Economic Concentration**

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. Delta Air Lines and the Airport-owned parking facilities accounted for approximately 23.5% and 18.6% of total operating revenue, respectively, for the year ended June 30, 2021.

**(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 \$23.1 million and \$22.8 million in general services costs for the years ended June 30, 2022 and 2021, respectively, the allocated expense amount for the year ended June 30, 2022 was \$10.9 million, compared to \$12.5 million for the year ended June 30, 2021.

**(s) New Accounting Standards**

During fiscal year 2022, the Department adopted GASB Statement No. 87 *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under

this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**(t) Recently Issued Accounting Standards**

In May 2020, the 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 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 leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022.

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, 2022 and 2021 are classified in the accompanying financial statements as follows (in thousands):

	<u>2022</u>	<u>2021</u>
Unrestricted		
Cash and cash equivalents	\$ 64	13
Equity in cash management pool	753,648	907,187
Restricted		
Cash and cash equivalents	1,051,531	589,115
Investments	631,743	672,959
Total deposits and investments	<u>\$ 2,436,987</u>	<u>2,169,274</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, 2022 and 2021, the Department had approximately \$753.6 million and \$907.2 million, respectively, within the City's cash management pool. At June 30, 2022 and 2021, 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, 2022 and 2021, the Department's cash equivalent deposits in the Georgia Fund 1 are approximately \$60.6 million and \$74.9 million, respectively. The total amount recorded by all public agencies in Georgia Fund 1 at June 30, 2022 and 2021, was approximately \$27.9 billion and \$23.4 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, 2022 and 2021, (in thousands):

	<b>2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Debt securities:				
U.S. treasury securities	\$ 83,319	—	—	83,319
U.S. agency securities	—	398,471	—	398,471
State and municipal bonds	—	127,163	—	127,163
Total debt securities	<u>83,319</u>	<u>525,634</u>	<u>—</u>	<u>608,953</u>
Other securities:				
Repurchase agreements (Repos)	—	22,790	—	22,790
Total other securities	<u>—</u>	<u>22,790</u>	<u>—</u>	<u>22,790</u>
Total investments by fair value level	<u>\$ 83,319</u>	<u>548,424</u>	<u>—</u>	<u>631,743</u>
Investments measured at NAV:				
Equity in cash management pool				\$ 753,648
Total investments measured at the NAV				<u>753,648</u>
Total investments				<u>\$ 1,385,391</u>
<b>2021</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Debt securities:				
U.S. treasury securities	\$ 94,384	—	—	94,384
U.S. agency securities	—	377,194	—	377,194
State and municipal bonds	—	178,591	—	178,591
Total debt securities	<u>94,384</u>	<u>555,785</u>	<u>—</u>	<u>650,169</u>
Other securities				
Repurchase agreements (Repos)	—	22,790	—	22,790
Total other securities	<u>—</u>	<u>22,790</u>	<u>—</u>	<u>22,790</u>
Total investments by fair value level	<u>\$ 94,384</u>	<u>578,575</u>	<u>—</u>	<u>672,959</u>
Investments measured at NAV:				
Equity in cash management pool				\$ 907,187
Total investments measured at the NAV				<u>907,187</u>
Total investments				<u>\$ 1,580,146</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, 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.

As of June 30, 2021, 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	\$ 5,690	14,568	34,371	99,726	24,235	178,591
U.S. agency securities	Aaa/ AA+	—	20,725	13,917	342,553	—	377,194
U.S. treasury securities	Exempt	15,015	12,354	55,891	11,123	—	94,384
Equity in cash management pool	N/A	907,187	—	—	—	—	907,187
Repurchase Agreements (Repos)	*	—	—	—	—	22,790	22,790
Grand total		<u>\$927,892</u>	<u>47,647</u>	<u>104,179</u>	<u>453,402</u>	<u>47,025</u>	<u>1,580,146</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, 2022 and 2021.

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, 2022 and 2021, 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, 2022 and 2021 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, 2022 and 2021 are summarized as follows (in thousands):

	<u>2022</u>	<u>2021</u>
Renewal and Extension Fund:		
Cash and cash equivalents	\$ 14,876	14,847
Other assets	11,831	7,787
Passenger Facility Charge Fund:		
Cash and cash equivalents	56,778	66,637
Other assets	28,322	18,579
Investments	462,368	494,678
Customer Facility Charge Fund:		
Cash and cash equivalents	21,460	20,685
Other assets	2,590	1,892
Construction Fund:		
Cash and cash equivalents	702,460	260,953
Other assets	11,460	—
Sinking Funds:		
Cash and cash equivalents	255,958	225,993
Other assets	1,359	759
Investments	169,375	178,281
Total	<u>\$ 1,738,837</u>	<u>1,291,091</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, 2022 and 2021 (in thousands):

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,051,531	589,115
Other assets	55,563	29,017
Investments	631,743	672,959
Total	<u>\$ 1,738,837</u>	<u>1,291,091</u>

**(5) Capital Assets**

Summaries of capital asset activity and changes in accumulated depreciation for the years ended June 30, 2022 and 2021 are as follows (in thousands):

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Deletions and retirements</u>	<u>Transfers to additions</u>	<u>Balance at June 30, 2022</u>
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	<u>1,603,493</u>	<u>507,037</u>	<u>—</u>	<u>(167,400)</u>	<u>1,943,130</u>
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	<u>9,187,223</u>	<u>1,236</u>	<u>—</u>	<u>167,400</u>	<u>9,355,859</u>
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	<u>(4,042,671)</u>	<u>(291,581)</u>	<u>—</u>	<u>—</u>	<u>(4,334,252)</u>
Net capital assets	<u>\$ 6,748,045</u>	<u>216,692</u>	<u>—</u>	<u>—</u>	<u>6,964,737</u>

	Balance at June 30, 2020	Additions	Deletions and retirements	Transfers to additions	Balance at June 30, 2021
Capital assets not being depreciated					
Land	\$ 862,006	—	—	—	862,006
Construction in progress	793,389	356,586	—	(408,488)	741,487
Total capital assets not being depreciated	<u>1,655,395</u>	<u>356,586</u>	<u>—</u>	<u>(408,488)</u>	<u>1,603,493</u>
Capital assets being depreciated:					
Runways, taxiways, and other land improvements	3,572,479	—	—	11,233	3,583,712
Terminal, maintenance buildings, and other structures	4,708,993	—	—	382,317	5,091,310
Other property and equipment	488,835	9,142	(714)	14,938	512,201
Total capital assets being depreciated	<u>8,770,307</u>	<u>9,142</u>	<u>(714)</u>	<u>408,488</u>	<u>9,187,223</u>
Less accumulated depreciation for:					
Runways, taxiways, and other land improvements	(1,755,118)	(99,435)	—	—	(1,854,553)
Terminal, maintenance buildings, and other structures	(1,724,935)	(144,071)	614	—	(1,868,392)
Other property and equipment	(277,457)	(42,302)	33	—	(319,726)
Total accumulated depreciation	<u>(3,757,510)</u>	<u>(285,808)</u>	<u>647</u>	<u>—</u>	<u>(4,042,671)</u>
Net capital assets	<u>\$ 6,668,192</u>	<u>79,920</u>	<u>(67)</u>	<u>—</u>	<u>6,748,045</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, 2022 and 2021 consists of the following (in thousands):

	2022	2021
General Revenue Bonds:		
Airport General Revenue Refunding Bonds, Series 2012A, combination serial at 2.00% – 5.00% and term, at 4.00% – 5.00% through 2042	\$ —	\$ 54,660

	<u>2022</u>	<u>2021</u>
Airport General Revenue Refunding Bonds, Series 2012B, combination serial at 3.00% – 5.00% and term, at 5.00% through 2042	—	160,285
Airport General Revenue Refunding Bonds, Series 2012C, combination serial at 4.00% – 5.00% and term, at 5.00% through 2042	—	195,395
Airport General Revenue and Refunding Bonds, Series 2014B at 3.00% – 5.00% due serially through 2033	112,200	118,495
Airport General Revenue and Refunding Bonds Series 2014C at 2.00% – 5.00% due serially through 2030	79,700	87,705
Airport General Revenue Bond- Non-AMT Series 2019A at 4.00% – 5.00% and term, at 5.00% due serially through 2049	46,385	47,150
Airport General Revenue Bond - AMT Series 2019B at 4.00% – 5.00% and term, at 5.00% due serially through 2049	249,945	254,215
Airport General Revenue Bond - AMT Series 2019E at 4.00% – 5.00% due serially through 2039	95,435	98,695
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	44,305	—
Airport General Revenue Refunding Bonds - Non-AMT Series 2021B at 4.00% - 5.00% due serially through 2042	129,985	—
Airport General Revenue Refunding Bonds- AMT Series 2021C at 4.00% - 5.00% due serially through 2042	161,580	—
Airport General Revenue Bonds - Non-AMT Series 2022A at 4.00% - 5.00% due serially through 2052	177,560	—
Airport General Revenue Bonds -AMT Series 2022B at 4.00% - 5.00% due serially through 2052	204,810	—
Total general revenue bonds	<u>1,666,505</u>	<u>1,381,200</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

	<u>2022</u>	<u>2021</u>
PFC and Subordinate Lien General Revenue Refunding Bonds, Series 2019F, at 5.00%, due serially through 2025	90,060	119,025
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	—
	<u>1,183,490</u>	<u>1,048,405</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)	112,640	122,000
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)	10,820	11,685
	<u>123,460</u>	<u>133,685</u>
Total long-term debt	2,973,455	2,563,290
Unaccreted bond discounts	(68)	(80)
Unamortized bond premiums	380,649	304,028
Less current maturities	(80,010)	(73,140)
Total long-term debt	<u>\$ 3,274,026</u>	<u>2,794,098</u>

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

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2022</u>	<u>Due within one year</u>
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>\$ 2,867,238</u>	<u>1,019,662</u>	<u>(532,864)</u>	<u>3,354,036</u>	<u>80,010</u>

	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due within one year
Revenue, PFC, and CFC Bonds	\$ 2,815,580	364,600	(616,890)	2,563,290	73,140
Plus issuance discount and premium, net	244,466	97,231	(37,749)	303,948	—
Total bonded debt	<u>\$ 3,060,046</u>	<u>461,831</u>	<u>(654,639)</u>	<u>2,867,238</u>	<u>73,140</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, 2022 and 2021, the balance of outstanding conduit debt totaled \$123.5 million and \$133.7 million, respectively.

The annual debt service requirements at June 30, 2022 are as follows (in thousands):

Year:	Principal	Interest	Total debt service
2023	\$ 80,010	103,306	183,316
2024	97,380	137,798	235,178
2025	124,615	133,213	257,828
2026	144,080	127,020	271,100
2027	184,225	119,466	303,691
2028-2032	846,470	398,062	1,244,532
2033-2037	517,620	353,355	870,975
2038-2042	599,745	157,186	756,931
2043-2047	201,445	59,201	260,646
2047-2049	67,740	5,552	73,292
Total	<u>\$ 2,973,455</u>	<u>1,609,738</u>	<u>4,583,193</u>

On October 6th, 2021, the Department of Aviation issued \$44,305,000 in the aggregate principal amount for the Airport General Revenue Refunding Bonds, Series 2021A (Non-AMT), \$129,985,000 in the aggregate principal amount for the Airport General Revenue Refunding Bonds, Series 2021B (Non-AMT), and \$161,585,000 in the aggregate principal amount for the Airport General Revenue Refunding

Bonds, Series 2021C (AMT). The Series 2021 Refunding Bonds were issued for the purpose of providing funds to among other things: (a) refund and redeem all of the outstanding principal amount of the Refunded Bonds; and (b) pay certain costs of issuance with respect to the Series 2021 Refunding Bonds. By issuing the Series 2021 bonds, the city obtained an estimated economic gain of approximately \$125.5 million and obtained a net present value of savings of approximately \$118.0 million.

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

	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>

	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due within one year
Commercial paper notes	\$ 357,902	140,912	—	498,814	498,814
Total notes	<u>\$ 357,902</u>	<u>140,912</u>	<u>—</u>	<u>498,814</u>	<u>498,814</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, 2022 are as follows (in thousands):

Year:	Principal	Interest	Total debt service
2023	\$ 519	168	687
2024	551	156	707
2025	585	143	728
2026	621	129	750
2027	657	141	798
2028-2032	3,893	320	4,213
2033-2037	298	7	305
Total	<u>\$ 7,124</u>	<u>1,064</u>	<u>8,188</u>

	Balance at June 30, 2021	Additions	Payments	Balance at June 30, 2022	Due within one year
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>

	Balance at June 30, 2020	Additions	Payments	Balance at June 30, 2021	Due within one year
Finance purchase obligation	\$ 8,069	\$ —	\$ 457	\$ 7,612	\$ 488
Total obligation	<u>\$ 8,069</u>	<u>\$ —</u>	<u>\$ 457</u>	<u>\$ 7,612</u>	<u>\$ 488</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). However, concessions lease revenue reported for Fiscal year 2022, represents percentage rents only. Due to COVID-19, concessionaires were only required to pay percentage rents based on their gross revenues.

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 \$44.7 million for fiscal years 2022 and 2021. Deferred inflow of resources for fiscal year 2022 was \$43.1 million, decreasing from \$44.7 million in fiscal year 2021. The Airport is reporting lease interest revenue of \$2.5 million for the year ended June 30, 2022.

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, 2022, minimum future rentals and fees to be received under non-cancelable leases or concession agreements for each fiscal year are as follows (in thousands):

<b>Commercial Real Estate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 524	\$ 384	\$ 908
2024	384	369	753
2025	412	353	766
2026	442	337	778
2027	460	319	779
2028-2032	2,542	1,308	3,849
2033-2037	2,740	786	3,526
2038-2042	2,113	261	2,374
2043-2047	446	19	465
Total	<u>\$ 10,063</u>	<u>\$ 4,136</u>	<u>\$ 14,198</u>

<b>Concession</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 167	1	\$ 168
Total	<u>\$ 167</u>	<u>1</u>	<u>\$ 168</u>

<b>Government</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,266	186	1,452
2024	1,321	158	1,480
2025	1,379	130	1,509
2026	1,439	99	1,538
2027	793	76	868
2028-2032	2,761	121	2,882
Total	<u>\$ 8,959</u>	<u>769</u>	<u>\$ 9,729</u>

<b>Rental Car Center</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 2,404	966	3,369
2024	2,502	868	3,369
2025	2,604	766	3,369
2026	2,710	660	3,369
2027	2,820	549	3,369
2028-2032	12,477	1,001	13,478
Total	\$ 25,516	4,809	\$ 30,325

### 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 7,548 million square footage with Delta Air Lines renting 5,586 million square foot or 74%, and TBI renting 787 thousand square foot or 10.4%. The total regulated land rented space for the reporting period was 20,322 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 defined benefit 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, two city council members appointed by the President of the Atlanta City Council, one member appointed by the Atlanta Board of Education (School System), one member appointed by the Mayor 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 Public Schools 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, 2020 and July 1, 2019, with results rolled forward to the measurement date of June 30, 2021 and June 30, 2020. The Department is presenting the net pension liability as of June 30, 2021 for fiscal year 2022 financial statements and as of June 30, 2020 for the fiscal year 2021 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:		
2021	\$ 5,410	11.22 %
2022	5,806	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		
2021	\$ 3,594	23.00 %
2022	6,354	23.00
Police officers		
2021	\$ 1,726	8.00 %
2022	3,320	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 2020. 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, 2022 and 2021 are summarized in the following tables:

**General employees'**

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	42 %	6.55 %
International equity	28	7.84
Fixed income	25	0.40
Real estate	3	3.65
Alternative investments	2	10.55
	100 %	

**Firefighters' and Police Officers'**

Asset class	Target allocation	Long-term expected real rate of return
Broad equity market	— %	— %
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 %	

For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return for General Employees', Firefighters' and Police Officers' Pension Plan investments, net of pension plan investment expense, was 11.75%, 14.72%, and 13.45% and 31.35%, 33.28%, and 33.34%, 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, 2022 and 2021 was measured as of June 30, 2021 and 2020, respectively. The measurement was based on the July 1, 2019 actuarial valuation rolled forward to June 30, 2020 and the July 1, 2018 actuarial valuation rolled forward to June 30, 2019, respectively, using standard roll-forward techniques. The net pension liability at June 30, 2022 and 2021 is as follows (dollars in thousands):

	<b>2022</b>		
	<b>General employees'</b>	<b>Firefighters'</b>	<b>Police officers'</b>
Total pension liability	\$ 1,993,306	1,061,316	1,667,650
Plan fiduciary net position	1,672,138	928,729	1,501,624
Net pension liability	<u>\$ 321,168</u>	<u>132,587</u>	<u>166,026</u>
Plan fiduciary net position as a percentage of the total pension liability	83.89 %	87.51 %	90.04 %
	<b>2021</b>		
	<b>General employees'</b>	<b>Firefighters'</b>	<b>Police officers'</b>
Total pension liability	\$ 1,920,062	990,698	1,524,959
Plan fiduciary net position	1,317,795	716,418	1,150,481
Net pension liability	<u>\$ 602,267</u>	<u>274,280</u>	<u>374,478</u>
Plan fiduciary net position as a percentage of the total pension liability	68.63 %	72.31 %	75.44 %

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, 2021 and 2022 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'		
2021	11.22 %	\$ 67,574
2022	11.22	36,035
Firefighters'		
2021	23.00 %	\$ 63,084
2022	23.00	30,495
Police officers'		
2021	8.00 %	\$ 29,959
2022	8.00	13,282

#### ***Changes in Net Pension Liability***

The changes in net pension liability for the years ended June 30, 2022 and 2021 are as follows (dollars in thousands):

#### **General Employees'**

	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)
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

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2020	\$ 1,895,114	1,333,862	561,252
Changes for the year:			
Service cost	24,972	—	24,972
Interest expense	134,473	—	134,473
Difference between expected and actual investment earnings	(3,944)	—	(3,944)
Contributions – employer	—	48,219	(48,219)
Contributions – employee	—	19,599	(19,599)
Net investment income	—	47,653	(47,653)
Benefit payments and refunds	(130,553)	(130,553)	—
Administrative expenses	—	(1,252)	1,252
Other	—	267	(267)
Net changes	24,948	(16,067)	41,015
Balances at June 30, 2021	<u>\$ 1,920,062</u>	<u>1,317,795</u>	<u>602,267</u>

**Firefighters'**

	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)
Contributions – employer	—	24,628	(24,628)
Contributions – employee	—	6,247	(6,247)
Net investment income	—	235,652	(235,652)
Other income	—	—	—
Benefit payments and refunds	(53,035)	(53,035)	—
Administrative expenses	—	(1,181)	1,181
Net changes	70,619	212,311	(141,692)
Balances at June 30, 2022	\$ 1,061,317	928,729	132,588

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2020	\$ 971,323	727,344	243,979
Changes for the year:			
Service cost	11,779	—	11,779
Interest expense	70,940	—	70,940
Demographic experience	(11,664)	—	(11,664)
Assumption changes	(8,569)	—	(8,569)
Contributions – employer	—	15,626	(15,626)
Contributions – employee	—	6,130	(6,130)
Net investment income	—	19,489	(19,489)
Benefit payments and refunds	(51,680)	(51,680)	—
Administrative expenses	—	(539)	539
Net changes	19,375	(10,926)	30,301
Balances at June 30, 2021	\$ 990,698	716,418	274,280

**Police Officers'**

	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 experience	(1,358)	—	(1,358)
Contributions – employer	—	35,709	(35,709)
Contributions – employee	—	12,354	(12,354)
Net investment income	—	381,105	(381,105)
Other	—	—	—
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	\$ 1,667,649	1,501,624	166,025

	Increase (decrease)		
	Total pension liability	Plan net position	Net pension liability
Balances at June 30, 2020	\$ 1,472,276	1,163,143	309,133
Changes for the year:			
Service cost	21,287	—	21,287
Interest expense	108,027	—	108,027
Demographic experiences	(3,318)	—	(3,318)
Assumption changes	—	—	—
Contributions – employer	—	21,571	(21,571)
Contributions – employee	—	12,141	(12,141)
Net investment income	—	27,714	(27,714)
Benefit payments and refunds	(73,313)	(73,313)	—
Administrative expenses	—	(815)	815
Net changes	52,683	(12,662)	65,345
Balances at June 30, 2021	\$ 1,524,959	1,150,481	374,478

**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, 2022 and 2021:

**June 30, 2022:**

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

**June 30, 2021:**

General employees'	Firefighters'	Police officers'
7.25%	7.41%	7.41%

***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, 2022 and 2021, 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):

	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	13,283	2,116

	<b>2021</b>		
	<b>1% Decrease 6.25%</b>	<b>Current discount rate 7.25%</b>	<b>1% Increase 8.25%</b>
General Employees'	\$ 806,409	602,267	429,592
Department's Proportionate Share	90,479	67,574	48,200
	<b>1% Decrease 6.41%</b>	<b>Current discount rate 7.41%</b>	<b>1% Increase 8.41%</b>
Firefighters'	\$ 404,035	274,280	168,243
Department's Proportionate Share	92,928	63,084	38,696
Police Officers'	\$ 584,512	374,478	204,121
Department's Proportionate Share	46,761	29,958	16,330

### **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 2022 and 2021 are as follows:

	<b>General employees'</b>	<b>Firefighters'</b>	<b>Police officers'</b>
Valuation date:			
2022	July 1, 2020	July 1, 2020	July 1, 2020
2021	July 1, 2019	July 1, 2019	July 1, 2019
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	21 years	21 years	21 years
Asset valuation method	Market value	Market value	Market value
Inflation rate			
2022	2.25 %	2.25 %	2.25 %
2021	2.25	2.25	2.25
Salary increases			
2022	3.00	3.00 - 10.00	3.00 - 10.00
2021	3.00	3.00 - 10.00	3.00 - 10.00
Investment rate of return			
2022	7.00	6.71	6.69
2021	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, 2022 and 2021, the City recognized approximately (\$61.4) million and approximately \$89.8 million in pension expense, respectively. The Department's proportionate share of pension expense was (\$7.3) million and \$12.8 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):

	2022		2021	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
<b>General Employees':</b>				
Contributions subsequent to the measurement date	\$ 5,806	—	5,471	—
Assumption changes	4,140	—	—	2,662
Net difference between projected and actual experience in total pension	—	835	—	—
Changes in proportion and differences between employer's contribution and proportionate share of contributions	—	758	—	1,137
Net difference between projected and actual pension investment earnings	—	26,189	2,258	1,926
<b>Firefighters':</b>				
Contributions subsequent to the measurement date	6,354	—	5,664	—
Demographic gain/loss	2,469	9,187	3,310	9,207
Assumption changes	12,910	982	3,960	1,312
Net difference between projected and actual pension investment earnings	—	29,103	5,575	—
<b>Police Officers':</b>				
Contributions subsequent to the measurement date	3,320	—	2,857	—
Demographic gain/loss	1,106	3,822	1,575	4,933
Assumption changes	7,186	642	1,620	868
Net difference between projected and actual pension investment earnings	—	16,456	3,062	—
<b>Total</b>	<b>\$ 43,291</b>	<b>87,974</b>	<b>35,352</b>	<b>22,045</b>

Contributions subsequent to the measurement date for each of the pension plans total \$15,480 as of June 30, 2022 and will be recognized in pension expense during the year ended June 30, 2022. 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):

	<u>Net deferred outflows/ inflows</u>
General Employees':	
2023	\$ (6,034)
2024	(5,211)
2025	(5,067)
2026	(7,330)
	<u>\$ (23,642)</u>
Firefighters':	
2023	\$ (5,491)
2024	(4,707)
2025	(6,022)
2026	(7,727)
2027	530
Thereafter	(476)
	<u>\$ (23,893)</u>
Police Officers':	
2023	\$ (3,140)
2024	(2,881)
2025	(3,117)
2026	(3,991)
2027	509
Thereafter	(8)
	<u>\$ (12,628)</u>
Total	<u>\$ (60,163)</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, 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.

As of June 30, 2021, there were 1,682 participants in the General Employees' Defined Contribution Plan. The covered payroll for employees in the Plan was \$122.0 million. Employer contributions for the year ended June 30, 2021 were \$14.4 million and employee contributions were \$13.5 million or 22.8% 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, 2022 and 2021, the City made \$44.0 million and \$47.3 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 \$16.4 million and \$15.9 million in fiscal years 2022 and 2021, respectively, through their required contributions.

For the fiscal years ended June 30, 2022 and 2021, the Department made \$5.1 million and \$5.7 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, 2022 and 2021 was measured as of June 30, 2021 and 2020, respectively. The measurement was based on the July 1, 2019 actuarial valuation rolled forward to June 30, 2021 and the July 1, 2019 actuarial valuation rolled forward to June 30, 2020, respectively, using standard roll-forward techniques. The City's OPEB liability at June 30, 2022 and 2021 is as follows (dollars in thousands):

	<b>2022</b>	<b>2021</b>
Total OPEB liability	\$ 884,364	\$ 888,700
Plan fiduciary net position	—	—
OPEB liability	<u>\$ 884,364</u>	<u>\$ 888,700</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, 2022 and 2021 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>
2021	11.48 %	\$ 104,543
2022	11.32	\$ 99,939

### Changes in Total OPEB Liability

The changes in total OPEB liability as of June 30, 2022 and 2021 are as follows (dollars in thousands):

	<u>Increase (decrease)</u>
	<u>Total OPEB liability</u>
Balances at June 30, 2021	\$ 888,700
Changes for the year:	
Service cost	30,018
Interest growth	19,820
Difference between expected and actual experience	28,505
Changes in assumptions	(38,660)
Benefit payments	(44,020)
Net changes	(4,337)
Balances at June 30, 2022	<u>\$ 884,363</u>

	<u>Increase (decrease)</u>
	<u>Total OPEB liability</u>
Balances at June 30, 2020	\$ 992,098
Changes for the year:	
Service cost	21,113
Interest growth	34,641
Difference between expected and actual experience	(25,587)
Changes in assumptions	(86,222)
Change in benefits	—
Benefit payments	(47,343)
Net changes	<u>(103,398)</u>
Balances at June 30, 2021	<u>\$ 888,700</u>

### Discount Rate

The discount rate used to measure the total OPEB liability was 2.21% and 3.50% for fiscal year 2022 and 2021, 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 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>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
	<u>2021</u>		
	<u>1% Decrease 2.50%</u>	<u>Current discount rate 3.50%</u>	<u>1% Increase 4.50%</u>
Total OPEB Liability	\$ 1,031,958	888,700	773,893
Department's Proportionate Share	121,290	104,543	91,109

**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 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):

	<b>2022</b>		
	<b>1% Decrease in trend rate</b>	<b>Current trend rate</b>	<b>1% Increase in trend rate</b>
Total OPEB Liability	\$ 865,427	884,364	1,149,306
Department's Proportionate Share	86,359	99,939	117,133

	<b>2021</b>		
	<b>1% Decrease in trend rate</b>	<b>Current trend rate</b>	<b>1% Increase in trend rate</b>
Total OPEB Liability	\$ 865,427	888,701	1,149,306
Department's Proportionate Share	91,184	104,543	121,335

**Actuarial Assumptions**

The following actuarial methods and assumptions were used to determine the total OPEB liability for 2021 are as follows:

	<b>2022</b>	<b>2021</b>
Valuation date	June 30, 2020	June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
Reporting date	June 30, 2022	June 30, 2021
Inflation rate	2.25%	2.25%
Salary increases for firefighters and police	4.00%	4.00%
Salary increases for general employees	3.50%	3.50%
Discount rate	2.16%	2.21%

The mortality rates were based on the RP2000 Combined Healthy Mortality Table for males and females with generational projection using Scale AA. Healthcare costs and trend rates were 16% graded down to 6.75% for medical, (1.9)% graded up to 4.50% for Medicare Advantage, and 16% graded down to 3.00% for dental.

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

For the year ended June 30, 2022 and 2021, the City recognized an OPEB benefit of \$31.4 million and \$13.8 million, respectively. The Department's proportionate share of OPEB benefit was \$2.6 million and \$0.4 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):

	2022		2021	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between expected and actual experience	\$ 7,377	2,990	8,169	3,790
Changes of assumptions	1,366	21,572	1,903	31,876
Changes in proportionate share	2,920	6,829	5,539	4,427
Contributions subsequent to measurement date	5,262	—	—	—
Total	\$ 16,925	31,391	15,611	40,093

Contributions subsequent to the measurement date of \$5,262 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
2023	\$ (9,866)
2024	(2,893)
2025	(2,893)
2026	(3,102)
2026	(2,190)
	<u>\$ (19,728)</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 and specific liability policies. The City also purchases distinct and separate insurance policies for the Airport, including but not limited to property, Airport owner's and operator's 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 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 builder's 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.

The City maintains an enterprise wide cyber insurance policy and a separate \$5 million cyber insurance policy and a \$15 million excess cyber insurance coverage for the Department of Aviation which remained in effect from March 1, 2022, through March 1, 2023.

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 2022 and 2021.

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 2022, 2021, and 2020 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:				
2022	\$ 2,401	2,088	(895)	3,594
2021	1,903	969	(471)	2,401
2020	2,471	(403)	(165)	1,903

**(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 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, 2022 and 2021, the Department was contractually obligated to expenditures of approximately \$990.3 million and \$927.2 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. As of June 30, 2022 and 2021, a restricted current asset and accrued expense is recorded for approximately \$5.1 million, as a result of this settlement.

**(e) Compliance with Finance Related Legal and Contractual Provisions**

In 2019, the City received notice from the Securities and Exchange Commission that it is investigating the expenditure and use of Airport revenue and local taxes on aviation fuel, grant compliance, and the preparation and transmission of the Airport's Annual Comprehensive Financial Report. The City has received a subpoena and continues to cooperate with the investigation, but is unable to predict the ultimate resolution.

**(11) Impact of COVID-19 Pandemic**

Historical patterns of passenger and cargo traffic at the Airport were disrupted by the COVID-19 pandemic beginning in February 2020. Since then, work-at-home requirements, mandated closures of offices and businesses, and other restrictions imposed to contain the pandemic caused unprecedented reductions in airline travel at the Airport and nearly all other U.S. airports. In April 2020, enplaned passengers was only 5% of the pre-pandemic April 2019 number. By December 2020, the number had recovered to 40% of the December 2019 number, and by July 2021 during the peak summer travel season, had recovered 80% of the July 2019 number.

Reductions in air travel demand caused by the COVID-19 pandemic resulted in unprecedented airline industry losses. These losses were partially mitigated by federal aid provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted in March 2020. Under the CARES Act, \$338.5 million was awarded to the Department of which \$142.8 million, \$114.8 million and \$80.9 million was expended for fiscal years, 2022, 2021 and fiscal year 2020, respectively.

On December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSA Act") was signed by the president and provided direct aid to prevent, prepare for and respond to the COVID-19 pandemic, including the provision of relief from rent and minimum annual guarantees ("MAGs") for eligible airport concessions. The Airport received \$75.8 million and \$11.5 million being awarded to the Department for operations and concessions, respectively. At the end of fiscal year 2022 \$11.5M was requested and pending receipt.

Additional federal economic funding was provided through the American Rescue Plan Act (ARPA) of which \$324.2 million and \$45.8 million was allocated to the Airport for operations and concessions, respectively to mitigate the impact of the COVID-19 pandemic. During FY2022, \$50M was expended.

**(12) Subsequent Events**

The Department has evaluated subsequent events from the statement of net position date through December 22, 2022, 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 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.





## **REQUIRED SUPPLEMENTARY INFORMATION**

**ATL** | Annual Comprehensive  
Financial Report

CITY OF ATLANTA, GEORGIA  
DEPARTMENT OF AVIATION



Required Supplementary Information (Unaudited)  
Schedule of Proportionate Share of Net Pension Liability and Related  
Ratios and Contribution  
June 30, 2022 and 2021  
(In thousands)

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
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
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

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.



Required Supplementary Information (Unaudited)  
Schedule of Employer Contributions - General Employees', Firefighters,  
and Police Officers' Pension Plans  
June 30, 2022 and 2021  
(In thousands)

<b>General Employees'</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contributions	\$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	5,806	5,471	5,410	5,426	5,964	6,184	6,232	5,517	4,842
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$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	27.9 %	25.8 %	27.3 %	26.2 %	32.3 %	33.9 %	35.8 %	33.0 %	29.6 %
<b>Firefighters'</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contributions	\$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	6,354	5,664	3,594	4,875	5,033	4,117	3,998	5,075	5,019
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$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	56.1 %	49.2 %	31.3 %	44.9 %	46.6 %	37.7 %	35.1 %	44.3 %	46.0 %
<b>Police Officers'</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contributions	\$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	3,320	2,857	1,726	2,499	2,374	2,199	1,984	2,580	2,096
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$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	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.



Required Supplementary Information (Unaudited)  
Schedule of Proportionate Share of Total OPEB Liability and Related  
Ratios and Contribution  
June 30, 2022 and 2021  
(In thousands)

	<b>Department's proportion of the total OPEB liability</b>	<b>Department's proportionate share of the total OPEB liability</b>	<b>Department's covered payroll</b>	<b>Department's proportionate share of the total OPEB liability as a percentage of its covered payroll</b>
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

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

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**(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, 2022 or June 2021.

*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, 2021 and 2022 was 3.50% and 2.16, respectively. The Medicare Part B penalty was accounted for in the total claims cost spread among all current retirees enrolled in Medicare Advantage plans.



## 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.

## FINANCIAL TRENDS



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Exhibit 1
<b>Total revenues:</b>											
Operating revenues:											
Parking, car rental, and other concessions	\$ 246,593	254,047	265,585	285,722	293,199	316,885	325,633	238,522	134,312	238,579	
Terminal, maintenance buildings, and other rentals	142,893	136,603	130,383	124,110	126,882	144,846	158,044	146,612	159,344	109,369	
Landing fees	47,416	47,084	32,166	17,246	17,220	34,414	53,049	38,285	36,673	181	
Other	53,484	58,518	54,888	59,734	60,654	29,332	31,781	18,899	24,141	31,228	
Total operating revenues	<u>490,386</u>	<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>	
Nonoperating revenues:											
Investment income (loss), net	9,102	23,322	22,601	21,644	4,347	10,062	78,595	67,418	11,676	(18,920)	
Passenger facility charges	180,077	180,382	187,308	201,146	199,431	202,963	209,320	154,393	90,153	185,769	
Customer facility charges, net	24,290	23,437	25,351	28,526	29,019	30,342	28,552	19,474	7,307	16,360	
Operating grants	—	—	—	—	—	—	—	80,881	114,805	183,920	
Other	2,243	(16,463)	(13,672)	(782)	(7,074)	4,698	15,542	(8,144)	(14,127)	(24,528)	
Total nonoperating revenues	<u>215,712</u>	<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>	
Capital contributions	33,500	10,888	26,851	22,505	11,521	14,515	21,599	29,615	44,956	33,180	
Total revenues	<u>739,598</u>	<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>	
Total expenses:											
Operating expenses:											
Salaries and employees benefits	82,050	91,691	87,756	91,394	103,048	95,745	92,250	97,237	105,262	81,971	
Repair, maintenance, and other contractual services	101,742	112,676	124,339	138,793	139,360	147,218	158,157	158,015	150,092	165,422	
General services	20,504	16,898	18,524	18,187	18,222	21,655	23,893	23,149	22,773	23,132	
Utilities	8,768	8,990	8,983	9,270	9,025	9,584	10,201	8,105	8,141	7,854	
Materials and supplies	4,353	4,720	5,003	4,625	6,521	6,313	5,148	4,559	3,694	6,359	
Other	12,146	24,742	23,874	28,340	36,084	22,991	26,540	32,137	28,660	24,127	
Depreciation and amortization	211,110	222,446	218,732	223,330	229,983	253,554	257,512	272,495	285,808	291,581	
Total operating expenses	<u>440,673</u>	<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>	
Operating income (loss)	<u>49,713</u>	<u>14,089</u>	<u>(4,189)</u>	<u>(27,127)</u>	<u>(44,288)</u>	<u>(31,583)</u>	<u>(5,194)</u>	<u>(153,379)</u>	<u>(249,960)</u>	<u>(221,089)</u>	
Nonoperating expenses:											
Interest expense	146,718	139,826	127,941	121,047	123,710	110,382	115,208	112,353	94,455	91,153	
Total nonoperating expenses	<u>146,718</u>	<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>	
Total expenses	<u>587,391</u>	<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>	
Total expenses net of depreciation and amortization	<u>376,281</u>	<u>399,543</u>	<u>396,420</u>	<u>416,681</u>	<u>435,970</u>	<u>413,888</u>	<u>431,397</u>	<u>435,555</u>	<u>413,077</u>	<u>400,018</u>	
Transfer (to)/from City	(193)	(6,781)	(518)	—	(5,228)	(2,743)	(420)	—	(4,339)	—	
Increase in net position	<u>\$ 152,014</u>	<u>89,048</u>	<u>115,791</u>	<u>124,865</u>	<u>64,018</u>	<u>117,872</u>	<u>232,786</u>	<u>77,905</u>	<u>(93,984)</u>	<u>63,539</u>	
Prior year change in net position	\$ —	—	(158,479)	—	—	(86,629)	—	—	—	—	
Net position:											
Net investment in capital assets	\$ 3,111,590	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	
Restricted for capital projects and debt service	889,522	936,495	1,013,484	1,042,955	1,069,578	1,094,488	1,187,039	1,124,454	946,788	946,125	
Unrestricted	619,490	707,980	506,074	558,539	468,266	371,873	393,874	460,339	530,165	422,770	
Total net position	<u>\$ 4,620,602</u>	<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>	

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash flows from operating activities:										
Receipts from customers and tenants	\$ 484,946	499,254	498,580	482,647	497,939	533,809	602,270	410,654	377,879	383,547
Payments to suppliers for goods and services	(155,482)	(168,740)	(175,378)	(194,491)	(213,715)	(184,925)	(236,658)	(232,581)	(215,791)	(230,379)
Payments to employees for service	(74,959)	(83,714)	(86,274)	(91,513)	(94,262)	(96,797)	(101,425)	(103,530)	(111,425)	(115,306)
Net cash provided by operating activities	254,505	246,800	236,928	196,643	189,962	252,087	264,187	74,543	50,663	37,862
Cash flows from investing activities:										
Interest and dividends on investments	21,059	19,314	25,093	25,794	22,528	17,534	120,218	91,747	22,775	25,981
Change in restricted investments	(111,844)	(34,351)	32,782	(274,495)	(104,107)	(83,915)	(129,037)	299,019	78,156	12,035
Change in pooled investment fund	(125,640)	(85,101)	(2,738)	(52,633)	45,767	6,397	(40,903)	(48,114)	(68,234)	137,819
Net cash provided by (used) in investing activities	(216,425)	(100,138)	55,137	(301,334)	(35,812)	(59,984)	(49,722)	342,652	32,697	175,835
Cash flows from capital and related financing activities:										
Grants received	40,076	8,482	25,451	26,552	12,459	15,002	21,492	21,648	48,238	29,137
Principal repayments of short-term and long-term obligations and capital leases	(96,810)	(982,615)	(105,115)	(116,085)	(121,480)	(127,675)	(135,512)	(1,723,454)	(617,347)	(715,466)
Acquisition, construction, and improvement of capital assets	(338,371)	(188,114)	(291,813)	(212,150)	(354,222)	(429,744)	(457,660)	(438,361)	(397,361)	(489,999)
Passenger and customer facility charges	205,783	207,378	210,332	227,522	221,016	208,992	266,874	200,036	89,145	191,687
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
Interest and other fees paid on bonds	(148,412)	(182,576)	(117,723)	(134,951)	(147,070)	(116,979)	(111,621)	(134,162)	(146,206)	(157,774)
Net cash provided by (used) in capital and related financing activities	(337,734)	(207,707)	(278,868)	110,888	(262,371)	(292,216)	(279,044)	(49,792)	(420,787)	76,311
Cash flows from non-capital and related financing activities:										
Grants received	—	—	—	—	—	—	—	80,881	114,805	172,460
Net cash provided by in non-capital and related financing activities	—	—	—	—	—	—	—	80,881	114,805	172,460
Increase (decrease) in cash and cash equivalents	(299,654)	(61,045)	13,197	6,197	(108,221)	(100,113)	(64,579)	448,284	(222,622)	462,468
Cash and cash equivalents:										
Beginning of year	1,089,401	789,747	616,985	630,182	636,379	528,158	428,045	363,466	811,750	589,128
End of year	\$ 789,747	728,702	630,182	636,379	528,158	428,045	363,466	811,750	589,128	1,051,596

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.

## REVENUE CAPACITY

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**Exhibit 3**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Landing fees:</b>										
Signatory	\$ 47,145	46,745	31,893	17,034	16,971	34,138	52,625	37,866	36,183	—
Nonsignatory and other	271	339	273	212	249	276	424	419	490	181
<b>Total landing fees</b>	<b>47,416</b>	<b>47,084</b>	<b>32,166</b>	<b>17,246</b>	<b>17,220</b>	<b>34,414</b>	<b>53,049</b>	<b>38,285</b>	<b>36,673</b>	<b>181</b>
<b>CPTC Rentals:</b>										
Central Terminal Building and Apron	77,615	64,128	64,227	64,172	64,414	180,304	225,901	176,148	153,891	111,163
Central Terminal Tenant Finishes	67,099	70,734	72,631	67,846	75,198	23,314	5,943	5,952	5,943	5,940
Airline Credits	(49,147)	(49,728)	(54,060)	(58,920)	(61,167)	(108,255)	(123,505)	(82,307)	(48,502)	(68,825)
<b>Total CPTC Rentals</b>	<b>95,567</b>	<b>85,134</b>	<b>82,798</b>	<b>73,098</b>	<b>78,445</b>	<b>95,363</b>	<b>108,339</b>	<b>99,793</b>	<b>111,332</b>	<b>48,278</b>
<b>CPTC cost recoveries:</b>										
Operations charge	16,347	14,631	18,564	17,376	18,600	6,067	—	—	—	—
Automated Guideway Transit System	14,463	17,560	13,715	15,239	15,075	4,097	—	—	—	—
Insurance premium reimbursement	612	977	747	748	714	105	—	—	—	—
MHJIT O&M	4,364	3,690	2,066	2,859	3,501	540	—	—	—	—
<b>Total cost recoveries</b>	<b>35,786</b>	<b>36,858</b>	<b>35,092</b>	<b>36,222</b>	<b>37,890</b>	<b>10,809</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Concession revenues:</b>										
Terminal concessions	93,189	97,874	101,753	110,787	113,874	115,989	121,060	87,887	28,539	33,491
Communication services and other	2,357	3,375	1,152	1,515	1,348	1,325	1,326	1,315	1,300	1,309
Parking	117,425	118,462	124,047	132,090	131,895	147,609	147,410	107,378	65,807	148,382
Car rentals	31,765	32,380	36,347	38,812	40,359	42,010	43,607	32,001	33,423	45,636
Ground transportation	1,857	1,957	2,286	2,518	5,723	9,952	12,230	9,941	5,243	9,761
<b>Total concessions revenues</b>	<b>246,593</b>	<b>254,048</b>	<b>265,585</b>	<b>285,722</b>	<b>293,199</b>	<b>316,885</b>	<b>325,633</b>	<b>238,522</b>	<b>134,312</b>	<b>238,579</b>
<b>Other revenues:</b>										
Landside rentals	16,086	11,844	12,030	11,885	9,236	8,475	8,358	7,094	7,160	6,805
Airside rentals	31,239	39,624	35,555	39,127	39,201	41,008	43,173	40,925	42,117	55,261
Other income	8,563	9,794	6,382	9,301	7,363	5,158	12,902	1,856	2,714	9,818
<b>Total other revenues</b>	<b>55,888</b>	<b>61,262</b>	<b>53,967</b>	<b>60,313</b>	<b>55,800</b>	<b>54,641</b>	<b>64,433</b>	<b>49,875</b>	<b>51,992</b>	<b>71,884</b>
<b>Non-Airline Cost Recoveries:</b>										
SkyTrain and Rental Car Center	4,410	6,582	6,985	7,120	7,905	7,382	7,901	7,443	8,375	9,253
Rental Car Center O&M	4,726	5,284	6,429	7,091	7,496	5,983	9,152	8,400	11,786	11,182
<b>Total Non-Airline Cost Recoveries</b>	<b>9,136</b>	<b>11,866</b>	<b>13,414</b>	<b>14,211</b>	<b>15,401</b>	<b>13,365</b>	<b>17,053</b>	<b>15,843</b>	<b>20,161</b>	<b>20,435</b>
<b>Revenues</b>	<b>\$ 490,386</b>	<b>496,252</b>	<b>483,022</b>	<b>486,812</b>	<b>497,955</b>	<b>525,477</b>	<b>568,507</b>	<b>442,318</b>	<b>354,470</b>	<b>379,357</b>
<b>Airline rates and charges:</b>										
Signatory landing fee rate (per 1,000 lbs.)	\$ 0.81206	0.82049	0.81662	0.28666	0.28687	0.74770	0.76270	0.95130	0.95130	—
Enplaned passengers	47,526,243	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
Cost per enplaned passenger	3.70	3.36	2.86	2.38	2.50	2.61	2.81	3.33	5.71	1.04

Sources: City of Atlanta, Department of Aviation

Note: Enplaned passengers for 2021 were revised in 2022.

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## DEBT CAPACITY

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**Exhibit 4**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Operating revenues – receipts from customers and tenants	\$ 484,946	499,254	498,580	482,647	497,939	533,809	602,270	410,654	377,879	383,547
Investment income	12,219	10,637	14,372	17,145	14,787	15,311	17,189	17,218	9,386	9,501
<b>Total revenues</b>	<b>497,165</b>	<b>509,891</b>	<b>512,952</b>	<b>499,792</b>	<b>512,726</b>	<b>549,120</b>	<b>619,459</b>	<b>427,872</b>	<b>387,265</b>	<b>393,048</b>
<b>Operating expenses:</b>										
Payments to suppliers for goods and services	155,482	168,740	175,378	194,491	213,715	184,925	236,658	232,581	215,791	230,379
Payments to or on behalf of employees	74,959	83,714	86,274	91,513	94,262	96,797	101,425	103,530	111,425	115,306
Other payments	—	—	—	—	—	—	—	—	—	—
Additions from CIP reconciliations	—	—	—	—	—	—	—	—	—	—
<b>Total operating expenses</b>	<b>230,441</b>	<b>252,454</b>	<b>261,652</b>	<b>286,004</b>	<b>307,977</b>	<b>281,722</b>	<b>338,083</b>	<b>336,111</b>	<b>327,216</b>	<b>345,685</b>
Adjustment: Major Maintenance Expenditures – Planning and Development	19,245	28,178	36,463	45,572	43,852	32,868	21,664	27,404	25,642	26,785
Adjustment: Expenses paid from COVID-19 Relief Grant Funds	—	—	—	—	—	—	—	34,836	10,561	93,237
<b>Net revenues</b>	<b>\$ 285,969</b>	<b>285,615</b>	<b>287,763</b>	<b>259,360</b>	<b>248,601</b>	<b>300,266</b>	<b>303,040</b>	<b>154,001</b>	<b>96,252</b>	<b>167,385</b>
General revenue bond debt service requirements	\$ 157,237	158,935	153,298	168,552	167,951	167,964	168,449	171,957	136,262	91,535
General revenue bond debt service paid from PFC revenues	—	—	—	42,675	28,318	25,310	26,480	25,583	8,342	8,600
General revenue bond debt paid from COVID-19 Relief Grant Funds	—	—	—	—	—	—	—	—	101,890	82,935
<b>General revenue bond debt paid from net revenues</b>	<b>\$ 157,237</b>	<b>158,935</b>	<b>153,298</b>	<b>125,877</b>	<b>139,633</b>	<b>142,654</b>	<b>141,969</b>	<b>100,329</b>	<b>26,030</b>	<b>—</b>
Debt service coverage on general revenue bond debt service paid from net revenues	1.82	1.80	1.88	2.06	1.78	2.10	2.13	1.53	3.70	N/A

Sources: City of Atlanta, Department of Aviation

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total Debt Service paid from net revenues (GARB only)	\$ 157,237	158,935	153,298	125,877	139,757	142,654	141,969	100,329	26,030	—
Total Operating Expenses net of										
Depreciation & Amortization	\$ 229,563	259,717	268,479	290,609	312,260	303,506	316,189	323,202	318,622	308,865
Debt Service per Enplaned Passenger:										
Enplaned Passenger	47,526	47,319	49,056	51,807	52,098	52,562	54,532	39,748	24,928	44,861
Debt Service per Enplaned Passenger	\$ 3.31	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)	\$ 3,167,584	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
Enplaned Passengers	47,526	47,319	49,056	51,807	52,098	52,562	54,532	39,748	24,928	44,861
Outstanding Debt per Enplaned Passenger	\$ 66.65	65.56	60.72	60.72	57.74	54.51	44.32	76.99	115.02	74.77

Sources: City of Atlanta, Department of Aviation

Note: Enplaned passengers for 2021 were revised in 2022.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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**Exhibit 6**

<b>Calendar year</b>	<b>Population (2)</b>	<b>Personal income (in thousands) (3)</b>	<b>Per capita personal income (4)</b>	<b>Annual average unemployment rate (5)</b>
2012	5,455,324	\$ 227,590,427	\$ 41,719	8.8 %
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	378,190,355	61,554	3.9

## 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 2012-2021 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. 2012 through 2020 data from U.S. Department of Commerce, Bureau of Economic Analysis last updated in November 2021. Note: 2021 is an estimate based on compound annual growth rate between 2010 and 2020. [<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	2021 (1)			2010 (2)		
		Number of Employees	Rank	Percentage of Total MSA Employment	Number of Employees	Rank	Percentage of Total MSA Employment
Delta Air Lines	Transportation	27,535	1	0.94 %	27,000	1	1.19 %
Northside Hospital	Healthcare	23,600	2	0.80	5,540	10	0.24 %
Walmart (3)	Manufacturing	20,532	3	0.70	26,000	2	1.15 %
AT&T Services, Inc (4)	Telecommunication	20,000	4	0.68	N/A	N/A	N/A
The Home Depot	Manufacturing	18,600	5	0.63	9,000	4	0.40 %
WellStar Health System Inc.(4)	Healthcare	18,035	6	0.61	8,583	5	0.38 %
Piedmont Healthcare	Healthcare	16,000	7	0.54	6,113	9	0.27 %
United Parcel Service Inc.	Transportation	11,300	8	0.38	6,285	8	0.28 %
Publix Super Markets Inc.	Manufacturing	10,757	9	0.37	9,453	3	0.42 %
Children's Healthcare of Atlanta	Healthcare	7,711	10	0.26	N/A	N/A	N/A
Truist Bank (4)	Banking	7,594	11	0.26	N/A	N/A	N/A
Cox Enterprises	Media/Entertainment	7,417	12	0.25	6,746	6	0.30 %
Argenbright Holdings LLC	Aviation and Security	7,410	13	0.25	N/A	N/A	N/A
Area	Insurance	7,300	14	0.25	N/A	N/A	N/A
Northeast Georgia Health System	Healthcare	7,035	15	0.24	N/A	N/A	N/A
WarnerMedia (4)	Media/Entertainment	6,972	16	0.24	6,702	7	0.30 %
Grady Health System	Healthcare	4,928	17	0.17	N/A	N/A	N/A
Lockheed Martin Aeronautics, Co.	Manufacturing	4,700	18	0.16	N/A	N/A	N/A
Fiserv Inc	Financial Services	4,000	19	0.14	N/A	N/A	N/A
Wells Fargo & Co.	Banking	3,800	20	0.13	N/A	N/A	N/A
Deloitte	Financial Services	3,478	21	0.12	N/A	N/A	N/A
		238,704		8.11	111,422		4.91
	<b>Other Employees (5)</b>	2,703,659		91.89	2,156,478		95.09
		<u>2,942,363</u>		<u>100.0 %</u>	<u>2,267,900</u>		<u>100.00 %</u>

Source:

- 2021 Largest Employers, Atlanta Business Chronicle, Book of Lists, 2021-2022; pg 143
- 2010 Largest Employers, Atlanta Business Chronicle, Book of Lists, 2011-2012.
- Walmart's employee total is from the company's latest response to the Metro Atlanta Chamber's employer survey for 2014.
- AT&T, Truist Bank and WarnerMedia's employee totals are from the 2019-2020 Atlanta Business Chronicle, Book of Lists; WellStar Health System from the 2020-2021 Book of Lists.
- [www.bls.gov/data/Tools/Unemployment/Local Area Unemployment Statistics/Top picks/Georgia/Atlanta-Sandy Springs-Alpharetta](http://www.bls.gov/data/Tools/Unemployment/Local%20Area%20Unemployment%20Statistics/Top%20picks/Georgia/Atlanta-Sandy%20Springs-Alpharetta).

## **OPERATING INFORMATION**

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**Exhibit 8**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Aircraft operations:										
Domestic:										
Air carrier	665,578	649,355	683,105	722,372	710,856	713,731	731,138	593,836	537,926	619,372
Air taxi	177,234	160,437	103,858	91,128	93,542	84,492	84,223	69,268	42,842	46,920
General aviation	7,653	7,373	7,555	7,612	7,978	7,462	7,495	5,524	3,903	6,286
Military	295	230	528	345	178	166	178	241	265	294
Sub total	850,760	817,395	795,046	821,457	812,554	805,851	823,034	668,869	584,936	672,872
International:										
Air carrier	67,997	70,619	75,335	76,026	76,651	78,920	78,249	54,448	31,419	52,636
Total	918,757	888,014	870,381	897,483	889,205	884,771	901,283	723,317	616,355	725,508
Passengers:										
Domestic:										
Enplaned	42,565,430	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
Deplaned	42,609,947	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
Sub total	85,175,377	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
International:										
Enplaned	4,960,813	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
Deplaned	5,018,821	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
Sub total	9,979,634	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
Total enplaned	47,526,243	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
Total passengers	95,155,011	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

Sources: City of Atlanta, Department of Aviation

Note: Passenger data for 2021 was revised in 2022.

**Exhibit 9**

<b>Year end</b>	<b>Signatory Airlines</b>	<b>Nonsignatory Airlines</b>	<b>Total</b>	<b>Annual percent change</b>
2013	58,056,000	182,000	58,238,000	(0.1)%
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

Source: City of Atlanta, Department of Aviation

**Exhibit 10**

<b>Year end</b>	<b>Cargo</b>	<b>Mail</b>	<b>Total</b>	<b>Annual percent change</b>
2013	592,104	44,918	637,022	(2.5)%
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

Source: City of Atlanta, Department of Aviation

Note: Cargo data for 2021 was revised in 2022.

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

Sources: City of Atlanta, Department of Aviation

Exhibit 12

Department	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Airport Maintenance	179	181	186	186	183	183	183	183	185	205
Airport Operations	74	81	71	75	76	89	88	88	88	90
Commercial Properties	7	7	7	7	6	9	8	9	8	14
Concessions	14	16	15	15	22	23	23	22	24	24
Customer Service	3	3	8	9	9	7	7	7	7	8
Executive Administration	11	12	24	48	39	45	49	50	58	36
Finance	34	34	35	41	40	41	40	40	41	39
Human Resources	4	5	1	1	3	4	4	4	1	1
Information Technology	39	41	43	46	47	50	51	48	51	51
Internal Audit	4	4	4	4	3	4	4	4	4	3
Marketing	22	23	17	12	11	12	15	15	24	16
Planning and Development	114	111	111	111	114	102	102	99	84	72
Public Safety	494	536	541	547	549	622	638	636	640	649
Purchasing	9	9	9	9	1	—	—	—	—	—
Other City of Atlanta Depts	62	68	71	73	84	89	93	86	79	82
<b>Total</b>	<b>1,070</b>	<b>1,131</b>	<b>1,143</b>	<b>1,184</b>	<b>1,187</b>	<b>1,280</b>	<b>1,305</b>	<b>1,291</b>	<b>1,294</b>	<b>1,290</b>

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 152 domestic and 41 international gates. The Airport is free of any architectural barriers to people with disabilities.
Runways	<p>There are five parallel runways in an east-west configuration:</p> <p>8R-26L is 9,999 feet long (3,048 meters)</p> <p>8L-26R is 9,000 feet long (2,743 meters)</p> <p>9R-27L is 9,000 feet long (2,743 meters)</p> <p>9L-27R is 12,390 feet long (3,776 meters)</p> <p>10-28 is 9,000 feet long (2,743 meters)</p>
Parking capacity	There are 32,649 public parking spaces which includes 12,984 walkable Domestic and International parking deck spaces in close proximity of the terminals, 6,009 Walkable Economy spaces, 5,772 parking deck spaces with access to the terminal by train, and 7,884 Domestic and International Terminal ParkRide shuttle spaces. Special parking spaces are provided for ADA customers in each facility within close proximity.
Ground transportation	<p>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 (TNC) service is also available and accessible from the north and south lower level curbsides of the airport's terminal building.</p> <p>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.</p>
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 – Advantage, ACE/Airport, Alamo, Avis, Budget, Dollar, Enterprise, 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) and Gateway Center hotel and rental car complex and the RCC. The SkyTrain system operates 24 hours each day, and consists of 6 two car vehicles, nearly 3 miles of guideway, 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/day 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.

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**Exhibit 13**

Concessions	There are more than 351 concession outlets throughout the Airport, including 160 food and beverage, 108 retail and convenience, 2 duty-free stores, and 81 service outlets, including a Common Use Lounge, Banking Center, Georgia Lottery, shoe shine, 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 8 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